



Second Session - Thirty-Seventh Legislature

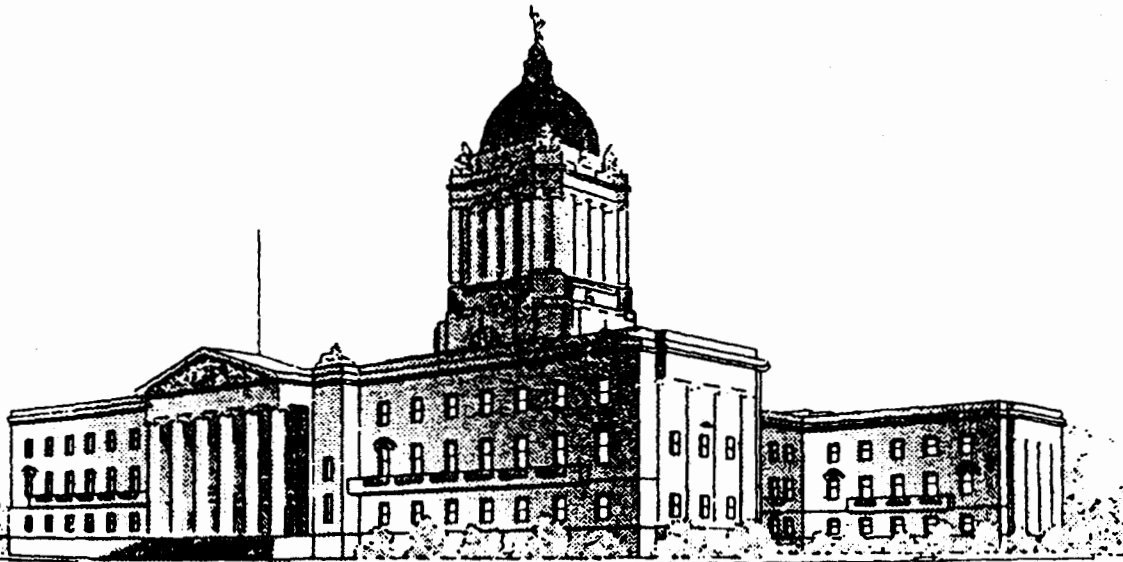
of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

*Published under the  
authority of  
The Honourable George Hickes  
Speaker*



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

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 25, 2001

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

#### Manitoba Hydro Lines Routes

**Mr. Ron Schuler (Springfield):** Mr. Speaker, I beg to present the petition of L. Kraus, Kathy Dueck, Eugene Uhryniuk and others, praying that the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

### READING AND RECEIVING PETITIONS

#### Manitoba Hydro Lines Routes

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

Will the Clerk please read.

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

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

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

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

WHEREFORE YOUR PETITIONERS  
HUMBLY PRAY THAT the Legislative

Assembly of Manitoba request that the Minister responsible for Manitoba Hydro consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

### MINISTERIAL STATEMENTS

#### Flood Conditions

**Hon. Steve Ashton (Minister of Transportation and Government Services):** I have a statement. Mr. Speaker, as Minister responsible for EMO, I would like to provide the House with an update on the flooding situation.

Weather conditions across Manitoba are contributing to a favourable flood forecast. The Red River has risen less than a quarter of a foot since April 24. The crest of the Red River is expected to reach Winnipeg floodway by this weekend and is not expected to cause any emergent situations.

The level of the Assiniboine River is expected to increase as a result of diversions and this will lead to the Assiniboine River approaching the same levels we saw in the Red River over the Easter weekend. The crest of the Assiniboine River is expected to reach the Griswold and Virden areas by the end of the week and the Brandon area over the course of the weekend.

Dikes constructed in 1995 in the Sioux Valley First Nation should protect homes in that community from the Assiniboine River, as the expected level of the Assiniboine is three feet less than 1995.

\* (13:35)

Elsewhere, levels of the Souris, Whitemud and Pembina rivers remain stable and are gradually falling. Areas in the Interlake are still encountering difficulties with overland flooding, but this is expected to subside unless more precipitation is encountered.

Water levels in the Riding Mountain and Duck Mountain areas have started to rise as a result of spring melting. While this will raise river levels in the Dauphin and Swan River region, it is not expected to threaten any communities in the Parklands.

Mr. Speaker, I am particularly pleased to report that the flooding has been managed to an extent where closing Highway 75 does not appear to be necessary. Seven municipal governments have declared a local state of emergency and 17 have passed resolutions requesting disaster assistance. Staff from Manitoba EMO have been in contact with Emergency Preparedness Canada, and I will continue to update the House as we develop a better understanding of the extent and costs of the flood-related damages.

There are clearly non-insurable losses over a wide area as a result of flooding this spring, and I am hopeful that the federal government will recognize this event as eligible for the level of financial assistance consistent with other similar events. Thank you, Mr. Speaker.

**Mr. Frank Pitura (Morris):** Thank you very much, Mr. Speaker, and I thank the minister for his statement to the House. We are pleased that the reports on a daily basis are showing that the extent of the flood has been downgraded almost on a daily basis, which is very good news for Manitobans.

There have been some hot spots in the province where water has created problems for individuals, but in large those situations have been brought under control.

I note that the minister makes reference in his statement that there were clearly non-insurable losses over a wide area as a result of flooding this spring, and he is hopeful that the federal government will recognize this event as eligible for a level of financial assistance consistent with other events.

I would just bring to the minister's attention that in terms of the agreement with the federal government, of course there is an agreement between the municipal, provincial and the federal government, and that is almost an automatic type of formula that kicks in with the level of compensation. I also hope that the Province, if it

is a 75-25 cost sharing, will be in there for their share as well. I leave that with the minister and we are always happy to see that the situation is getting better every day.

## TABLING OF REPORTS

**Hon. Becky Barrett (Minister of Labour and Immigration):** Mr. Speaker, I am pleased today to table the following report: The Appeal Commission and Medical Review Panel Annual Report for The Workers Compensation Act of Manitoba for the Year 2000, and the 2001-2002 Departmental Expenditure Estimates for Manitoba Labour and Immigration.

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** Mr. Speaker, I am pleased to table the 2001-2002 Supplementary Estimates for Legislative Review for the Department of Industry, Trade and Mines.

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I am pleased to table the March, 2001 Annual Report of the Office of the Provincial Auditor with respect to Compliance and Special Audits.

## Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, may I draw the attention of all honourable members to the gallery where we have with us from the Maples Collegiate 15 Grade 9 students under the direction of Mrs. Roberta Garton. This school is located in the constituency of the honourable Member for The Maples (Mr. Aglugub).

Also seated in the gallery we have from Linden Christian School 22 Grade 9 students under the direction of Mr. Mark Glor. This school is located in the constituency of the honourable Member for Fort Whyte (Mr. Loewen).

Also seated in the public gallery we have from the Applied Linguistics English as a Second Language under the direction of Mrs. Ruth Klippenstein. This school is located in the constituency of the honourable Minister of Industry, Trade and Mines (Ms. Mihychuk).

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

\* (13:40)

## ORAL QUESTION PERIOD

### Health Care System NDP Election Promises

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, during the '99 election campaign the then-Leader of the Official Opposition said, and I quote: If it means having diagnostic operating equipment a couple of hours a day more to make sure that people are not going to the United States, then we do it. If it means having our nurses rehired to have the beds we have already paid for staffed rather than having people in the hallways, then we do it.

His campaign message was clear, although somewhat questionable. He was going to end hallway medicine in six months and \$15 million. In his own words, Mr. Speaker: We are not going to promise anything we cannot deliver. The latest government statistics show that more patients are in the hospital today than in 1999. In light of the Premier's own words, can the Premier explain why he has not delivered on his own promise?

**Hon. Gary Doer (Premier):** I believe the member opposite said there are more patients in hospitals today than there were ever before. Certainly there have been significant improvements. The number of nurses now trained is double that of the previous government. The number of doctors in the Faculty of Medicine is significantly improved, particularly for rural Manitoba, something that was talked about a lot by members opposite but forgotten in government.

The diagnostic equipment is ordered. There are a couple of challenges. We did replace CAT scans at the Victoria Hospital and the Seven Oaks Hospital, and we have other equipment ordered for other parts of Manitoba, including outside of the Perimeter Highway. Unlike members opposite, we did not promise seven times to do the Brandon Hospital renovations and cancel it seven times. The \$52 million is in place, and the public of Manitoba know we are working very hard to rebuild the health care system for the devastation they received in the last 11 years.

## Recruitment/Retention Strategy

**Mr. Stuart Murray (Leader of the Official Opposition):** Again the Premier has no credibility because he is wrong. Statistics show that there are 20 percent more people in the hallways on average than this time last year. The Premier's nurse task force is now three and a half months overdue. Burnout is taking its toll and posing threats to patients. I quote from an article: Nurses demand protection while at work. Nurses at Winnipeg's Seven Oaks General Hospital say abusive patients have created dangerous working conditions. Glen Stobbe, who represents nurses at Seven Oaks in the Manitoba Nurses' Union, says nurses have been pushing for a safer workplace since late 1999; that is when a patient threatened to shoot a nurse. He says: Three serious incidents occurred shortly after, including the assault of a triage nurse by an uncooperative patient.

In light of this, Mr. Speaker, and considering the Manitoba Nurses' Union has been demanding the Premier's nursing task force be released because, quote, it is critical to solving some of the problems facing nurses, why, when the Premier has had this report sitting on his desk since April 9, has he not made it public and acted on its recommendations?

**Hon. Gary Doer (Premier):** The report will be released shortly. It was not prepared by a U.S. consultant. It did not cost \$4 million. It will not result in firing a thousand nurses like members opposite. Members opposite have no credibility on this issue, Mr. Speaker.

## Point of Order

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

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker, *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate.

Mr. Speaker, let me make it perfectly clear. We did a reorganization; we did not lay off 1000 nurses. It is this NDP government who fired 350 VONs. Maybe it is because they did not consider

those VONs nurses, but we did, and they fired them.

\*(13:45)

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

**Hon. Gord Mackintosh (Government House Leader):** On the same point of order, Mr. Speaker, clearly that was no point of order. That was a disruption; that was an interruption. The Opposition House Leader was attempting to engage in debate. That clearly is not the reason for a point of order. Disputes on the fact, as well, do not form the basis of a point of order.

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, it is not a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Murray:** Mr. Speaker, very clearly on this issue and many others, the Premier has no credibility. The nursing shortage has doubled. Waiting lists are longer, and more patients lie in the hallway.

Mr. Speaker, I refer to another article that states: Burnout wracks nurses, poses threats to patients. I go on to quote: "There were 17 patients piled up in the ER hallway Sunday, said Sheila Holden, forcing medical award staff—under a policy known as Code Purple—to discharge as many patients as possible to make room for newcomers.

"It's a painful task for nurses. Many patients are told to go home—against their will—because there aren't enough nurses to care for them, she said. Health Sciences Centre has become so congested that some patients who would have been admitted to hospitals five years ago are turned away because they are not sick enough to get a bed, she said."

Mr. Speaker, nurses are saying that patients are being discharged against their will, patients who would have been admitted to hospitals, because they are not sick enough. I ask the Premier

to explain: Is this the Doer government's new policy?

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

**Mr. Speaker:** Order. For information and clarification of the House, the Manitoba practice has always been the leaders are allowed latitude.

**Hon. Gary Doer (Premier):** Mr. Speaker, if you would have opened the doors, he would have skated to Vancouver on that question.

It is hard to know which part of that rambling, bambling question I should answer, Mr. Speaker. It is serious in health care. We have met directly with Mr. Glen Stobbe and listened to his concern about health care and nurses. I can assure the member opposite, consistent with one of the questions he asked in those hundred questions that he raised, that we did not hire an American consultant. We did not pay her \$4 million. We do not have a report to recommend firing a thousand nurses. We have three nurses from Manitoba recommending ways in which the regional—

\* (13:50)

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

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker. *Beauchesne's* 417: Answers should not provoke debate.

Mr. Speaker, I understand that there is leaders' latitude, but it does not give this leader permission to misuse the rules and to put misinformation on the record. We did not fire a thousand nurses. We reorganized. They fired 350 VONs who they do not believe are nurses.

**Mr. Speaker:** Order. May I remind all honourable members that a point of order is a very serious matter, and I would ask the co-operation of all honourable members when dealing with a point of order.

The honourable Government House Leader, on the same point of order.

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, this is just a replay. As I see it, the rules say if a point of order is mere interruption the Speaker will rule it out, and that is all it was. It was an interruption to interrupt the important message of the Premier (Mr. Doer). I also note, with all respect to the custom in this House of latitude for the leaders, *Beauchesne's* 409 says a long preamble and a long question takes an unfair share of time and provokes the same sort of reply. Of course, I do not think we had just a preamble on that question. There was, I think, a reciting of some text, some text books or something in there. I do not know what it was, but that was not a point of order; unfortunately, it was an interruption. Thank you.

**Mr. Speaker:** Point of order raised by the honourable Official Opposition House Leader, I have to rule it is not a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Doer:** Thank you very much, Mr. Speaker. As I was saying, the report that we have commissioned with nurses is prepared by nurses from Manitoba. I want to assure the members opposite it will not recommend the firing of a thousand nurses that was contained in the Curran report that Manitoba taxpayers paid \$4 million to have submitted to this Legislature. The report is presently being printed. It will be out shortly.

Just today we announced another positive measure with the bridging of our foreign doctors to provide medical services to the people of Manitoba. Every day we repair, rebuild and re-work our health care system for the benefit of our Manitoba citizens. We will not rest until our health care system is in the shape that we feel Manitobans are entitled to, and we are working very hard to do that.

### Health Care System Code Purple

**Mr. Harold Gilleshammer (Minnedosa):** Nurses report that this past weekend there were

17 patients in the hallway at St. Boniface Hospital. At this point in time or some point in time, a policy called Code Purple kicks in whereby nurses have to chase through the medical ward to tell people they can no longer stay. People who are ill are sent home. Against their will, they are sent home.

I would ask the Premier (Mr. Doer): Would he acknowledge that this is a policy to satisfy the political agenda of this Government and is not good medicine?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I want to acknowledge the work of all of the nurses and doctors in hospitals in Manitoba, because the Canadian Institute of Health information indicated that Manitoba had done the best job of dealing with hallway medicine of every jurisdiction in the country. In fact, the Ontario government recently adopted the entire Manitoba program to deal with hallway medicine.

Further to that, Mr. Speaker, the last 18 months that members opposite were in office, there was not a day over the year that there were not less than five people in the hallway. We have improved it by 75 percent and 80 percent. At any given time, there are—[interjection] But people are not spending weeks and days and months in the hallway. They are in. They are dealt with. We work at it every single day, and we will compare our record of 18 months to their entire record anytime.

\* (13:55)

**Mr. Gilleshammer:** In a desperate attempt to improve their numbers, they have imposed this Code Purple on hospitals. I would ask the Premier (Mr. Doer), who often talks about what a novel idea he has, is this one of his novel ideas? Is this good medicine or is this political expediency?

**Mr. Chomiak:** Mr. Speaker, members opposite demonstrate their ignorance of the health care system, something that they did when they were in government. They do not understand what the purpose of Code Purple is. They do not understand that some hospitals, when they achieve certain levels, will shift services to other

hospitals. It is too bad they have not learned anything in 18 months in opposition.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate.

Mr. Speaker, clearly this question was about whether or not it was the policy of this Government to have Code Purple policies within the hospitals. Maybe they should just change it to code orange, and let the people of Manitoba know it is their policy.

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

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, this is rather disappointing, because we have had earlier already this afternoon two interruptions. This is the third on an answer that was entirely within the rules. The minister was simply explaining that the Opposition did not understand, had its facts wrong, as to what constitutes a Code Purple.

But I also want to note, Mr. Speaker, that the rule book, our old rule book, says that wilful disobedience to the rules and obstructions are breaches of privileges. The consistent, consistent breach of rules can constitute a breach of privilege. I wonder if you might just want to remind members opposite that this is Question Period. It is a time for give and take. It is not a time for interruption in the answers.

**Mr. Speaker:** On the point of order raised by the Official Opposition House Leader, I would like to take this opportunity to remind all honourable ministers that according to *Beauchesne's* Citation 417: Answers to questions should be as brief as possible, deal with the matter raised and to not provoke debate.

I would also like to take the opportunity to remind all honourable members, when rising on a point of order, just a reminder to all members, a point of order should not be used to ask a question, to dispute the accuracy of facts, to clarify

remarks which have been misquoted or misunderstood, to move a motion, to raise a point of order on a point of order. So I would ask for the co-operation of all honourable members.

\* \* \*

**Mr. Gilleshammer:** I am surprised at the Premier's (Mr. Doer) reluctance to talk about Code Purple, a policy that he has put into place whereby sick people are uprooted from their beds and sent out of the hospital so that they can improve their numbers as far as their promise on hallway medicine is concerned. They are sending sick people home by ambulance. They are turning ambulances away.

Will the Premier (Mr. Doer) put an end to this policy—

**Mr. Speaker:** Order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, Mr. Speaker, that was a doozy. That was a supplementary question, I understand, and supplementary questions require no preamble. I think the member was going on with two or three sentences as a preamble to, I guess, try and get around the embarrassment without understanding what Code Purple is.

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

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, I have never seen the word "doozy" in *Beauschene's*. Just to clarify, for your information, Mr. Speaker, it does get very disruptive when ministers are very provocative within their answers and when they pose questions within their answers. Our members on this side of the House will answer them.

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, I would like to take this opportunity to remind all members that *Beauchesne's* Citation 409(2)



advises that a supplementary question should not require a preamble.

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**Mr. Speaker:** Will the honourable member put your question please?

\* (14:00)

**Mr. Gilleshammer:** Thank you. Would the Premier (Mr. Doer) take a leadership role on this issue, acknowledge that patients are suffering, put an end to this Code Purple which exists in our hospitals so that he puts patient care before a policy that is failing?

**Mr. Chomiak:** I do not know what they are trying to do. This Opposition is attacking the integrity of doctors. They have attacked the integrity of regional health authorities. They attack the integrity of nurses. They attack the integrity of teachers. They attack the integrity of the former Deputy Minister. Mr. Speaker, we make decisions every day based on the best advice given to us by the medical practitioners. We have been recognized in the country as having done the best job in hallway medicine.

We are training double the number of nurses that were trained when the members opposite cancelled and cut the nursing programs. We put in place a task force to report by nurses on nurses' programs, Mr. Speaker—

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, let me make it as simple as possible, seeing as I have been advised by yourself that we should quote *Beauschene's*. It is *Beauschene's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate.

Mr. Speaker, you heard the question.

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

**Hon. Gord Mackintosh (Government House Leader):** The member opposite, I think, has been trying to get some exercise on his legs today, Mr. Speaker. I have never seen so many

interruptions. The Opposition loves the sound of their questions. They cannot stand the sound of the answers, unfortunately, because it is the truth. Mr. Speaker, that is not a point of order.

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition House Leader (Mr. Laurendeau), he does have a point of order. *Beauschene's* Citation 417: Answers to questions should be as brief as possible, deal with the matter raised and to not provoke debate.

\* \* \*

**Mr. Speaker:** I would ask the honourable Minister of Health to please answer the question.

**Mr. Chomiak:** Mr. Speaker, reflecting on the member's comments about the provisions in emergency rooms across the system, we have taken our advice from the practitioners in the system, the nurses, the doctors that are involved in the system, not from American consultants that are paid \$4 million to give them advice to fire 100 000 nurses.

#### Pan Am Clinic Purchase—Asset Value

**Mr. Leonard Derkach (Russell):** Over the past number of days, members on this side of the House repeatedly in Question Period and in the debate on the Budget have demonstrated to this Government that they could have spent much more wisely and effectively, especially in areas as they relate to health. The Minister of Health (Mr. Chomiak) a few days ago told the House that in buying the Pan Am Clinic his Government paid \$4 million for the building, the equipment and the operating rooms. Can the Minister of Health tell the House today what the breakdown in value was of the purchases that he told the House he made, that being the building, the equipment and the operating rooms of the Pan Am Clinic.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, when the documents are finalized and the agreement is signed that information will be provided to this House, as I indicated earlier.

**Mr. Derkach:** Well, Mr. Speaker, why can the minister not tell Manitobans? All we are seeking is some information with regard to how much he

paid for the building. I think Manitobans deserve to know how much this minister paid for the building. How much did he pay for the operating rooms, and how much did he pay for the equipment that he said made up the areas of purchase of the Pan Am Clinic of \$4 million?

**Mr. Chomiak:** Mr. Speaker, at the time of the announcement when we said there was an agreement in principle, I said all that information, the breakdowns, would be made public as soon as the agreement is signed, which will be very shortly.

**Mr. Derkach:** Mr. Speaker, I would like to ask the minister why then he made an announcement that said they bought the Pan Am Clinic for \$4 million if he does not know how much he paid for the building, how much he paid for the operating rooms and how much he paid for the equipment. I ask the minister again. It is not a difficult question. Tell Manitobans how much you paid for the building, the equipment and the operating rooms.

**Mr. Chomiak:** Mr. Speaker, it is not a difficult answer for the member. As I indicated at the time, when the agreement was reached in principle, unlike members opposite, unlike frozen food, unlike SmartHealth, we were not going to hide information from the public. We indicated when we reached the agreement in principle we would provide that information to the House. We are very close to doing that. We will not hide it from the public as members did with SmartHealth. We will provide it up front and to the public.

#### **Pan Am Clinic Purchase-Asset Value**

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, I have recently seen the year-end financial statements, dated December 31, 2000, for the Pan Am surgical centre and those statements show the book value of the equipment and ORs to be \$662,000. Could the Minister of Health tell us if, out of the \$4 million, he also bought other equipment that might be in that building?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I think the member opposite should be

very careful with her numbers. She was the one who went around and said the Deputy Health Minister was getting \$250 million when in fact she was wrong. The member opposite ought to be very careful with her numbers, as I indicated.

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

**Mr. Speaker:** Order.

#### **Point of Order**

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker, I will be brief. *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate. I only ask the minister to listen to the question.

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

**Hon. Jon Gerrard (River Heights):** On the same point of order, I think that the minister may have got carried away when he said the Deputy Minister got \$250 million. Maybe he would like to correct it.

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

**Mr. Speaker:** Order.

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

**Hon. Dave Chomiak (Minister of Health):** Yes. Mr. Speaker, for the sixth time, I think we are up on a point of order from members opposite.

My point, I think that the member does not have a point of order. I was simply pointing out to the Member for Charleswood (Mrs. Driedger) that she has been so wrong in her facts so often that she ought to be careful in providing information.

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order. *Beauchesne's* Citation 417: Answers to questions

should deal with the matter raised and to not provoke debate.

\* \* \*

**Mr. Chomiak:** Thank you, Mr. Speaker. What we indicated at the press conference of entering into an agreement in principle with the Pan Am Clinic, I indicated at that time and I indicate to the members of the House, unlike the boon-doggles entered into by members opposite, like SmartHealth and the frozen food, we will provide that information to the House very shortly.

\* (14:10)

**Mrs. Driedger:** Mr. Speaker, because the minister did not answer my question, I would like to ask it again.

Could he tell us if he bought other equipment in the building? As we do know that \$662,000 appears to be the valued equipment and the ORs of the Pan Am surgical centre, has he bought other equipment in the same building?

**Mr. Chomiak:** Mr. Speaker, as I indicated at the press conference with respect to the Pan Am centre, we will provide all of that information. We are doing our due diligence, which I think is something that is in order to ensure that this agreement meets all of the financial tests necessary. I think members opposite will be very pleasantly surprised when that information is provided.

**Mrs. Driedger:** Mr. Speaker, I would like to ask the Minister of Health: Are we buying more assets than that of the Pan Am surgical centre?

Rather than shooting the messenger, I hope there can be some transparency in this, and I hope that they have already done their due diligence.

**Mr. Chomiak:** Mr. Speaker, I should indicate to the member opposite, at the time we indicated we were buying the Pan Am surgical centres, we were buying the Pan Am facility, and that we would be launching an initiative with respect to expanding service and providing service to Manitobans. I indicated at the time that we would provide all of the information, all of the

financial data for members in the House, and that will be provided very shortly when we table it in this House.

### **Pan Am Clinic Purchase—Debts and Liabilities**

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, my question is to the Minister of Health.

The minister may want to put off providing this information, but this deal is going on now. We know that the minister has announced that the purchase price is \$4 million. We have information that the value of the assets and operating rooms for the surgical centre are \$662,000. We checked with the City Assessment Department, and they tell us that the value of the building is just a little over \$1 million. So when we do our due diligence, we come to a total of \$1.7 million as the value of what the minister said we bought.

I want to ask him today: What composes the remaining \$2.3 million of public money that he spent?

**Hon. Dave Chomiak (Minister of Health):** Members opposite will be provided with the information as I indicated at the time. We do not need to take advice from members who spent \$30 million on SmartHealth for no asset—

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

### **Point of Order**

**Mr. Marcel Laurendeau (Opposition House Leader):** I will be brief, Mr. Speaker. *Beauchesne 417*: Answers to questions should be as brief as possible, deal with the matter raised and definitely should not provoke debate. I listened to the question. I only hope the minister did.

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

**Hon. Dave Chomiak (Minister of Health):** Members opposite cannot attempt to answer questions and every time the answer is not the way they believe an answer should be, question

whether or not that is in fact dealing with the question. Mr. Speaker, if they would listen to the whole answer they might learn something.

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order. *Beauchesne* Citation 417: Answers to questions should be brief as possible, deal with the matter raised and to not provoke debate.

\* \* \*

**Mr. Chomiak:** We will provide all of the financial information with respect to the Pan Am purchase when that agreement is finalized, and that information will be provided to members opposite very shortly.

**Mr. Praznik:** The minister talks about transparency, and I agree that is important. I want to ask the minister again: Given that as a matter of public record the building is worth \$1million, given that we have information the equipment is worth just under \$700,000, can he explain to us—we are asking him, we are giving him a chance today—what composes the other \$2.3 million of the purchase price he announced? We want to know.

**Mr. Chomiak:** As I indicated, when that agreement is finalized we will provide that information for the members and to the public.

**Mr. Praznik:** I ask the minister: Given, I am sure, the concerns he has about conflict, with the Premier's (Mr. Doer) relationship with the owners, would he not now before this deal is finalized justify it to the taxpayers of Manitoba whose money it is? Where is the other \$2.3 million, Mr. Minister?

**Mr. Speaker:** Order.

**Mr. Chomiak:** Several weeks ago on an issue similar to this, members opposite stood up and said the budget at St. Boniface Hospital was going to cut hip and knee replacements. They were wrong then. They were wrong about the deputy minister's salary. They are wrong about this, Mr. Speaker, and we will provide that information.

### Point of Order

**Mr. Darren Praznik (Lac du Bonnet):** I cite *Beauchesne* 417 that talks about answers being brief and not provoking debate. We have asked a very simple question. Based on information that has been brought to our attention, there is a \$2.3 million shortfall in the value of what is being purchased. We are giving the minister the opportunity to explain it. If he has an explanation, provide it. Do not provoke debate by talking about irrelevant issues.

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

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, in terms of the minister dealing with the matter raised, indeed he did exactly that. He pointed out to the House and to Manitobans that the Opposition was asking a question based on wrong assumptions. As in the past, there is a pattern of being wrong.

**Mr. Speaker:** Order. On the point of order raised, I would like to remind all honourable ministers, once again, according to *Beauchesne's* Citation 417: Answers to questions should be brief as possible, deal with the matter raised and to not provoke debate.

\* \* \*

**Mr. Chomiak:** Mr. Speaker, the independent appraisals, as well as the analysis of the facility, valued that facility at \$4 million. We will table that information—

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

**Mr. Speaker:** Order.

**Mr. Chomiak:** —when the deal is finalized.

### Foot and Mouth Disease Provincial Action Plan

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, yesterday I asked the Minister of Agriculture about the provincial action plan in relation to foot and mouth disease. I was very disappointed in the minister's reply to my question about manifests legally required in Mani-

toba for transporting animals susceptible to this disorder. Her reply: she suggested she was not even aware of this issue.

I will repeat my question from yesterday to give the minister another chance. Will the Minister, as part of her action plan for foot and mouth disease, bring Manitoba up to the existing standards set in Saskatchewan and Alberta and indicate today that she expects all Manitobans to follow her Government's laws mandating that all transport of livestock in Manitoba be covered by a manifest?

\* (14:20)

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, the member raised this issue yesterday and he also raised it in a meeting when he came to a briefing in my department. I indicated to him and advised the department that I still feel this is a serious issue, and that they are looking at how this can be implemented. I want to tell the member that the manifest and the requirements that are in place are to deal with the security between buyer and seller. It was put in place to deal with tracing of animals to ensure that the individual who was transporting the animals actually owned the animals. This was not put in place to deal with diseases.

I want to tell the member also that the department is looking at the issue that he raised. I also want to tell him that the Canadian Cattle Identification Association is also looking at how the tagging program that is being introduced in Canada can be used for tracking of diseases as well.

**Mr. Gerrard:** Will the minister not admit that in fact she is not on top of this issue? She is not enforcing her own legislation even to begin with and she is not at this point requiring that there be a central registry to make it easier to track the movements of animals. In short, she does not have a provincial action plan that would place this province in a good position if there were an epidemic of foot and mouth disease.

**Ms. Wowchuk:** Mr. Speaker, the legislation that the member refers to and the manifest that he refers to is in place in Manitoba. It is used but there is not an enforcement system in place.

Since the legislation was brought in there has not been an enforcement policy put in place. There are no inspectors in this area. I have advised the member that I have asked the department to look at how a central registry could be in place and whether or not this will help.

What the member has to also remember is that we do not have an outbreak of foot and mouth disease in Canada, and that we have to look also at ensuring and following the steps to ensure we do not get foot and mouth disease in Canada.

**Mr. Gerrard:** My supplementary to the minister. I ask the minister: Given the tremendous importance of being able to trace animal movement if there were a foot and mouth disease outbreak, when will she have a system in place? When will she address the lax standards that she has set in not even enforcing or recommending that people follow her own rules?

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

**Mr. Speaker:** Order.

**Ms. Wowchuk:** Mr. Speaker, I want to tell the member that there is a system in place where there is a manifest or a bill of lading that moves with animals here in Manitoba. There is not an inspector system in place to follow through with it. It was looked at by the previous administration. The previous administration looked at a branding system. The livestock industry, the cattle producers were not in support of that.

With respect to the issue of a central registry, I have indicated to the member, and my department indicated to the member, when he was there, that they are looking at the system. When the department has developed a position on it, I will report it to the member.

#### **South Eastman Regional Health Authority Funding**

**Ms. Nancy Allan (St. Vital):** Mr. Speaker, my question is to the Minister of Health (Mr. Chomiak).

Further to the questions that were asked previously in the House this week in regard to the delivery of health care services in southeast Manitoba, could the Minister of Health provide

an update to the members of this House in regard to the discussions between his department and the South Eastman Regional Health Authority regarding the increases in their operating budgets?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, as I indicated in the House, when members opposite were being alarmist in terms of raising the information they raised, we were provided with a letter. A letter was provided to me outlining from the South Eastman some of their concerns regarding budget, not recommendations, but concerns that they have. Immediately upon receiving the letter, we set up a meeting with that region, and we are discussing with them. They put out a press release today saying that they are very pleased with that.

The fact is both that region and the head of Brandon, Manitoba, indicated on the radio this morning that the cuts took place years earlier, and in the last two years, they have been very pleased with what we have done in trying to make up for the terrible cuts that took place under the Conservative government.

#### **Brandon Mental Health Centre Redevelopment**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, last summer, the Doer government reached an agreement with the City of Brandon to transfer ownership of the Brandon Mental Health Centre to the city. I understand that, under those terms, the City of Brandon will receive in excess of a million dollars in operating costs.

I want to ask the minister responsible: Has this agreement been completed and signed?

**Hon. Steve Ashton (Minister of Transportation and Government Services):** I am pleased to answer the question about the initiative we have taken to work with Brandon and provide a real asset to Westman in the form of BMHC, which now can be redeveloped for community purposes. In fact, the details are being finalized.

There have been some negotiations between the city and R.M. in the area, which I am sure

the member is aware of. Those negotiations have been proceeding, Mr. Speaker. In fact, we hope very soon to see BMHC redeveloped to benefit everybody in Brandon and Westman.

**Mr. Tweed:** Mr. Speaker, I thank the minister and I ask: Could he give us a time frame or a date when this agreement will be signed?

**Mr. Ashton:** Mr. Speaker, I appreciate the interest of the member opposite. I can provide the member opposite with regular updates as it proceeds. Obviously, there are still some items that have been discussed this recent last couple of weeks, but I will keep the member posted, both in this House and, given his obvious interest in this matter, if he wishes, regular briefings on what is happening.

We are very proud to share what we are doing with BMHC. It is going to be a real asset for Westman.

#### **Pelican Lake Centre Redevelopment**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, I appreciate the answer from the minister. It is the people of Brandon that are asking these questions.

I would ask the minister then: Will the minister assure the community of Ninette, with the closing of their Pelican Lake Centre, that the community will be given the same consideration, opportunity and support that the Province is now offering to the city of Brandon?

**Hon. Steve Ashton (Minister of Transportation and Government Services):**

**Mr. Ashton:** Mr. Speaker, we are very interested in using government facilities. BMHC is a classic case where in this case the City of Brandon took the initiative. I want to give credit to City Council for having had the foresight to deal with that.

We certainly are open, whenever we have any surplus facilities, to proposals from local communities and other groups, and I would certainly be prepared as minister to discuss any interests on behalf of Ninette or other people in

the area about redevelopment. We are very interested in putting those facilities to good use.

### Point of Order

**Mr. Tweed:** Mr. Speaker, just on a point of order, and I would like to just table the request from the R.M. of Strathcona for the minister to do exactly that.

**Mr. Speaker:** Order. On a point of order raised by the honourable Member for Turtle Mountain (Mr. Tweed), it is not a point of order, but thanks for the information.

### Vehicle Registration Fee Increase

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, the Doer government recently introduced another back-door tax to the people of Manitoba when they increased the motor vehicle registration by 21 percent to raise \$8 million more for provincial coffers. I ask the Minister of Finance (Mr. Selinger): What other tax increases are waiting in the wings as a surprise to Manitobans?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, as the first government since the Second World War to reduce the general rate of corporate taxation, as the Government that has reduced small business taxes by 37.5 percent starting next year, as the Government that has increased the threshold on small business taxation from \$200,000 to \$300,000, as the Government that has reduced personal income taxes by 10.5 percent, I can assure you that we are making taxes more affordable in Manitoba.

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

**Mr. Speaker:** Order.

### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate. He might want to check with his seatmate.

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

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, the Opposition may feel provoked by the answer, but you cannot get up on a point of order simply because of such feelings.

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition House Leader (Mr. Laurendeau), it is not a point of order; it is a dispute over the facts.

\* \* \*

**Mr. Speaker:** The honourable Minister of Finance (Mr. Selinger), if you would please conclude.

**Mr. Selinger:** I will wait for the supplementary question without the preamble.

**Mr. Loewen:** Thank you, Mr. Speaker. I appreciate the minister's generosity. I would ask the Minister of Finance (Mr. Selinger): Did he make the decision to raise this tax 21 percent after the Budget when he realized that it was the only tax in Manitoba left that was lower than taxes in Alberta and Ontario? Is that what caused him to raise the tax?

\* (14:30)

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Thank you, Mr. Speaker. I am very pleased to be able to give some comparisons. We have a lower gas tax than Ontario and Saskatchewan, and the adjustments in the licence plate fee bring us, by the way, to the same level as Saskatchewan and we are still \$20 a year lower than Ontario. I am proud to say we are putting the money back into our highway system where we have increased maintenance by \$11 million since we came to government.

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

### Speaker's Ruling

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

During Oral Questions on Wednesday, April 18, 2001, I took under advisement a point of order raised by the Official Opposition House Leader regarding the use of the word "scurrilous" by the Minister of Finance (Mr. Selinger) in response to a question asked by the Member for Springfield (Mr. Schuler). The Government House Leader (Mr. Mackintosh) also spoke to the same point of order. I took the matter under advisement in order to peruse Hansard and to consult the procedural authorities.

The word "scurrilous" has been the subject of intervention by Speakers four times in the last 17 years. On April 11, 1985, Mr. Speaker Walding ruled that the word was inappropriate for use in the Assembly and ruled that the word was unparliamentary. On March 24, 1998, Madam Speaker Dacquay ruled that the words "scurrilous accusations" were unparliamentary and requested the withdrawal of the word "scurrilous." Similarly, on May 27, 1998, Madam Speaker Dacquay again ruled the words "scurrilous accusations" out of order, and requested a withdrawal of the words. On May 27, 1999, the then-Minister of Justice, the then-Member for Rossmere, voluntarily withdrew the words "scurrilous accusations" when a point of order was raised.

Based on these rulings from former Manitoba Speakers, I am ruling that the use of the word "scurrilous" is unparliamentary, and I would ask the honourable Minister of Finance to withdraw that word.

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I unconditionally withdraw the use of that word in the House.

## MEMBERS' STATEMENTS

### Health Care System—Commitment

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, today I rise to express my condolence for the breakdown of a marriage we have witnessed right here in our Chamber. At the beginning of a marriage, there are sweet words spoken about the joy and strength of the partnership, how unshakeable the commitment is and will be in the future.

During the '99 election, Manitobans witnessed a relationship blossom between the Doer government and its commitment to end hallway medicine within six months. Members opposite whispered pillow talk about this commitment, the strength of their attachment to it and how good it would be forever after. Unfortunately, like a hungover Las Vegas newlywed the Doer government woke up the morning after the election and was horrified to see what it had done. In the rush down the election aisle, the members opposite had failed to consider the consequences of their action. When the sweet talk was all over, the reality sunk in that this was a commitment they just could not keep.

As with many failed marriages, the Doer government attached to its six-month commitment has grown weak. There have been numerous attempts to distance themselves from the words they spoke just prior to the big night. In a sense, this Government is trying desperately to annul any relationship it may have had with its six-month promise.

Mr. Speaker, one in three marriages end in divorce. Unfortunately for Manitobans, the Doer government's relationship with their election commitments is suffering the same fate. The marriage between the Doer government and the hallway medicine commitment has ended sourly. The Doer government has left the bride of all election commitments as nothing more than a one-night stand.

### Friendship Force

**Ms. Nancy Allan (St. Vital):** Mr. Speaker, it is a great opportunity for me to rise today and speak about an organization that is very important in Manitoba. The Friendship Force is a private, non-profit organization active in over 65 countries. Its purpose is to bring people closer together through international exchanges of citizen ambassadors and to sow the seeds of friendship across the barriers, both physical and cultural, that divide us all. The primary goal of the Friendship Force is to promote peace throughout the world.

The Friendship Force of Manitoba was chartered in October 1997 and currently has a membership of over 70 people. To date,



Manitoba members have travelled as ambassadors to New Zealand, Georgia, North Carolina and Japan. They have hosted clubs from New Zealand, England, Montana, Iowa and Costa Rica. This year the Manitoba organization will send 25 ambassadors to England, and we will host here in Manitoba two exchanges, one from Texas and one from Mexico.

Recently I had the pleasure of attending one of the Manitoba chapter meetings in my constituency. I wanted to take this opportunity today to congratulate the Manitoba Friendship Force chapter on their work on behalf of Manitobans. Thank you to the board of directors and committee members for their hard work behind the scenes. Because of their commitment and dedication, the ideals of Friendship Force are kept at the forefront and exchanges amongst people of different nations and cultures promotes a climate of diversity and tolerance throughout the world.

#### **Allan Penner**

**Mr. Jim Penner (Steinbach):** Mr. Speaker, I am pleased to rise today to pay tribute to yet another resident of my constituency who has been honoured for outstanding achievement. Recently Mr. Allan Penner, vice-president of Penner International Trucking in Steinbach was announced as the recipient of the 2001 Trialsmobile Service to the Industry Award presented by the Manitoba Trucking Association.

Mr. Speaker, Penner International is one of Manitoba's most successful long-haul trucking businesses and today employs more than 650 people in a variety of occupations. The success of the company is in large part due to the 30 years of service Mr. Penner has dedicated to the operation. He began working on the dock loading trucks and has worked his way to his current position, helping establish the Steinbach operation and regional terminals in Canada and the United States. In addition to being the Manitoba Trucking Association past president, he has served on the association safety committee, licensing committee, human resources committee, scholarship committee and workers compensation committee.

Mr. Penner is yet another example of the type of community-minded business people we have in the Steinbach constituency who work hard and take the risks needed to build a better region and province. The growth of Penner International, particularly over the past decade, is an example of what can be achieved by business people who are able to use their entrepreneurial skills in a competitive economy.

In this the International Year of the Volunteer, Allan Penner is also an example of the benefits that are achieved when individuals give back to their communities and to the industries that they represent.

On behalf of all the members of this House, the residents of my constituency and many staff of Penner International, I would like to congratulate Allan Penner on this well-deserved recognition and wish him continued success.

#### **Tax Relief for Businesses—Budget**

**Mr. Harry Schellenberg (Rossmere):** Mr. Speaker, I rise today to draw attention of the House to the meaningful tax relief this Government has proposed for businesses in the 2001 Budget. The 2001 Budget proposes to lower the corporate tax rates for the first time in Manitoba since the Second World War. In January 2002 the corporate tax will fall from 17 percent to 16.5 percent and will continue to fall by .5 percent per year until it reaches 15 percent in the year 2005. These corporate tax cuts will stimulate investment and save Manitoba businesses \$46.4 million when fully implemented.

Today our small business tax rate is 6 percent, and we have announced in the last year's Budget that rate will fall again to 5 percent in the year 2002. The 2002 Budget also proposes to increase the small business threshold from \$200,000 of taxable income to a new rate of \$300,000. The businesses affected by the change in the small business threshold will see their tax rates drop from 17 percent to 5 percent in the year 2002 and will realize savings of \$19.2 million at the time of full implementation.

To help Manitoba microbreweries, we are proposing that the Manitoba Liquor Control Commission reduce its markup to 91 percent of

the regular markup, saving these microbreweries \$150,000 a year.

The tax cuts for businesses proposed in this Budget will help to foster the economic growth Manitoba needs to remain competitive today and into the future.

\* (14:40)

#### **Veterans' Association—Taxation**

**Hon. Jon Gerrard (River Heights):** I rise to speak briefly on the situation with veterans' associations and The Municipal Assessment Act. As a recent editorial in the *Free Press* indicated, there is, and I quote, a confusion as to whether legions have paid fair levels of taxation for the past 30 years. There are a variety of reasons for this. What is clear is that going back to 1947, the Dauphin Legion had an exemption from property tax. That legislation, in retrospect, was poor legislation in not treating all veterans' associations equally and fairly. Good legislation should treat people with fairness and with justice.

I have over the past two or three months visited with people in many veterans' associations, legions, veterans' halls in Thompson, The Pas, Brandon, Portage and elsewhere. People in the veterans' associations would like to be treated fairly. They would like to be treated equally. They would like to have what is appropriate, the exemption which was provided to Dauphin provided equitably all over this province rather than the confusing situation which exists right now. The veterans have for many years contributed to our province and our country in major ways. It is time to treat them fairly and equitably.

The Minister of Finance (Mr. Selinger) in his recent Budget had a chance to do this. The Minister of Finance had a chance to end the confusion as to whether legions have paid their fair levels of taxation for the past 30 years. He failed to do this. This Government should stand up and do its duty instead of failing and failing.

#### **ORDERS OF THE DAY**

##### **House Business**

**Hon. Gord Mackintosh (Government House Leader):** I wish to obtain the unanimous consent

of the House to vary the sequence for consideration of Estimates, as outlined in the sessional paper 113 tabled on April 23, by setting aside on April 26, that is tomorrow, the Estimates of the Department of Finance in Room 255 to consider instead the Estimates of the Department of Industry, Trade and Mines. That is to apply only to tomorrow, Mr. Speaker.

**Mr. Speaker:** Is there unanimous consent of the House to vary the sequence for consideration of Estimates, as outlined in sessional paper 113 tabled on April 23, 2001, by setting aside on April 26 the Estimates of the Department of Finance in Room 255 to consider the Estimates of the Department of Industry, Trade and Mines? This change is to apply for April 26 only. Is there agreement? [*Agreed*]

**Mr. Mackintosh:** Would you canvass the House to determine if there is leave to adjourn today at 5 p.m.?

**Mr. Speaker:** Is there agreement to adjourn today at 5 p.m.? [*Agreed*]

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

*Motion agreed to.*

#### **COMMITTEE OF SUPPLY (Concurrent Sections)**

##### **ABORIGINAL AND NORTHERN AFFAIRS**

**Mr. Chairperson (Harry Schellenberg):** Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Aboriginal and Northern Affairs.

Does the honourable Minister of Aboriginal and Northern Affairs have an opening statement?

**Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs):** I am pleased to present

the 2001-2002 Estimates of the Department of Aboriginal and Northern Affairs. As minister of this department, I am proud to report that we have made some significant progress over the past year. We are determined to improve living conditions and opportunities for the people of northern Manitoba, improvements to transportation, infrastructure, health care and educational opportunities are happening across northern Manitoba. We have developed partnerships and co-operative approaches with communities, Aboriginal organizations, government departments and agencies, other levels of government and non-government bodies.

Our Government is committed to working government to government with First Nations and other Aboriginal people across Manitoba. One priority is the North American Indigenous Games, which Manitoba will be hosting next year. With an estimated 7000 athletes and 16 sports visiting our city and province, Tourism Winnipeg has estimated that \$60 million will be the spin-off from the games. This summer the Manitoba Indigenous Games are also taking place in Cross Lake. Next year, Manitoba will be hosting the Aboriginal Achievement Awards, a national celebration, which will broadcast across Canada and on nationwide television on the CBC.

The Aboriginal Justice Implementation Commission has made important progress over the past year. The AJIC recommendation on Child and Family Services is now being implemented.

Earlier today, as members will know, there was an important announcement regarding this important agreement with First Nations agencies. First Nations and Métis representatives are members of working groups that are involved in designing and developing plans for mandated Aboriginal Child and Family Services that will be implemented and managed by First Nations and Métis authorities.

\* (15:00)

Other recommendations of the AJIC have been accepted and are in various stages of implementation. Next month I would like to say as well that I will be the co-chair of the Federal/

Provincial Territorial Forum of Ministers and National Leaders, and the topic will be Aboriginal participation in the economy. It is expected to be a major item on the agenda of the FPTA meeting on May 10 and 11 in Winnipeg.

I fully expect that this meeting will help illuminate the way toward new initiatives and will help us refine and improve our focus on increased Aboriginal participation in Manitoba's economy. We have been active in a number of areas to increase Aboriginal employment in the private and public sectors. On December 11, 2000, we signed an agreement with the Winnipeg Regional Health Authority to promote the recruitment, employment and retention of Aboriginal people in all levels of employment with the WRHA and 150 employer groups that they represent.

Earlier today an agreement with AMC and the WRHA was signed to further develop this initiative based on the earlier agreement that our province made with the Winnipeg Regional Health Authority. A stakeholders circle has been established with representation from governments, employers, unions and Aboriginal organizations to provide direction and monitoring for this initiative. We are proposing to use the WRHA process to develop a model for an Aboriginal employment strategy for Manitoba. Our department is a champion of the Aboriginal Human Resource Development Council of Canada. Earlier this month I was pleased to participate with the Winnipeg Chamber of Commerce regarding their Aboriginal employment initiative, a very promising and positive program. We anticipate that the first Aboriginal casino, as well, will be opened within the calendar year 2001.

I would like to report that during the past year we made steady progress with our Grand Rapids Forebay: Chemawawin/Mosakahiken settlement negotiations, agreements in principle which provide a framework for future negotiations between Manitoba, Manitoba Hydro and the Mosakahiken Cree Nation and the community of Moose Lake. The Chemawawin First Nation and the community of Easterville were completed last year. An AIP has also been signed with Fox Lake First Nation and Manitoba Hydro regarding past hydro development.

A memorandum of understanding signed with the Island Lake Tribal Council, Health Canada and Manitoba Health provides an opportunity for the First Nation to work with the two levels of government to address their immediate and long-term health concerns and needs.

Last December, I issued a ministerial statement on the Northern Flood Agreement, and we are working with all NFA bands on the issue of resolving the NFA. With regard to the Northern Flood Agreement and the Cross Lake First Nation, there are currently six Northern Flood Agreement land exchange sites being surveyed, an additional seven sites ready to survey in 2001-2002. These will be the first Cross Lake lands to be transferred under the 1977 Northern Flood Agreement.

Last year, in our first Budget, we restored to the Aboriginal organizations core funding which was eliminated previously. The new Budget builds on that commitment and we are pleased to be working in partnership with Manitoba's 11 friendship centres, the Manitoba Métis Federation, the Assembly of Manitoba Chiefs, the Manitoba Keewatinowi Okimakanak and the Southern Chiefs Organization on a variety of important issues.

On March 2, 2001, I was part of a historic signing agreement in principle with the federal Minister of Indian Affairs and Chief Ken Whitecloud of the Sioux Valley Dakota Nation to set in motion the establishment of self-government for the Dakota people of Sioux Valley. This is the first such agreement in Manitoba and the first agreement for a single First Nation community in Canada. The agreement sets the stage for the negotiation of a final agreement by Canada, Manitoba and Sioux Valley.

We are pleased with the AIP, with the Split Lake First Nation regarding future hydro development, and we are encouraged with progress with the Nelson House First Nation over potential development in their territory. Last session, Bill 28 gave Aboriginal Northern Affairs communities some of the same responsibilities as other Manitoba communities and ensured more responsibility at the local level for making decisions. The departmental self-reliance

review of last year is now being acted upon in a number of areas. Departmental efforts related to local government development have been and continue to be focused in six main areas. Firstly, communication, and that means consultation with community representatives and stakeholders. Secondly, improving developmental resources available to communities. Thirdly, the development of strategic partnerships with other service providers, and fourth, safe environments. Fifth, maintenance and renewal of infrastructure, and of course, making provisions for new infrastructures.

Consultations with communities led to a number of changes to funding and support for community development. We increased funding directed at training at the last Northern Association of Community Councils annual general meeting. Funding was allocated for workshops and seminars related to specific areas of development such as capital planning, inventory management, preventative maintenance, water chlorination and management planning. Reflective of the growing responsibility and increased demands on community leaders, we have increased the per diem allowance for community representatives. We have renewed support for small communities, including infrastructure development. Continuing efforts to transfer authority and control to local government to the greatest extent possible is driving discussions with several communities. Wabowden, Cross Lake and Camperville are contemplating the benefits of incorporation.

The department I am responsible for is also currently consulting with community representatives and residents regarding a review and re-drafting of The Northern Affairs Act. The current act that we operate under has been in existence since 1988. It has not been comprehensively reviewed since that date. At regional meetings a workbook and survey was developed. This is an important opportunity to identify legislative issues that impact local government and for residents to participate directly with their comments and ideas in shaping the legislation that affects how they are governed.

Meetings have been held at Selkirk and Winnipeg, Dauphin last week, in The Pas on Monday and at Thompson yesterday. One of the

most important issues raised so far was a comment that communities do not want to wait until they are incorporated before they can operate their own businesses. Public input into their review will continue.

We have also undertaken a major reorganization of the local government development division to realign resources in an effort to better serve communities' developmental needs. Significant changes include opening a new office in The Pas with two staff, staff positions assigned specifically to protective services, fire, constable and emergency planning. Two staff are also being dedicated to addressing environmental matters, a second recreation and wellness consultant with a renewed emphasis on wellness and community health and addition of a second professional engineer.

We are also moving in the creation of a resource development function to assist and support communities with the identification and development of economic opportunities. We have implemented an internal initiative that has resulted in five of our six most recent new employees being of Aboriginal ancestry. These individuals bring technical qualifications and backgrounds that will strengthen and enhance our local government development efforts. Also providing resource material appropriate to community development needs remains high on our list of priorities.

The production of a management series directed to community leaders and staff saw several publications last year. I will provide those to the critic at the earliest opportunity after I conclude my remarks, Mr. Chairman. First of all, *The Elections Officials Handbook, Running for Council, Community Management Plan Development, Managing Your Own Affairs*. Additional publications in development include topics like capital projects delivery, recreation programs development and delivery, financial management, and supervision and management of human resources. Others will be added to this list as the need is identified.

We continue to promote and develop strategic partnerships with other departments and agencies serving our jurisdiction. We look forward to strengthening the partnerships we have

established and to creating opportunities for new partnerships to evolve. We are appreciative of the good working relationships between ourselves and other departments such as Inter-governmental Affairs on round tables, economic development, land use planning and community development and planning, and also being a Rural Forum partner.

We are also grateful to the Department of Culture, Heritage and Tourism, Recreation and Wellness branch, providing recreation and wellness programs and workshops to northern communities, we believe that this is very important as well; to the Department of Labour, the Office of the Fire Commissioner, on firefighting and fire prevention programs; Family Services, income security, building on the independence program; Conservation on their water treatment study program; and a safe environment and the health of community residents are always of primary importance. Our monitoring pilot project for sewage treatment facilities in six remote communities has been introduced to identify and correct plan problems, to provide additional ongoing training to operators, to develop and implement preventative schedules and to provide toll-free backup for process and operational problems at Pine Dock, Matheson Island, Ilford, Thicket Portage, South Indian Lake and Gods Lake Narrows.

In partnership with the Department of Conservation, the Manitoba Water Stewardship Order Department initiated a comprehensive assessment of water treatment facilities, operators and processes. We have undertaken a study in anticipation of higher drinking water standards, to ensure the maintenance of public health and safety, and to facilitate long-term infrastructure planning.

Funding for our capital program has increased by \$750,000 to \$3.2 million, which will be directed to a variety of approved projects related to the provision of sewer, water and waste disposal facilities, road upgrades, fire protection and other municipal infrastructure.

\* (15:10)

I am also pleased to say a few words on progress regarding the Communities Economic

Development Fund. The Development Fund continues to work with and support small business in northern Manitoba by providing business advice and loans. Business loans activity increased this year by 25 percent over last year. During the last year the fund advanced loans of over \$4.1 million to the commercial fishing industry in the province of Manitoba.

The Tolko shutdown is one factor of declined forestry loan activity. The fund will continue to work with contractors, the launch of the micro-enterprise program team has been very successful. There are functioning teams in eight communities, at South Indian Lake, Pikwitonei, Moose Lake, Wabowden, Sherridon, Easterville, Norway House and Churchill. Many of the 38 businesses involved have not required loans, with just six loans totalling less than \$20,000 being lent so far.

The Aboriginal Economic and Resource Development Fund established last year is leveraging funding from other sources, including the federal government in support of Aboriginal priorities such as the Indigenous Games, Teen Talk, the ARDC Champions, and other employment development initiatives. We are working hard toward our objective of bringing new focus to the future development of northern Manitoba. We are also committed to bringing about a new era of trust and partnership with Aboriginal people throughout Manitoba.

Mr. Chairperson, just by way of concluding my opening remarks, allow me to thank you for this opportunity to speak today about some of the goals and important initiatives of the Department of Aboriginal and Northern Affairs.

**Mr. Chairperson:** We thank the Minister of Aboriginal and Northern Affairs for those comments. Did the Official Opposition critic, the honourable Member for Morris, have any opening comments?

**Mr. Frank Pitura (Morris):** I thank the minister for his opening remarks and the variety of comments with respect to the programs that his department is carrying out. I guess it is also appropriate to notice that the Department of Aboriginal and Northern Affairs is rather a small department compared with a lot of other

departments, having a total budget expenditure line of about \$24.6 million.

Yet, with regard to the responsibility of the department, it is an enormous task because of the wide geographic area that the department is responsible for, as well as having the numbers of communities that are spread out across the North. So it is an enormous task for the department. I would like to just make a comment, having been a former bureaucrat myself and a civil servant, that without the dedication and support of staff in the department a lot of programs cannot be carried out. So I think it is always appropriate, I do not care where you are in government and what party, the dedication in staff is always appreciated to making all of the Government programs work.

I also note, too, Mr. Chairman, that the department, though small relative to other departments, has numerous agreements with other departments in terms of shared responsibilities in delivering programs, and so it augments the size of the department a fair amount with regard to the types of services that are delivered to the North.

I congratulate the minister on the fact that the Indigenous Games will be here in Manitoba next summer. I do want to at this time also pay tribute to a former colleague of mine, Mr. David Newman, who was the minister prior, who was a very strong, strong champion for Aboriginal affairs. It was his tenacity, I believe, that originally brought the concept of the Indigenous Games to Manitoba and the initial funding for the games.

I am also very pleased to hear that the National Aboriginal Achievement Awards will be hosted in Manitoba. I believe this is the first time—[interjection] second time. It is great to have that event here in Manitoba, because it is a chance for Aboriginals in Manitoba to greet the rest of the country and to also help communicate the Aboriginal achievements to the rest of Canadians. I am also pleased to hear that the minister will be co-chairing the ministerial conference with regard to Aboriginal participation in the economy, very timely, very important, and I guess my hope would be is that as a result of that conference that a fairly active, I

guess, action-oriented strategy develop from that conference with the view of putting it into place very quickly.

In terms of the Estimates process today, Mr. Chairman, I would just like to for the record indicate to the minister and his staff that my intention is to be able to finish up the Estimates process for the department today, so that people can get back to their jobs and do what they are supposed to be doing. I also note that the numbers of Aboriginals that are employed in Manitoba is increasing, always increasing, and that is a very good sign, but not only governments were the first to lead the way with regard to hiring and training and employing Aboriginals. I am happy that the private sector is starting to participate, as well, and I guess a very good example of that is Maple Leaf out of Brandon.

I guess through the Estimates session, we will be asking the minister about the Northern Flood Agreements in terms of the status of those agreements, in terms of the Treaty Land Entitlement and the outstanding claims under TLE, also asking in terms of updates and status about Aboriginal self-government with regard to Sioux Valley and perhaps some other First Nations, as well as updating on The Northern Affairs Act and the review of that act and the progress that is being made.

So, Mr. Chairman, I think that the best way to really start the process is to start to ask questions. So those are my remarks. Thank you.

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

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff present.

**Mr. Robinson:** Allow me to introduce members of the staff. The Deputy Minister of the department is Mr. Oliver Boulette. Next to him is Marilyn Duval, Executive Director of the

Local Government Development Division in Thompson; and Mr. Harry Bostrom, Executive Director of the Aboriginal Affairs Secretariat; Mr. Gagnon, the Director of Finance based out of Thompson. We also have other members of the staff, Ken Agar who is with the northern flood matters; Mr. Joe Morrissette from the Aboriginal Affairs Secretariat; and Mr. Gord Wakeling, the General Manager of CEDF.

\* (15:20)

Allow me to table for the honourable Member for Morris (Mr. Pitura) the consultation workbook on The Northern Affairs Act, *Running for Council*, part of a community management series put out by our department; *Managing Your Own Affairs*, part of the community management series issued by our department; *Community Management Development Plan Development*, part of the management series issued by our department; *The Consultation on Local Government Development in the Year 2000*; *The Community Self-Reliance Initiative*. Another publication from our department is *The Treaty Land Entitlement: History in the Making, A Process for Partnership on Economic Development Opportunities*. I am sure that my colleague will find these interesting. As well, we have the Annual Report of the CEDF 2000.

**Mr. Chairperson:** We thank the minister for those introductions and for handing out that information. We will now proceed to line 1. Aboriginal and Northern Affairs Executive (b) Executive Support (1) Salaries and Employee Benefits \$624,200, on page 23 of the Main Estimates book. Shall the item pass?

Excuse me, I will repeat what I just said. We will now proceed to line 1.(b) Executive Support (1) Salaries and Employee Benefits \$624,200, on page 23 of the Main Estimates book. Shall the item pass?

**Mr. Pitura:** I just wanted to ask the minister, I know that he has introduced a number of his staff here, could he indicate the names of his special assistant and executive assistant, for my information?

**Mr. Robinson:** My special assistant is not in the room here today. Her name is Daneen Cook, and

currently the position of executive assistant is vacant.

**Mr. Pitura:** I do not have my main budget book here. I got caught on this last year, as well, because I do not know where we are in the book, but I believe one copy is coming up for me.

I guess, Mr. Chairman, with regard to this line, most of my questions are within the program areas within the Estimates book, so I am prepared to pass this line.

**Mr. Chairperson:** Line 1.(b) (1) Aboriginal and Northern Affairs Executive (b) Executive Support (1) Salaries and Employee Benefits \$624,200—pass; (2) Other Expenditures \$240,800—pass.

**Mr. Pitura:** Mr. Chairman, just prior to discussing the Estimates, I had some discussion with the minister, and I believe we had agreed that we would just field the questions, not particularly line by line, but I am prepared at the end to pass all the lines at once. If I can have that latitude to ask questions, then I think it will make the process go a little better.

**Mr. Chairperson:** I will just ask the committee. Is it agreed to have a global discussion on these issues instead of passing line by line? *[Agreed]*

So we will just have a global discussion, and at the end we will pass line by line.

**Mr. Pitura:** Thank you very much, Mr. Chairman, and I thank the minister for his co-operation. So what I would like to bridge first with the minister is the review of The Northern Affairs Act. I was wondering if he could update me as to the progress to date on that act.

\* (15:30)

**Mr. Robinson:** I probably did not have an opportunity to talk with my colleague from Morris, but currently we have a review going on, as I indicated in my opening remarks, in several Manitoba communities. Mr. Roger Dennis, a former civil servant with the Intergovernmental Affairs Department, has been leading this off for us in addition to some existing staff members we have from the department. Four meetings have

been held involving all communities, and it has been soliciting the views of the communities involved and also the public.

What we anticipate is a paper to be developed by late May. We are going to call that a white paper. Focus groups are also going to be held in the month of May. A final report is due in September 2001, and certainly I will be in discussion with my colleague from Morris. I do anticipate that legislation will be required in the fall of 2002 to conform and to catch up with the act itself. As I indicated in my opening remarks, it has not been reviewed since 1988.

**Mr. Pitura:** I just ask the minister, through you, Mr. Chair, is it the intention of the department, with regard to this review of the act, to basically repeal the existing act and substitute a new piece of legislation or to totally revamp the existing legislation?

**Mr. Robinson:** The current act itself has been around since 1972. It was founded on the principles of municipal board legislation at that time, and a few amendments have been made since of a housekeeping nature. We have to allow the communities to catch up with the remainder of the province. The act provides specific authority for the minister and incorporated communities, and unincorporated areas, the councils or committees, rather than duplicate service in legislation. The act refers to provisions of The Municipal Act of 1988.

Now, in 1996, The Municipal Act was rewritten and enacted and The Municipal Act of 1988 continues in effect only for Northern Affairs communities to the extent that specific provisions have been referenced. The effect of this to Northern Affairs communities is that they are operating on an old form of the legislation that is not being used by Northern Affairs. A further complication is municipal services support from other departments is provided to Northern Affairs based on a new legislation with some confusing results. So what we are doing is allowing the northern communities and Northern Affairs community members to have some input into where they would like to have some changes reflected in our review and recommend to Government where they feel there should be some necessary changes. There are some that are



restricted, particularly in the area of people wanting to develop in business. Therefore, we are wanting to bring that up to date.

Another matter I may raise with my colleague, Mr. Chairperson, is a range of issues that may arise through this consultation and review process. To a certain extent, we have heard some of these through the team that has been travelling the province and engaging in this dialogue with Northern Affairs community members. They include: a consideration of resource management concerns; the effect of voting rights as a result of Bill C-31 compared to current residency based on voting rights for municipal purposes; the need for development of some new forms of local governance for small population areas; and more local control over some municipal services even though a community may not be incorporated.

So once the completion of the current consultation process has occurred, a report will be submitted to our Government, and, of course, I will consult with my colleague from Morris on this. We may need to revamp the act itself if the consultation feedback that we are receiving leads that way.

**Mr. Pitura:** Mr. Chairperson, I believe last year the minister brought forward amendments to The Northern Affairs Act, and I believe the reason was to make the act compatible with the changes that had occurred in The Municipal Affairs Act.

My question is: With the review of The Northern Affairs Act, does the minister envision that this act may, in fact, be a stand-alone act, although it might be compatible with The Municipal Affairs Act? Can you see this act being the act that would handle all of the administration aspects of native and northern communities, thereby The Municipal Affairs Act would be intertwined with this act? I am just wondering if that is envisioned by the minister.

**Mr. Robinson:** When we introduced Bill 28 last year, it was more along the lines of an act of housekeeping in nature. I believe that depending on the results that may arise from the consultation mechanism that is occurring right now, which may require us to alter The Northern Affairs Act to a degree, where it will require

substantial changes, then we shall proceed in that vein to make it more compatible with the current Municipal Affairs Act that we have.

So it is dependent on the outcome of the review, and I will certainly be sharing the results of that review with my colleague. So it is dependent on that, Mr. Chairperson.

We cannot really at this point predetermine the outcome of the consultation process. I know several presentations have been made. Some allude to the fact that some communities feel restricted by the current act itself. So I think that, simply, what we are doing is it is due for review. Circumstances are changing in northern communities, and this review will allow us to bring up to current-day realities the needs of our Northern Affairs communities. Thus if legislation is required, whether that be substantial or we continue to have it more of a housekeeping nature, we will do it that way as well, but I am awaiting the outcome of the review that is currently going on.

**Mr. Pitura:** Mr. Chairperson, I will just shift gears a little bit now. I believe it was December 13, 2000, when the announcement was made that based on the recommendation of the Aboriginal Justice Inquiry, the Province renounced the Province's 50% interest in mineral development activities on reserve land, which I would share with the minister that I was in agreement with this action by the Province.

I would like to ask the minister: Since that has been put in place since December 13, 2000, have there been any royalties flowing to a First Nations community as a result of this change, and how much?

**Mr. Robinson:** I am very much aware of what the member is asking. One of the recommendations, of course, of the AJIC was to deal with that particular matter. I believe that that answer could be more completely answered by the Minister of Industry, Trade and Mines (Ms. Mihychuk). However, we have not introduced, as of yet, legislation with reference to that particular recommendation that was made by the AJIC. Certainly, I believe that it was meant to give First Nations communities, particularly, more opportunities, and as the member knows,

there is currently some exploration going on in the Oxford House area of this province. There is other exploration, as I understand it, that is occurring for mining opportunities which will lead to employment and economic opportunities for northern Manitobans and all Manitobans in that regard.

The 50% share that the Province is going to be renouncing as part of its share will be introduced by legislation to the best of my understanding. However, I think that question should probably be referred to the minister directly responsible for Mines. I wish I had the details at my disposal on that matter, but that is certainly one of the efforts that we are putting forth with respect to the recommendations made by the AJIC.

\* (15:40)

**Mr. Pitura:** I appreciate the minister's answer that it possibly could be best answered by the Minister responsible for Mines. I would ask the minister if he has any speculation as to the legislation and whether he expects it to be introduced this spring or in the next session.

**Mr. Robinson:** I will take that question under notice, Mr. Chairperson, and I will reply to my colleague at the earliest opportunity, because I really cannot say what the legislative agenda with respect to that particular matter may hold. I would prefer to take it under notice and get back to the member, either personally or by writing, in the next little while.

**Mr. Pitura:** I would just like to switch now to the \$23-million highway project that was announced to improve year-round access to South Indian Lake. I just wanted to ask the minister if a portion of this or if all of the \$23-million project is being funded by Manitoba Hydro under the Northern Flood Agreement?

**Mr. Robinson:** The road we are talking about, of course, is an obligation that results from the Northern Flood Agreement arrangement and something that was promised many years ago by different governments that have been in place in the province of Manitoba. It has been a long-standing issue.

The real answer to the question is that it has been a long-standing issue. I understand that the road was promised prior to us taking office to be the Government in Manitoba. That is a question, again, that I would defer to the Minister of Transportation and Government Services (Mr. Ashton). Perhaps his department would—when his time for Estimates are up, he could probably answer in greater detail than I could at this point in time.

But certainly I believe a portion of the money, if not all, would be coming from Manitoba Hydro, because of it being one of the outstanding issues with respect to South Indian Lake, and it is one of the obligations that was left outstanding for a number of years. So it is a matter that is currently happening.

I may add that with the termination of the freeze arrangement effective the 31st of March, 2001, Manitoba Hydro has reaped sufficient benefits under the freeze arrangements to complete the previously committed projects. So this matter, the project, will be funded under the Water Power Rental Agreement, as we knew it previously, and this is how the road will be funded for South Indian Lake, Mr. Chairperson.

**Mr. Pitura:** Are there any funds at all flowing through your department to the minister's department on this project?

**Mr. Robinson:** No, not from our department specifically, no.

**Mr. Pitura:** I guess that leads me into the next series of questions with respect to the Northern Flood Agreements. I was wondering if the department could give me an update as to the progress of the Northern Flood Agreements and how quickly we can anticipate some finalization to these agreements.

**Mr. Robinson:** Shortly after we were sworn in as ministers of the new Government in the fall of 1999, we met. This is one element of the NFA that I am going to speak on at the current time.

One of the first things we did was we met with Chief John Muswagon of the Pimicikamak Cree Nation, otherwise known as Cross Lake. The areas that he identified to be of critical importance to his community were road

upgrades on Highway 373, 374, the requirement for a bridge, the opportunities that they saw in the mining industry for titanium mining in their community, the lack of job opportunities for their communities, social issues including unemployment, housing, and the high degree of suicides that were occurring in the community.

Now, Mr. Chairperson, I do not want for a moment to be accused of denying that the effects of hydro development on Aboriginal people in many of these northern communities have not had negative impacts because I believe that not only in the four other NFA communities that have signed comprehensive implementation agreements, that being Norway House, York Landing, Split Lake, Nelson House, no doubt, the traditional economies have been impacted to a huge degree, as has the Cross Lake community.

Upon that meeting with John Muswagon and the subsequent meeting with the Premier, I believe it was February of 2000, we again agreed that we did not want a confrontational approach on how we deal with things, so we agreed on certain principles.

As a government, we initiated a cabinet committee that would deal with a number of these issues resulting from the Northern Flood Agreement, not only for Cross Lake, but the other communities. The member will recall that on December 15, 2000, I rose in the House and acknowledged our Government's acknowledgment of the Northern Flood Agreement as a modern-day treaty.

Also, our Government has moved in a way that I feel is appropriate, and that is to proceed with the different departments that are part of this NFA cabinet committee of our Government. Of course, these departments include Conservation, Industry, Trade and Mines, Transportation and Government Services, Hydro, the Minister responsible for Hydro, and myself.

In our dealings with the Northern Flood Agreement, with respect to Cross Lake, we agreed that we would proceed on the construction of a bridge on Provincial Route 374 to provide an all-weather access to the community, also re-engaging the Government of

Canada. I believe that, in the last several months, we have been successful in bringing the Government of Canada on board with respect to its own obligations, under the Northern Flood Agreement.

As well, we have been attempting to do some work on the advancing of the potential titanium mine that could provide a lot of opportunities for people in Manitoba, and also specifically the community of Cross Lake. Unfortunately, discussions have not gone the way we would have liked them to go.

\* (15:50)

I know my colleague from Morris will agree with me that, with the previous minister, this was often a frustrating time for him, and I am finding that we are just as frustrated on a lot of these things. What we are finding is high-priced consultants and lawyers to be living off the backs of suffering Indians, but not really effecting any meaningful change in the community of Cross Lake for the ordinary citizens. We find that the communication between our Government and the community has not been there.

What we would like to do is to be able to have the opportunity of doing things that are meaningful for the community, that will be a benefit to the community. We want to begin with the community on a government-to-government basis. The high degree of suicides, as an example, the health care needs, the need for an elderly care home, some of the basic issues that exist, we need to address those collectively with the federal government, with the local government of Cross Lake, the First Nation, and the community council, as certainly ourselves as a provincial government. We need to work together on those pressing social and service needs within the community of Cross Lake.

The communication has been, I think, one way, and that is the best way I can describe it. There are consultants that have put Cross Lake and Manitoba in a bad light, I figure, in a lot of ways, with the previous activities in Minneapolis, as an example, in the last couple of days. It does not put Manitoba in a most positive light. That is truly regrettable because a lot of

these people do not live in a community. While I am sure they feel they are doing the right thing in advocating for what is happening in Cross Lake, in fact, there is some damage being done there because the community members themselves are not having access to our Government, and we have made a couple of attempts to get to Cross Lake. The first time we had, it was cancelled on their side. In the second time we wanted to visit the community, we had to cancel out because of certain things like the rural forum occurring, and pressing matters that we have to deal with in the House did not enable us to be in the community. However, that is the latest that I can report to the member.

On a positive note, I can say that, on the trapping issue as an example, we are making progress with the trappers on their claim, under claim 22, with specific reference to how the Northern Flood Agreement or the flooding hydro development project has affected their way of life and their traditional economy of trapping. We have been able to engage in a good dialogue with them. We are working with the Trappers Association, even though we have received some criticism by some of the PCN officials. I believe that we are making significant moves in addressing some of the long-standing needs of trappers.

At the same time, with respect to Split Lake and Nelson House, the Nisichawayasihk Cree First Nation, we are making moves with these two communities particularly who want to advance and see the benefits of striking partnerships with Manitoba Hydro and the Manitoba Government because they feel that there are positive things that could be realized from future development. I believe that we are moving in a responsible manner. I wish that we could make more movement in the community of Cross Lake.

I believe the member and I have talked about this previously. It is unfortunate that these kinds of things occur. However, we are continuing, and nobody can blame our Government and certainly Manitoba Hydro, but they can certainly speak for themselves of not wanting to deal with Cross Lake in a positive way. I know our staff have been meeting with them regularly, but there are times when we feel

not necessarily the community leadership, I believe, of Cross Lake, but certainly some of their high-paid lawyers and consultants have been unfair and unreasonable in the sort of fees that they have been trying to get from us in their so-called advocacy for their community.

**Mr. Pitura:** I would just like to follow up on that and ask the minister, and I know that he has shared with me a number of actions that parties are taking with regard to starting to address the needs of Cross Lake with regard to the NFA agreement. I guess my question to the minister is: What does he see as the common denominator or the catalyst that would be required to bring about a final agreement with Cross Lake to get to that point where the minister could stand up in the House and say: I would like to announce that all five communities now have signed on to the NFA?

**Mr. Robinson:** If I could just be very, very clear. I believe that the only way we can get that sort of thing accomplished, and I certainly want to see that too in my lifetime, is that we deal government to government. The chief and council will deal with our Premier (Mr. Doer) and Cabinet and our Government on that very fundamental basis of government. In other words, what I am trying to say, Mr. Chairperson, if we can get rid of the high-priced lawyers and the high-priced consultants, I am sure we can get a lot done. If we can have a heart-to-heart discussion with the community leadership and the general citizens of the community, I think that we could make a lot of movement.

I believe that when we have done that, for example, on the community council side we have made significant moves, as I described, on things that we are doing with trappers. I wish that we could have a final agreement tomorrow. Unfortunately, we are trying, but to no avail obviously, because perhaps lawyers and consultants have more clout than we do in that community. I hope for significant progress in this regard in the next little while.

**Mr. Pitura:** I guess a part and parcel of the issues surrounding with Cross Lake too is the development of the titanium mine. I know that the minister and I have discussed this and I guess probably equally frustrated that the development

of this mine has not already taken place. Does the minister see the titanium mine as being part of the NFA agreement? Does the minister see the use of public funds in terms of development of this titanium mine?

**Mr. Robinson:** As I indicated earlier on, we met with Chief John Muswagon and members of his community previously. You know, I do not want to paint doom and gloom. I mean, there are things happening with respect to Cross Lake. Some of it we would like to see speeded up. For example, as I said, we are at the current time engaged upon some initiatives, and we have done a certain amount of work there in spite of the obstacles that are placed before us.

For example, when we talked with Chief Muswagon he said that they needed upgrades on the road, and we are doing that; the process of building a bridge, and we are doing that; recognizing the Northern Flood Agreement as a modern-day treaty, we have done that; on re-engaging the Government of Canada with respect to its NFA obligations, we have done that.

We are trying to work with the community on addressing some of the pressing social and service needs within Cross Lake, and we are attempting to do that as well.

On the issue of the titanium mine, this could bring about at least 500 jobs, not only to the community of Cross Lake but for specialized fields in two other areas of Manitoba. We feel that this will alleviate some of the other problems that may exist.

\* (16:00)

The Department of Industry, Trade and Mines is currently working and looking at various options on how we deal with this particular matter. A meeting has been scheduled. I cannot remember when this meeting was going to occur between Gossan Resources, which currently has a partnership arrangement with the community, along with I, T and M from our Government and Aboriginal and Northern Affairs staff, to discuss these issues related to the

Pipestone claims. I anticipate that we will get an update on what possibilities may exist.

One of the things is the land issue. Because some of the deposit, as I know, of the mineral itself or the titanium deposit is not specifically on reserve but in an area that could be altered to treaty land. That has been one of the outstanding issues. I feel that we could alter that and we could make corrections in that regard. I think that, along with other things, has been something that has not necessarily been dictated by the community leadership but more so by the consultants that have been involved first-hand in what has gone on there.

I think if the community members really have a good understanding that in fact there are these opportunities I believe that there will be a change of opinion on how we do things. I am not suggesting for a moment that they get rid of their leadership in their community, but I believe that there has to be some level-headed dealings with government, not only our Government but certainly the Government of Canada on a number of these issues.

In order for the lands, as I was making mention earlier, the third-party interest of Gossan, of course, would have to be resolved, and their mineral rights extinguished before it can be a reserve. In order for the lands to be transferred to reserve under the NFA, there are those things to do. So the resolution of the issue would have to be negotiated to the satisfaction of all parties. I will report to the member upon the meeting that is going to occur between Gossan, Industry, Trade and Mines, and Aboriginal and Northern Affairs on any developments that may come up.

**Mr. Pitura:** I would like to wish all of the best to the minister in these negotiations. I know it is almost like a razor blade to walk down the centre on this one and to make sure that you can come up with an agreement. For the future of Cross Lake, with regard to employment, it is important to have the opportunity and to get the development done on that titanium mine. It is important to get the settlement of the Northern Flood Agreement so that everybody can go forward. I wish you well in your future negotiations with the community.

I just would like to follow up in terms of the status of negotiations related to Manitoba Hydro working with First Nations communities such as Split Lake on the development of new projects and how this is going.

**Mr. Robinson:** I believe that there has been a new attitude. In the past things were not done properly with hydro development and by governments themselves. I think that what we are doing is correcting some of the wrongs that occurred in the past and trying to put in place a new sense of ownership to any activity that may occur in northern Manitoba communities. I know our Government has been accused of selling out on this and that, but I do not see it as that because the lives that have been directly affected by hydro development in northern communities have been the lives of Aboriginal people in their traditional economies. We know that hydro development is something that has dramatically altered the way of life of many Aboriginal people, particularly, and northern Manitobans generally, I would say, with respect to trapping, hunting, fishing, and so on, with the alteration, the fluctuating waters, and so on.

So I believe that Aboriginal people have evolved. Aboriginal people have become more aware of their circumstances and their surroundings. They want to proceed on a basis of new-age technology. They want to give and afford their people opportunities, jobs that require certain skills. Certainly that has been the agenda of a person like Chief Duke Beardy of the Tataskweyak First Nation, also known as Split Lake, in the agreement that they reached with Manitoba Hydro in any future development. As well, Chief Jerry Primrose of the Nisichawayasihk Cree Nation must be commended on the efforts that they have been engaged with Manitoba Hydro on involving partnership arrangements.

All these things were done wrong in the past. I believe that they have to conform to the modern day needs, because the people whose lives have been the most affected have been Aboriginal people. In order for us to secure a better relationship with Aboriginal people, we do not want to be faced with this three decades from now again, as we are with the NFA on one particular matter with respect to Cross Lake. We

would rather do it right from the outset and ensure that our future generations are not faced with the issues, such as the ones in Cross Lake and other communities. So we want to get it right, right at the start and ensure that there are opportunities that not only one party will benefit, that indeed Aboriginal people, especially from Split Lake and Nelson House, in the kind of dialogue that they are involved with currently, are not left being a minor player but being a significant player and having some real say in what the future holds for them as well, but more so determining what the future holds for them with respect to their people and their community and the traditional economies that they seek to keep for themselves in the future.

I know that my colleague the Member for Flin Flon (Mr. Jennissen), who sits as a board member for Manitoba Hydro, is committed to that as well. Our Government is committed to engaging in these partnership arrangements, but it is for the sake that we do things a little differently than we did in the past, because there is no doubt that we have made mistakes in the past and we do not want to repeat those mistakes again in the future.

**Mr. Pitura:** I hope I can get the pronunciation right, the Tataskweyak First Nation, with regard to acquiring an equity interest in a hydro project at Gull Rapids, I was wondering if the minister could share with me what this equity interest is. For example, is it in the actual construction of the project or is it equity in the finished project? How would that equity pay out interest and dividends?

**Mr. Robinson:** I thank my colleague for that question. It is something that we, of course, questioned too when we first began the dialogue on that matter. To the best of my understanding it is right from the outset to the time the project is underway. They require a 25% equity interest and they require community approval. This will be also in the construction phase and onward. Up to 25 percent, but not required necessarily, but indeed the equity interest is from the start to the ongoing work of the project.

**Mr. Pitura:** The minister is saying that the maximum amount of equity that could be gained in a project is 25 percent?

**Mr. Robinson:** Yes, that is right.

\* (16:10)

**Mr. Pitura:** I realize that the Gull Rapids project, I guess my memory is failing me now, but it was not a large production of megawatts that was coming out of that project as I recall. It was about 125, I believe, something like that. With the anticipation, and if you go back to just recently, this last weekend, with the conference of the summits in Québec City, in discussions between President Bush and Prime Minister Chrétien, they were certainly discussing the need for energy and energy development. I think both of them looked west to Manitoba as a possible source for this energy. There is a tremendous number of megawatts that still could be developed in Manitoba, and probably most of it for export.

Now, if you look at the equity situation that has been established between Split Lake First Nation in this project, I would like to ask the minister: Is this the standard in terms of participation by First Nations with perhaps, say, remaining projects, or is it anticipated that there would be more flexible types of arrangements whereby First Nations would participate in these projects?

**Mr. Robinson:** It is relatively new, the latest efforts that we have been talking about here in the last few minutes. It is unprecedented. We have not done this prior with the partnering of First Nations people on the traditional homelands of the Cree in this case. As I said earlier, some of the things that were done in the past were done not completely to the satisfaction of the First Nations communities and the Aboriginal people that live there, only to realize that 30 years later.

I think that what we are trying to do here is something completely different, that we do things right at the outset. Details of this and the agreement that is pending with Nelson House are with Manitoba Hydro. The additional details of this, I think, would be better answered by the Minister responsible for Hydro. I know that he has much more detail than I do at his disposal on, for example, how big the Gull Rapids station and its capacity will be. So I think that I would

defer any further questions on those specific projects.

I can talk generally about what I see is going on, but I believe that specific details could be responded to by the Minister responsible for Manitoba Hydro.

**Mr. Pitura:** I am just talking in general details, especially with respect to the equity interest in the project. I think we realize that the development of hydro-electric energy in this province is important.

I was going to ask the minister if the equity interest, which in this case it could be as high as 25 percent, if that was the standard? Then you get to the situation where you asked a question, now because of this equity interest in the hydro-electric plant is it still a publicly owned utility or is it a public-private partnership? Then you go on to some larger megaprojects which are probably in the billions of dollars to develop. The 25% equity interest is also a part of that. I would just like the minister to share his thoughts, and maybe his vision, as to how he sees this developing and playing out with northern Aboriginal communities?

**Mr. Robinson:** I certainly welcome the opportunity to give my thoughts just generally on these arrangements that are being made. No, I do not feel that we are allowing Manitoba Hydro to be going private, because how do you measure that with Aboriginal people, particularly First Nations people, who are, and including myself, wards of the federal government? We are generally, I believe, trying to do things in a proper way, so I do not think we can be accused of privatizing Manitoba Hydro to whatever percentage it may be.

I think simply what we are doing is because we are in the traditional homeland of the Cree in a lot of these matters in northern Manitoba and because a lot of it is Treaty 5 territory and a lot of it has to do with the original inhabitants of that particular area, there is something there and that being water of course. That, of course, leads to hydro development possibilities. I believe it is something that is logical, that it is good business, that we engage upon because of the lives that

have been most impacted by Aboriginal people by hydro development initiatives.

I believe that rather than going back to the mistakes that we did in the past, we do it right from the start and we try to do it in a responsible way. Perhaps I would have an altering opinion if it were somebody else, like a private company, but for Aboriginal people to become involved in their already depressed state of affairs in a lot of cases in northern Manitoba communities, I feel that this only makes sense that they are given opportunities to engage upon these partnership arrangements.

Certainly I believe they had to be commended for that and certainly Hydro has to be commended for allowing this partnership possibility to be there. That will ensure there is hope for the future rather than pay a bigger bill at the end of the day later on. I think we are seeing a different way of doing things and that there will be a general sharing of revenue. The debt, I think, will be much lower in the long term by doing it this way, the proper way, than doing it the way we did in the past where certain areas were flooded. As a result, it takes several years to come up with a comprehensive agreement.

We are faced with that everyday. Fox Lake, the tremendous impact that had on the Cree people of that community in the town of Gillam, that are in and around the town of Gillam; the outstanding issues with respect to the Churchill River diversion on the community of Churchill itself and four of the five NFA communities, and the outstanding issues that exist with fishermen on Lake Winnipeg as a result of their Grand Rapids generating station.

So I feel that if Aboriginal people are made to be partners at the outset, I think that will save in the long run the tremendous cost that we are having to deal with at the current time in finalizing some of these effects that hydro development has had on our communities in the North.

**Mr. Pitura:** Mr. Chairperson, I guess one last question in that area, I gather from the minister's comments that the equity position in the project would be granted to the First Nations as a result.

In other words, it would be, if I could use the term, a pre-NFA, in which case the agreement is made before the project is begun and, as the minister indicated, solves many problems of trying to negotiate agreement after the fact.

So my question is to the minister: Does he see this equity being transferred to the Split Lake First Nation as payment of part of this agreement? Maybe he can clarify that for me.

**Mr. Robinson:** Well, I think that what it does, Mr. Chairperson, certainly Split Lake has to assume responsibility as well, at the same time, right at the outset. In any business, as I understand it, when you assume a certain degree of responsibility and liability, you have to ensure that whatever is done has to be responsible, it has to be done in a proper way. I believe that it addresses a lot of the issues that were done wrong previously on previous hydro-electric projects. So I believe Split Lake and what they want to engage in with Manitoba Hydro and to a degree the Manitoba Government, I think it is a responsible way because there are certain conditions, certain things that are expected of them to do and certain expectations that they have to come up with.

\* (16:20)

I think, in that way, it is a positive model, and this is the way of the future. I think it holds out tremendous possibilities because, rather than paying the price tag at the tail end, what we are seeing is the possibility that we do it right at the outset, as I said earlier.

**Mr. Pitura:** Mr. Chairperson, I just share with the minister that my own personal opinion is that this is probably the right direction to go because history has certainly shown us that you do not flood and you do not move people, and then you come after the fact and you try to negotiate a settlement that is agreeable to both sides. So I believe that is the right way to go.

I would just like to have some discussion with the minister about treaty land entitlement and the process of treaty land entitlement and where we are at in the province with regard to the allocation of land and payment of monies.



**Mr. Robinson:** Mr. Chairperson, I did hand out the Treaty Land Entitlement paper that was issued by our department, which describes what treaty land entitlement is, what EFNs are, the entitlement First Nations, and so on.

This, no doubt, will continue to be an issue for the next little while, perhaps for quite a while. I can report to my colleague that 15 of the 20 entitlement First Nations represented by the Treaty Land Entitlement Committee of the province of Manitoba have executed band-specific treaty entitlement agreements. To date, 553 647 acres of Crown land have been selected under the TLE Framework Agreement, and it is anticipated that an additional 140 000 acres will be surveyed this coming field season.

The five remaining entitlement First Nations which have not yet executed a Treaty Land Entitlement Agreement are Shamattawa, Sayisi Dene, Fox Lake, Mathias Colomb, and Marcel Colomb First Nation. Now, I know that my predecessor, Mr. Newman, was the person that was responsible with the framework agreement signed by the TLE committee representing 19 First Nations Canada and Manitoba. Since that signing, Mathias Colomb has separated into two First Nations, Mathias Colomb and Marcel Colomb First Nation, so it is a work in progress and carries on.

I want to further add that the Island Lake First Nation status on entitlement acres are the following: I think that this is significant. Garden Hill, as an example, is entitled to 44 907 acres. So far they have selected 14 933.69 acres, so we have yet to transfer 39 206 acres to that one particular community. That is an example of what we are trying to do.

Now, Swan Lake has purchased about 7600 acres to date, using proceeds from their Treaty Land Entitlement Agreement. Of the 7600 acres purchased, about 6400 acres are located in the R.M. of South Cypress, and approximately 1200 acres are in the R.M. of Lorne. Swan Lake recently purchased a small parcel of land in the R.M. of Headingley over the potential establishment of an urban reserve. I believe that the present status on TLE is that on February 23 Cabinet agreed to participate in the Peguis Treaty Land Entitlement negotiations to fill our

obligation as a province to Canada related to the Manitoba Natural Resources Transfer agreement.

The First Nations in Canada have agreed to enter into bilateral negotiations to address matters arising out of the outstanding TLE of the First Nations under the written terms of Treaty No. 1, the Treaty Land Entitlement claim, that Canada and Manitoba have agreed to enter into bilateral negotiations to address the satisfaction by Manitoba of its obligations to Canada under paragraph 11 of the MNRTA with respect to the outstanding entitlement of the First Nation to land under Treaty 1. Canada has offered to set outstanding land entitlement of 166 872 acres.

Peguis has indicated that the First Nation is agreeable to this amount. Although Manitoba is not particularly a party to the establishment of the outstanding land quantum amount, Manitoba has an interest under obligations of the Manitoba Natural Resources Transfer arrangement.

**Mr. Pitura:** Mr. Chairperson, this is a very interesting process, because I have spent quite a bit of time on the Internet pulling the information out on Treaty Land Entitlement and also the treaties and the differences between the treaties and the progress that has happened so far.

I guess it is probably a technical question. There is the Treaty Land Entitlement aspect as a part of the treaty process, as I understand it, and I stand to be corrected on this. Now, there is also the entitlement with the transfer under the mines and natural resources act, when the Crown lands were transferred from the Dominion of Canada to the provincial Natural Resources. Both of those were used. I was just wondering if the minister could explain if there are differences between the two and what they are.

**Mr. Robinson:** The TLE, when we talk about Treaty Land Entitlement, was land that fell short of land that was owed to particular First Nations with the creation of reserves. Many of them had a shortfall and therefore were having to catch up. I know that the previous government was responsible for the agreement that was made with the Government of Canada, as I indicated earlier.

With respect to the NRTA, the argument being placed by the First Nations of this province and the prairie provinces indeed was the Natural Resources Transfer Agreement of 1930. That basically went against the wishes of the First Nations, because Canada transferred the authority of its natural resources to the provinces, therefore bypassing the treaties that Canada, the Crown and right of Canada had made with First Nations. So therefore I think that that is where we run into the problem. We are having to correct this.

As my colleague may know, there is a court challenge currently that has been initiated by I believe Treaty No. 8 of Alberta. That is currently in the lower courts at this time. So the NRTA is really one element, but we are obligated under the TLE, but somehow these things run into each other. So we are having to separate them to deal with matters relating to TLE in a separate stream and at the same time be responsive to matters relating to the NRTA. While we are doing that we are trying to ensure, as required by the Constitution of Canada, that the rights and obligations that are owed to Aboriginal people under Section 35 are upheld. So I hope that I have been able to describe as I understand it to the member these very different but yet interrelated issues, as he correctly pointed out.

\* (16:30)

**Mr. Pitura:** Mr. Chairperson, just to keep adding to that or following it through, as the minister knows, the Kapyong Barracks was officially closed and is going to be transferred over the next two years to Shilo. I believe the Brokenhead First Nation reserve has indicated that they have the first right of refusal on the property for Kapyong.

I guess my question to the minister is: Does the Brokenhead Reserve have TLE dollars to purchase that property, or under the TLE Agreement would that property be part of that and added to the reserve, in which case then it would become an urban reserve? I would just like to ask the minister for his thoughts and his ideas about what could happen in terms of the future ownership and future use of this property at Kapyong.

**Mr. Robinson:** Mr. Chairperson, the way I understand it, the current base of Kapyong Barracks on Kenaston Boulevard could potentially become vacant in the next little while. The barracks then may become surplus land by the federal government, of course, and the Brokenhead Ojibway Nation has publicly stated that they would be interested in purchasing the lands should these lands become surplus to the federal government, pursuant to Treaty Land Entitlement, TLE agreements.

Now the process itself under section 310 of the Framework Agreement outlines the specific principles for acquisition of surplus federal land by entitlement First Nations, EFNs as I have called them earlier. In order to acquire federal surplus lands, the EFN must be identified in schedule B of the Framework Agreement and provided in the surplus property is within the EFNs treaty area. The Brokenhead Ojibway Nation is an EFN listed in schedule B, and the Kapyong Barracks are located in Treaty 1 area. So the possibility could be there.

Now, our role as a provincial government, Mr. Chairperson, in reviewing the acquisition of federal surplus lands is limited. We do, however, have an obligation in supporting First Nations and municipalities in negotiating a municipal development and services agreement. Further, I am advised that the following also have the ability to purchase under their agreements: Buffalo Point, Brokenhead, Sapotaweyak, Wuskwi Sipihk and Opaskwayak along with Roseau River, Long Plain, Swan Lake, and Peguis, as well. So they all have that ability to latch on that current land that may become open on Kenaston Boulevard.

Now schedule B. As a schedule B First Nation, Brokenhead is able to acquire a little over 10 000 acres of land, and it has been provided with a land acquisition payment of a little over \$3 million for the purchase of land acquisition. So I just want to say that it is entirely possible that Brokenhead and the other communities that I pointed out all have the ability to purchase that land on Kenaston Boulevard if it does become available.

**Mr. Pitura:** Mr. Chairperson, so just for clarification, Brokenhead First Nation can either

purchase 10 000 acres or they have \$3 million cash to buy land. So if I could just keep on saying that if Kapyong Barracks<sup>le</sup> property, let us say, is worth \$10 million just as a guess, that Brokenhead First Nation would require some partners probably in order to complete the deal. Is that the right assumption?

**Mr. Robinson:** The possibility is that they could partner with other First Nations or the private sector. You know, the possibilities are there.

**Mr. Pitura:** Mr. Chairperson, Sioux Valley recently reached an agreement regarding self-government, and I know that we talked about this last year and it was getting close to being completed. I would like to ask the minister what his reaction is to Sioux Valley obtaining self-government status and whether he can update me on what has happened to date. I am sure that you just do not obtain self-government and you have everything in place. You have to work towards that. So I will leave that first question with the minister on that in terms of Sioux Valley and an update on that.

**Mr. Robinson:** As I said in my opening comments earlier, our Government signed the tripartite agreement, in principle, on the 2nd of March of this year as described earlier. Canada, the Government of Canada signed a comprehensive agreement, in principle, on that same day, so there were two signings, in fact, on that day we were involved in the tripartite agreement, in principle, and Canada with the comprehensive agreement, in principle, on that same date.

Negotiations about Sioux Valley self-government have been continuing since 1991. The negotiations were originally between Canada and Sioux Valley under the community based self-government policy of the Department of Indian Affairs and Northern Development. This policy was designed to guide negotiations between Canada and certain First Nations that would result in agreements and amendments to legislation to enhance the powers of a First Nation from the powers as contained in the Indian Act.

Our officials are participating in the tripartite process without prejudice to the right to re-

examine the issues, and in particular to reserve the right to review and draft the comprehensive agreement, in principle, with the provincial departments and agencies prior to any formal policy or approvals by the Manitoba Government. Our Government, Manitoba, continues participation on this project, because the final agreement may result in a model for future provincial community-based self-government agreements and our continued involvement is significant towards any conclusion of the final agreement later on with respect to self-government agreements.

But, certainly, I think that this is a grand opportunity that we are witnessing, and it is the first of its kind in our province, certainly. We look for positive things to result from this. There is much more work to be done, but, certainly, as a signer on the tripartite agreement in principle, there are certain obligations that the Province is expected to do. On the comprehensive side of things, it enables Sioux Valley to proceed on self-government initiatives.

But the work is far from being over, and I would certainly hope that I have the opportunity, along with our hardworking staff, to be a part of any final agreement with respect to self-government initiatives in the Community of Sioux Valley later on.

**Mr. Pitura:** I would like to just ask with regard to this self-government in the tripartite agreement signed with Sioux Valley, what services does the government body in Sioux Valley provide for their people and what services are excluded?

\* (16:40)

**Mr. Robinson:** Much of this is being worked out for the final agreement that is going to occur. A lot of it is developing laws that conform with federal legislation.

So a lot of this work that is going on in Sioux Valley will be finalized in the final agreement, and, certainly, our Government is represented by very capable people in designing the self-government model. But, certainly, I believe that it enables the community to have more say in

any aspect of their lives in their own community.

**Mr. Pitura:** Just to ask the minister if he feels that all First Nations in Manitoba could function on a self-government basis, or would it be a situation of looking at each individual situation on its own merit?

**Mr. Robinson:** Well, as I indicated, Sioux Valley has been engaged in this dialogue since 1991, and at some point we were asked as a province to become involved in that process as well.

I think that each individual First Nation has their own aspirations. They have their own agendas, and I think that it is dependent on what the aspirations of that particular First Nations may be. I certainly would see the validity of what Sioux Valley is doing for other communities, and as we move towards self-government, certainly I think that some are ready; some are not, obviously.

So I think that it is dependent on the individual community, and I think that what we are witnessing here is some First Nations seeing what happens in Sioux Valley, what the outcome will be. But, certainly, Sioux Valley will be regarded as a model for other First Nations in the province of Manitoba.

**Mr. Jack Reimer (Southdale):** I just have a quick question to the minister. In going through the Budget speech, the Budget is classified in various sectors as to where the emphasis is. In the Aboriginal and northern initiatives, there is one line that I just wanted to ask the minister about, and that is the very last mention where it says: including a new northern housing strategy focussing on remote northern communities.

I wonder whether the minister could enlighten us as to what that strategy is and whether there is a dollar figure affixed to that, just some background as to that strategy that has been announced.

**Mr. Robinson:** I thank the member for that question. The housing strategy that we are engaged in is actually—the lead ministry on this is Family Services and Housing. The housing

strategy is attempting to address the needs, and the consultation process certainly is there currently where we are trying to identify—certainly housing has been identified as one of the many priority areas in northern Manitoba communities. The circumstances in northern Manitoba, of course, are such that housing is critical, and the housing shortage is continuing to be an escalating problem in a lot of cases. There is going to be a housing conference being held in the community of Thompson in the next little while, and certainly what that will be doing again is seeking advice from people on the housing needs in northern Manitoba communities.

One time I reported, as an example, on reserves and I know we are not talking about reserves on this current one, but certainly I think we need a housing strategy on First Nations communities. At one time it was identified by MKO that there was a shortage of 4500 housing units in the communities that they represent, which is roughly 27.

One community, as an example, has a housing shortage of 350 housing units, that being Garden Hill. We have an unfortunate circumstance in many of our northern communities where we have three families sharing one two-bedroom housing dwelling, and that is unacceptable in this day and age. So what we are trying to do is trying to address these issues. We are not going to address all the major issues that are faced by northern people or Aboriginal people, but certainly this housing strategy is being led by the Ministry of Family Services and Housing. We are a key player in this, but the meeting in Thompson in early May will be certainly again addressing this issue.

I would anticipate that my colleague from Morris and I will be, maybe perhaps, travelling to this housing conference together at that time so we have a good comprehension of this issue together.

**Mr. Reimer:** I do not think that I would disagree too much with the minister in saying that the housing problem, if you want to call it, in the North was something that I was very much aware of as Minister of Housing. But in the Budget speech, it seems fairly definitive that

there is a strategy that is being either talked about or formalized. Can the minister say whether there has been any allocation of specific funding towards this initiative or whether his department is participating in any type of funding arrangement with Housing for this strategy.

**Mr. Robinson:** What I can say with relative comfort is that certainly we are part of the consultation process. However, I think that is a question that will no doubt be better directed to the Minister of Family Services and Housing (Mr. Sale). I know during the Estimates process all members will have an opportunity to question him on the specific money that is being devoted to that particular strategy. But in our department, our part is certainly on the consultation part of it, and we are an active participant in that particular initiative.

**Mr. Reimer:** The minister mentioned that there is to be a housing conference set up in Thompson. Are there any other locations where there is this format being anticipated or whether it is going to be just in the one location?

**Mr. Robinson:** Because I am responsible for the Ministry of Aboriginal and Northern Affairs, I am most particularly interested in what goes on up there. However, if I am not mistaken, there is going to be a similar forum here in Winnipeg and in the south to address the needs that are needed to be addressed here in the south as well.

I am more familiar with the one in Thompson because we are trying to make arrangements for some of the northern members to be in attendance at this housing consultation meeting that is going to be held in the city of Thompson. Certainly one way I can get there without too many problems with respect to pairing is by being accompanied by my critic, and that is how I am going to get there.

**Mr. Pitura:** One issue I would like to leave with the minister, and I hope I can explain this well enough, but I believe your staff are quite aware of it and that has to do with the recent Municipal Board decision on South Athapap Cottage Association at Cranberry Portage. The crux of the issue, Mr. Chairperson, is that the individuals in this cottage association did not feel they were

being dealt with fairly either by your department—well, I guess especially by your department—and as a result they are now facing a Municipal Board decision which they feel has been made and the parties are all not in agreement of that board decision, but it will be forced upon them.

\* (16:50)

To clarify that, the Cranberry Portage community or the R.M. of Kelsey had requested the annexation of extra land so that they would have control in terms of land use, land use development. This cottage subdivision, which is an association of cottagers, was never a part of the Cranberry Portage. They were an association by themselves. They did pay fees for the use of the sewer and they paid fees for the use of the garbage disposal. They maintain their own road.

I guess what they had said was that their agreement with Cranberry Portage was that the annexation of the additional land would not include them. At the time of the municipal board hearing, the Department of Aboriginal and Northern Affairs appeared before the municipal board in support of the full annexation of their cottage subdivision to the town. I realize that there are reasons why it makes sense. However, one of the main mandates of the municipal board, of course, was that the decisions that they make, most of the people that are there would have to be in agreement with them, which they are not.

So, in this whole subdivision area, they are now looking like they are going to become part of Cranberry Portage proper or the R.M. of Kelsey. I am not sure which one is the governance there, but they just felt that they had an understanding with Cranberry Portage that they would not be part of the annexation, they would not receive any more services and, as such time as there is sufficient development in the additional annexed property, they would be outside this governance.

I guess what they are saying to me is that they felt they were not being dealt with fairly by your department, because they were part of your department in terms of the governance, although with respect to the payment for sewer or for the

garbage that was established through a trust fund through Northern Affairs, I guess as a Northern Affairs community, they were prepared to set up their own trust fund and run their own organization directly and pay directly to Cranberry Portage for their services. So they felt that Northern Affairs, as a Northern Affairs community, at least with your department, they felt that your department appearing at the municipal board more or less drove the decision of the municipal board to have full annexation. The minister may want to comment, but I leave that issue with you to further investigate.

I understand that it is also on the Minister of Intergovernmental Affairs' (Ms. Friesen) desk for approval. So it makes it a little bit complicated because the Department of Aboriginal and Northern Affairs, as an appellant at the municipal board hearing, might tend to also persuade the Minister of Intergovernmental services to accept the municipal hearing as it is.

**Mr. Robinson:** I had the opportunity of hearing out Mr. Bob Huck, the president of the cottagers' association from that area and had the opportunity of hearing the concerns that he had with respect to this.

I believe it would be wiser for me to await the ruling of the municipal board. Upon their ruling or after the ruling has been made, I will report back to the member about some of the other issues relating to this that do exist, not only in that area we are talking about currently but certainly in other areas where we have the responsibility of these communities that do have cottages.

It is not a simple question to answer. It is quite complicated in a lot of ways; however, I would be prepared to talk to the member privately after we have had the ruling from the municipal board.

**Mr. Pitura:** I thank the minister for that answer and am prepared to sit down with him and to have further discussion once the municipal board ruling comes forward. I am prepared to pass all the lines now.

**Mr. Chairperson:** Our next line is 2. Aboriginal and Northern Affairs Operations (a) Financial

and Administrative Services (1) Salaries and Employee Benefits \$362,000—pass; (2) Other Expenditures \$126,700—pass.

2.(b) Program and Operational Support (1) Salaries and Employee Benefits \$180,900—pass; (2) Other Expenditures \$92,500—pass; (3) Community Operations \$7,727,500—pass; (4) Regional Services \$589,800—pass; (5) Grants \$253,700—pass.

2.(c) Community Support Services (1) Salaries and Employee Benefits \$1,591,400—pass; (2) Other Expenditures \$607,000—pass.

2.(d) Northern Affairs Fund (1) Salaries and Employee Benefits \$210,900—pass; (2) Other Expenditures \$67,900—pass.

2.(e) Program Planning and Development Services (1) Salaries and Employee Benefits \$371,000—pass; (2) Other Expenditures \$102,900—pass;

2.(f) Agreements Management and Co-ordination (1) Salaries and Employee Benefits \$724,400—pass; (2) Other Expenditures \$181,600—pass; (3) Northern Flood Agreement \$1,355,000—pass.

2.(g) Aboriginal Affairs Secretariat (1) Salaries and Employee Benefits \$478,900—pass; (2) Other Expenditures \$221,500—pass; (3) Aboriginal Development Programs \$2,397,000—pass; (4) Aboriginal Economic and Resource Development Fund \$1,000,000—pass; (5) Partners for Careers \$200,000—pass.

2.(h) Communities Economic Development Fund \$1,539,900—pass.

Resolution 19.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,382,500 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Operations, for the fiscal year ending the 31st day of March, 2002.

**Resolution agreed to.**

19.3 (3) Capital Grants (a) Northern Communities \$2,958,300—pass; (b) Community Access and Resource Roads \$235,000—pass.

Resolution 19.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,193,300 for Aboriginal and Northern Affairs, Capital Grants, for the fiscal year ending the 31st day of March, 2002.

*Resolution agreed to.*

\* (17:00)

**Mr. Chairperson:** The time being 5:00—

**Hon. Becky Barrett (Minister of Labour and Immigration):** I am wondering, since we are virtually finished with the Estimates, if it would be acceptable not to see the clock.

**Mr. Chairperson:** Do the members agree?  
[Agreed]

We will continue.

Resolution 19.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$135,000 for Aboriginal and Northern Affairs, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2002.

*Resolution agreed to.*

**Mr. Chairperson:** The last item to be considered for the Estimates of the Department of Aboriginal and Northern Affairs is item 1.(a) Minister's Salary \$28,100. At this point, we request that the minister's staff leave the table for the consideration of this item.

19.1 Aboriginal and Northern Affairs Executive (a) Minister's Salary \$28,100—pass.

Resolution 19.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$893,100 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Executive, for the fiscal year ending the 31st day of March, 2002.

*Resolution agreed to.*

**Mr. Chairperson:** This concludes the Estimates of the Aboriginal and Northern Affairs.

Committee rise.

\* (15:00)

## FINANCE

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Finance. Does the honourable minister have an opening statement?

**Hon. Greg Selinger (Minister of Finance):** Yes.

Madam Chairperson, it is my pleasure to present for your consideration and approval the Estimates of Expenditure of the Department of Finance, for the year 2001-2002. I have a brief opening statement, and I will be happy to respond to questions.

First of all, I would like to thank the staff both in Treasury Board and the Department of Finance, Federal-Provincial Relations and the Deputy Minister's office for all the excellent work they have done in preparing the Estimates for this year. I have said this in the House but it bears repeating that there is a tremendous amount of work that goes into preparing the Estimates, an enormous amount of drafting, number verification, cross-referencing and, of course, preparing the material in a way that is understandable.

So I think the staff should be commended. I know it is always a very trying process in March and April to pull this together, February. I know there are many hours of overtime and weekends that are put into the preparation of this material. I would like to just put on the record again my appreciation for the work of the staff. I note with interest that we have many of these staff members in the room. I am almost nervous about that much useful, productive civil service time sitting in the back rows there, but if there are any questions I will be more than ready to answer them.

With that I would like to just say that the department proposes to spend \$560.7 million this year. This represents a decrease of \$17.7

million, or 3.1 percent over last years Estimates. It is an attempt once again to do our bit in terms of the overall government entity to balance programming, tax reductions and debt repayment.

Madam Chairperson, improving transparency and accountability in government is one of the important objectives that we have committed ourselves to. The Provincial Auditor has for some time been recommending improvements to financial management and reporting practices to enhance transparency and accountability. The independent review conducted last year by Deloitte Touche, undertaken in '99 and 2000, suggested several of these improvements as well. We have tried to respond to that, and we are looking at further steps last year and this year to improve reporting practices.

We will introduce a new annual report, commencing 2001 fiscal year, covering all government operations. This report will give one set of financial statements for the entire government reporting entity and a special purpose statement showing our stewardship of the Consolidated Fund. The annual report will also have commentary on fiscal and economic results.

Summary budget presentations were included in the annual provincial Budget providing comprehensive disclosure of the entire Manitoba government reporting entity. To increase the timeliness of the reported results, The Financial Administration Act has been amended last spring to impose a September 30 deadline on both the summary financial statements and the Consolidated Fund financial statements. This, I think, brings us into coordination with other provincial governments and the direction they have moved.

With respect to Public Debt and debt repayment, we have made progress towards the repayments of both the general purpose debt and the Government's pension obligation. As we discovered last year upon coming into office, the pension liability had grown over the 12-year period of the former government from \$1.1 billion to about \$2.9 billion and was not being addressed with any long-term plan to fund it.

We increased our debt repayment, payments from \$75 million to \$96 million and dedicated \$21 million of that towards the pension liability issue as part of a long-term plan, a plan which I believe will extend over 35 years to fund the pension liability. Last year, we made our \$21-million payment towards pension liabilities. That was the first payment in 40 years.

I think it is an important step forward. It certainly was well recognized by the credit rating agencies, which had been asking us to do something about this matter for a long time. This approach will ensure that we are not just emphasizing or substituting one obligation with respect to debt liabilities and ignoring another or substituting one for the other. This comprehensive approach will lift both the burden of accumulated general purpose debt and our pension obligation from the shoulders of future generations.

We continue to take strong debt reduction measures in the current year; \$96 million will be dedicated towards paying down general purpose debt and the pension obligation of probably a 75-21 split. The cost of servicing the public debt is expected to decrease by about \$16.5 million to \$458 million. Debt servicing costs now represent 6.7 percent of revenue, the lowest level in two decades and the third lowest in the country.

Madam Chairperson, this Government also introduced a more cost-efficient method of financing health facilities and the Manitoba Lotteries Corporation. When we came into office, the Lotteries Corporation had, I believe, in the order \$190 million of debt that they were financing independently from government and, in the opinion of my officials, illegally through the banks at a sort of floating rate, short-term amounts. We have brought that into the Treasury and developed a long-term plan to finance that debt and shown it on the books for the first time. In addition, the health capital's debt financing was off the books, but with the implementation of the RHAs, the Auditor was increasingly recognizing hospital debt as part of the government entity, not an arm's-length form of debt in view of the fact that we fully fund the RHAs, and in effect, fully fund the hospitals, so we brought that into the Treasury last year as well.



The fact that we are a semi-sovereign subnational entity, we get a better borrowing rate as a government entity, so that \$260 million will be funded in 2001 and 2002 using the Government's borrowing authority and reputation, and that will project annual savings in the order of \$800,000, which I think is a significant saving. That \$800,000 can be better employed in actual program or tax reductions or actual funding in the health care field for services that people need. So I think those are two significant improvements that we have made that I want to put on the record today.

Further, the volatility of public debt costs is reduced appropriately in this Budget. When we came into office, public debt denominated in foreign currency, mostly American dollars, was in the order of, I believe, 18.5 percent. I am looking for Don Delisle there. Is that the right percentage, Don? I think it was 18.5, 19 percent. I recognize that that was an exposure we did not need, and I asked Treasury officials to move that down. They got to about 13.5 percent, I believe, before the dollar fell through the floor, so that resulted in an additional cost to government in the last reporting year.

We are hoping to have that down to 9 percent by March 31, 2002. As some of that debt matures, we will roll it over and secure it back in Canadian dollars and reduce our exposure there. So we are continuing to reduce the volatility of our debt and ensure that it is denominated in Canadian dollars where we can and make sure that we do not have exposures that provide nasty surprises in budgets as we go forward.

On the tax credit side, this Budget has \$242.2 million in the tax credits. This is a \$21.5-million increase over 2000 and 2001. The Education Property Tax Credit, the Pensioners School Tax Assistance and Learning Tax Credit programs all fall under the departments of Advanced Education and the Department of Education, Training and Youth, but are administered by the Department of Finance.

With respect to personal and corporate income taxes, we have introduced personal income tax changes that will reduce income taxes for Manitobans, personal income taxes by \$111 million when fully implemented. We have

introduced further reductions that will bring this total amount in this Budget to \$165 million. This is a 10.5% reduction relative to 1999. In addition, we have increased the education property tax credit twice by \$75 last year, another \$75 this year, saving Manitobans another \$53 million. That is about a 60% increase in the value of that credit to Manitobans. So the total is about \$218 million per year by the time it rolls out in 2003 and subsequent years.

This Budget also provides the first reductions in the general corporate income tax rates since the Second World War and raises the small business income tax threshold by 50 percent to \$300,000. In total, Manitoba businesses will save \$50 million in taxes annually when measures in this Budget are fully implemented. That reduction in the rate of general corporate income tax from 17 to 15 percent will roll out over four years starting next year and will be an equivalent to about an 11.7% reduction in corporate income taxes. The reduction in small business income tax is just on the rate from 8 to 5 percent and will be equivalent to about a 37.5% reduction in small business taxes, and of course, the increase in the threshold is, once again, 50 percent.

I think we have made significant progress in these areas, and we believe this will help make Manitoba a good province to do business in, live, work, raise a family and an affordable place to live in for the future.

Other things that come under the Estimates that we are discussing in this department are information technology opportunities. We are going to continue to work towards e-government in the Government of Manitoba, provide better service delivery to the citizens of Manitoba. The Office of Information Technology will continue to provide system-wide leadership in this area. The focus is to provide better service, reduce the cost of government, and to make Government more accessible to Manitobans. We have seen some significant examples of that, which I would be happy to discuss later.

As well, the French Language Services Secretariat is in these Estimates and this secretariat in collaboration with Transportation

and Government Services is finalizing the establishment of the first three bilingual Government Services centres envisaged in the Chartier report and recommendations on French Language Services. We are committing to pursue those recommendations further in future budgets and to take the approach that was indicated in that report of finding practical solutions to delivering bilingual services throughout the regions of Manitoba where Francophones live and work.

As well, the Taxation Division will be implementing some new technologies this year to provide improved services to taxpayers, particularly business taxpayers, under a single common business identifier number for all provincial statutes. The goal is the provision of electronic, self-service capability including browsing, secure filing, and payment over the Internet. So we are on the threshold of implementing that project. It is a fairly big-ticket item in terms of the capital required, but we think it will provide a significant improvement of service in Manitoba for business to interact with Government on legislative requirements.

\* (15:10)

The Office of Information Technology also has an Information Protection Centre and has the resources in place to safeguard Manitoba's information technology assets, including government IT systems, confidential information, and electronic transactions. This Information Protection Centre, I believe, is at the forefront of this type of service for governments across the country. We have some very capable and knowledgeable people there, and we are protecting government information resources. We have had very little damage as a result of viruses that have tried to invade the government system. You will remember the love bug virus last year. We had very minimal damage compared to other jurisdictions. I remember I think it was the Parliament of England was actually shut down by that virus. There have been many attempts, as the members might know, on an ongoing basis, to break into our system and the Office of Information protection does a terrific job in protecting government assets in this regard, information assets.

As well, we have the Tobacco Interdiction program which continues as a vigilant measure in the support of the tobacco tax. I would invite the Member for Fort Whyte (Mr. Loewen) to stop and say hello to them when he drives down to the lake, towards Lake of the Woods. They are parked there at the Manitoba border. I have stopped and talked to them and shared their sunflower seeds as they protect tobacco from being bootlegged into Manitoba. They seem to have a pretty good idea of what is going on there and have made some significant seizures of illegal tobacco crossing the border. You just might want to check out the service. After all, we are all supporting it and they do a very good job. They also continue enforcement measures to prevent the sale to minors of tobacco products under The Non-Smokers Health Protection Act.

There are many other examples of programs that we have in the department that we would be pleased to discuss in detail, and with that I will conclude my opening comments and be ready for questions.

**Madam Chairperson:** Does the Official Opposition critic, the honourable Member for Fort Whyte, have any opening comments?

**Mr. John Loewen (Fort Whyte):** Just a few to respond to some of the comments that the minister has made. Certainly I would like to echo his congratulations to staff. I have not had the pleasure yet to work directly with his staff but I certainly have heard good things about them from the former Finance Minister and the former critic Eric Stefanson. I know that he would echo your sentiments in that you have certainly had the good fortune of becoming minister of a department that is very well staffed and I am sure serves you well.

Certainly we do have a different view of the Budget than the minister, and we will get into that as we go through the questions, some of our philosophical differences. I must say that overall we as a party and I as an individual member chose to vote against the Budget, I think for some very sound reasons, but that is not to say that we do not understand that there are some good measures in the Budget. There are some, and where accolades are due we will be glad to share them with the minister. We will get into

that as we go through the questioning and through the numbers.

My disappointment in the Budget is primarily that I do not believe it addressed the need for this province to move forward, particularly in the areas of wealth creation, which I think is a very important aspect of not only our economy but our ability to provide the necessary services at a satisfactory level to the people of Manitoba. I do not believe that in this Budget there is any incentive for business to locate here, for business to grow here, to expand here or, for that matter, for business to relocate here other than perhaps some businesses which are in need of our capacity to provide inexpensive electricity, and, again, an area that we are in full agreement with the minister on our need, as a province, to take advantage of that renewable resource.

In general, I would term this Budget as the Government simply not being able to resist the urge to splurge, and I think that is unfortunate. I think we have missed a window of opportunity for the citizens of Manitoba when we see the type of spending increases that we are seeing. I got a particular chuckle out of one of the newspapers' front page describing this Budget as a 2001 spending odyssey; I thought quite a creative response, given the year and the timing and the nature of the Budget.

I do think the Government and the department needs to be congratulated for increasing the transparency within the financial statements. I believe the Auditor has commented on that as well, and I think it is something that is a step forward for the province and something that will continue to be improved on year over year. As information becomes more readily available, I think it is important that it gets divulged to the people of Manitoba in a timely manner and also a transparent manner.

With regard to the pension obligation, which the minister mentioned and the pay-down of the pension obligation, again I congratulate the Government for recognizing it. I think it is wrong to characterize that it was not recognized by previous governments, as the Minister of Family Services (Mr. Sale) pointed out. It has been there basically hanging over the heads of

Manitobans since the Roblin era, when a decision was made to build the floodway and stop funding pension obligations. We are all aware of that. We are all aware of the need to pay it down. A debt is a debt is a debt, so while I think it is noteworthy that it is being recognized a little more readily in the financial statements, in my mind, whether we follow the schedule and move the payments up to \$95 million or \$96 million and apply that all to our public debt or a portion from one to the other, a debt is a debt is a debt.

I think it is just worthwhile that we are continuing, particularly through the boom economic times that we come through, to pay off the debt. I would have preferred, as many Manitobans, and I am sure they likely shared this with the minister during his pre-Budget consultations this year and last year, I think it would have been preferable during these boom times to have found a way to set aside some more dollars, as opposed to spending them, to apply it to the public debt.

I am sure the minister is well aware of some of the possible and pending economic doom and gloom that is out there. I hope the minister has taken that into account when he has gone through the spending numbers at Treasury Board with this Budget. I am concerned that not enough attention has been paid to the fact that we do not really know what is in store for our economy over the course of the next 12 to 18 months.

You know, when I see Alan Greenspan stand up at an unscheduled time in the middle of April and announce to the world that he is cutting interest rates or the fed rate by half a percent, I mean that is unprecedented, I think, in the 88 years of the Federal Reserve for the Chairman of the Federal Reserve to stand up and make that type of announcement out of the blue, if you will. There is a statement there about the seriousness of the downturn in the U.S. economy.

While we may not fully see the effects of it, I think I would urge the minister and I would urge all of his colleagues to take real note of that. That is a very, very serious move, one that, again, I do not think, in terms of Canada, we

have taken seriously enough, particularly given that our federal rate, I think the day before, dropped by a quarter of a percent. I think that shows a lack of communication between the two reserve boards. So that is a real note of caution that I would pass on to the minister.

\* (15:20)

We are entering a time of, I think, real uncertainty in terms of the U.S. economy, and 35 percent of our GDP is, I believe, directed towards exports and the large 80 percent portion of that towards exports to the U.S. Certainly, there will be a dramatic slowdown. Perhaps we will be protected a little bit by the diversity of our economy, but, on the other hand, my advice would be to tread carefully because we do not really know what we are in for.

Typically, in a recession, in a situation like this, with this type of downturn, you know, historically we hear the U.S. down and Japan up, or Japan down and the U.S. up. I mean, this is the first time in history, I think, we are seeing U.S. down and Japan down. I just caution that we do not really know what is in store. I note that, in the Budget, growth rates are predicted at on average, I think, 2.8 percent—

**An Honourable Member:** 2.4.

**Mr. Loewen:** Sorry, 2.4 over the coming years, which is where our economy has been downgraded to. It would not surprise me if those numbers were downgraded again some time in the next six months so—[interjection] Well, I think it is incumbent upon the Minister of Finance and the staff and the Government to look at these numbers very, very carefully because we could be in for a real downturn which could have some very serious effects, particularly, as the minister has indicated, according to his own words, since the dollar fell through the floor, and we saw this year what dramatic effect that can have on the province of Manitoba.

You know, while I take the minister's words at face value when he says that the estimate of expenditures is down this year as opposed to last year, I would comment for the record that it is only down by the amount of the decrease projected in the public debt; in other words, the operating appropriations are in fact up so the

cost of the department has gone up and in fact we will get into these numbers a little later and maybe try and find out a little more about it, but the cost of operating appropriations is up significantly over the \$38 million that was the estimate given for the 1999-2000 year. In fact, this year they are at \$48 million, which is close to—and I am just doing the math in my head here, but you know, roughly, probably over a 20% increase in operating appropriations. Now it could be that something has been moved in there when you look at the '99 Budget, '99-2000 Estimates and compare that to 2001-2002.

So we will get into those numbers at some point, but I think it is noteworthy that the operating appropriations are going up and the public debt, as the minister stated, is going down, so I do not think we want to balance one with the other. Hopefully, the public debt cost will continue to go down as debt is paid off according to the schedule that was set out by the previous government, and at the same time we have some tight controls on our operating appropriations so that we do not lose the advantage of a reduction in debt costs so the debt is not offset by a substantial increase in operating costs. That is quite frankly, I think, in government, always one of the pitfalls, as it is often easier to spend everything that is there, which I think again we see in this latest Budget.

Once again, and we will get into this later, I do take issue with the minister on his numbers with regard to personal income tax credits. He is well aware from last year's Estimates that my own belief is in fact, as a result of his decision to delink and his decision to delink rather hastily a year ahead of schedule and his decision where to set the rates, that Manitobans have been penalized quite substantially on their provincial income tax rates, particularly when again one compares these rates with what would have transpired had Manitoba simply stuck at that 47% rate. The minister is fully aware that the previous government set about a schedule to bring it from a 50% rate down to 48.5 and then in 2000 down to 47. The now-Minister of Finance chose to delink, and that has been a significant cost to the taxpayers of Manitoba, and I think that also explains some of the revenue increases that we will get into.

I do commend the minister for his attempt to ensure that the department is more accessible and that the information is presented in a timely fashion. I hope that trend continues. I commend him for continuing with the proposed revision of French language services in three centres across Manitoba. I think that is very important. But I do think, in particular with regard to timely information, I would hope that we would see an improvement in what we have seen in this past year where, I believe, and I have been told, and you know my experience is not that great only being here, but certainly the Third Quarter nine months financial statements from April to December of 2000 were made available to the public I think substantially later than the year before. The year before, from my understanding, they were available in the early part of March and this time they were not available until the end of March. So, hopefully, we will continue to see work done on that and improvement in the timeliness of the release of information.

I concur with the minister regarding the tobacco interdiction, We will get into that because I think his Budget has increased some of the tobacco tax and we are certainly interested in what effect that will have on the costs of interdiction and the possible increase in the attempts to move cigarettes across the border from one province to the next.

Those are my primary opening comments, words of caution, and at the same time I think some kudos to the minister for some of the progress that has been made.

I would ask if the minister would table with me his opening comments. I noticed that he has them in a written form and I would hope that he would make those available as soon as possible so that I could refer to them throughout the questioning of the department.

**Madam Chairperson:** We thank the critic from the Official Opposition for those remarks. Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

At this time, we invite the minister's staff to join us at the table and we ask that the minister introduce the staff in attendance.

**Mr. Selinger:** This is the Deputy Minister of Finance Pat Gannon, and the Director of Administration Errol Kavanagh, and there are a host of others depending on the questions that arise.

Madam Chairperson, if I might make another comment. I was looking at page 6 when I compared last year's expenditure to this year's expenditure. Is that the page you were working off?

**An Honourable Member:** Yes, it is.

**Mr. Selinger:** Okay. I see our expenditure last year at \$47.8 million going to \$48.6 million for an increase of 1.5 per cent on operating. I thought I heard you quote a number of \$38 million. I just want to make sure we get it right off the top that our operating expenditures have only gone up 1.5 per cent. Is there any doubt about that?

**Mr. Loewen:** Well, I think we will get into that in some of the numbers. I was referring to the 1999-2000 appropriations and again I think that is appropriate because that is when the minister took control of the department, and the Estimates of Expenditure in that year were, from my research, \$38,119,000. So, when I say we have seen a substantial increase, I was talking over the last two-year period. My background when you see that type of increase over two years, I am curious as to know why.

\* (15:30)

**Mr. Selinger:** I want to just clarify, right off the hop, that was the increase from 1999-2000 to 2000-2001 and represented some changes of what was included within the Estimates. One of the primary changes was the Enterprise System Management. The SAP establishment was rolled into the department and, as well, we have rolled into the Department of French Language Services. So, if you are going to go on straight comparables, I think you will find comparing apples to apples over the last two years that our increases in expenditure are quite modest and that is reflected in the Estimates this year.

But there were some increases to the total establishment of expenditure and personnel due

to some additional functions being brought into the department last year. When I took over as minister, some things came along with it. So I just want to make that clear right off the hop. There has been no dramatic increase in the expenditures of this department.

**Madam Chairperson:** Could I ask right now if the minister would please introduce the staff in attendance before we open—

**Mr. Selinger:** Yes, I have done that.

**Madam Chairperson:** Did you?

**Mr. Selinger:** Yes. Unless you want me to go to the back of the room. I did that.

**Madam Chairperson:** Oh, my goodness. Thank you, Mr. Minister.

**Mr. Loewen:** A couple of comments. I certainly appreciate the minister's statement, and I will have to ask for some forbearance given that this is my first time as the Finance critic going through some of these numbers. I appreciate his explanation, not having the history in the department.

Again, I just want to reiterate that I have looked back over the last couple of years, and as far as I am concerned, that explanation is satisfactory, but I am looking for reasons as to why those numbers have gone up.

In response to the minister's question, I anticipate going line by line, but, again, I would ask some forbearance in that there may be areas that I think are in one area that perhaps I am misunderstanding as it is.

I kind of relate it to travelling around in a car in a new city. I was able to sit beside the Finance critic, the former Finance Minister last year as a passenger. This year I am actually at the wheel, and sometimes you do not really learn the city until you are forced to be at the wheel. So I would ask some forbearance from the minister in case I have to jump around a little bit.

Just for clarification then, the minister may have answered this, but I will be able to get a copy of the opening statement?

**Mr. Selinger:** Yes. I have taken notes on my own, but I will get you a fresh copy without my scratchings on it.

**Mr. Loewen:** Also, there were a number of questions or requests for information that were requested from the minister during last year's Estimates to which I believe I have not been able to track down a response. It could be that some of these have been responded to the former Finance critic and simply have not found their way to my desk yet. Again, I ask for a little leeway on this.

I would anticipate that in the course of the next day or so, we will kind of clean this list up, if we could give that list to the minister and his staff and hopefully get either copies or, in fact, the request for information that the minister agreed to provide last year. That might be helpful in terms of our process, and it would certainly avoid a number of questions.

We have a couple of pages, just going through Hansard last year, of questions and requests for information that were either taken on notice or where the minister advised he would respond. Again, I would ask that if we got that to him if he would take a look at it and wherever possible give us the information that we should have gotten.

**Mr. Selinger:** My director of Administration has extracted from the minutes last year all the requested information and has tried to meet the requests here. So they have worked away at it. You might have a separate schedule of items? *[interjection]* Okay, maybe you could table yours with us and we will cross-reference it and see what you have got and try and get it out to you. *[interjection]*

**Madam Chairperson:** Could I remind all members of the committee that Hansard will not recognize speakers until they have been recognized. So, could we go one at a time? Thank you.

**Mr. Selinger:** I will provide this document that we have worked off of. If you want to provide us your document we will check it, but this is the document we have worked off of and I will provide it to the Clerk.

**Mr. Loewen:** Thank you very much. Just before we get into the individual line by line items, my question to the minister regarding page 5 of the Expenditure Estimates booklet, there is a chart indicating the senior staff. I would just ask if he could provide a list of any changes in that senior staff during the course of the last year.

**Mr. Selinger:** Since the last Budget?

**Mr. Loewen:** Since the last Estimates period.

**Mr. Selinger:** Just before the last Budget we appointed the ADM of Treasury, Don Delisle, so that would not actually fall in that reference period. Right after coming into office we appointed the ADM in the Comptroller's Division, Gerry Gaudreau. The only other change is probably in the Office of Information Technology. David Primmer is the Acting there. I think all the other people were in place at this time last year. There have probably been a few changes at the director level, too. We will pull that together for you and get you that.

**Mr. Loewen:** I would ask the minister if he could, at the same time as he is pulling that list together, indicate whether those positions were filled by appointment or whether there was a competition as well as the salary range and the salary that has been paid to the three individuals he has mentioned as well as the directors.

**Mr. Selinger:** Yes, we will do that.

**Mr. Loewen:** I would like to move to Schedule 4 just for a minute. My question to the minister is general in nature, but throughout the booklet there is a notice that the Estimates of Expenditure for the year 2001-2002 printed in this book in many cases differ substantially from the Estimates of Expenditure that were published at this time last year for 2000 and 2001. In general are those because of departmental reorganizations, or have some of those numbers been updated as a result of—well, maybe he can just explain to me why the differences?

**Mr. Selinger:** Are you asking about the organizational outlay here in terms of the categories of expenditure?

**Mr. Loewen:** Not so much that. Just by way of example, in Schedule 4 on page 12 the total

Estimates of Expenditure 2001-2002 for Salaries for Item 7-1 is \$1,154,800. In the same Estimates of Expenditure that was given last year it was \$1,079,200, and I am just wondering what causes that discrepancy.

**Mr. Selinger:** The general salary increase, the GSI as they call it, has been rolled into those numbers now that the agreement has been concluded and made official.

\* (15:40)

**Mr. Loewen:** Okay. Thank you for that. There are also some—for example, in section 7.3 in the Comptroller's Office, the Enterprise System Management, last year the estimate called for four full-time equivalents in its estimate and no dollars associated, and this year the same number in the Estimates for last year are 43 full-time equivalents and over \$2 million in expenditure.

I assume that is a result of a transfer from one department to another, and I guess I would ask the minister, if it has been added to the Department of Finance, where did it come from?

**Mr. Selinger:** The way this project had worked was that some of the staff had been capitalized and carried as part of the capital development phase, and then when the system was made operational they were brought into the establishment and shown on the books as operational money.

In addition to that, there were some people who had been seconded from other areas working on this who moved into the department as full-time equivalents to maintain the system when it was up and running.

I think the member opposite is familiar with the SAP system and just how huge an undertaking it was to sort of bring it into government. It was initiated by the former government and upon coming into office our task was to stabilize it, to give it a home instead of just a project focus, to give it a permanent home. We felt that it was best located in the Comptroller's Division because of the fundamental nature of using it to record and deal with financial transactions, and that being the

Comptroller's responsibility, we thought it was best located there on the go-forward base to stabilize and make it permanent.

So that is what you are seeing there, is you are seeing the materialization of capital, staff and operating costs put into the operating side of the Finance budget and the permanent location of people who had been on secondment to develop the project.

**Mr. Loewen:** I wonder if the minister could indicate how much over the course of the years then has been capitalized and what the schedule for writing off the capitalization of those salaries is, how many years.

**Mr. Selinger:** Just to further answer the questions posed earlier, and then I will come back to the specific point for the Member for Fort Whyte, I would direct him to page 7, schedule 2, just 5 pages back, and that is our reconciliation statement there that shows the shifts that have occurred.

For example, you will see transfer of functions from Health and Civil Service Commission, allocation of funds from other departments, and you will see the general salary increase, the money moved out of there into the lines that we have talked about earlier in terms of the amounts of money for those appropriations.

So this is an attempt to show where the money was located before and how it has been brought into the establishment. It does not pick up the capital-to-operating shift, which is a transformation that occurs once the system is put in place and becomes operational on an ongoing basis. If you want that specific to what was translated there, we will have to get that for you.

**Mr. Loewen:** Madam Chair, I appreciate that. I would hope to come back to that at a later time, but I guess just a follow-up to that question: Can the minister provide a number of the capitalized asset on the books of the Province as a result of—I am not sure if it is broken down according to the cost of the software and the amount of salaries that have been included. If it is, I would like that, but if it is just there in one number and it has been combined, that is fine, too.

**Mr. Selinger:** We will try to extract that information out for you. I should just mention also to the member that this year we went through an upgrade in the SAP system. It went from 4.1 to 4.6, and that was a significant undertaking as well to sort of bring it up to the next generation of software. We want to look at Part B of the General Estimates 2000 Manitoba. That is the Part B, Estimates of Capital Investment.

**An Honourable Member:** I do not think I have got that book here.

**Mr. Selinger:** Okay I can share my copy or the Clerk can share her copy with him.

That would be on page 151. So we will get you to 151 first. You have got that now, and that shows you the capital investment in Part B for different departments for last year and this year. Then I would direct the member to page 161 in the same document. It is about 10 pages forward. There you will see under Computer Software that capitalization of \$10,000 and more is amortized over four years, straight-line depreciation of 25 percent. So that gives you the framework to work on. My Associate Deputy of Treasury indicates to me that the SAP system, \$62 million has been the investment made on that system.

**Mr. Loewen:** I thank the minister for that information. It was very useful. We will come back to the SAP. I have a few more questions on that, but we will deal with that in the section that covers that particular expenditure in the Comptroller's Office.

Having said that I am prepared to move on to item 7.1. I have a couple of questions in that area.

**Madam Chairperson:** Item 7.1 Administration and Finance (b) Executive Support \$508,400.

**Mr. Loewen:** One of the Activity Identification areas is with regard to policy and program advice in all matters that relate to the department and I am just wondering if the minister could advise if there are any particular policies that are being worked on right now that the House should be aware of. *[interjection]*



No, I am just talking about policies in general with regard that the department might be working on, taxation issues or revenue sharing issues that the House should be advised of at this point.

**Mr. Selinger:** All of the tax initiatives that we have taken this year were revealed in the Budget. So, I mean, they are all there, including the magnanimous break we gave to microbreweries which I know you are interested in. I guess we could identify that we continue to work with the federal government to get the Canada Customs and Revenue collection agency as a new mechanism. It is kind of a special operating agency set up by the federal government, and we have signed on to that agreement for them to be the collector of our taxes as well as federal taxes across the country. So we are working out the nuts and bolts of how to make that operation more effective.

\* (15:50)

I discussed with you before we went on the record today the work we are doing with respect to equalization issues and drawing the CAP back down to \$10 billion this year, the implications of that for Manitoba. That is outlined in detail in the Budget papers. I think you have seen that document in there. I think those are the major things that I can think of off the top of my head, unless you have any specifics you want me to pursue.

*Mr. Doug Martindale, Acting Chairperson, in the Chair*

**Mr. Loewen:** I appreciate the information. Just for the record, it is probably well known amongst the minister and some other members that prior to my election as an MLA I did make a number of investments, one of them in a microbrewery in Manitoba. That in my part is a very passive investment, certainly one that in any of these issues I do not participate in and certainly would declare a conflict of interest if it so arose.

With regard to the negotiation of agreement with the federal government, I will deal with that in a different area. Having said that I am prepared to pass 7.1.(b).

**The Acting Chairperson (Mr. Martindale):** 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$421,200—pass; (2) Other Expenditures \$87,200—pass.

1.(c) Management Services.

**Mr. Loewen:** I would ask the minister, I notice that this area, Management Services is responsible for the freedom of information requests. I would ask the minister if he could share with us the number of freedom of information requests that have been made during the course of the last year and at the same time provide a summary of the type of requests and the disposition whether it was granted or whether it was referred to the Ombudsman.

**Mr. Selinger:** In terms of Freedom of Information and Protection of Privacy Act applications for access for the period of January 1, 2000, to December 31, 2000—that is the time frame I am working in—there were 2 carried forward from the prior year. During the calendar year there were 17 new applications for a total of 19; 4 were transferred to another department; 3 determined that the records did not exist; 1 application was abandoned by the applicants; and 2 applications were withdrawn by the applicants. So the total number of applications processed for the period was 9, and of those 9 processed, 9 were granted or partly granted access for 100 percent. So the total applications processed for the period were 9, for a 100 percent.

**Mr. Loewen:** Thank you. Would it be possible to get a summary of those requests?

**Mr. Selinger:** I can give you the summary page of the numbers. I can certainly provide the member the information I have just provided him verbally. I can also read into the record for the benefit of the Member for Fort Whyte the information requested. Would that be helpful?

**Mr. Loewen:** That would be. Yes.

**Mr. Selinger:** Okay. An application from what we call the media carried forward from '99, briefing notes or similar material supplied to the minister for Question Period between October 5

and the date the request granted, carried forward from '99, the media information on minister's travel outside Manitoba since September 21 and details, in a political party, presumably the one of the member's, the employment agreement with Ron Hikel to chair the financial review, a media request, copies of any documents or studies relating to the potential impact of the separation of Quebec on the province of Manitoba, another media request, list of all grants and loans handed out through the Community Support Program from March '99 to March 2000, a private citizen's request of copies of enquiries by the Manitoba Securities Commission regarding the sale of MTS shares, a private citizen request for records relating to the direct public access to Government's electronic data bases held by the former Crown corporation, Manitoba Data Services, or the former minister responsible, private citizen, records relating to the direct public access to Government's electronic data bases held by the Minister of Finance, a law office request for the collection agreement entered into by the Government of Manitoba with the Government of Canada pursuant to Section 61 of the Income Tax Act of Manitoba and all amendments and extensions, a law office request for financial statements for the Manitoba Jockey Club, political party, I think, once again, the member's political party, the total amount of money spent by the Government of Manitoba to advertise the 2000 Manitoba Budget on television, radio or any other medium, a media request on any or all public opinion research conducted or commissioned by the Finance Department or its agents, a private citizen's request on particulars regarding the sale, date, price and purchaser of a return of a vehicle sold in February '95, another organizational request for advertising expenditures for Manitoba Finance, a media request for the subject and headings of ministerial briefing notes on hand in the department's Management Services Branch, a media request for attendance records for members of Treasury Board, an organizational request for air fare expenditures for individual government appropriations, including transaction detail, and a caucus request from the Progressive Conservatives for a copy of any and all contracts between SJC Consulting and the Government of Manitoba since October 6, '99.

That is the total extent of the requests.

**Mr. Loewen:** Thank you. Can the minister tell me how many of those were referred to the Ombudsman?

**Mr. Selinger:** The one for sure referred to the Ombudsman was the one about Treasury Board attendance, and subsequently I, as minister, agreed to release that information.

**Mr. Loewen:** What was the other one?

**Mr. Selinger:** Well, the other one was the briefing notes issued upon coming into Government.

**Mr. Loewen:** Can you refresh my memory with the outcome of the briefing notes request?

**Mr. Selinger:** In that particular case, the applicant modified and subsequently withdrew his request.

**Mr. Loewen:** Thank you. I believe that is all for 7.1(c). I am prepared to pass that.

**The Acting Chairperson (Mr. Martindale):**  
7.1. Administration and Finance (c) Management Services (1) Salaries and Employee Benefits \$513,600—(pass); (2) Other Expenditures \$73,200—pass.

7.1.(d) Tax Appeal Commission, \$20,600.

**Mr. Loewen:** Can I ask the minister to advise me who is the current commissioner of appeals?

**Mr. Selinger:** Glenn Russell.

**Mr. Loewen:** Has that changed?

**Mr. Selinger:** No.

**Mr. Loewen:** Could the minister advise me of the number of appeals and the nature of them during the course of the last year?

\* (16:00)

**Mr. Selinger:** The nature of the appeals is just about always some appeal of the taxes that we have required them to pay and the details therein. They are referred to this commissioner when there is a dispute and he gives an independent opinion on whether or not the appeal of those taxes should be supported or denied.

The most recent number we have is for '99-2000, at which time there were 14 appeals, unless some information is forthcoming. Twenty-one ongoing, 17 new ones received. Withdrawn were 22 for 16 that went to appeal.

**Mr. Loewen:** Sixteen that are currently in the appeals process?

**Mr. Selinger:** Yes.

**Mr. Loewen:** I am prepared to pass 7.1.(d).

**The Acting Chairperson (Mr. Martindale):** 7.1.(d) Tax Appeal Commission \$20,600—pass.

1.(e) French Language Services Secretariat  
(1) Salaries and Employee Benefits \$288,000—(pass).

1.(e)(2) Other Expenditures \$29,800.

**Mr. Loewen:** This is one of these areas where there appears to have been a substantial increase over the course of the two years. I am assuming that is as a result, from the minister's earlier comment, of some transfers in that the department has undertaken. Is that accurate? What exactly in terms of full-time employees, if he could explain, have been transferred into the Department of Finance?

**Mr. Selinger:** The French Language Services Secretariat attaches to the Minister of French Language Services. That has been different ministers in different governments. It is the first time the Minister of Finance has ever been simultaneously the Minister of French Language Services. So it was brought into the department for that reason. The number of staff. You are working off which page?

**Mr. Loewen:** Page 33, 07 1e.

**Mr. Selinger:** The number of employees there are 10: one managerial, five professional, four administrative support. In addition, there is some money that is lodged in this area for the start-up of the bilingual community services centres, and then it is recovered later on, once they are established from the departments.

The way the bilingual community services centre operation is working is that we are seconding staff from departments into those centres who can provide that service rather than hiring new people. Then we do a recovery through the departments for that.

**Mr. Loewen:** I just want to compare it again to last year, where the Estimates for 2000-2001 indicated that there were six people, six full-time equivalents, within the department. I noticed in the numbers presented this year there were ten. So what I am asking, I guess, were there four full-time equivalents moved from one department to another, or does this reflect any new hiring within the French Language Services Secretariat?

**Mr. Selinger:** It is a combination. We moved some people in to handle the receptionist function. There had been in the last year some French language facilitators hired for the cross-government provision of service and organization of those services. Now they are reflected in a fully annualized fashion in this year's Budget.

**Mr. Loewen:** I thank the minister for that answer. I wonder then if I could get the names of the new employees that were hired and again the salary levels and whether in fact they were hired through a direct competition or appointed.

**Mr. Selinger:** We will get that for you.

**Mr. Loewen:** Perhaps the minister touched on it during his opening remarks regarding the French language service centres. I wonder if at this point he could go into a little more detail in terms of where we are in the process of establishing those centres? I think this has been an ongoing project for a number of years.

**Mr. Selinger:** Actually it was a recommendation of the Chartier report not budgeted for or implemented until we took office. We started with three centres, one in Notre Dame de Lourdes, one in St-Pierre-Jolys and one in St. Boniface. The federal government had expressed an interest in being a part of those centres with us. They have been a little slower to implement, because we were working on ten-year leases for those three centres so that, for example, renovations and expansions of facilities in those communities could occur.

Even though I have not done anything public on this, just for the member's edification, the federal government has been slow to sign on for a 10-year commitment, and it has slowed down the implementation of these centres, because the providers of those spaces, whether they are community development corporations or private individuals or municipalities, have been loath to sort of bring that new space on-line without knowing they have a long-term commitment to occupying the space.

So we have had to do a lot of additional work to find a solution to that problem, to move those items forward. That has been the principal barrier to implementing them as quickly as we wished we could have. But they are going ahead at this stage of the game. The Chartier report had recommended three additional centres in the future, but we want to stabilize these first three centres first and stabilize our funding relationship and commitment from the federal government before we leap forward into any others.

**Mr. Loewen:** I cannot help but note maybe the minister should check with the Minister of Health (Mr. Chomiak), who does not seem to have any trouble buying buildings. Maybe it is more appropriate to buy three buildings in these communities to get the program underway. Anyway, I will leave that to the minister.

I am just wondering with regard to last year if there were preliminary plans for a bilingual court facility in St. Boniface. Could the minister give us an update on that?

**Mr. Selinger:** The feasibility of that is still being looked at. It was being done at arm's

length by the Association des juristes d'expression française. It was going a bit slowly. The contractee that they had to do that work subsequently got a new job, so we had to do some further reallocation of those responsibilities. It is still in the feasibility study stage.

**Mr. Loewen:** I notice that it is not in the Expected Results. So am I to assume from that that nothing is to be expected to happen this year?

\* (16:10)

**Mr. Selinger:** Probably not. We want to take a look at the recommendations and the ideas before we decide whether we are going to spend a bunch of money there. It is just too early to determine what the recommendation is and what is possible. We have not seen a preliminary report yet from that organization and what is going to be possible. The idea in the Chartier report was to have a bilingual court in a designated area of concentration of Franco-Manitobans. Obviously St. Boniface would be one possibility, but it is just too early to tell what could come out of that yet and what is feasible.

**Mr. Loewen:** I noticed one of the other Expected Results is the approval of projects funded out of the Canada-Manitoba general agreement on the promotion of official languages. Can the minister advise of any new projects where either agreement has been reached on funding or is in the negotiation stage at this particular time?

**Mr. Selinger:** My official French language advisor is not here, who has all the details on this, Mr. Edmond Labossière. We should probably grab him, get him up here. In general that agreement provides a number of very small projects and as well some ongoing projects. I am not aware of any major new approvals in the last year other than the bilingual community services centres.

I believe actually last year this was an information request, what had been done here. I provided that information arising out of last year's Estimates. This year's list of projects is still being negotiated with the federal government.

**Mr. Loewen:** Just for clarification, would this information be in the list that you provided me with earlier?

**Mr. Selinger:** Yes.

**Mr. Loewen:** I will review that if there are other projects being negotiated at the current time as opposed to again requesting that staff come here to simply answer one question, if the minister could advise me at the appropriate time.

**Mr. Selinger:** We will follow that up.

**Mr. Loewen:** Based on that, I am prepared to then pass 7.1.(e), with the proviso that maybe we would come back if any questions arise out of the review of the document we have been given today.

**The Acting Chairperson (Mr. Martindale):** 1. Administration and Finance (e) French Language Services Secretariat (1) Salaries and Employee Benefits \$288,000—(pass); (2) Other Expenditures \$29,800—pass.

2. Treasury (a) Administration (1) Salaries and Employee Benefits \$140,300—(pass).

2.(a)(2) Other Expenditures \$118,100.

**Mr. Loewen:** This is one of these areas where I may be jumping around a little bit in asking the question, so I would ask some indulgence.

Last year the minister indicated that it was his intention to keep the Manitoba syndicate in place, although at that time I think he indicated that perhaps he was considering a name change. I guess the question is twofold. Is it still in place and has the name been changed?

*Madam Chairperson in the Chair*

**Mr. Selinger:** I prefer to follow this group of individuals the ensemble. I thought the syndicate was rather reminiscent of the 1940s in Chicago. I thought we could do better and have a more bilingual terminology. They call themselves a syndicate; I call them the ensemble. Eventually we will come to a consensus on that. It is effectively in place and unchanged from previous practice.

**Mr. Loewen:** We talked a little bit about currency values. The minister mentioned in his opening statement that with the continuing decline in the dollar, particularly it showed up in the cost of servicing the province's debt this year, where I think—I just have to check the number—it was, I believe, in the Budget, some \$50 million higher than originally anticipated.

**Mr. Selinger:** We had projected debt at \$475 million; I think it came in at about \$520 million.

**Mr. Loewen:** I thank the minister for that clarification. That is the third quarter forecast. I assume by this time it is still in the neighbourhood of \$520 million. In terms of the projections for the currency evaluation, what is the method that is used by the Province for determining?

**Mr. Selinger:** I believe we get estimates from the banks who forecast the currency amounts. We try to go with the six major banks, Conference Board of Canada. Then of course the Treasury officials make their own judgment as well, and I am asking them to give me the forecast projections at this stage of the game. Would you want that? I am assuming you would.

**Mr. Loewen:** Please.

**Mr. Selinger:** We are projecting it at .6452 cents, but not to confuse you, our people work sort of the other direction so they are looking at it as \$1.55. That is the projection for year end. That would be the American dollar in Canadian currency. Currently it is at \$1.542. So we are doing a little bit better right now.

This is a moving target, as the member would understand, but we budgeted quite conservatively last year. Nobody in the country I believe predicted the variation in the currency last year. None of the forecasters predicted it, for sure. So we are even more cautious this year.

**Mr. Loewen:** I thank the minister for that. So I am to understand that you are still using the basic consensus of those six financial institutions. The rate you have given us, \$1.55, is that the forecast rate for March 2002, or is that the average rate that we are anticipating throughout the year, and is there a difference?

**Mr. Selinger:** No, it is both. There is no difference. Our forecast is actually a little bit more conservative than what the private sector institutions are forecasting.

**Mr. Loewen:** Given the possible scenario that I described in my opening statement with regard to the U.S. economy, can the minister tell me how much we are at risk for every one-cent shift in that rate one way or another?

**Mr. Selinger:** Our exposure for a cent fluctuation off forecast would be about \$4.2 million. One of the cruel ironies of currency fluctuations is that the condition of the American economy may not correlate with the value of the American dollar. It is a relative and moving target.

The American economy can be doing badly, but still the dollar can get stronger depending on how that fits into the global context. So there is not necessarily a correlation between the strength of the American economy and the strength of the dollar and how it relates to the Canadian dollar.

The other thing the member might be interested to know is that, even though our Canadian dollar depreciated against the American dollar, it appreciated against just about every other currency in the world. So we were doing quite well. It is just that some of our exposure unfortunately was in American dollars, and the American dollar seems to be the safe currency haven that people go to when they are concerned about the global economy not doing particularly well.

\* (16:20)

**Mr. Loewen:** Thank you. My point exactly. We could see quite a rush to the American dollar over the course of this economic downturn, in spite of the fact that their economy might turn down, particularly with the situation in Japan. I guess really what the minister is saying is that if the dollar ended up averaging 60 cents, are you saying that the extra exposure would roughly be in the neighbourhood of \$18 million?

**Mr. Selinger:** I just want you to clarify where you—

**Mr. Loewen:** Madam Chair, I am asking if the consensus valuation is at 64.5 cents, and the minister has indicated that each one-cent fluctuation poses an exposure of about \$4.2 million. If we were to see a 60-cent rate, would that translate into roughly \$18 million exposure for the province, or would it be significantly higher?

**Mr. Selinger:** Actually, I am glad the member asked the question because I need to clarify. My officials continue to work on the American side of the equation, so the one cent would be on the \$1.55 not the 64. So they are crunching numbers right now the way you want to come at it, or in the way Canadians might come at it, but these guys, because they operate in that international marketplace, work off that reference point. It would be about \$10.1 million for every cent fluctuation on the Canadian evaluation of our dollar benchmarked against the American dollar. So if it went from 64 cents to 60 cents, you would be looking at a \$40.5-million exposure.

**Mr. Loewen:** I thank the minister for that clarification.

With regard to the 10-year bonds, can the minister indicate what the current rates are?

**Mr. Selinger:** On the 10-year bonds, we have an interest rate pegged at 6.2 percent, and the actual today would be 6.12 percent.

**Mr. Loewen:** Can the minister advise how that would compare to other provincial rates for 10-year bonds?

**Mr. Selinger:** The difference between us and say Ontario would be a spread of about six basis points where we would be slightly behind them by about six basis points. We would be ahead of Saskatchewan by about two basis points.

**Mr. Loewen:** Would the minister have the numbers for Alberta and B.C.?

**Mr. Selinger:** Well, Alberta is kind of a peculiar problem. We will get you the B.C. one, and we will see if there is any market for the Alberta situation. If you wish to ask me a question about the increase in spending in the Alberta budget

this year, I would be delighted to give you an answer.

On your question, B.C. would be about a difference of three basis points ahead of us and Alberta would be about 11 basis points ahead of us.

**Mr. Loewen:** So am I correct in interpreting that is if our 10-year bond rate is 6.2 percent, Ontario's would be 5.6 percent? Other way?

**Mr. Selinger:** Madam Chairperson, if ours was 6.2 and there was a six-basis-point spread—those are one hundredths of 1 percent—their rate would be 6.14. So it sounds small but it is actually significant over large amounts of money.

**Mr. Loewen:** I wonder then: Can the minister advise what the 10-year Canada Bond rate is?

**Mr. Selinger:** Today around noon, it was 5.58 percent.

**Mr. Loewen:** I guess what I am really interested in is our borrowing rates vis-à-vis other provinces, and whether there has been any change over the last two years in terms of our relative ranking, where we stand particularly, since, as the minister indicated, it could be particularly costly to the province.

**Mr. Selinger:** Our ranking would be four, after the big three economies in Canada: Ontario, Alberta, and British Columbia. At one point, we were actually ahead of Ontario when they were running fairly large deficits, which they only got a grip on in the last year or two, but just the bulk and size of that economy gives them an advantage in the marketplace. What is it? They do about \$8 billion to \$10 billion of bond issues, so you can see just the magnitude alone allows them to command a better rate.

**Mr. Loewen:** I would like to ask the minister what the expected borrowings are for the year, and if he could give some indication of the timing—he did mention in his opening comment about the ratios between U.S. and outside of Canada, particularly the U.S. and other—if he, at the same time, could give me some indication of what the ratios will be in terms of this year.

**Mr. Selinger:** Madam Chairperson, the borrowing requirements for this year are on page B16 of the Budget papers, and they amount to about \$2.2 billion. You can see the breakout of what they are for there: Refunding of General Government Debt, \$607 million; Capital Investments, \$25 million; Hydro, \$1.2 billion; Health Capital, this is one we brought on to the books this year from outside the authority, \$260 million—and that gets the Government rate where we save the \$800,000, which I indicated in my opening remarks; Agricultural Credit Corporation, \$23.7; Student Financial Assistance, \$27 million; Business Support Programs, \$12.1; Water Services Board, \$10 million; Fleet Vehicle Agency, it is a special operating agency, \$11.3 million, but they get the advantage of the Government's borrowing rate; and the Communities Economic Development Fund, \$4 million. That gives you the range of the borrowings.

So at least half of it, slightly more than more than half of it is Hydro. The remaining billion is about 60% rollover of existing debt, and the rest is recognizing debt in the health authorities that we paid for outside of the entity, but now have brought in. So the new borrowings are actually quite small as a part of the whole that go on to the general purpose debt.

**Mr. Loewen:** Can the minister indicate, I guess in relative terms, the timing of some of this borrowing? Will it be happening early in the year, late in the year?

**Mr. Selinger:** We are looking at about \$250 million to \$350 million in May. We are targeting a Hydro savings bonds issue for June. That would be for domestic consumption, very popular with the Member for Elmwood, another \$250 million to \$300 million in the fall and then, early in the next calendar year, half a billion Hydro-related borrowing. That is the rough schedule for the amount. The half a billion would be U.S. dollars. So that \$500 million in U.S. dollars would be about \$750 million Canadian.

\* (16:30)

**Mr. Loewen:** I thank the minister for that information. Can he just review again? I know he touched on it briefly in his opening statement,

and I note that over the course of, I think it is probably over the last five or six years, the ratio has fallen from 11 percent, and I believe they are down somewhere, well, I will let the minister speak to it, but if he could kind of lay out for us at the end of the year what he expects the ratio to be in Canada versus non-Canada and, within that non-Canada, U.S. versus foreign.

**Mr. Selinger:** When I came into office, my target was to get it down below 10 percent. I think we are headed for 9 percent by spring of 2002, so, yes, spring 2002, 9 percent. We are about 13 percent in 2001. In '95, we were 33 percent; '96, 32 percent foreign denominated; '97, 24 percent foreign denominated; '98, 22; '99, 22; the year 2000, we got it down to 15; 2001 to 13; and we are headed for 9 for 2002. So there have been pretty dramatic improvements in foreign exposure, and the less exposure we have the better, as far as I am concerned.

**Mr. Loewen:** I would agree, although there are ways, as the minister is aware, to minimize some of that exposure. Has a projection been done on that ratio going out in the next, I would call it, short-term period of two to three years? Does the minister anticipate that ratio will continue to drop, or is there anything that would indicate that it may rise again?

**Mr. Selinger:** There is no indication that it will rise again, and as debt matures and rolls over, we will look at opportunities, once again, to reduce that exposure.

**Mr. Loewen:** Should we be in the situation where I guess, in particular, Manitoba Hydro or any other Crown corporation has to take on significant debt to fund any type of major infrastructure project, would it be the minister's anticipation that could be done primarily in Canadian markets. An example to me would be Conawapa, which could be in the neighbourhood of \$5 billion to \$7 billion over the course of time. I am wondering if there is a capacity to place that debt in the Canadian marketplace or whether the minister feels we would have to go outside, and if we do have to go outside what the possible proportion might be.

**Mr. Selinger:** We do not necessarily restrict ourselves to the Canadian market. We go to the

market where we can get the best deal for Manitoba and then we swap it back into Canadian dollars to provide stability. So that is the strategy we look at as we go to each borrowing. We do not restrict ourselves to any market in *a priori* or preconceived way. We go where we can get the best deal and then we try to stabilize it through. We have a pretty skilful Treasury in terms of being able to arrange swaps to stabilize it back into Canadian dollars after we get that good deal in whatever marketplace it is, whether it is Japan or the States or Europe.

**Mr. Loewen:** Maybe the minister can let me know how many visits the department and he and his staff have made to the financial community over the course of the last year.

**Mr. Selinger:** We usually go after the Budget to Toronto and New York. That was done last spring. We are planning similar trips again this spring. Last fall I visited Japan and renewed our relationship there, a long-standing relationship that had been initiated and fostered by a former deputy minister. We went over to renew those relationships, and have done some business there in the last year as well.

**Mr. Loewen:** I take it the minister and his department are once again planning to take a tour of the major financial markets in New York and Toronto to provide them with updates of our situation this spring.

**Mr. Selinger:** We go there to talk to the investors and the people that handle our transactions but also the credit rating agencies.

**Mr. Loewen:** I am not sure if I missed the answer. I did ask the minister if he could let me know what percentage of the offshore debt is in U.S. funds and what percentage is in other funds. I think he indicated, my notes indicate, he would like to be down to 9 percent by the spring of 2002. What would the ratio be that he would anticipate that being in, in terms of U.S. and non-U.S.?

**Mr. Selinger:** All the foreign currency risk is in U.S. dollars, and that is why we are trying to reduce it.



**Mr. Loewen:** I believe I am prepared to move on and pass 7.2(a).

**Madam Chairperson:** Shall 7.2.(a)(1) pass?

**Mr. Loewen:** Maybe just for clarification, I am on 7.2.(a), page 37. Are we on the same page?

**Madam Chairperson:** No.

**Mr. Selinger:** I think we work off the official Estimates book for the lines that we are passing, even though we are in the details Estimates for discussion. So I know it is a bit confusing.

**Madam Chairperson:** We are on page 82.

2. Treasury (a) Administration (1) Salaries and Employment Benefits \$140,300—pass; (2) Other Expenditures \$118,100—pass.

2.(b) Capital Finance (1) Salaries and Employee Benefits \$301,000.

**Mr. Loewen:** I am just looking through my notes. I am not sure if we have covered this. Just in the Activity Identification it indicates that the borrowing activities are roughly \$2.2 billion per annum. I am just trying to make sure that in effect is the same number. That is fine. I am prepared to pass.

**Madam Chairperson:** 2.(b) Capital Finance (1) Salaries and Employee Benefits \$301,000—pass; (2) Other Expenditures \$37,300—pass.

2.(c) Money Management and Banking (1) Salaries and Employee Benefits \$443,600.

\* (16:40)

**Mr. Loewen:** Madam Chair, in our discussion last year in Estimates, I believe the minister indicated that the contract with the Royal Bank of Canada, which has been the bank of record for a number of years with the province of Manitoba, would be reviewed. Could the minister indicate what action was taken since July of 2000?

**Mr. Selinger:** The contract was renewed with Royal Bank. It was the renewal of a six-year agreement. The cost went up 35 percent, as I

understand it. There were very few banks bidding on this service, so the comparators to determine whether that was a fair price were what services were being provided at what cost to other organizations such as Lotteries, such as the City of Winnipeg and other entities. The analysis demonstrated that even though the cost had gone up that it was competitive in terms of market rates. Other agencies were paying actually a little bit lower, I understand. On that basis we renewed with Royal Bank.

**Mr. Loewen:** Was there an official tendering process that all of the major financial institutions would have been invited to tender for the account?

**Mr. Selinger:** The judgment was made not to go with a formal RFP process. They had already had an advanced quote. They knew it was a competitive price, and they were also informed that other banks were not going to be bidding on it. So they felt, given the price they had, they would save the cost of the RFP and renew at this amount. They thought it was a competitive price.

**Mr. Loewen:** Were the other banks advised during this process that we were looking at, as a province, costs that were going to increase by 35 percent?

**Mr. Selinger:** The Treasury does the money and banking section of the Treasury. It does business with most of the other major banks, but the bulk of the business is done with the Royal Bank, and they were all aware of the opportunity and were not showing any interest in picking up the bulk of the business for the Province. So our officials used comparators in other institutions to peg what they thought was a fair and reasonable price and thought they brought in a price that was below what was being charged to other members in the marketplace. Everybody was aware of what was going on through a consultation process, but there was not a formal RFP process. That was a judgment call that was made to save money and ensure the continuity of the service.

**Mr. Loewen:** That leads me to believe that, in spite of the downturn in the brokerage business, the banks are probably doing all right if they can increase their service charges by 35 percent. In

terms of real dollars, can the minister tell me the real dollar cost to the Province of the 35% increase?

**Mr. Selinger:** The real dollar cost of the increase was about \$37,000.

**Mr. Loewen:** Did I hear the minister right when he said it has been renewed for a further six years, or is that a one-year renewal? What is the process going forward?

**Mr. Selinger:** There is no long-term contract in place. It can be terminated with 30 days notice. It is a price that they are taking right now with no long-term commitment or lock-in. If they can do better and move at any time to a better price and a better quality of service, they are completely free to do that.

**Mr. Loewen:** It is my experience with these types of negotiations that usually we can certainly secure a better price if you are willing to, I guess, give up the opportunity to cancel on 30 days notice and maybe settle for a longer period of time. Is there any thought being given, given the increase in cost, to complete tendering of these banking services with, as part of the tender, a fixed time frame? It would not be unusual, in this type of service, to offer a time frame of three to five years to someone who wanted to come in and help the Province lower its cost. Is any thought being given to putting out a tender some time in the future?

**Mr. Selinger:** In response to the Member for Fort Whyte's question, the judgment of the department was that the nature of banking services is changing quite dramatically with the further use of electronic means, with the introduction of the SAP system that there were a number of technological innovations that were occurring on both internal to Government and external to Government that made my officials reluctant to enter into a long-term contract. As the member probably knows better than anybody, the unit cost can go down quite dramatically if you upgrade the technology for delivering services, and they did not want to get locked in at this stage with all those changes going on. They wanted to keep their options open for how they could get the best service at the best price through the best medium.

\* (16:50)

**Mr. Loewen:** Can the minister explain exactly where in the numbers the increase in costs of this contract would show up? What line?

**Mr. Selinger:** I am informed that the practice in most of the provinces is to charge it to public debt and that is the practice here.

**Mr. Loewen:** I thank the minister for that. Could he indicate how long the Royal Bank has been the bank of record for the Province?

**Mr. Selinger:** I am informed that the bank of record for the province of Manitoba has been the Royal Bank, and it is about as long a period of time as it has been since we reduced corporate general rates, about 50 years.

**Mr. Loewen:** I thank the minister for that. Given an increase of 35 percent, maybe it is time for a change.

With regard to the Builder Bonds, can the minister indicate what the total amount is that is attempted to be raised this year?

**Mr. Selinger:** We do not put a public target out there before it has actually occurred, but I can tell you that this year it will be a HydroBonds issue, not a Builder Bond issue. Last year it was the second-highest amount on record that we raised through the Builder Bond initiative. Last year had some particularly favourable circumstances with a lot of other bond issues maturing at that time, so people were ready to roll-over. There is not as much maturing this year, but Treasury has traditionally not put a target out there for what they raise through that issue.

**Mr. Loewen:** I do not seem to have the number right here. Can the minister advise how much was raised last year?

**Mr. Selinger:** I remember 405. My Treasury official remembers 435. We will just try to close the gap on that number. The director says 435. So it was a very healthy amount last year.

**Mr. Loewen:** The minister is anticipating it will be less this year. Are we talking 50 percent less, 60 percent less?

**Mr. Selinger:** Treasury guys do not want to set targets, but the conditions are different. Interest rates are quite a bit lower and it is a declining interest rate environment. There are not as many bond maturities coming due this year. So there are two different sets of conditions there. The option of buying Hydro or Builder Bonds still remains very, very attractive to a large number of Manitobans, but if they do not have their portfolio opening up and rolling over they may not need them even this year. It is just a little different set of conditions this year.

**Mr. Loewen:** Does the minister have a feel then, and I certainly appreciate that there are different circumstances this year than last year, particularly with interest rates, will this have a significant positive or negative effect on the borrowings of the province one way or another?

**Mr. Selinger:** No, it does not. I have been, just as you were asking the question—typically, in Manitoba, the range of sales is in the \$200-million area. Last year was an extraordinarily good year, with exceptional conditions, but, no, it does not have any effect on our borrowings whatsoever. Some of us prefer to borrow to issue bonds within Manitoba for the obvious reasons that it allows Manitobans to participate in that issue. It keeps the money here, in effect, and it is a good service to Manitobans. It gives them a very reliable and stable instrument that they can invest their money in, but it has no net effect on our overall borrowing program whatsoever.

I should mention that Manitoba Bonds and Hydro Bonds are very well regarded in both the domestic, Canadian, and international marketplaces, and there has been very little difficulty in selling them out in recent years. They have gone quite quickly when they have been put into the marketplace.

**Mr. Loewen:** I would ask the minister if he could expand a little bit on the Expected Results area, talking about more involvement in electronic commerce and the increased use of technology. I think the minister touched on it during his opening statements as well. Could he identify some specific initiatives that are underway or will be underway during the course of this next year?

**Mr. Selinger:** My officials play both a consultation role and a banking role with many other initiatives that are occurring in government with respect to electronic commerce or electronic exchange. A couple of examples are the storefront process under ManWeb, and they provide the banking function for any of the goods or services purchased through that portal of government, and also on the Better Systems Initiative project. They provide Personal Property Registry, Companies Office, Land Titles Office, Taxation, Business Inspection. If there is any currency exchanging hands in any of those processes, they play the banking role there as well in accounting for all the money coming in and out. So they kind of are the central banker for the Government of Manitoba and interact with any of the services that are being developed electronically across the range of government departments to fulfill that role, to keep it all under control and managed through one central organization, being this branch.

**Madam Chairperson:** As was previously agreed in the House, the hour being 5 p.m., committee rise.

\*(15:00)

## JUSTICE

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

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Good afternoon, Mr. Chair. I am pleased to have the opportunity to reflect on the achievements of the department in the last 18 months and to share as well what I intend to pursue in the new fiscal year 2001-2002.

I just want to begin by noting a particular area of concern for Manitobans, and that is the need for more effective drinking and driving laws and responses. As members know, Manitoba has over the last number of years taken many steps to counter impaired driving. Our efforts will continue as long as impaired driving remains a serious concern in Manitoba.

Tougher sanctions came into effect in December of last year for repeat impaired and suspended drivers and for drivers fleeing from police as well. The amendments doubled the impoundment periods for the vehicles of the most serious offenders. As a result people driving with a blood alcohol level of over .16 or drivers who refuse a breath test lose their vehicle for 60 days on a first offence but up to 120 days for a second offence. Each subsequent offence, Mr. Chair, would add another 60 days to the impoundment period, so there is no finite limit on the subsequent offences.

Repeat offenders are subject to increasingly longer periods of impoundment for each offence based on our analysis and the recommendations of organizations like the Traffic Injury Research Foundation, which says that tiered sanctions are critical to an effective response to impaired driving. I might say that the time for calculating a repeat offence or what is called the look-back period has also been increased from two to five years. Drivers who refuse blood alcohol testing during the operation of any vehicle are subject to the same penalties as those found to be driving with a blood alcohol level of over .16. The sanctions apply to all vehicles now including off-road vehicles such as snowmobiles, dirt bikes and ATVs.

At a workshop in Winnipeg in December, as I recall, put on in partnership with several agencies including MPIC, MLCC, Addictions Foundation, Transportation and Government Services, and Justice, participants from groups like MADD, the hospitality industry, law enforcement, rehabilitation services and government discussed impaired driving issues such as education and prevention, sanctions and countermeasures, law enforcement and drug intervention programs.

The public participated in the consultation process, Mr. Chair, via the Internet. The STOP IMPAIRED DRIVING—Partners in Prevention Community Strategies Workshop discussion paper is located on the Manitoba Justice Web site at <http://www.gov.mb.ca/justice/drinking/consultation.html>. The plans for the session in regard to this area of concern will be announced very shortly and legislation introduced.

Secondly, Mr. Chair, on the issue of auto theft, I want to note some initiatives and intentions. For the first time, drivers who flee from police face stiffer penalties as noted earlier. Anyone convicted of leading police on a high-speed chase will lose the licence for two years on a first offence and seven years for a second offence, which are the longest suspension periods allowed under the act. This has been received very favourably from law enforcement agencies, I can add.

\* (15:10)

Mr. Chair, it is well known that we intend this session to introduce new measures under The Highway Traffic Act for increased licence suspension for those convicted of auto theft. As well, we are developing other approaches, and we are engaged in some intensive work on this as a department in partnership with other agencies. Indeed, there are announcements ongoing, some over the last few weeks in partnership with the Winnipeg Police Services and MPIC.

Third, I want to talk about the issue of fine collection. Those who have ignored outstanding court orders for overdue fines and victim surcharges, for example, will face orders of garnishment and the seizure of property under Manitoba's new, and Manitoba's first, Offender Debt Collection Program. Debt collection program staff will use existing civil collection processes, including the ability to garnish wages, seize assets, and report arrears to a credit bureau when fines are unpaid. As well, there is in place now a system whereby one cannot renew a driver's licence when there is an outstanding fine.

A five-person unit comprising the Offender Debt Collection Program includes three collection officers and two support staff, which are the accounting clerk and data entry clerk. The officers can negotiate and monitor payment plans for debtors, when needed. The unit has begun issuing garnishing orders and writs of seizure and sale.

The next issue is the developing new regime, a new era under the Victims' Bill of Rights. Manitoba has gone beyond mere

statements of principle and statements that victims should be respected, and we have developing now for the first time in the country, true rights for victims of crime. This, fundamentally, will alter how the system treats victims of crime, who so request, by requiring Justice officials to keep victims informed and consulted as their case proceeds through the justice system. August will mark the beginning of a staged implementation of this new regime, and meanwhile, protocols and information technology systems are being developed. In addition, Manitoba Justice has allocated \$90,000 last year to support workers who will notify victims of key events affecting their case, and also help design the new system.

Another work in progress is the Child Victim Support Initiative, notably the child-friendly courtroom and other enhancements to deal more effectively with children who are raped, molested, or otherwise abused, and come to the justice system where we must respond in a unique and specialized and sensitive way. In November of 2000, a child-friendly court system was launched with a new courtroom and waiting room at the Winnipeg Law Courts, and facilities are being modified and planned for other courts. In particular, I understand that there is a child-friendly waiting room at the Brandon facility.

Court orders will be pursued by our Crown attorneys to support children and eliminate intimidation by the accused through the use of such mechanisms as screens or video conferencing, video-taped evidence, and a victim support person in the court when that is consistent with obtaining the best evidence. A specialized prosecution is also an important part of the initiative through assigned family violence prosecutors in Winnipeg and designated resource prosecutors throughout the province, and intensive training on child witnesses. One of the first acts following the announcement of the initiative was bringing in expertise to Manitoba for the benefit of prosecutors and other justice officials who worked with child victims. We are pursuing swifter justice through a single prosecutor for each case following bail and more vigorous pursuit of early trial dates, opposing excessive remands and supporting new rules of court which are in the early stages of development by the judiciary, I understand, as

well as developing computerized case management.

The need for stronger evidence is being pursued through an increased emphasis on expert evidence and the early consultation with police and the Child Protection Centre. As well, Mr. Chair, it is important that there be greater child victim supports, and we are pursuing this through the following initiatives that are a work in progress, as indeed this initiative is. That includes the early referral of children to the Child Victim Support Service, the development of a volunteer child advocate program outside of Winnipeg, and that planning, Mr. Chair, I am pleased to announce, is, I understand, underway, mandated consultations with the child and parents or guardians throughout the court process, matter of victims' rights, referrals for counselling, the use of a puppet program to explain the court process, a new emphasis in the turning of mind of prosecutors to the need for greater use of age-appropriate questioning in court and more intensive witness preparation to ensure the witness' comfort level.

Mr. Chair, I want to speak about something that is very important to me, and that is a commitment by the Government to stronger community justice. We have to develop a much greater emphasis on the capacity and the potential of communities to become part and parcel of our justice system. We are looking at how the department can be rejigged in order to support the development of community capacity. I might add that I know, from visits to the critic's riding, that in communities like Lac du Bonnet and Beausejour there is in place very effective, energetic, eager youth justice committees. Indeed, the committee in Beausejour, I spent some time with them, and I recall particularly the urgings of one member, a Mr. Mike Wasylin, the urging that there be a greater emphasis in recognition of the value of community involvement in providing sanctions or consequences to offenders. Indeed, Beausejour has gone beyond dealing with only youth but, as well, has had experience dealing with adults and, I think, provides a prototype. I think we can build on the experiences of community organizations like that to make sure that there is a clear and strong message to offenders that they must make right a

wrong and, as well, a greater involvement of victims as well as the community.

Citizen patrols are a very important part of the changing justice system of Manitoba. I strongly believe and I know that, for example, Chief Ewatski of the City of Winnipeg Police Services strongly agrees that the citizen patrol program of Manitoba continues to offer tremendous opportunities, but we have to look to see how we can provide greater supports and recognition for our citizen patrols who are eyes and ears for police.

In the area of crime prevention, there will be further announcements, but, Mr. Chair, we have put an increased emphasis on the need to stop crime before there is an offender or a victim and to get to the front of the challenge. As I have said many times, the challenge of crime cannot be dealt with solely at a courthouse.

We have committed significant funding, as well, to the Winnipeg Committee for Safety, which is engaging in some very innovative strategies to engage residents of the city of Winnipeg in making sure that their neighbourhoods are safer. When it comes to community justice, it is important to recognize the involvement of neighbourhoods and individuals, and I was very pleased that this year, in addition to the crime prevention awards in southern Manitoba, we had in February the first ever northern crime prevention awards recognizing Manitobans and organizations who make our communities a better place to live. We think that we can build on role models. Sometimes we forget that the people who volunteer in our best interests, who put aside their own personal needs of being at home with their loved ones after work and working hard all day, see a third objective in their lives, and that is to commit to a strong community.

\* (15:20)

One of the election promises that we made during the campaign and had spoken about earlier in our Gang Action Plan was the need for a young offender mentoring program. This is a fairly unique idea although Macdonald Youth Services has pioneered this kind of programming with at-risk youth in this province. We were able

to build on that experience locally as well as learn from the experiences of other jurisdictions when we announced Ototema, which means "Her Friend," which is a young offender mentoring program for female young offenders. The goal is to connect young female offenders to long-term stable supports. Mr. Chair, it brings together volunteers who can act as positive role models together with these offenders on supervised probation who are considered at a medium risk to reoffend. It is my hope that that program will expand.

I might add that that program cost the Province \$70,000. When you look at the involvement of people, of women in particular, how many offenders can be affected by this young offender mentoring program for \$70,000, I think we can recognize that indeed there is a great potential by engaging Manitobans in the exercise of public safety. I am thrilled with the work that has gone into this program and the wonderful partnerships that were engaged in the design of the program.

Partners for Careers is a federal-provincial program with the focus on employment, Mr. Chair, and it provides the day-to-day program management. As I said earlier, Macdonald Youth Services is training the mentors based on their earlier experience.

The CHOICES Youth Program, which has been around for a few years now, is being enhanced by a new restorative approaches initiative. That is really to teach conflict resolution skills and anger management to ensure mediation between students and establish a peer mediation program for those who are chosen and have the opportunities of the CHOICES Youth Program.

In the area of policing, in February 2001 we entered into a five-year agreement to provide additional officers to the Brandon police service. They will receive \$427,500 over the five-year period. I was very pleased that the addition to the Brandon Police Services comes in the form of two new officers, one being with the community policing unit and the other with the youth unit. There is only one officer formerly with the community policing unit so we can rightly claim to have I guess doubled the

community policing officers in Brandon. I know that the officer who was on community or foot patrol in downtown Brandon was widely hailed as a great addition to the sense of safety and the safety of Brandon residents. I am very pleased about that and as well the new emphasis on youth in Brandon.

In October 2000 a powerful new tool to fight crime was secured with \$568,000 in funding from the provincial government for what is called ViCLAS. It is the Violent Crime Linkage Analysis System, and that is to target the serial and repeat violent offenders and link them to crimes. It uses computers and expert RCMP personnel to gather facts about serial crimes and homicides and compare them with other incidents across Canada and internationally.

In Winnipeg we continue a commitment of \$2 million to the 40-officer agreement. As well, the Dakota Ojibway Police Service, Mr. Chair, we were able to conclude an agreement after negotiations for the expansion of the Dakota Ojibway Police Service communities and, as well, to recognize to a much greater extent the needs. How much time do I have?

**Mr. Chairperson:** Half an hour.

**Mr. Mackintosh:** As well, I just want to talk about, I think, under a number of initiatives under, what I would call, a theme of righting wrongs. I want to start, first of all, with the Helen Betty Osborne act for which I thank the members opposite once again, indeed all the MLAs in the House who took part in the all-party passage in support of that legislation. Indeed, I think that committee meeting that night here was one event that was quite extraordinary and something one remembers for a long time. Sometimes we underestimate the importance of words, and sometimes we dismiss apology as a sign of weakness. We thought it was important to recognize the shortcomings at a political level that were identified in the Aboriginal Justice Inquiry report and those matters revolving around the tragedy of the murder of Helen Betty Osborne. So, in December, the act was passed and established a scholarship fund for Aboriginal students who were pursuing post-secondary education. The Province has committed \$50,000 to establish the fund in honour of

Helen Betty, and we have now requested federal contributions, which I hope will be forthcoming. So now the by-laws have been drafted. We have chosen the members of the board, and it will now get down to work to ensure that the first awards or award is made in the coming months. It is my hope, and I think the hope of all members, that this will grow to become a major scholarship in Manitoba, but that will depend, I think, on the abilities of the fund to attract investment, and I look forward to those initiatives and will leave that to the board and empower them to proceed.

With regard to the Aboriginal Justice Implementation Commission that was appointed in November of '99, very soon after our election, to make recommendations in those areas of the '91 report for which the provincial government is responsible. The Commissioners, Mr. Chair, Wendy Whitecloud and Paul Chartrand, and the elders are Eva McKay and Doris Young. Several government initiatives have already been based on reports from the AJIC. We have received some interim reports, and we now expect the final report at the end of June. They have looked at the area of probation, for example, young offenders and Aboriginal policing and, in that regard, provided very valuable insights. We are now responding to those recommendations.

The Thomas Sophonow inquiry, of course, receives daily recognition in the media. The full inquiry began in June to review the initial police investigation, prosecution, conviction and acquittal of Thomas Sophonow following the 1981 murder of Barbara Stoppel.

The inquiry is headed by the Honourable Peter Cory, a recently retired judge of the Supreme Court of Canada, a very highly respected individual, indeed arguably the most highly respected Canadian jurist. The inquiry focuses on the conduct of the investigation and the circumstances surrounding the criminal proceedings. The inquiry report will include Cory's findings respecting the practices or systemic issues that may have contributed to or influenced the course of the investigation and the prosecution, Thomas Sophonow's entitlement to financial compensation and any recommendations Mr. Cory considers advisable relating to the current administration of criminal justice in Manitoba.

With regard to the relationship with the federal government, Ottawa has been lobbied to take up the Supreme Court of Canada's invitation in the Sharpe decision and introduce amendments to ensure that Canada's most vulnerable citizens, our children, are protected in the area of child pornography.

\* (15:30)

Manitoba proposed several considered amendments to the federal legislation. For example, it is our view that pedophiles, those convicted of sexual offences against children, should not be able to possess child pornography of any kind, self-created or otherwise. Private possession of exempted material should be illegal where it is stored or located in a way that can be viewed by others. For example, I think it would include storage on a family computer.

Private possession of visual recordings of lawful sexual activity should not be permitted where consent was obtained through compensation, fraud, inducements or promises. Private possession of visual recordings should not be permitted whether there is an age of disparity of more than four years between the youth being depicted and the person creating the depiction. The private possession of visual recordings should not be permitted where consent is later withdrawn. We have written to the federal minister pressing for these changes and offering any assistance in developing legislative change at the federal level in this regard.

At the September conference of Canada's Ministers responsible for Justice, Manitoba advanced a proposal to criminalize Internet luring. The creation of a new Criminal Code offence dealing with the exploitation of children via the Internet was recommended and has now been introduced into Parliament, but we have a continuing concern because it appears from all reading of the amendment that the amendment does not protect all of those children over age 14, and indeed studies have indicated that about 75 percent of the targets of these on-line predators are youth over age 14. So we will continue to urge that this amendment be changed before it passes.

As well, we are continuing to review what role the Province may have in countering this

growing threat and this new technology of Internet luring, which by the way is important at this time to note that the Internet offers great opportunities and positive aspects for society, but at the same time we have to put in place checks and balances to those who will use this new technology for criminal and for wrongful purposes.

When it comes to the relations with the federal government, we have also been strongly urging changes to the bill to establish a new youth criminal justice act. In February 2000 I traveled to Ottawa to protest the standing committee's decision to prohibit provincial Justice ministers from making submissions at public hearings, which I found incredible because we are partners in this legislation. As a result of that travel, I was able to speak to representatives from all the parties except the Bloc, including the minister and the committee chair. I was very pleased to see the success that we had on that mission because I know that changes were made to the legislation as a result of particularly my meeting with the federal minister, dealing with the application of the act to those who were currently under sentence.

More changes are needed, I can tell you, Mr. Chair. That act continues to mandate for almost all offences release from incarceration or from facilities at two-thirds of the sentence into community supervision on an arbitrary basis, without regard to the risk assessment and the behaviour of the offender while in the facility. As well, this legislation is a rat's nest. It is my view that someone sat down and started writing and could not stop. As a result, I am concerned that this could certainly increase the risk, I will put that mildly, of increased backlogs in the youth justice system at a time when we have to shorten the time between the wrongdoing and the consequence to deliver a message.

As well, the act does not allow for the ability of parties to apply to the court to have persons under age 12 brought into the youth criminal justice system in particular circumstances based on the nature of the offence, the background of the offender and considering even the issue of the need for the right to due process that may arise in certain circumstances and serious offences. Nonetheless, Manitoba is continuing to



pursue the development of a system to deal with children who engage in offending behaviour, what would otherwise be criminal activity, when they are under age 12.

We have urged a Criminal Code amendment as well to make it an offence to recruit individuals to gangs or to organize, promote and maintain criminal organizations. In this regard I was pleasantly surprised to see the federal legislation introduced just a few weeks ago which talked about criminalizing participation in criminal organizations. While I have not made a final view on the efficacy of the new bill, I am pleased that there seems to be some significant movement and a growing recognition of the need to deal in a more specialized way with criminal organizations not just in terms of how we organize the justice system but how we state our laws.

The Deputy Ministers' Steering Committee on Organized Crime established to exchange strategies and successful practices among jurisdictions makes recommendations to Government as well and provides insight in monitoring on progress. I might add that following the Warriors trial here in Manitoba, what I would call the mega-trial, Manitoba invited prosecutors from across the country to come and share views and experiences in dealing with these large kinds of trials.

I was glad that Manitoba played a leadership role there and as well people in our department like Rob Finlayson I think are playing a very important role in making sure that we are learning from experiences and we are building on best practices.

When it comes to gangs, in May Manitoba Justice introduced a five-point strategy to target organized crime and high-risk offenders, which indicates our intentions in this area of policy development. It is a work in progress. I am very pleased with where we have come so far. It is an integrated strategy that incorporates Justice programs and services with those offered by police agencies and community groups to ensure that we deal effectively with the challenges. I have said so many times that, if gangs are organized, the justice system must be organized to deal with that challenge.

\* (15:40)

As part of the gang strategy we have established the criminal organization and high-risk offender unit. It is designed to bring specialized prosecutors, probation and correctional officers, victim and witness support persons and administrative support staff together to enhance the prosecution and supervision of gang and high-risk offenders. I have been advised that the unit is now comprised of 28 persons, but will continue to strengthen and to grow. In particular, we are looking at the area of probation as we move ahead.

I am very pleased that, for example, within that unit is the gang prosecutions section, which is comprised of six persons, as I recall five prosecutors. They are located in the Dynasty Building and Public Safety Building. They work with the police. As I recall, they began their work in December. I have met with several members of that unit. They are developing the expertise that was expected of them and are getting a very good handle on the state of gangs in Manitoba. I understand the organizational structure, who is involved, everything from the language and symbols used in order to adduce relevant evidence before the court and make sure that the criminal justice system responds in as strong and effective a way as possible.

Another part of the initiative is the RCMP Gang Awareness Unit. The Province is funding a specialized four-person, three-officer provincial police initiative to monitor gang activities and co-ordinate suppression and prevention strategies with rural and northern communities. I have met with two of the officers in that unit and I am very pleased with the calibre of individuals that have been chosen. I look forward to their growth and strength.

As well, any strategy must have an education component. Prevention is critical. The strategy is geared to keeping young Manitobans of course from becoming involved in gang activity. The program includes provincial assistance for the media equipment for Take Action in Schools, which is a Winnipeg Police Service program to put police officers in classrooms, to provide anti-gang and anti-drug

education to make sure that youth are alerted to the need to make appropriate life choices.

The CHOICES Youth Program, which I spoke about earlier, continues and is growing in strength. There is a Web site that will soon be unveiled, and although unfortunately delayed will be available in the next few weeks.

In the area of Prosecutions, we retained Ernst & Young to conduct an external independent review of the Prosecutions division in the department, with the primary objectives of determining the adequacy of staffing levels for prosecutors and support staff and determining possible improvements to the administrative and case-management process used by the division.

It began its work in February of 2000 and concluded in August, Mr. Chair. The review was then announced and it concluded that more than 25 000 Crown hours could be saved with better efficiencies, including additional support staff. The report did not say, well, we need more prosecutors, but what it did say is that we have to get our prosecutors out of the copy room, out of the file room and into the courtroom. Essentially, the review was looking at the need for a different organizational structure and a different protocol.

The Province's action plan to ensure the criminal prosecutions division has the support it needs and has the support that the prosecutors need to do the job they want, to enhance public safety, was developed and includes, for example, the 10 additional staff, including support staff and prosecutors, more resources for Workplace, Health and Safety prosecutions, leading to specialization in this area, an office manager to co-ordinate support staff and case files, the phasing in of further staff increases, a private law firm managing partner from Pitblado Buchwald Asper, Mr. Douglas Ward, as co-chair of the implementation team to share the insights of managing in the private sector, in the private sector law firm, and six change teams, broken down according to Victims' Bill of Rights, intake, custody and disclosure, technology, case management, scheduling and office administration, education, training and development and, finally, finance, which will include staff and the union representation. A disclosure unit to ensure

that evidence is available for prosecution, consultation with the Crown attorneys about the establishment of a circuit court unit to more effectively prosecute rural and northern cases, further development in enhanced training, Canada's most advanced prosecution information system and, finally, the expansion and use of video technology.

We have initiated an independent prosecutor policy, Mr. Chair, so that the public can be assured that there will not be the appearance of bias when matters are prosecuted and involve officials in the justice system or MLAs, for example. As well, the Law Enforcement Review Agency, when it refers matters for opinion or prosecution, can proceed with an independent prosecutor in the public interest.

With regard to jailhouse informants, public and legal concerns over the use of testimony of these informers are being addressed through a new policy. Strict guidelines on the use of testimony from jailhouse informants should help to reduce the risk of a miscarriage of justice. Relying on evidence provided by people who have a self-interest must be the exception and not the rule. Decisions about whether to use an in-custody informant will be made by a committee. The committee will be made up of a Crown attorney assigned to the case, the Assistant Deputy Attorney General, the director of Prosecutions, general counsel, and the senior Crown attorney in charge of the unit to which the case is assigned.

Mr. Chair, in the area of Maintenance Enforcement, we are also making some significant strides. At the September meeting of Ministers responsible for Justice, Manitoba raised a different option for trying to try and break down the interprovincial barriers to the collection of child support. I have heard so often that we have to break down the interprovincial barriers to trade. When the interests of children are at stake, we also have to do the same for them. As a result, all of the ministers across Canada have signed on to a protocol to make best efforts to break down those barriers, to make sure that out-of-province orders are treated the same as local or domestic orders, but we are continuing to build on that protocol and lead by example, and we will be introducing initiatives

this session. As well, during the session, we will be introducing other initiatives to strengthen the tools available for the collection of child support.

As we move into the new fiscal year, additional financial and human resources are being provided to support those areas of greatest need within the Department of Justice. Being mindful of the need for fiscal responsibility, these increases are offset in part by increased efficiencies in some areas and by the expiry of special funding provided by the recent high-security trial.

Significant new budgetary allocations, in addition to the general salary increases, have been directed to such areas as the following: The RCMP, the Estimates now contain sufficient funding for the RCMP to operate at full strength, at full complement in the province of Manitoba for the first time in many years, I am advised, in over a decade. As well, we are introducing a community-based service model. Three hundred and fifty thousand dollars, Mr. Chair, has been provided as Justice's portion of a multi-department new initiative to deal with special-need individuals.

Community Corrections has received three new positions and an additional three-quarters of a million dollars to expand services to young offenders. The federal government is able to assist in this regard. Funding has been provided to allow for the continuation of the Sophonow inquiry into this fiscal year as well.

Resources have been provided to the department, particularly to build the information technology infrastructure necessary to phase in the provisions of the Victims' Bill of Rights. Additional resources have also been provided to courts to deal with increases in circuit court travel costs, prisoner escort and court security workloads. More resources are being made available to Prosecutions to continue addressing the issues identified in the Ernst and Young review.

So I thank you, Mr. Chair, for this opportunity to speak, to reflect on the major initiatives over the last 18 months or so and, as

well, to comment briefly on some of the aspects of this fiscal year's Budget. Thank you.

\* (15:50)

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

**Mr. Darren Praznik (Lac du Bonnet):** Yes, thank you very much, Mr. Chair of the committee. It is a pleasure to be here again for these Estimates. I do not know what the Minister of Justice and I have done to deserve leading off our colleagues in this year's process, but I hope it will allow us to do our job and responsibility and then get on to other things and allow others to have time at the Estimates committee.

Last year in the Estimates process I was very complimentary of the Minister of Justice in taking on quite a lot of initiatives, and today we have heard many of those initiatives that he has embarked on. In fact, some might even argue that this Minister of Justice is truly an activist Attorney General, that he is taking on many initiatives in many areas. I am sure he would argue that they are areas that require public attention, and on many of them I would agree, Mr. Chair, that there are many challenges for whoever should be the Justice Minister.

Crime is a growing phenomenon in our society. We have a much more complex society, a much more urbanized society than our predecessors. Each year, our urban population grows. We have issues around the family, maybe the loss of many of the more traditional restraints in our society, and as a consequence we have seen a growing problem of crime, not just in Manitoba but across the nation and probably across North America, if not in many parts of the world.

We have also seen, as the minister has touched upon, his desire to address many wrongs. The Helen Betty Osborne issue is one that I commended him on last year and continue to do. I hope that he will be able to secure dollars from the federal government towards the foundation, and that is no easy task for any minister. The federal government is not often the

most generous in supporting causes initiated by their provincial colleagues.

Mr. Chairperson, in doing so, taking on all of these challenges, the Minister of Justice has launched many initiatives, many reforms, many thrusts, by his department. The concern that we have on this side of the House is that his enthusiasm is not matched by the administrative ability of the department to be able to carry out all these initiatives. Although the Minister of Justice (Mr. Mackintosh) may be very well intended, and although many of these needs have to be met, what concerns us—and the Victims' Rights Bill is a perfect example of that—on this side of the House is that, with this minister taking on all of these initiatives, putting out the press releases, talking about them as he has done today, the reality on the street, the reality in the administrative arm of government is that they are not being implemented, that they are not being carried out, that the staff in the department have initiatives in every new direction and so many things to do because they have truly an activist Attorney General, that they are not coming to fruition.

What greater way—and I am going to stand for a moment here, Mr. Chair—for the public to lose confidence in its Minister of Justice and its Ministry of Justice than the deliverables not to be met, that the expectations are raised but in reality the projects and programs do not happen. They do not happen the way they are supposed to, and that is our concern. The Victims' Rights Bill is a perfect example. When the Minister of Justice rose in this House and we offered our support, we had several issues that we wanted clarified. We had a few concerns. If memory serves me correctly the Attorney General made quite an issue about the need to give the rights.

Well, Mr. Chairperson, I notice in our Assembly that the former Premier of Newfoundland, federal Cabinet Minister, Mr. Tobin, is joining us here today. We welcome him to our Assembly. We hope that as a member of the federal Cabinet he will be persuaded by the arguments that our Premier (Mr. Doer) is making. I would hope—I digress a little from the Estimates of the Department of Justice—but I hope that Minister Tobin, as a Premier who

comes from a province where they saw their fishing industry decimated by overfishing, by overfishing from those from Europe, a minister who led the cod war, who secured sufficient dollars for his fishers in his province, I hope that he, today, in our Assembly, he in our Assembly today will hear the words of our farming community as they appeal to him and his cabinet colleagues for support. I notice our Premier will be wrestling him to the ground, no doubt, outside this Chamber for those additional dollars.

I know the Member for Emerson (Mr. Jack Penner)—

**An Honourable Member:** He took on the Spanish, the Portuguese, the whole world.

**Mr. Praznik:** Yes, he did. We know that the former Premier of Newfoundland, federal cabinet minister, a leading member, perhaps someday Leader of the Liberal Party, we would hope that he would approach the needs of the western farmer with the same gusto and the same dedication that he did for the fishers of Atlantic Canada.

I know the Member for Emerson would think less of me if I did not raise this in welcoming him to our Chamber. We hope that he has a fine stay in our province. We know that our Premier no doubt will be raising this issue with him and lobbying him heavily for increased support for our western farm community in this their hour of need.

On behalf of the members of this committee, we bid him welcome, and we hope that he heeds our appeal, because we certainly know that the federal Liberal Party has had some trouble in western Canada and that he could help address that by persuading our Prime Minister and his colleagues for additional support. So we thank him for coming here today.

I hope the Minister of Justice (Mr. Mackintosh) does not think less of me for raising this important issue. I know it is taking away from his very important department. I hope our Premier is out there today wrestling him with the arguments for support for our producers.

Mr. Chair, getting back to the issues in the Department of Justice. The victims' rights bill is a perfect example. The minister came to this House. He did not say to this House: I am going to need a year, two years, three years. I am going to need a whole mandate to change the culture of my department. No. That is not what he told members of this Assembly when we believed him, how important this bill was. We stood united with him on the floor of this Assembly to pass that bill. No, he did not tell us it would take years to implement. He said: We need the support now. If I remember correctly, there was an urgency to see this bill move through our Assembly.

In fact, in the press release that the minister put out he did not say to the public of Manitoba: I am bringing in the bill, we will make it law, but I am going to need two years to change the culture of my department. No. What he said to the people of Manitoba was: I have \$90,000 in my Budget to hire some of the staff right away, and we will get this thing going.

Mr. Chair, I am sure as a member of the NDP caucus, you believed the minister, that the victims' rights bill would become law and be implemented quickly. I am sure you had the same view as us. Yet what do we discover this past week? It is not proclaimed. When we asked the minister: When will it be proclaimed? We get an answer: Well, some of it will be proclaimed in August. Boy, it is a lot harder than I thought and, boy, my department, they have a rotten culture. I really have to wrestle them.

\* (16:00)

I feel for them. They are up in the gallery today, those with that rotten culture that needs changing. They are all there in the gallery with their rotten culture. They are in that gallery. The rottenness of their culture spills over. This Attorney General sits here. He should be up there wrestling with them to change that culture. I do not know how his staff fooled him, because when he brought that bill in he had been minister for, what, three-quarters of a year, half a year? He met with them everyday. He worked with them. Little did he know that they were so stubborn that they could not change to give him the culture that he wanted. He came to this

House with \$90,000 in his pockets to expend on the staff for this bill, and yet here we are almost a year later and he is making up excuses why he cannot deliver what he promised. That is the problem, and that is the pattern. The minister made much-to-do about car thefts. Yes, a very serious issue, and I do not want to stand here today and say to the minister that I have all the answers because I certainly do not. I am just a humble member of the Legislature from eastern Manitoba. I do not have all the answers but I do know the minister sets himself up to have all the answers. What was it, a 14- or 18-point plan?

Now perhaps he may be in a Cabinet shuffle someday. The new Minister of Justice. Maybe this Minister of Justice, whom I have a great deal of respect for, may be the Minister of Health. I think perhaps the Minister of Highways might like this minister to be the Minister of Health to test his mettle at a tough portfolio. I can tell his hair is getting greyer. Someone should revive him. He looks a little shocked.

The Minister of Transportation (Mr. Ashton) says to this House that car thefts are the easiest crime to solve. The Minister of Justice, when he was in opposition, he and his colleagues talked about car thefts again. So they put out this plan. They were going to do all these things on car thefts, and what do we find? They are up a 1000 over last year. We are now leading Detroit on a per capita basis and some of these great cities in the United States that have a reputation for crime. We are leading. It is not working. Now, what the minister wanted to do, was that fundamentally wrong? I do not know. I would suspect the reason maybe that it is not working is because the time and the effort have not been put in to making sure it is properly implemented. The minister's poor staff are running around trying to do so many things at one time. The effort is not being made as fully to tackle that one problem. That is what concerns me, and that is what is starting to concern the citizens of Manitoba.

On gangs, we know gangs are a terrible thing. Again, I do not have all the answers. I may have a few thoughts to contribute, but the Minister of Justice in opposition put out a wonderful pamphlet, the gang action plan. Eighteen points of things that are going to be

delivered on gangs, and, you know what, the Member for The Maples (Mr. Aglugub) kind of enters this debate. I want to read part of that pamphlet; I am sure he campaigned on it door to door in his constituency and what did it say. I quote: Winnipeg Police are currently tracking street gang members, almost four times the number of known gang members in four years ago. Now who said that? Gary Doer, Leader of the Manitoba NDP, the party with all the answers. After this great 18-point plan was announced, the Minister of Justice becomes Minister of Justice; we are going to tackle gangs. What does the City of Winnipeg tell us? They tell us the numbers are not 1400 anymore. Is it a 1000, is it 800, is it 600? Oh, no. It is now 1900, 500 more and 1200 inactive members being tracked. Those are the numbers of City of Winnipeg Police. Not my numbers. The numbers of the police. So is the plan working? Well, perhaps the spin doctors—and I think there is one up here in the gallery—will spin out that without this plan it would have been 2800. Perhaps that is what they will say.

**An Honourable Member:** It is the rotten staff, too.

**Mr. Praznik:** It could be, it could be. It is the attitude. It is the rotten—

**An Honourable Member:** Culture.

**Mr. Praznik:** The rotten culture. Right. But the fact of the matter is we have more gang members today. We had a wonderful 18-point plan. I read this stuff. There is some wonderful stuff in here. It all sounds great: the Justice Department gang units, the regional gang surveillance, families first plan, teaching parental skills, safer school charters, all the things that you put in a nice election manifesto. Are they all done? You know, I look at the stuff. Are they all done? If I went to every school in Manitoba would they all have safe school charters that mean something? Would they? I do not know. Would we have gang-proofed all our kids?

The minister promised a Web site. I remember this Web site. We are going to bring in a Web site. It is not done. Now, is that because the minister is not trying? No, he is trying. He has some great ideas. Give him credit

for that. We could have great exchanges on those ideas, but if they are not carried out they mean nothing. They are not worth the paper they are written on or the breath that is expended to make the pronouncements.

I think that the truth of the matter, the real shell of this department, the heart of this department is this minister has taken on everything, and yet he does not have the reasonable resources to deliver on it all. So his poor staff, with their terrible culture that has to be changed, cannot do it all.

**An Honourable Member:** By the way, that was not our description obviously.

**Mr. Praznik:** No, by the way, that was not ours. I think there are some very good people in the Department of Justice, and I remember being a Cabinet minister. I was never Attorney General, but I remember doing some work with the Department of Justice and they just have a lot to do. It is a hard department. So perhaps if this minister would have concentrated on a few things and done them well, he would have some of those done. Perhaps if he had concentrated on gangs and done it well, instead of 1400 gang members today we might have a thousand. Perhaps if he had concentrated on the Victims' Rights bill and getting it implemented, we would have the law in place today.

I know that is tough and it is tough for the Attorney General because I think, quite frankly, this Attorney General really means to do well. I am not accusing him of being dishonest. I am not accusing him of his heart not being in the right place, but it sort of looks to me like an Attorney General is out trying to do everything and not having the resources to do it all and so very little gets done well. I am not saying I would do any better in that job, but I am not out there creating the expectation with the public. What worries me in the long run is that faith in our Department of Justice and faith in our pronouncements of our minister will be undermined because the deliverables are not there to meet the expectations. That is our concern this year, a year later.

Last year we commended him on his initiatives. Last year we talked about those

thrusts, and this year we see more gang members, more car thefts, things not done, victims' rights legislation not proclaimed. It is beginning to look like a pattern. It is just interesting that we are seeing a lot of this in this administration. Let us put out the press release. Let us take the initiative and, by the way, I am not accusing this minister of just putting out the press release. I think he honestly would like to do all this stuff if he could. I really say that sincerely to him. I actually like him as Attorney General. I like him, but he has to start focusing and getting the job done.

I am starting to see in the Minister of Health—and the Minister of Health has a lot more on his plate than any other Cabinet minister. I speak from personal experience, but I am seeing the same thing. Instead of the Minister of Health coming to this House and saying, you know, I cannot get it all done, it is greater than the public can afford. Yes, we know we are asking RHAs to belt tighten; we know they are going to have to not do everything. Oh no, never admit that, never be honest, all is well in health care.

You know, a bit of an aside. Last night I had occasion to be at the emergency of St. Boniface Hospital to take my partner's son in who had a bit of a problem. We went to St. Boniface Hospital, and it was very interesting talking to one of the people. One of the last things I, as Minister of Health, did was we approved the renovation of their emergency. It was very interesting, you know, the big issue of hallway medicine. One of the staff very sarcastically said to me: You know, Mr. Praznik, we do not have a hallway here now. We have a promenade, and we have got two people sleeping in the promenade tonight. So now we have promenade medicine at St. Boniface Hospital.

\* (16:10)

The problems in health care are not easy. They are tough. They require realistic debate, not the kind of all is well, we are so great rhetoric that we have heard from the Minister of Health (Mr. Chomiak) and the Premier (Mr. Doer) in the last few days. You are all bad, we are all good; you did nothing, we do everything well. I mean, Mr. Chairman, to anyone who understands that, it is not true. The problems are

complex, hard and difficult. They are not solved overnight; they are not solved with announcements.

I did my fair share of announcements as Minister of Health too because that is politics, but ultimately you need a real debate. What I am seeing with this Minister of Justice (Mr. Mackintosh) is we have the announcements, we have the initiatives, we have the thrust—and I believe that he honestly believes in them—but what we do not have are staff behind them. We do not have the hours of time that are needed to make these things work, and that is what concerns me. So as we go throughout these Estimates I have some questions about it. We are going to get a chance to talk about this some more, and the Minister of Justice, I can tell him right now that I am very interested in the victims' rights bill. What we hear is he promises some committed by the end of August or middle of August or some time in August, and yet we have quotes in recent media that the staff say we do not think we are going to be able to do that even for then.

So I am going to be asking him about these kinds of things over the next while, over the next couple of days, and I would like to propose logistically here as we go through, if it is acceptable to the minister, if we could have somewhat of a free-ranging discussion on a number of things. I do not think we are going to be in Estimates for a long period of time, so I do not mean to inconvenience his staff greatly. Hopefully we will be able to touch on a number of areas. If we are not able to do it today, perhaps tomorrow or the next day, if we can have a bit of a free-wheeling discussion as opposed to line by line, and then we can pass through his Estimates and get to his salary. I think it would just be a more convenient way to deal with this.

I thank him for his pronouncements, and I wish him luck. I really wish him the best in implementing his initiatives. It is tough to get dollars out of Treasury Board to do it. All I ask is if he is bringing things, he is announcing them, he should be realistic in what is achievable as opposed to creating expectations that cannot be fulfilled. Thank you, Mr. Chair.

**Mr. Chairperson:** We thank the critic for the Official Opposition for those remarks. I heard that there is some request for some global approach as distinguished from line by line dealing with the Budget. Is there an agreement?

**Mr. Mackintosh:** I think we should be able to try this and see. What is important is that the member and Manitobans get the answers to the questions. If they do become detailed and we need staff in particular areas, perhaps we can put off those questions and come back to them with the appropriate staff, but I am certainly prepared to have that kind of discussion. I think it is a good way to proceed. I believe that staff will be able to assist me at least in the general areas.

**Mr. Chairperson:** Apparently we will try it. Until it becomes so technical that there is a need for specifications, then there is generally an agreement, is there?

**An Honourable Member:** Yes.

**Mr. Chairperson:** At this point I would like to remind members of the committee that the debate on the Minister's Salary, item 1.(a), is deferred until all other items in the Estimates of this department are passed. At this time we would like to invite the minister's staff to take their places in the Chamber. Is the minister prepared to introduce the staff members present to the committee?

**Mr. Mackintosh:** I would like to welcome to the floor Mary Humphrey, who is the assistant to the Deputy Attorney General; Mr. Don Slough, who is the senior prosecutor in Prosecutions Division; Mr. Greg Graceffo, acting ADM in Criminal Justice, and, well, we have here the guy who has been putting this together, day in day out, Mr. Pat Sinnott from Administration and Finance.

**Mr. Praznik:** Mr. Chair, my first question to the minister, I will try to follow some of this through in some order, give us a little flexibility. I imagine we are using, so that we are on the same, the Supplementary Estimates. From what I understand, there was a little printing error in the department.

If we look over, just in terms of the breakdowns within the department, I gather that

is on page 11 of the document that lists the major department's branches, Admin and Finance, Criminal Justice, Civil Justice, Corrections, Courts, and I imagine there are some other parts to that.

Mr. Chair, my first question is on the Administration and Finance. It has been brought to our attention that the political staff within Government were started at higher levels of pay than the outgoing administration, and we would just ask the minister if he could advise us within his own political staff appointments what salary rates they are at. Are they within the same scale as the former administration, if he could just give us some advice on that particular issue in his own department?

**Mr. Mackintosh:** We will have to get that for the member. Hopefully, we will try and get that information to the member tomorrow. We do not have the comparative information.

**Mr. Praznik:** If we could move to the Criminal Justice section, I want to get to the victims' rights bill, Mr. Chair. The minister has said some of it will be proclaimed in August. He has not provided, at least to the House, to my knowledge, a detailed schedule for implementation. I would wonder if he today could provide us, if not today, tomorrow or sometime within the next, say, 14 days, in writing, an implementation schedule for what sections of the act will be proclaimed and on what target dates.

\* (16:20)

**Mr. Mackintosh:** The Victims' Bill of Rights is a very comprehensive and aggressive new regime recognizing the rights of victims to be informed and indeed even consulted at certain stages of the proceedings. It is the first of its kind in Canada, although there are similar regimes in other jurisdictions, notably south of the border.

In the course of the development of the administrative scheme, the teams working on the Victims' Bill of Rights have enjoyed good advice from other jurisdictions. One I think of in particular is in Minnesota. Denver was another place where we were able to learn from the experiences. So while it is relatively new in



terms of a comprehensive scheme in the country, we do have something to base our developments on.

I would also add that in many senses and many areas in the criminal justice system, the Victims' Bill of Rights is starting almost from scratch, but in some other areas it is actually not anywhere near starting at ground zero. In the area, for example, of the family violence unit where victims have been given many of the rights that are set out in the bill of rights, what has been developing over the last number of years in Prosecutions has been particular attention to victims of major crimes. I see this developing on a regular basis, even in the course of my 18 months in this position, to see the added emphasis by the Prosecutions Division and Victims Services people to the needs, not just in terms of ensuring that victims are aware of the supports but are informed of the progress of the case, and indeed consultation at plea bargaining, which I think is one of the most progressive and indeed challenging aspects of the Victims' Bill of Rights, as we move ahead.

Since the passage of the Victims' Bill of Rights on August 18, the department has put together an implementation organization to deal with the different areas that require change. Law enforcement, prosecutions, courts, corrections, criminal justice, victim notification and tracking of requests, and finally communications and public legal education are the working groups under the implementation process.

There is also a steering committee that oversees the work of these seven working groups, and the chair of the steering committee is Glen Lewis, our new director of the Public Safety branch. As well, on that steering committee are people from the Criminal Justice Division and Prosecutions, Courts, Corrections, technology, communications, the RCMP, Winnipeg police, Brandon police, Dakota Ojibway police, in addition to Mr. Lewis.

The work of these working groups is progressing in a remarkable way. What is happening here is a breaking down of barriers I think that have existed to varying degrees, not only just within the department itself but in the different areas of the criminal justice system. We

have people from across these different agencies or divisions working together for a common cause. I might say that there is a commitment, and a growing commitment, to the objectives of the Victims' Bill of Rights across the Justice system. There may have been some concerns earlier on. Indeed I had heard from individuals. For example, some people in Prosecutions when the bill was originally announced were concerned about what this would mean to their workloads.

As a result of our communications with prosecutors and their involvement in the development of the bill of rights, there is a commitment there. It is very important that prosecutors prosecute and the prosecutors not become information officers. With that concern in mind, the system is being developed so that notification is being done by persons other than the prosecutors, although recognizing that the need to consult plea bargaining is one that really, I believe, and I think the working group is concluding, must be done by the prosecutor with the victim.

I also add that the Victims' Bill of Rights respects the right of victims to also be left alone and not have justice officials calling, and so on. It is a very important aspect of the whole regime that victims be able to exercise that right when they so choose. So it is a system whereby victims will indicate that they want to be informed or consulted in the process. So the extent of the sign-on by victims in Manitoba cannot of course be predicted with certainty but we do have the experience from other jurisdictions which indicates that the sign-on can be anywhere from, I think I have seen surveys that indicate that there is a sign-on of anywhere from perhaps 40 to 60 percent, but there are exceptions to that as well, depending on the particular nature of the crime.

I want to advise the member that one of the most important aspects of the development of the implementation of this bill is the information technology component. It is the primary objective of the implementation phase this year to have the information technology in place to provide the information management system. We have said all along that we wanted to see the Victims' Bill of Rights in Manitoba—we said this

in opposition—backed up by a computerized notification system. In other words, the Prosecutions branch will be computerized and the system we are looking at is building on the computer system that has been evolving over the last while. It is called PRISM.

As well as, in the area of correction, the system called CALMS and the developing automation in the criminal courts. It would be a co-ordinated computerized system so that we can share information. We know the status of individuals in the criminal justice system. In fact, it is quite extraordinary that we have not been able to prioritize the criminal justice system for computerization as a priority in society. What the development of the bill of rights is expediting is the development of a sound information technology system. By the way, all indications are that Manitoba has been able to develop this system in a very cost-effective and sure-footed way, and that is what we will be continuing this year.

I want to add as well that we have secured the assistance of the federal government to a certain extent to help develop this, and we certainly appreciate that.

\* (16:30)

In terms of the planning and what lies ahead, there are currently, on my desk, options for the further stages of the Bill of Rights unfolding. I can advise the member, in specific answer to the question, that in August we will be announcing that there will be the staged implementation with the initial emphasis on the providing of those essential rights to victims, and that is the information about compensation and support that is available for victims of crime in Manitoba, as well as information about how the justice system works.

The justice system is largely a black box for Manitobans, and often a revictimization can occur in the early stage when the victim is unable to understand the complex mechanisms of the criminal justice system. So, with that beginning, we will then move on to the staged implementation of the rest of the provisions of the bill. We will be doing this because it is important that we do this right, because it is a

significant change in how we have done business, and, as well, it is important that we ensure that the information technology in the notification system is going to be utilized in an effective way. So, at that stage of that announcement in August, we will be announcing then the details of the further staging of the implementation of the Victims' Bill of Rights.

**Mr. Frank Pitura (Morris):** I asked the minister, when he made his announcement with much to do, included in that press statement, we have a copy of it here, he was putting \$90,000 for staff people. I would just like to tell him, he came in with much to do, it will be a year, after that bill received the approval of this Assembly, before—if I hear the member correctly today, he is saying that he will announce the implementation schedule. What I am hearing from the minister, I would like him to respond to and confirm that what he is talking about in August is announcing a schedule to implement, which could be a year, two years later. Mr. Chair, what we are asking again for is the schedule now as to when this bill will be implemented. I remind him again that August will be the one-year anniversary of this bill receiving the royal assent of the Crown and passage of this Legislature. Is the minister telling us today that all he has to offer Manitobans, after much to do about this legislation, is that in August he will announce the schedule of implementation? Is that what he is saying to Manitobans,?

**Mr. Mackintosh:** It is important that the member understand the significance of the bill and that it is not just words on a page. It does involve the developing of a new culture, which includes new protocols, new, different priorities and the information technology system. Over the last twelve months, for example, it is important that the member be made aware, and it is my responsibility to do so, of the initiatives that have been ongoing and developing in order to make sure that the Bill of Rights is going to work for victims of crime in Manitoba.

In the area of Victims Services, for example, \$25,000 was secured for a November 2001 national conference on the justice system in response to persons with disabilities. We are proceeding in partnership on that issue.

A \$20,000 grant to Age and Opportunity for older victim service. An older victim service worker in Winnipeg was secured.

We facilitated a \$25,000 grant to CLEA, which is a Community Legal Education Association, to introduce plain-language materials on the Victims' Bill of Rights. This is a very important partnership in terms of how we are going to communicate the contents of the Bill of Rights.

A direct deposit system was established for victims receiving compensation. Mr. Chair, \$38,000 was granted to the new Manitoba Organization of Victim Advocates to advocate for victims and provide advice on the implementation of the Bill of Rights.

We have conducted, and I spoke about this earlier to a certain extent, the review of North American approaches to victim notification. We are near completion of a revised victim complaint process and victim impact statement program.

Police-based victim services, we advanced a \$26,000 grant to Dakota Ojibway Police Services to operate a victim services program for the first time in Aboriginal communities.

Approximately \$450,000 was committed to fund 10 RCMP victim service co-ordinators in Portage, East Interlake, Flin Flon, Lac du Bonnet, Parkland, Red River, Selkirk, The Pas, Thompson, and Westland, and \$30,000 for the Brandon Police to deliver an older-victim services program.

In the area of courts, we have conducted an on-site review of the secure waiting areas in every court location in the province. Indeed, I have seen the reviews there, everything from photographs and so on, to look to see how we can make some changes in the waiting areas to separate victims from accused, where that is possible and when the opportunity might present itself.

We have cabled all the courtrooms to enable a faster transfer of case information to victims. We have established, of course, a child-friendly courtroom in Winnipeg. There are two waiting areas in Brandon and Winnipeg specifically for

children. We have established an information kiosk at the Winnipeg Law Courts Building to help victims.

As well, we have made renovations to the Victim Witness Assistance Program office to facilitate province-wide notification under the Victims' Bill of Rights.

In the prosecutions area, we have conducted on-site review of the top U.S. urban victim service programs to aid in the implementation of the bill. We have expanded PRISM, as I have noted earlier, to all areas of the province, to all the regional courts.

We have completed the Winnipeg Police data exchange—we will be doing that this August, actually.

We have also moved now to a province-wide automatic referral of cases to the Child Victim Support office for those matters that involve child victims.

In the area of technology, we are—and this is very important for the member to know this—in the process of designing Canada's first victim notification and tracking system, linking all the key justice partners. This is state-of-the-art. This is leading edge. We are targeting the September completion of the court's disposition module on dispositions and bail. We are near completion of the comprehensive workflow analysis of how the Victims' Bill of Rights will be put into operation. So, in addition to the implementation process, the steering committee and the several working groups, I have just given examples of the kinds of initiatives that are underway, not to just put this legislation into the proclamation pile, but to make sure the legislation is backed up fully, that this is legislation that indeed really is going to make a difference to victims of crime and that will indeed make a real difference to how the criminal justice system in Manitoba operates. It is my view that if we do this right, and I know we will, that this will lead to a change in the way victims in Canada have been dealt with and I think will, quite frankly, just lead to greater justice.

So I think it is important to know that the bill does not and never was intended to represent

some simplistic notion and some tweaking. This is a significant change. I am aware of other legislation that has been introduced and proclaimed without the necessary preparation being done, but this is an act that we brought in as one of the first pieces that we introduced as a new government recognizing that this was a substantive and systemic change. Our objective is to do this right for victims, and the scheduling, I think, is based on a good analysis as to when we can proceed in a sure-footed way.

I remind the member opposite: The experience of the former government in terms of bringing legislation into force is certainly not one of always timely movement. I recall in the '95 election campaign where the former government made a big to-do about seizing the vehicles of johns, and yet we did not see that legislation proclaimed until February of 1999. I think that is a period of about three and a half years. Some of that time was of course getting the legislation in, surprisingly because at the time of the election it appeared that the government knew exactly what it wanted to do. But whether it is the Domestic Violence and Stalking Act which was passed in this Legislature, I believe, in June of one year, it was not implemented until September, some 14, 15 months following the passage in the House. We will, unlike that, be moving on the implementation in a staged way of the Victims' Bill of Rights in a shorter period of time, and what we saw under the former government with that legislation, which was about protecting the safety of Manitoba women.

So there have been varying experiences with the implementation processes, but this bill is not simply a change in policy. It is not simply a change in words. This is a change in the system, and so our objective remains to do it right and that is our commitment.

\* (16:40)

**Mr. Praznik:** Mr. Chair, when the minister brought the bill to the Legislature we expected him to do it right. When we voted for the bill and supported him in it, we expected him to do it right. When the minister spoke in the House of the passage of that bill, I cannot find any statement of a long implementation process. I

know he implied that there would be a lot of work to do, but he never said the kinds of things he is saying today. I want to ask him a point-blank question. In his press release, which would have been in last year's Budget, he said he allocated \$90,000 to support two full-time victim service workers who will notify victims of key events affecting their cases. I want to ask the minister: Were those two people hired last year? Was that money expended?

**Mr. Mackintosh:** Just to respond to that, the staff were assigned to a variety of tasks related to victim notification and compensation, including—I will just list these for the member—the staffing of the victim kiosk. I understand that was about a third of one FTE alone on that. The research on practices in other North American jurisdictions with regard to victim notification, for example. The development of a victim notification model and the redesign of the Victim Impact Statement Program, the development of a victim impact statement and restitution program for business. As well, operating monies were used for renovations and for travel costs and other expenditures relating to the child-friendly courtroom in Winnipeg, the child waiting areas, and the travel throughout Manitoba on that topic that I had raised earlier about the site review of the adequacy of court facilities and the determination as to the waiting room capacity and future development needs in those places, and as well to create the information kiosk for Winnipeg courts.

So the allocation of the money was to the broad issue of notification as an objective and as a need, and in order to develop the notification system that will be fully recognized when the Victims' Bill of Rights comes into force.

**Mr. Praznik:** So what the minister is saying, if you would confirm it, is that in his press release, though I do acknowledge that part of the role for that \$90,000 expenditure was working on developing a notification system, his press release also said that \$90,000 had been allocated in that year "to support two full-time victims service workers who will notify victims of key events affecting their cases."

So is the Minister of Justice now telling us that those two people with whom this

Legislature voted \$90,000 did not notify one single victim of a key event affecting their case?

**Mr. Mackintosh:** I am advised that those positions, which I understand are continuing under the current Estimates in the future, have as their objective a notification, which is of course a primary focus of the bill of rights, recognizing that there must be put in place the systems—I use the examples of the kiosk, the model, the victims' statement program, and the need to deal with individual victims. The victims' kiosk, for example, at the Law Courts Building is available there to notify victims of crime. That is what that is about. So in that way there is notification. The positions will continue and will form part of the staffing necessary to deliver on the Victims' Bill of Rights provisions.

**Mr. Praznik:** The minister's words were not that these people would be staffing a kiosk, that they would be talking to people who dropped by. His press release, which he issued—I did not issue it, it is his words—his words were very clear, that the \$90,000 being allocated in last year's Budget would be used to support two full-time Victims Services workers "who will notify victims of key events affecting their case."

He led the people of Manitoba to believe and he led this Legislature to believe that money, those people, would be—I mean on a plain reading, and I know the minister likes plain language in law and I imagine plain language in press releases. The plain reading of this is simple. Part of the job for these two people would be to notify victims of key events affecting their cases. Well, that is not people who come to a kiosk and say, hey, you know, somebody broke into my house and stole some stuff from me. What are my rights as a victim? That is not what this says. This says that their job was to notify victims about key events affecting their cases. A plain reading of that, Mr. Chair, and I know the Chair likes plain reading and believes we should communicate, say what we mean and mean what we say. The plain reading is very simple. Those people's jobs were to talk to the victims about key events affecting their cases as they worked through the court process. In other words, if I had been beat up and somebody has been charged and there is a trial coming up or there is a plea bargain going

on or there is a sentence hearing, those people's responsibility was to come and tell me about it, I would assume to give me my options for involvement.

\* (16:50)

It does not require legislation to empower them to do it. I read that to believe that could be done by the minister's policy. So I ask him again: Is he confirming to this committee that these two people that this Legislature voted the money for, who were hired, whose responsibility, in the words of the minister, and I quote again, is to "notify victims of key events affecting their cases"—I ask the minister if he is now telling us that in the course of the last year these two people did not notify one single victim of any key event affecting their case, other than the odd walk-in who came by his kiosk. Is that what he is confirming to this committee?

**Mr. Mackintosh:** I do not know if there is a misunderstanding, a miscommunication. The staff positions are permanent positions. That allocation has been important as we develop a notification system that will become very much a part of the backbone of the Victims' Bill of Rights regime.

The member should also be aware that notification of victims about key events in the court case that affects them is a responsibility that to varying degrees, depending on the nature of the case, has been pursued and embraced by the Prosecutions Division in Manitoba. For example, there have been some recent high-profile matters following tragedy in this province. What I have seen develop is a warm embrace by Prosecutions of the need to work with victims to make sure that they do understand the process, first of all. Second of all, they know the support systems available, the compensation program that is available in Manitoba, and further that they know of the dates and the reason for the different proceedings in the criminal justice system.

I have also come to understand that in these matters of serious major crimes, where this has been developing in particular over the last while, the involvement of the victims at the time of plea bargaining, an explanation as to the options

available, to not only get information from the victims that would be useful for the prosecutors in exercising their prosecutorial discretion, but also to explain to the victims why a plea bargain is being recommended. I think that kind of education, both to the prosecutor and to the victim, is very important. So in the area of major crimes, we have seen that development. By the time the Victims' Bill of Rights is fully implemented, I believe that we will already have attained the objectives of that in the meantime. So, that notification has to be recognized.

As well, in the area of family violence, there is a unit within the prosecution's branch that specializes in family violence. I know the prosecutors in that unit are particularly attuned to the needs and rights of victims.

As well, we have the Women's Advocacy Program in Manitoba, which provides support to victims of domestic violence, and plays a role in ensuring that the victims understand the process and the different stages. Between the Women's Advocacy Program and prosecutions, it is an objective of the Justice Department of Manitoba to ensure that there is notification there as well.

So we have that within this province and we have been enhancing that. I just read out on the changes that have been taking place in Manitoba as a result of the passage alone of the Victims' Bill of Rights, the movement that we have seen, and the development of a notification system and enhanced notification, including the allocation of new resources, both staff and operating, to do that.

What is important as we proceed into the future, is to ensure that the prosecutors have the support from this Legislature to meet their new obligations under this legislation. It is very important to them. It is very important to us. It is important that we not simply respond to the Ernst and Young review and get the protocol and organization and resources to the level that is needed, and then come in and take another step backwards because of new obligations that are not supported. So, we have to look at that, make sure that as well, the notification officers are equipped with the technology and the protocol that they need to do the job that is required of them.

So, in terms of notification and the \$90,000 that the member is referring to, it has been put to use, but it will be put to greater use in the future, because the notification system and the effectiveness and the duty of notification has to develop within a framework that has had to be developed, in some areas, from scratch, and in some areas, not so much so.

**Mr. Praznik:** What we just heard is the minister telling us that what he said in his press release, what he said he would do, did not happen.

Because it was not my words, he could have simply said these people are there to plan. No, no, he said they are here to do that. He has not said one word that they have actually done it. You know again, the expectation not delivered.

I just want to ask the minister, and he can answer this tomorrow, because, I believe, we are adjourning at five o'clock. He has told us how much he wants to embrace the victim. He has told us how many services are available to advise the victim, how much is done in plea-bargaining. I asked a very simple question. Did his Crown attorneys—and I am not asking to comment on the sentencing that is still before the courts, but a very simple administrative question—did his crown attorneys consult with Mr. Jack McLaughlin on the plea bargain with respect to the murder of his son who was kicked to death in the parking lot? Did his Crown attorneys—and we can answer this tomorrow because the hour is nigh—did his Crown attorneys, with all the great words of the minister, consult with Mr. McLaughlin and take into consideration his views on the death of his son?

**Mr. Chairperson:** The hour being 5 p.m. this Committee rise. Call in the Speaker.

#### IN SESSION

**Mr. Speaker:** As was previously agreed, the House will adjourn at 5 p.m.

The hour being 5 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 25, 2001

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