



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 5, 1996

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Teachers—Collective Bargaining and Compensation Review

Mr. Gary Kowalski (The Maples): Madam Speaker, I beg to present the petition of Moses Garaba, Raymond Sokalski, John D. Clark and others urging the Minister of Education (Mrs. McIntosh) to recognize the true value of teachers and reject the recommendations made in the 1996 paper entitled a report of the Teacher Collective Bargaining and Compensation Review Committee.

Home Care Services

Mr. Gregory Dewar (Selkirk): Madam Speaker, I beg to present the petition of Maureen Crognoli, F. E. Chester, Betty Lincoln and others requesting the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plans to privatize home care services.

Mr. George Hickes (Point Douglas): I beg to present the petition of Inge Kirchhoff, Ed Timmerman, Gilles Beaudry and others requesting the Premier and Minister of Health to consider reversing their plan to privatize home care services.

Teachers—Collective Bargaining and Compensation Review

Mr. Neil Gaudry (St. Boniface): Madam Speaker, I beg to present the petition of Tracy Fehr, Lorraine Kroetsch, Linda Warkentin and others urging the Minister of Education (Mrs. McIntosh) to recognize the true value of teachers and reject the recommendations made in the May 1996 paper entitled a report of the Teacher Collective Bargaining and Compensation Review Committee.

READING AND RECEIVING PETITIONS

Home Care Services

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

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

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

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

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

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

Retention of Hogs Single-Desk Selling

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

WHEREAS the provincial government announced its intention to move to an open marketing system for hogs in Manitoba without consulting producers as it promised during the last election; and

WHEREAS a majority of hog producers support single-desk selling under Manitoba Pork, the marketing board; and

WHEREAS the hog industry in Manitoba has doubled under an orderly marketing system; and

WHEREAS processors who will contribute to Manitoba's value-added industry have publicly expressed their preference for orderly marketing because it is easier to deal with one agent rather than 2,300 producers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba request that the Minister of Agriculture consider reversing his decision and retain a system for orderly marketing of hogs in Manitoba under Manitoba Pork.

Teachers—Collective Bargaining and Compensation Review

Madam Speaker: I have reviewed the petition of the honourable member for The Maples (Mr. Kowalski). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Dispense.

Madam Speaker: Dispense.

THAT the May 1996 report of the Collective Bargaining and Compensation Review Committee is a direct attack on the collective rights of all teachers and consequently will negatively affect the quality of education in Manitoba; and

THAT by pursuing the direction and recommendations suggested by this report teachers will be stripped of any powers they have with regard to collective bargaining; and

THAT teachers by educating our youth to compete successfully in the knowledge based economy of the 1990s are generators of wealth; and

THAT any changes to the teachers' compensation process only be undertaken with the idea of improving

the present system and not by attacking teachers' ability to bargain. * (1335)

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba urge the Minister of Education (Mrs. McIntosh) to recognize the true value of teachers and reject the recommendations made in the May 1996 paper entitled Report of the Teacher Collective Bargaining and Compensation Review Committee.

Home Care Services

Madam Speaker: I have reviewed the petition of the honourable member for Point Douglas (Mr. Hickers). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

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

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Standing Committee on Law Amendments First Report

Mr. Peter Dyck (Chairperson of the Standing Committee on Law Amendments): Madam Speaker, I beg to present the First Report of the Standing Committee on Law Amendments.

An Honourable Member: Dispense.

Madam Speaker: Dispense.

Your Standing Committee on Law Amendments presents the following as its First Report.

Your committee met on Monday, June 3, 1996, at 7 p.m. in Room 255 of the Legislative Building to consider bills referred.

Your committee has considered:

Bill 35—The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille

and has agreed to report the same with the following amendment:

MOTION:

THAT the proposed subsection 19(7), as set out in subsection 4(3) of the Bill, be amended in the part preceding clause (a) by striking out "has information" and substituting " , in the course of conducting an investigation or carrying out other duties, obtains information".

Mr. Dyck: I move, seconded by the honourable member for Turtle Mountain (Mr. Tweed), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Glen Cummings (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): Madam Speaker, I would like to table the Annual Report of the Manitoba Public Insurance Corporation of 1995, and the first quarterly report for the three months ending May 31, and I table this on behalf of the Minister of Finance (Mr. Stefanson).

MINISTERIAL STATEMENTS

1996 Summer Olympics

Hon. Jim Ernst (Minister responsible for Sport): I have a statement for the House.

Madam Speaker, it gives me great pleasure as the Minister responsible for Sport to rise before the House to recognize those many Manitobans who have been selected to compete in the 1996 Summer Olympics next month in Atlanta.

It is the dream of every aspiring amateur athlete to compete in the Olympics. Only a select few have that opportunity. When you take into account there are more than three million registered competitive athletes in Canada and an estimated 15,000 Canadian athletes engaged in high-performance sport, these Manitobans have indeed distinguished themselves. Through their hard work, intense training and dedication, they will realize their Olympic dream and provide others with encouragement and confidence to compete to achieve their goals and to excel.

* (1340)

We strive toward providing a quality sport experience for all Manitobans and enshrine characteristics into a sports system that is athlete-oriented and respected. We look at these athletes as leaders and role models.

Those athletes we recognize today include Angela Chalmers in athletics; Jamie Dawson in badminton; basketball player, Andrea Hutchens; Tanya Dubnicoff and Clara Hughes in cycling; Ewan Beaton and Niki Jenkins in judo; rower, Colleen Miller; shooters, Jason Caswell and Clayton Miller; softball players, Juanita

Clayton, Karen Doell and Debbie Sonnenberg; swimmers, Shannon Shakespeare and Riley Mants; and volleyball players, Wanda Guenette, Janis Kelly, Michelle Sawatsky and Christine Toews-Stark, along with Coach Mike Burchak. There are also six other athletes: Theresa Brick, Daryl Fillion, Byron Goodwin, Christian Weber, Alanna Yakiwchuk and Henry Klassen who are still in the qualification process in the sport of athletics.

Add to that list more than 20 others who will be going to the games as officials, trainers, medical and support staff. Manitobans representation is unprecedented in that we may comprise almost 10 percent of Team Canada '96 taking into consideration that we have only about 4 percent of the country's population.

As well, we have a number of Manitobans who as disabled athletes will be competing in the Paralympics which will be held in Atlanta immediately following these Olympics. These athletes include Nick Cunningham and Colin Mathison in wheelchair track; Jared Funk and David Tweed in wheelchair rugby; Joe Johnson in wheelchair basketball; Glenn Mariash in wheelchair shooting and Lance MacDonald in blind lawn bowling.

I will ask all members to join me in recognizing the achievements of these fine Manitobans in extending best wishes to them as they head to Atlanta. Thank you.

Ms. Marianne Cerilli (Radisson): I want to join the minister and add the voices of this side of the House to congratulating all those athletes who have qualified to represent Canada in the Olympic Games in Atlanta. I also want to extend congratulations to all the coaches, the volunteer officials and others who will be working with the team to support them in their efforts in Atlanta. I also want to give special recognition to, for the first time, the Paralympics which will be part of the same celebration in Atlanta for disabled athletes. That is a historic event and it deserves special recognition.

I want to also give our good wishes to those athletes still in the process with track and field in their qualifying events to join those other athletes in Atlanta.

I want to also though, draw attention to the incongruence of this minister bringing forward this statement

at this time and talking about the leadership of these athletes and the benefits that they gain from participating in athletics because all of these athletes started off in the playgrounds, in the schoolyards, in the gymnasiums of the schools in Manitoba, and all of them had the attention and the support of physical education teachers and coaches through the school system in Manitoba. I want to recommend to the minister and to this government that if they want to continue to see the success of Manitoba athletes, they have to give attention to the physical education programs in this province and not as they are doing now cut back on those programs.

The support the sport programs in Manitoba receive from physical education teachers and from the school programs cannot go under recognized. We cannot take for granted that the teachers of physical education in this province go a long way in supporting the elite programs that have developed such successful athletes that are part of the Canadian Olympic team. So if the provincial Minister for Sport (Mr. Ernst) wants to continue to see successful Manitobans as part of our Canadian team, they had better reconsider their policy on physical education and support physical education and coaching through the high schools and other schools in Manitoba. Thank you, Madam Speaker.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have with us this afternoon sixty-five Grade 5 students from Southwood Elementary School under the direction of Mr. Abe Friesen. This school is located in the constituency of the honourable Minister of Natural Resources (Mr. Driedger).

Also, we have eighteen Grades 7, 8 and 9 students from Rock Lake School under the direction of Lynden Warkentin. This school is located in the constituency of the honourable member for Turtle Mountain (Mr. Tweed).

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

* (1345)

ORAL QUESTION PERIOD

Health Sciences Centre Capital Projects

Mr. Gary Doer (Leader of the Opposition): My question is to the Acting Premier. Madam Speaker, it has been learned that a nurse at the Health Sciences Centre has contracted tuberculosis, TB, and the minister's response to the situation when it was raised with him was to state that he would address the problems immediately, the conditions that promote the spread of tuberculosis. When we tabled the Health Sciences Centre memo from the president about the critical conditions of the hospital, on page 3, it specifically mentioned the limited isolation capabilities and the fact that at the Health Sciences Centre this could lead to the transmission of diseases like TB.

I would like to ask the minister, will he now fulfill his election promise for the capital requirements at the Health Sciences Centre, and will he fulfill the commitments he made publicly in the media to proceed to deal with the physical conditions at the Health Sciences Centre?

Hon. James McCrae (Minister of Health): Madam Speaker, as a result of the review of the proposed integrated plan for urban hospitals, we will have a good understanding of what capital requirements there will be at Health Sciences Centre, and elsewhere, and it will be at that time that we would address the issue raised by the honourable member.

But his credibility is totally out the window, because he is advocating for Health Sciences Centre and turning his back on all the other hospitals now, whereas just a little while ago it was his party's policy that a more balanced approach be taken. They have lost all their credibility.

Mr. Doer: Madam Speaker, the capital promise made by the Premier (Mr. Filmon) during the election campaign, the specific promise made by the Premier dealing with the Health Sciences Centre included the ventilation capacities and the proposals for capital for the ventilation system at the Health Sciences Centre, a point that we raised on May 13 in this House in terms of the broken promise. It is the government's promise to proceed with capital requirements at the Health Sciences

Centre. The minister has said he will deal with the problems that have developed in terms of the tuberculosis case.

I would like to ask the Acting Premier, will he now proceed with his government's election plan and his election promise which, presumably, included all the health care facilities when they made the commitment for the \$112 million for the Health Sciences Centre?

Mr. McCrae: It is important, Madam Speaker, as we address the needs of an integrated health system for Manitoba that we identify appropriate priorities. That is exactly the process that we are in. Whatever capital requirements are taken care of at the Health Sciences Centre, they ought to be consistent with the objectives of an integrated health plan for the city of Winnipeg. That is something we will be making announcements about within a month or so.

Tuberculosis Statistics

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, if the minister is saying they did not have an integrated plan when they made the \$112-million commitment in the election campaign, I find that very, very worrisome and very disappointing.

I have a general question on tuberculosis. It is a disease that is—as the World Health Organization has identified—primarily hitting people who are in the lowest socioeconomic conditions with the greatest economic challenges. In fact, between '92 and '93, there have been unofficial reports that tuberculosis has increased by some 15 percent and a great deal of those cases are reported in the inner city.

I would like to ask the minister, what is the caseload of tuberculosis? Has it increased, and are those increases taking place in the inner city of the city of Winnipeg?

* (1350)

Hon. James McCrae (Minister of Health): I will ascertain for the honourable member the statistics that we have respecting his question. Of course, we regret any health care professional who comes into contact with disease and contracts that disease. We would certainly

offer our commendations to people who work in the health care sector, because they do put themselves at risk from time to time and we will do everything we can to ensure that risk is minimized, but the honourable member did say that we should have known what the integrated plan is. Where has he been all these months? What has he been doing, sleeping?

We have been working with design teams. We have been working with all the experts in the field to develop an integrated plan. He suggests we should have had one a couple of years ago. What does he think we have been doing since last fall when we began all the work of the design teams? The man has been sleeping at the switch all winter, Madam Speaker.

Regional Health Boards Elected Boards

Ms. Rosann Wowchuk (Swan River): Madam Speaker, when we were first told about regional health boards, we were told that the first boards would be appointed for a short term and then we would have election of boards. When we look at the board that has been appointed, we see that this is really a Tory board with quite close ties to the Conservative Party, and now this board is going to be making Tory cuts to health care services in rural Manitoba.

I want to ask the Minister of Health what he is afraid of. Why is he backing off his decision to a promise that he made that we would have elected boards in rural Manitoba?

Hon. James McCrae (Minister of Health): I look forward to discussions over the summer which will flow as a result of the tabling of this legislation. That is how we got to where we are, Madam Speaker, by having very broad and wide discussions and consultations with Manitobans about regionalized health.

The honourable members feels that she has a case to make, too. I want to hear it, and I think others will want to hear her case where the regional health authorities have no taxing authority and yet she wants to press for elections. Let us talk about that. I think that kind of debate ought to go forward. We elect our school boards; school boards levy taxes. We elect our city town councils, R.M. councils; they impose taxes. We elect

legislators; they impose taxes. Regional health boards do not impose taxes. That is an issue that needs to be discussed and I am quite happy to engage in that discussion.

Ms. Wowchuk: I want to ask the minister why he rejects the recommendation of his own advisory board, the board that has set up the process, the board which the minister said would develop the plan. Why has he rejected the most important recommendation that they made, that there would be elected boards from rural Manitoba?

Mr. McCrae: Madam Speaker, there are a few items that are still the subject of controversy and the lack of consensus, and this is one of them. Quite frankly, the issue of election is one of those things, the issue of whether providers ought to be in a position to make decisions about the expenditure of money in the various regions, and there are one or two other issues as well that remain to be discussed further.

The honourable member is quite right to raise this question and she will be quite right to be part of the discussion that ensues all summer. By the way, this legislation, like all other legislation in Manitoba, which is fairly unique in Canada, is the subject of public hearings in this building and that will be part of the process here.

Ms. Wowchuk: Madam Speaker, I want to ask the minister how he expects the public to have any confidence in the future of health care decisions if he is retaining the power to make decisions as minister or by his hand-picked board? Will the minister follow through on the recommendation that was made by the advisory board that says half the board will be elected by April 1997?

* (1355)

Mr. McCrae: The honourable member asks, well, why should the public have any confidence and I say because they are involved in bringing us to where we are. There is nowhere in Canada where there is more public input into health care reform than in Manitoba—

An Honourable Member: Protests.

Madam Speaker: Order, please.

Mr. McCrae: The honourable member for Kildonan (Mr. Chomiak) says, protests. That is part of an expression of opinion, too. We have had protests with respect to the Winnipeg hospital integration plan and it is a way to get the point of view across. We attended public meetings, and the honourable member for Brandon East (Mr. Evans) was there with me at a big meeting in Brandon where the public let go and let us have their points of view. It is important that we know those things, so protest is also part of the public consultation process, but there has been much more than protest. There have been other vehicles for ascertaining the viewpoint of members of the public. That is the process we are in, and we are doing it right here again today. I think that is why people should have some confidence in what we come up with.

City of Winnipeg Social Concerns

Ms. Becky Barrett (Wellington): Madam Speaker, Winnipeg, unique in all of Canada in that it is home to two-thirds of the province's population, has many serious problems which include, but certainly not an exhaustive list, increasing youth crime, record numbers of food bank users and a crumbling infrastructure. The Premier's (Mr. Filmon) only response to these issues has been to accuse the city of whining and bleating.

I would like to ask the Minister of Urban Affairs if he, unlike his Leader, recognizes that Winnipeg's problems are also Manitoba's problems.

Hon. Jack Reimer (Minister of Urban Affairs): Madam Speaker, the member is right in her assertions that Winnipeg does form a very significant part of Manitoba in the fact that close to 60 percent of the population is located in this area. For that reason, this government recognizes that the city of Winnipeg is an integral part of the economy of Manitoba and in giving grants and support systems to the City of Winnipeg it is unprecedented as to the amount of money that the province does give to the city. In overall comparisons to Winnipeg and other areas in western Canada, support to the City of Winnipeg, including social assistance, is over 17 percent compared to the City of Calgary at 6 percent and the City of Edmonton at 6.5 percent. Our commit-

ment and our dedication to Winnipeg has been and will continue to be very, very generous.

Ms. Barrett: Does the Minister of Urban Affairs not see the inherent dichotomy between his words in Estimates that the Department of Urban Affairs continues to perform the important role of facilitating and supporting intergovernmental relations between the city and the province, and the Premier's inflammatory, derogatory and highly offensive shrugging off Winnipeg's concerns as bleating and whining?

Mr. Reimer: The member has pointed out a very significant observation in the fact that the City of Winnipeg does have the designation of having a ministry as the Minister of Urban Affairs dedicated to this great metropolis we call Winnipeg. The idea behind it is that there is a liaison, there is a co-ordination and there is a recognition of the uniqueness of Winnipeg. This uniqueness is also expressed around the interdepartmental activities, whether it is dealing with the department of social services or Environment or whatever the various departments are. There is a co-ordination, there is a recognition of concerns, and it is an ongoing dialogue that this department has with all other departments in the government of Manitoba.

Crime Rate Reduction Strategy

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

This week I received and I presume the Minister of Justice also received a report from our new national Crime Prevention Council, which, while estimating the cost of crime to Canadians at at least \$46 billion a year, said, and I quote, the evidence is conclusive that the most effective way to prevent crime is to ensure healthier children, stronger families, better schools and more cohesive communities.

My question for the minister is, when will this minister finally acknowledge the critical link between these conditions, especially in Winnipeg, conditions this government continues to worsen, and our crime rate, apparently the worst of all the provinces?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I do reject a great

deal of what the member has said in his preamble. However, I will draw his attention to the Estimates that were covered, the Ministry of Family Services, the Estimates covered in the Ministry of Health, we are in the Estimates now of the Department of Justice, where ministers of this side, where this government has been able to show the amount of money in dollars which are there in support of children and families and support to members of the community.

Madam Speaker, it is also the view of this government that we need community participation to deal with any concerns around community safety, and it is this government that has been working very carefully with communities to set up their participation within the justice system to reduce the crime rate, to work at the prevention end.

* (1400)

Mr. Mackintosh: Would the minister get a grip on what every other Winnipegger knows and at least explain her failure to by now have in place and working a single one of these 33 promises on crime from the election, or at least help with programs to deal with the growing threat of gang violence, begin to turn around the despair that is driving this? Why her dormancy, Madam Speaker?

Mrs. Vodrey: It was kind of hard to hear the last phrase; it was shouted so loud it kind of lost its effect through the earphone through our sound system. But let me just tell the member what some of the initiatives are that this government has taken in order to deal with youth crime and violence in particular.

First of all, this government fulfilled its promise to put 40 more police on the street through the city of Winnipeg. I believe that is a very significant promise, and it also deals with the questions previously raised by the member for Wellington (Ms. Barrett). It deals with questions raised by the member for St. Johns.

We have to deal with this matter legislatively through the Young Offenders Act. What our government has also said is, through the Young Offenders Act, if they will not bring parental responsibility back in through that act, then this government through its own areas of responsibility through the civil justice side will bring parental

responsibility back in. That bill is introduced and is now before the House for the House's consideration.

We also have brought into effect in Manitoba a number of other initiatives which I am happy to talk about now or in the process of Estimates.

Manitoba Pork Outstanding Levies

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is for the Minister of Agriculture.

Firstly, I would like to probably congratulate the government for supporting the J.M. Schneider plant in St. Boniface, the fact that we read in the paper that it was fair competition and fair negotiations. Given the minister has publicly stated on December 15 and again at a hog producers' meeting in Selkirk that he would ensure \$300,000 in outstanding levies owed to Manitoba Pork would be collected by July 1, the date on which dual hog marketing comes into effect—there has been some movement. Manitoba Pork is now collecting levies on hogs shipped to the United States, but still no levies are being collected on hogs shipped, at least prior to November 1995. Will the minister confirm that Manitoba Pork is still owed \$300,000 in outstanding levies?

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I can confirm for the honourable member for St. Boniface that there is still a significant amount outstanding. The honourable member is correct that a portion of those levies owing has, in fact, been transferred to Manitoba Pork, and it is the intention of the government to encourage the full repayment of those outstanding levies. There is apparently some difficulty in assessing the responsibility. It is the position of the group of producers under whose management they work, Elite Swines of Landmark, that it is an individual decision. Letters have gone out, strongly worded letters, I might say, have gone out to all of those producers indicating that these levies are still owing.

Hog Industry Production Levels

Mr. Neil Gaudry (St. Boniface): My supplementary question to the minister: Manitoba has suggested that it

would double the production in the period of five years. Given that Alberta and Manitoba will do it over 10 years, what would be the biggest impediment to achieve the goal of the Manitoba government?

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, the opportunities for growth certainly continue to exist. Every week just about we receive more and more trade delegations from different parts of the world that indicate their need and their preference for Canadian and Manitoba pork.

Certainly it will require a great deal of attention as to how we develop expanding pork operations in an environmentally acceptable way. This government has no intention to interfere with the planning rights that exist at various local government levels with the municipalities, but the Department of Agriculture assists through the creation and the refinement of guidelines and regulations that hopefully will make this important aspect, this opportunity of growth in agriculture possible.

Certainly, with the announcement that the honourable member referred to about one of our major processors, J.M. Schneider, whose requirements will be in the range of two million hogs for that operation alone, should breathe, and are in fact breathing a great deal of confidence on the part of everybody involved in the pork industry in Manitoba.

Environmental Concerns

Mr. Neil Gaudry (St. Boniface): I thank the minister for his answer.

To the Minister of Environment: Can the Minister of Environment tell us if all the concerns of Environment have been addressed in regard to hog producers?

Hon. Glen Cummings (Minister of Environment): Madam Speaker, I appreciate the question from the member because, as with any growing industry, we have to be continually cognizant of any impacts that might flow from expanded production and constantly be working with industry to improve methods, in this case, of handling waste.

If the member were to ask, are all problems solved, I think we would be irresponsible—to say that we have to

continue to work diligently with the industry, that is one thing that I am very confident of, that the industry has taken upon itself to make sure that the impacts within the province will be mitigated and reduced, and in fact it is considered a major thrust within the department working with the industry at this point.

Public Housing Property Sales

Ms. Marianne Cerilli (Radisson): Madam Speaker, Winnipeg needs all the low income quality housing that it can get, yet we have a Minister of Housing who is looking at demolishing 20 units of perfectly good housing at 390 Behnke Road in St. Vital. He claims that no decisions have been made, yet he has ordered those tenants to move, and he claims that there is a 10 percent vacancy rate in public housing when he knows this is not the case for two- and three-bedroom units as are in the Behnke Road complex.

I want to ask the minister if he will do the right thing and not waste this perfectly good housing in St. Vital and maintain it not only for the families that are living there now but for all the families that could live there in the future.

Hon. Jack Reimer (Minister of Housing): I am glad the member for Radisson brought this question up again because yesterday she tabled some information regarding the vacancy rates and the figures were perceived to be of the amount of units that were vacant in Winnipeg. I should point out that the figures the member tabled were of 1994 vintage and since that time things have changed. The vacancy rate in Winnipeg overall, as mentioned before, is approximately 10 percent. The total amount of units available is 7,581. Of that amount, there are 760 that are vacant, so that it is actually a little bit over 10 percent. So, Madam Speaker, there are vacancies available. There are two- and three-bedroom vacancies. In fact, in south Winnipeg there are approximately 70 units that are vacant at this particular time.

Ms. Cerilli: Madam Speaker, I would like for the minister to explain if that is the Conservative government's logic now: because there are vacancies that means you tear down perfectly good buildings. I want him to explain if the provincial response to the federal abandonment of social housing is to sell for demolition

each public housing unit, unit by unit, in the province of Manitoba. Is that the policy of this government?

Mr. Reimer: Madam Speaker, the member for Radisson has indicated, and quite rightly, that the federal government has indicated that they want to get out of public housing. They have offered to unload, if you want to call it, their social housing portfolio here in Manitoba onto the Department of Housing here for the government of Manitoba. A decision on that has not been taken.

On the fact of the matter that the member is referring to as the downloading of funding, I should point out that over the next two years the federal Department of Housing will be downloading \$230 million that they will not have into the market, so it has ignited and generated a review of all programs of all aspects of where its expenditures go. Our commitment to public housing will remain there, but at the same time, the priorities and the redirections of where money is spent has to be critically analyzed.

City of Winnipeg Social Concerns—Inner City

Ms. Jean Friesen (Wolseley): Madam Speaker, the impact of this government's welfare cuts on the community I represent has been immediately visible. Across the road from this Legislature at All Saints Church, at the food bank and at the soup kitchen, they must now serve an additional thousand meals a month. No government can continue to close their eyes to that human condition, nor to its impact upon the inner city of Winnipeg.

I want to ask the Minister of Urban Affairs (Mr. Reimer) what he is prepared to do, what plans he has to deal with the long-term deficit that his government has created for the health and, indeed, the survival of the communities of the inner city.

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, I thank my honourable friend for that question because, again, it allows me the opportunity to tell all Manitobans that we believe that the best form of social assistance is a job and the welfare reform initiatives that have been undertaken by our government do speak to employment first. Every opportunity that we have to work with families, with women and with children—because I do not believe that

we want to see for families and children in the province of Manitoba a lifelong dependency on welfare and a lifetime of poverty, all of the initiatives that we have put in place under welfare reform will indeed try to assist people to become independent, to become self-sufficient, to have jobs, to improve their socioeconomic status, and I think that is in the best interests of all Manitobans.

* (1410)

Ms. Friesen: Madam Speaker, I would like to table some information from Winnipeg Harvest which shows that the largest increases in requests for assistance from Winnipeg Harvest this past year are coming from families with children under a year old, where the increase is 19.4 percent, and those from ages seven to 12, where the increase is 16.7 percent.

I want to ask the Minister of Urban Affairs (Mr. Reimer) to recognize and act upon the emergency his government has created for the inner city with welfare cuts that are simply unconscionable.

Mrs. Mitchelson: We are aggressively pursuing options to ensure that children are well nourished and children in fact do not go to bed hungry. We only have to look to some of the initiatives that are ongoing through the community like the Andrews Street Centre which in fact is running moms helping moms programs, and they have a community kitchen which I think is the right kind of concept, where women have the opportunity to come in with their children to learn how to prepare nutritious meals and in fact take those meals home to serve their families for parts of the week.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. A very serious question was asked, and the minister is responding to the question asked. I would ask for the co-operation of all honourable members in maintaining order so that those interested members can hear the response.

Mrs. Mitchelson: Thank you, Madam Speaker, for those comments, too, because I do listen very carefully to the questions that are put in the House, and I would like consideration, the same kind of respect from the opposition when I am trying to answer those questions

because I do take the question very seriously. I would hope they would listen to the answer in the same manner.

I do want to indicate that those kinds of things are happening and, in our communities, we are looking to some of those projects that are ongoing and seeing whether in fact we can expand and develop in partnership with community organizations good nutritional programs for children.

Fleet Vehicles Agency Board Membership

Mr. Jim Maloway (Elmwood): My question is to the Minister of Government Services. If there were car dealers on the board of the Fleet Vehicles Agency working on a plan to privatize leases, that is, in my opinion, putting the foxes in with the chickens.

Yesterday, the minister agreed that, if car dealers were on the board, it would be a conflict. He went on to say that there were no car dealers on the board.

Can the minister tell the House whether Bob Kozminski and Jack MacIver were ever on the board of the Fleet Vehicles Agency, and what period of time were they on the board? What date were they appointed, and what date did they resign?

Hon. Brian Pallister (Minister of Government Services): The Fleet Vehicles Agency Advisory Board was set up in conjunction with the establishment of the Fleet Vehicles Agency in this province. Anyone who would have any casual, passing interest in who was on the advisory board would simply have to read the annual reports from the special operating agency. If they did that they would find, in perusing those annual reports, who the members were of the special operating agency advisory board.

Yesterday I put on the record in this House the members of the special operating agency advisory board and I would invite the member opposite, if he would choose to do a minimum amount of research, he could simply consult with the SOA annual reports. The members of the advisory board are listed in each of those annual reports and if he has a sincere interest, as I would hope he does, in having that question answered, he would

do that research and that information would become available to him.

To continually rise in this House day after day and attempt to cast aspersions on the owners of private auto dealerships, does not pass to me as legitimate criticism and borders on simply being hateful and malicious, frankly, Madam Speaker.

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

Mr. Maloway: My supplementary to the same minister. I would like to table copies of the annual report of Fleet Vehicles Agency Advisory Board 1994-1995, and I would like to ask the minister to explain to us why the original copy of the annual report given to us had both of these people listed as members. Could he explain that, and why the report was changed?

* (1420)

Mr. Pallister: The phrase "bottom dweller" comes to mind. I have absolutely no record and neither have I seen any record of any member of our SOA advisory board being an auto dealer. I have absolutely no record. The word-processing machine in NDP caucus headquarters is going full-tilt I guess, Madam Speaker.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

An Honourable Member: You do get a third question.

An Honourable Member: . . . you cannot tell the truth.

Point of Order

Mr. Pallister: Madam Speaker, on a point of order, from his seat, I distinctly heard the member for Thompson (Mr. Ashton) suggest that I was not telling the truth. I have come to this House to serve my constituents and the people of this province, treating every member here with the respect that they should deserve and never, never did I come here on the assumption that a member would chirp from his seat and call another member a liar unless he had some good case to make for saying that.

Now I understand the rules of the House protects members from being called liars and I have always questioned that rule, given the fact that I have so frequently heard things that qualify very well to be described as lies come from other members, but, nevertheless, if the member for Thompson has a case to make, let him make it. Let him not chirp from his seat and call me a liar in the Legislative Assembly of the Province of Manitoba

Mr. Steve Ashton (Thompson): On the, I assume what was a point of order, Madam Speaker—

Madam Speaker: Yes.

Mr. Ashton: Madam Speaker, I did not call the minister a liar or for that matter a baldfaced liar. I suggested that the minister was having some difficulty and the term I used was "not telling the truth." If you will check with Beauchesne, it has been ruled in the context to be parliamentary. Quite frankly, I have in front of me a copy of the Fleet Vehicles Agency Advisory Board and if the minister, instead of taking shots at the member—

Madam Speaker: Order, please. The honourable member for Thompson was recognized to put his case regarding the point of order raised by the honourable Minister of Government Services, and I believe I have heard his comments. This is not a time for debating the issue at hand.

Mr. Ashton: Madam Speaker, I just wanted to retable the document in case the minister was not aware of why we were raising the concerns about getting the truth out on the Fleet Vehicles Agency Advisory Board and Mr. Kozminski.

Mr. Pallister: If I may, Madam Speaker, to help clarify this point of order, if I may table what I have—a copy from the 1994-95 annual report which lists the Fleet Vehicles Agency Advisory Board members, as well, for the benefit of members who are interested in the truth.

Madam Speaker: On the point of order raised by the honourable government House leader—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Are the members now ready for the ruling? On the point of order raised by the honourable Minister of Government Services, I did not hear the comment made by the honourable member for Thompson from his seat so, therefore, it is a dispute over the facts.

I would once again caution all honourable members that, continually, when you start making comments across the Chamber from one side to the other, undoubtedly some member is going to interpret it as being inflammatory and a disruption will erupt as just witnessed. Now I would ask for the co-operation of all honourable members in ensuring that we can continue with Question Period without disruption.

Manitoba Telephone System Customer Database

Mr. Tim Sale (Crescentwood): Madam Speaker, yesterday we raised questions about a contract between Manitoba Trading Corporation and Faneuil ISG in regard to a \$16-million item for a database. The minister responsible indicated that subsequent to the April memo, which we tabled yesterday, there were two additional deals that were made in regard to Faneuil, Trading and the Manitoba Telephone System.

Can the minister tell the House why Manitobans should have confidence that their privacy is being respected when there is still apparently a \$16-million fee being paid for a database which is available to anybody else for a tiny fraction of that amount?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, MTS's database, which is being utilized by Faneuil in campaigns to bring back customers to MTS, is used only for the MTS campaign.

The document the member referred to yesterday of April '95, I believe it was, was a document that represented a proposal, that after that document came forward that proposal was terminated. Then subsequent proposals came forward and two operating activities between Faneuil and MTS took place. One is an access company and the other is a database agreement between MTS and Faneuil, and both of those agreements fully protect absolutely the confidentiality of any data that MTS uses in those programs, in those agreements in a value-added business activity.

Faneuil Corporation Public Subsidy

Mr. Tim Sale (Crescentwood): Madam Speaker, will the minister, if he is so confident that these new deals protect Manitobans fully, table the agreements with the House so that Manitobans can be assured that in fact their privacy under the CRTC is being maintained, and will he explain why Faneuil should pay \$16 million for something that is available for a fraction of that price to any other telemarketer who requests it?

I would also like to table—and the minister should perhaps indicate to the House that he misled the House yesterday, perhaps unintentionally—that there is a \$3-million subsidy in this deal. The debentures for \$19 million are transferred to Trading; the licence is \$16 million from Faneuil. It is a \$3-million subsidy. The minister had the numbers backwards. If he wants to correct it, he will also correct that there is, in fact, a \$3-million subsidy, not a \$3-million profit.

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): The member raised a number of questions in that particular presentation that he made, but, Madam Speaker, \$16 million today is worth \$19 million over five years. That zeroes out.

Madam Speaker, can I explain it very simply to the member. You take a dollar in this hand and you transfer it to this hand and you have four quarters. It is of equal value. That allows a development of an economic activity in the province of Manitoba that generates a significant success in MTS winning back customers. In fact, if the member does not trust MTS or the missions that they are on of winning back customers, I would ask him to look at the last Echo, which listed the large number of customers won back to MTS in terms of long-distance service—very successful, and I congratulate MTS and Faneuil in so successfully running a business in the province of Manitoba.

Aboriginal Solidarity Day Act Minister's Support

Mr. Eric Robinson (Rupertsland): Madam Speaker, June 21 is fast approaching, a day of solidarity for aboriginal people, not only in Manitoba but indeed across

Canada. This day was identified many, many years ago and was solidified with a resolution back in 1981 by the Assembly of First Nations. It solidifies our kinship as First Nations people with Mother Earth, the Creator and all our relations on Mother Earth.

I would like to ask the Minister of Native Affairs if he will support The Aboriginal Solidarity Day Act, Bill 201, which is currently in the House, and acknowledge the contributions made by aboriginal peoples towards Canadian freedom and democracy, and at the same time submit it for a vote before the House and before we rise on Thursday.

Hon. Darren Praznik (Minister responsible for Native Affairs): Madam Speaker, I think, as an individual member of this House and as a minister of the government, we certainly feel that a day to recognize the contribution of aboriginal peoples to our country and as part of our country is certainly most appropriate. With respect to the passage of the bill, the member for Rupertsland, like every other member of this Assembly, is familiar with the rules and processes for the passage of the bills. He does me a great honour to somehow think that I have control over that process. Like all other members of the Assembly, he knows the rules. Bills are submitted, they go through processes. Sometimes bills are advanced, in which case, those are arrangements that are arrived at between House leaders.

Mr. Robinson: Madam Speaker, I wonder if I could ask the minister to confirm his problem with the word "solidarity" and perhaps give that explanation not only to members of this House but aboriginal people throughout this province and Manitobans in general.

Mr. Praznik: The wonderful thing about being part of a parliament or democracy such as this is we are 57 members who come to the Assembly. The member brings a private member's bill to this Assembly. There is a process by which it should go through. There is an opportunity for members to debate that bill, to express their views and opinions on it. If they have changes which they wish to make to the legislation, there is an opportunity to move such amendments in committees.

I stand firstly—as a minister and as an individual I am very supportive of recognition of a day for aboriginal

peoples. I am also equally supportive of the process of this parliament and the rights of all members of this parliament to debate legislation in the proper process and to have an opportunity to make their contribution.

I wonder why the member for Rupertsland wishes to circumvent that process.

Madam Speaker: The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Economic Growth Provincial Performance

Mr. Peter Dyck (Pembina): Over the course of the past few months Manitobans have been forced to endure more than their fair share of hardships. For one, our province has just suffered through one of the longest and one of the most trying winters of the century. Following that, many Manitobans had to cope with the excessive spring runoff which flooded their homes and their yards. Yet perhaps the greatest test to Manitobans endurance has been their ability to deal with the constant stream of rhetoric and misinformation that flows from the members opposite and litters our local newspapers and airwaves.

I refer specifically to a letter written by the member for Brandon East (Mr. Leonard Evans), a letter that appeared in a paper in my constituency as an example of the rhetoric that Manitobans are forced to tolerate from the members across the floor. In this letter the opposition Finance critic wonders where the better business climate is that the Filmon government is supposed to have created during its term in office. It seems that the member for Brandon East does not actually read the articles in the newspapers that he is so fond of writing to.

In fact, on Friday, May 31, in the Winnipeg Free Press, the following comments about Manitoba's economy appeared under the headline, Tories get top marks: "This is a buoyant economy that will continue to be buoyant in 1996" . . . "The economy is strong and will stay strong" and "The province deserves full marks for the progress it's made in its fiscal performance." . . . "This has come about through responsible and prudent fiscal management." These are comments made not by

a politician but by Ian Russell of the Investment Dealers Association of Canada.

* (1430)

It is clear that if the member for Brandon East would spend less time writing to the newspapers and spend more time reading them, he might come to appreciate the economic revival our province is undergoing. During the upcoming summer session, I challenge the member to take the time to read the finance and business pages of the newspapers so that he can join Manitobans in their optimism about our economy and future. Thank you, Madam Speaker.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. I wonder if I might ask for the co-operation of the honourable member for Brandon East (Mr. Leonard Evans) so that one of his colleagues could now be recognized for her member's statement?

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, on a point of order, there was an extreme amount of volume coming from government members, obviously, during and after the statement. I am wondering if you might also call that side to order. We have no problems if one of our members is involved in discussions with members opposite, but I would appreciate it also if you could call those members to order because there were at least a dozen government members who were being very vocal. I only think it is fair if you call them to order as well.

Madam Speaker: The honourable member for Thompson does not have a point of order. The reason I asked for the co-operation of the honourable member for Brandon East (Mr. Leonard Evans) because I was on my feet, had asked on six successive occasions for order. The noise had diminished somewhat, but he continued to shout from his seat.

* * *

Madam Speaker: The honourable member for Osborne has been recognized for her member's statement.

The member for Brandon East, on a point of order.

Point of Order

Mr. Leonard Evans (Brandon East): On a point of order, I appreciate your valiant efforts to keep order in this House and I like to co-operate with the honourable Speaker and everyone in this House. I do apologize for any excessive noise but, Madam Speaker, my point is simply that I could barely hear the member who was making a statement criticizing me. I could barely hear him because of all the discussion and noise and catcalling that was coming from that side.

I really am very upset by the fact that I have been criticized, and yet I could hardly hear the criticisms because of the noise coming from the government side.

Madam Speaker: Order, please. The honourable member for Brandon East does not have a point of order. He clearly recognized and I accept his apology for the disturbance he felt he was causing.

Third Party Disclosure of Personal Records

Ms. Diane McGifford (Osborne): In December 1995, the Supreme Court of Canada ruled in R. vs. O'Connor that personal records held by a third party, for example, counsellors, teachers, psychologists or psychiatrists must be turned over to a judge for review if the accused lawyer can show that they may contain information that may be useful to the defence and that the judge will make a decision as to whether the records will be ordered to be produced to the accused.

The honourable member for St. Johns (Mr. Mackintosh) and I have discussed this matter with several health care professionals, counsellors and psychologists and with lawyers, all of whom agree that the O'Connor ruling sets a dangerous precedent with regard to women's constitutional rights to privacy and equality.

Other concerns are, of course, victim protection and criminal justice. Some fear that the ruling gives a carte blanche or a loophole to perpetrators of sexual violence. For example, Karen Busby in her paper, Discriminatory

Uses of Personal Records in Sexual Violence Cases, mentions a teenage prostitute who had laid sexual assault charges against her pimp only to find that her whole child welfare file and all school records were ordered released as her social worker told police that this young woman had lied and took drugs.

As well, counsellors and other professionals have expressed grave concerns about the constraints this ruling places on their abilities to provide clients with support and therapy.

Although we understand that the federal Minister of Justice plans to introduce a bill which would establish impermissible grounds for access to third-party records, the member for St. Johns (Mr. Mackintosh) and I have responded to public concern. We believe that public education and information from front-line workers and concerned lawyers are necessary.

For these reasons, tonight we will hold a meeting with concerned parties in order to explore the ruling and its implications and to develop an action plan.

National Access Awareness Week Award Recipients

Mr. Doug Martindale (Burrows): Madam Speaker, the week of May 27 to June 2 was National Access Awareness Week. On May 30, the Provincial Achievement Awards were presented at a ceremony in the rotunda of the Manitoba Legislature by the MLA for Pembina (Mr. Dyck), and I had the pleasure of attending as well.

I want to pay tribute to the award winners. The recipient in the Education category was Shauna Hill for her work in the Barrier-Free Design Institute and for writing a manual for architects on barrier-free design. In the Employment category, the recipients were Shelly Ferec-LaGall for finding employers for people with developmental disabilities and the Manitoba Federation of Labour for making access a policy of the MFL so that persons needing an accessible workplace get the support they need to work alongside other union workers. In the category of Access Issues, the recipient was May Churches who received the award for her many years of work as an activist promoting accessibility. All of these recipients received a plaque and a gift at the awards

ceremony, and I add my congratulations to those they have already received.

* * *

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I would like to use a couple of moments here just to pay recognition to this being National Transportation Week, a week in which right across Canada there is a strong effort to try to draw recognition to the transportation industry, its role in the economy of the country and to pay tribute—

Madam Speaker: Order, please. As this falls under the jurisdiction of the honourable Minister of Highways and Transportation, I will have to rule him out of order and indicate that this is private Members' Statements and that according to our rules, 21.(10): "A Minister of the Crown may not use the time allotted for Members' Statements to comment on government policy or ministerial or departmental action."

* (1440)

United Nations Conference on Habitat

Ms. Marianne Cerilli (Radisson): Madam Speaker, I rise to draw the attention of members of the House as well as the general community to the United Nations second conference on habitat in Istanbul this June. Human settlement and urbanization will be examined at this conference, and it will endeavour to develop policy, an international government policy, to ensure that all citizens have the right to housing.

There is a growing problem of disparity in our communities here in Winnipeg and elsewhere, with housing wealth being increasingly the purview of only a few. In Manitoba, there are thousands of people who pay more than 30 percent of their income to housing, whereas the wealthiest in our community pay less than 7 percent for housing.

The conference is going to draw the important connection between housing and the economy, the number of jobs that are in the construction, maintenance and improvement of housing, and it will also draw to the attention, hopefully, of the Government of Canada, that

the market will not provide housing for low-income citizens.

I am concerned that there has been no mention of these issues in the government of Manitoba's Capital Region Strategy. There is no attention to—

Madam Speaker: Order, please. I am experiencing great difficulty hearing the honourable member for Radisson. I wonder if I might ask those members having private meetings to do so either in the loge or outside the Chamber.

The honourable member for Radisson, to complete her member's statement.

Ms. Cerilli: There is no attention in the government's Capital Region Strategy to deal with the problem of urban sprawl and urbanization and how that relates to the availability of affordable housing. I want to, at this time, also congratulate the Winnipeg Real Estate Board for their small program addressed at providing low income housing and also recognition to the Urban Institute, The Canadian Housing and Renewal Association, the Rural and Small Town Institute and the staff at Canada Mortgage and Housing Corporation who also provide much information, that I wish that this government would pay attention to, in the area of providing affordable housing.

National Transportation Week Award Recipients

Mrs. Shirley Render (St. Vital): As I think most of our members know, this is National Transportation Week, and I would just like to draw attention to some awards that were given out in recognition of National Transportation Week.

The recipient of the Manitoba region Award of Excellence was Mr. Dan Coyle, whom I believe is Assistant Deputy Minister of Motor Vehicles. The recipient of the national Award of Achievement is Mr. Neil Wither, who is president of Red River Construction, and the recipient of the national Award of Excellence is Mr. George Engel, who is vice-president of Atomic Transport. The winner of the Transportation Association

of Canada scholarship, which is a \$5,000 award, is Mr. Robert Kwok and that award is going towards his work on his Ph.D.

I would just like to, on behalf of everyone here, offer these people our congratulations.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Madam Speaker, would you call for second reading Bills 32, 49, 72, 73, 76 and 54.

SECOND READINGS

Bill 32—The Council on Post-Secondary Education Act

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I move, seconded by the Minister of Consumer and Corporate Affairs (Mr. Ernst), that Bill 32, The Council on Post-Secondary Education Act, Loi sur le Conseil de l'enseignement postsecondaire, be now read a second time and be referred to a committee of the House.

Motion presented.

Mrs. McIntosh: I am pleased to speak to Bill 32, The Council on Post-secondary Education Act, which provides for the creation of a council on post-secondary education. As you know, the creation of such a council was one of the principal recommendations of the University Education Review Commission chaired by the Honourable Duff Roblin.

The council was intended to bring better co-ordination, articulation and planning to the post-secondary education sector by bringing universities and community colleges together under a single body, thereby bringing a system perspective to post-secondary education in the province.

The seven institutions included under this act will be Keewatin Community College, Assiniboine Community College, Red River Community College, the University of Manitoba, the University of Winnipeg, Brandon University and College Universitaire de Saint Boniface.

While the college will bring better macromanagement of the system, universities and colleges will retain their autonomy through their respective boards of governors.

The Colleges Secretariat and the Universities Grants Commission will be replaced by an administrative unit for the council. The Universities Grants Commission Act will be repealed giving away to The Council on Post-Secondary Education Act. The creation of a council to oversee post-secondary education is a first in Canada. All provinces continue to deal with community colleges and universities separately, although some provinces such as Alberta and British Columbia have articulation arrangements between them, and Nova Scotia has a council for universities only.

The creation of the council brings a systems perspective to the planning of post-secondary education, something which has been sorely lacking in the past. The council will be comprised of not more than 11 members and will be appointed by Order-in-Council. Council members will serve a three-year term renewable once. The main functions of the council will be to develop a strategic plan for the system, allocate operating and capital resources to the seven institutions, establish a system-wide tuition fee policy, approve new programs, develop in consultation with the institutions a framework for accountability, develop in consultation with the institution strategic program specializations, provide leadership in the application of communications technologies to the learning process, co-ordinate and monitor system-wide credit transfer arrangements and seek advice from various internal and external interests. The council will help us gain a better sense of our post-secondary education priorities as a community. It will allow us to look at university and college programming simultaneously and invest strategically to ensure excellence.

Madam Speaker, with these few brief remarks I conclude my brief indication of the contents and intent of Bill 32, The Council on Post-Secondary Education Act.

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

Motion agreed to.

Madam Speaker: Second reading, Bill 49—

Hon. Jim Ernst (Government House Leader): Would you, Madam Speaker, defer Bill 49 until the end of the bills for second reading.

Madam Speaker: Bill 72 then?

Mr. Ernst: Yes, please, Madam Speaker.

* (1450)

Bill 72—The Public Schools Amendment Act (2)

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I move, seconded by the Minister of Labour (Mr. Toews), that Bill 72, The Public Schools Amendment Act (2); Loi no 2 modifiant la Loi sur les écoles publiques, be now read a second time and be referred to a committee of this House.

Motion presented.

Mrs. McIntosh: Madam Speaker, thank you again for recognizing me so that I may speak on The Public Schools Amendment Act (2). This act amends various sections of Part VIII of The Public Schools Act which outlines the process and requirements for teacher collective bargaining. These changes come after an extensive process of review and consultation which included a series of public hearings across the province and several meetings with representatives of the Manitoba Teachers' Society and the Manitoba Association of School Trustees.

The amendments incorporate many, but not all, of the recommendations of the Teacher Collective Bargaining and Compensation Committee. These amendments deal only with the collective bargaining issues. Issues related to the structure of the teacher compensation system will continue to be discussed with interested parties over the coming months before any firm proposals are developed.

Madam Speaker, the current collective bargaining system for teachers and trustees has been in place for some 40 years. It has served the needs of students well in the sense that there have been no strikes during that period. The no-strike restriction, however, is only one element of the system requiring two relatively brief

sections in a part of the legislation that contains over 125 sections. Very few things in life are so perfect that they cannot be improved. Over 40 years, things in society have changed, including things which impact on collective bargaining. If these changes had not affected collective bargaining, then it could be expected that all parties would continue to be satisfied with the current system. As we know, however, that is not the case.

A variety of questions had arisen over the last decade about the effectiveness of the current system in meeting the needs of students, school divisions and taxpayers. These concerns of all parties, but most particularly school trustees, have been expressed over the past 10 years. The dissatisfaction with the methodology that has evolved within the current system has led MAST to pass two resolutions, in 1994 and 1996, that request for a change to the current system and supported, as a last resort, introducing the right to strike and lockout into the system as the final dispute resolution method.

At the outset of the review process, five principles were set out by the government. Key among these was that any changes should be designed to ensure that the needs of students are addressed. Our analysis on the feedback received during the public consultation process has resulted in a decision that the right to strike and lockout would not be in the best interest of students. Teachers, as well, indicated that having strike could prevent them from having good relationships with people in the communities where they live and they spoke against strike. Trustees spoke about strike interrupting the learning process.

It was very clear that there was no party who would accept strike as a choice of preference. Therefore, these amendments are designed to improve the current bargaining and binding arbitration process while continuing to prohibit strikes as a dispute resolution mechanism. We also, Madam Speaker, will be eliminating lockout, which I think would be to teachers' benefit.

The amendments are intended to accomplish several things: to provide processes to ensure that collective bargaining is conducted in an effective, efficient and timely manner, allow all issues related to teacher compensation and working conditions to be negotiated unless they are already limited in legislation. In other words, all items that are currently allowed to be

negotiated will continue to be allowed to be negotiated within the limitations imposed by The Public Schools Act as has been written many, many years ago.

The amendments are also intended to accomplish the insurance that the ability to pay is given an appropriate degree of weight by the arbitrators in making a decision, while at the same time ensuring that it is not the only factor considered. The definition of ability to pay combines those elements identified by trustees and includes those elements identified by teachers, so we believe it is the definition that will meet acceptance on both sides.

It will also ensure that the ability of locally elected trustees to manage schools is maintained by restricting four items from being determined by a third party. These are items that are clearly identified in The Public Schools Act and have been for many, many years as basic management functions that are required to run a division—as well, of course, items such as the time of day of school breaks and those kinds of things which will always be decided in the best interests of students. It will also ensure that teachers are afforded the protection that divisions must act reasonably, fairly and in good faith in administering their policies and practices with respect to the items, those four that, while negotiable, will not be referred to arbitration.

This is a major victory for teachers in that they have long sought in collective agreements statements and clauses about actions being fair and reasonable and in good faith. We now see it actually in the act itself—as I say, a major victory for teachers and something I think that will go a long way to assure them that they now have a grievance process in place for anything that they feel is being done unfairly to them, specifically identified with those items that cannot be referred to arbitration.

As with any system of collective bargaining, it is expected that most agreements will be arrived at between the parties without any third-party intervention. In a negotiated settlement and a negotiated agreement, both divisions and teachers are accountable for the results and can determine for themselves where priorities lie. It is only when negotiations cannot be concluded that it is necessary to ensure that there is a process in place that provides some measure of accountability for third parties when they make the decisions on behalf of others. We

hope that these particular amendments will encourage boards and teachers to settle locally rather than take the easy route out and just simply apply for the more expensive, costly and time-consuming procedure of arbitration.

This act will now provide for two approaches to bargaining and dispute resolution. The first is essentially the existing approach of collective bargaining, followed by provincial government conciliation and finally, binding arbitration. The key difference will be that proceeding with this approach will require agreement by both parties. The second method will be bargaining followed by mediation and binding arbitration with the same individual serving as both mediator and arbitrator. The parties may jointly select this approach at any time, and either party may do so after a minimum of 60 days has passed from the date notice to begin bargaining is given.

In order to ensure relevant financial information is available to both parties and the relevant expenditure period is reflected in collective agreements, notices to commence bargaining will be provided in April after division budgets are set and agreements will expire on June 30 so that collective agreements will coincide with the school year.

* (1500)

One of the major concerns raised by school trustees is that decisions raised by arbitrators often did not reflect the realities of a division's ability to pay. The new definition now included in the act will indicate that an arbitrator must take into consideration certain items regarding ability to pay, and that definition, as I indicated, contains factors identified by teachers and factors identified by trustees. I understand that this has met acceptance with both sides, and I am pleased about that.

It does include that the arbitrator must consider other factors such as the economic conditions in Manitoba, the division, the compensation of comparable employees and the need to recruit and retain teachers. I think that will help with both sides.

In the interests of time, I will not detail more of the issues in the bill because I believe we will have ample opportunity to debate them in committee. The members

have received a copy of the bill, plus the press release which has the details. All members have received those. So, Madam Speaker, at the urging of all members here, I will conclude my remarks so that other bills can now be given second reading.

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

Motion agreed to.

Bill 73—The Construction Industry Wages Amendment Act

Hon. Vic Toews (Minister of Labour): I move, seconded by the Minister of Education (Mrs. McIntosh), that Bill 73, The Construction Industry Wages Amendment Act (Loi modifiant la Loi sur les salaires dans l'industrie de la construction), be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Toews: This bill follows many years of study, review and consultation with labour, business and other interested parties on the future of The Construction Industry Wages Act. The intent of the bill is to update, streamline and simplify the legislation and, in doing so, will attempt to address a number of problem areas identified by the construction industry. The amendments are intended to make the Act more workable, effective and enforceable.

The amendments I am proposing today remove the house-building sector from the application of the act to better focus and simplify the legislation, remove the routine maintenance, repair and redecoration provisions, but continue to cover the more significant renovation work and construction, clarify that the assembly or installation of equipment or machinery is covered by the act provided that they are integral with the building or structure, increase a range of factors to be considered by the wage boards when recommending wage levels, to clarify and designate transmission line construction and demolition work under the heavy construction schedule, and to provide for public interest input and advice through the establishment of the construction industry advisory committee.

A number of problems have been cited with the public understanding and enforcement of this unique Act. The legislation is extremely complex with a multitude of wage schedules and classifications. Many of the boundaries affecting wage schedules are arbitrary, lacking currency in relation to today's more mobile workforce. Technological changes have long overtaken the more traditional approaches to work. Changing business practices have had impacts on employee/employer relations. There has been a growing concern that the legislation has had a negative effect on recruitment and skill development of young persons in the industry.

Finally, the department has found it increasingly difficult to effectively administer and enforce the act. The review of the act was initiated by the Honourable Darren Praznik in May of 1991 in response to growing concerns that the legislation was out of date and not responding to the changing nature of the construction industry.

A second phase of the consultation was completed in April of 1996. At that time, construction industry stakeholders were given the opportunity to comment and provide advice on proposals to amend the act. The clearest message conveyed through the external review and consultation processes was the desire by the industry to retain the act, along with the widespread recognition that if the legislation is to be effective, it needs to be revised.

Unfortunately, however, the stakeholders did not always agree on how to revise the legislation, and based on feedback and advice received by the stakeholders as a result of a consultation paper that was circulated earlier this year, a number of the initial proposals for change were either dropped or modified.

There are some, I think, significant changes to this act, and I know that in the interests of time I will not go through all of these amendments, but I do wish to state, Madam Speaker, as I have stated publicly, that these amendments are a starting point in what is a very complex and unique piece of legislation. I am looking forward to discussing Bill 73 with the construction industry and perhaps with the opposition critic over the summer and receiving their input and suggestions regarding the proposed amendments or, indeed, additional amendments if the opposition or the industry feels that additional or different amendments are required.

Madam Speaker, the construction industry is an important sector of the Manitoba economy. It is my intention that the changes that have been proposed in the bill will help the industry to grow and prosper and to create better employment opportunities for young Manitobans. I believe, however, that if we work together, both with the opposition critic and myself and the construction industry, that we could even do better for the province. Thank you very much.

Ms. Becky Barrett (Wellington): I move, seconded by the member for Transcona (Mr. Reid), that debate be adjourned.

Motion agreed to.

Bill 76—The Gaming Control and Consequential Amendments Act

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): I move, on behalf of the honourable Minister of Finance (Mr. Stefanson), seconded by the Minister of Rural Development (Mr. Derkach), that Bill 76, The Gaming Control and Consequential Amendments Act, Loi sur la Commission de régie du jeu et apportant des modifications corrélatives, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Ernst: Madam Speaker, in March of 1995, our government announced the establishment of a 14-member working group to conduct a review of lottery and gaming policy in Manitoba. The diversity of this group, its interests, its expertise, ensure that the group's recommendations were reflective and representative of all stakeholders in the lottery gaming industry.

Earlier this year, our government publicly released the results of that group's deliberations, and at that time our government announced its intentions to act on the group's recommendations to establish an independent gaming commission to regulate and control gaming in the province.

Madam Speaker, since the first provincial lottery was held in Manitoba 25 years ago in celebration of the province's centennial, the people of our province have benefited from the programs and initiatives that have

been funded and supported through lottery and gaming activities.

In 1996, lottery and gaming revenues were used to protect priority programs which have been identified by Manitobans as being critical to the well-being of the people of this province. The provisions outlined in this proposed legislation will ensure existing lottery and gaming structure is strengthened. It is the intent of this proposed legislation to incorporate the best regulatory practices observed in other jurisdictions while creating a framework particularly suited to the manner in which gaming is developed in Manitoba, to emphasize regulatory effectiveness through the most appropriate authority in the positioning of that authority rather than through the scale of its operations, and to retain the status quo for those activities where the integrity of the industry and public confidence are not compromised. The proposed legislation will establish an independent structure to regulate and oversee gaming activities conducted in Manitoba.

* (1510)

The Act will mandate a Gaming Control Commission to monitor public interest in gaming activities and ensure a balanced, responsible approach to gaming. The Manitoba Lotteries Corporation will focus strictly on operational activities and will be regulated by the commission. The creation of an independent commission will remove any perceived conflict of interest in carrying out these responsibilities. This will allow the Lotteries Corporation to concentrate on the continued success of its gaming operations and allow the commission to focus on the larger policy and regulatory issues. The new commission will take over some existing responsibilities which currently rest with the Manitoba Lotteries Corporation. At the same time, new functions covering the scope of gaming and related regulatory activities will be included in the commission's mandate.

Lotteries Corporation is currently responsible for licensing, auditing and investigatory requirements of charitable gaming, fund-raising activities in Manitoba. These licensing functions along with hearings, appeals, and complaints in respect of licences or suspensions as well as activities related to First Nations gaming will be transferred to the commission. The commission will take on the responsibility of being the policy advisory on economic and social impacts of gaming independently, as

well as through consultation with similar organizations in other jurisdictions, the community and the Addictions Foundation of Manitoba.

It will perform a registration and licensing function relating to suppliers of gaming products and equipment, employees, individuals and businesses that function in Manitoba's gaming industry. Technical compliance requirements and monitoring will also come into the purview of the gaming commission, taking on the responsibility to independently provide additional assurance to the public about the integrity of gaming activities. The commission will employ a team of inspectors to investigate applicants for licences and registration. They will monitor compliance with the act and the regulations and those similar functions that are currently performed by the Lotteries Corporation will be transferred to the commission. Hearings as to appeals of suspension of licences, registration and complaints will now be the responsibility of the commission.

Beyond the working group's recommendations, this bill also recognizes the changes that have also taken place in lottery and gaming industry over the past quarter century, changes that are clearly evident in other Canadian and North American jurisdictions. Gaming has become an accepted form of entertainment for many people. As such, the establishment of the commission in Manitoba is a natural progression in the evolution of the gaming activities and their regulation.

Bill 76 includes some consequential amendments to The Lotteries Corporation Act, and these amendments are fairly minor housekeeping items that are required to ensure The Lotteries Corporation Act and the proposed Gaming Control Act are compatible, and they together serve as strong legislative instruments in the control of the operations of lottery activities in Manitoba.

Ms. Becky Barrett (Wellington): I move, seconded by the member for Broadway (Mr. Santos), that debate be adjourned.

Motion agreed to.

Bill 54—The Municipal and Various Acts Amendment Act

Hon. Leonard Derkach (Minister of Rural Development): Madam Speaker, I move, seconded by

the Minister of Urban Affairs (Mr. Reimer), that Bill 54, The Municipal and Various Acts Amendment Act (Loi concernant les municipalités et modifiant diverses dispositions législatives), be now read a second time and be referred to the committee of the House.

Motion presented.

Mr. Derkach: It gives me great pleasure to introduce today for second reading Bill 54, Manitoba's new Municipal Act.

Bill 54, officially known as The Municipal and Various Acts Amendment Act, heralds a new beginning and a new direction for local government. Over the years, The Municipal Act has undergone a series of revisions. However, Bill 54 represents the first time in a hundred years that our municipal legislation has been changed so fundamentally. To meet the challenges and opportunities of a changing world, municipal leaders and officials asked us to look at creating new legislation that would be more consistent with current realities.

The new directions contained in Bill 54 have come about because Manitobans wanted, needed and asked for them and, above all, they had a hand in shaping the new municipal legislation being tabled today.

As you know, the review process began back in 1993. At that time, we appointed an independent review panel and distributed a discussion document for Manitobans to consider. Following were two rounds of public consultations throughout Manitoba, which included the participation of close to 800 Manitobans, who made 200 oral presentations and submitted more than 250 documents for the review panel's consideration.

As you can see, Madam Speaker, we have been diligent in ensuring Manitobans have had an opportunity to tell us about the kind of municipal government they should have in place. Bill 54 is centred on the premise that municipal governments should have greater autonomy and more flexibility to be able to respond to local issues and local needs. Bill 54 provides the legislative framework that guides and directs municipalities while still providing them with the ability to address the challenges of today and tomorrow.

While it would not be possible for me to speak to every aspect of Bill 54 in the time allotted, I would like to focus on some of the highlights of The Municipal Act.

Municipalities will have greater power and authority to form partnerships with other municipalities—local authorities, the province, federal government and private sector. Community economic growth, vital to the future of rural Manitoba, is going to be enhanced with the new act. There is more authority to promote economic development, and municipalities have been given the tools to build and strengthen the rural tax base.

This new act will also help to encourage greater co-operation. Municipalities will have the ability to share taxes with other municipalities and even provide municipal services in other municipalities. Municipalities may also choose to develop areas of expertise which can be shared amongst other neighbouring municipalities. Municipalities will have more control over local finances since we will be reducing the number of instances where provincial approval will be required. Municipalities will have the day-to-day flexibility they need to be able to operate efficiently and effectively. However, we will continue to supervise and monitor financial matters to safeguard the strong financial position of Manitoba's municipalities. The scheme for municipal government will be simplified as a result of Bill 54.

The types of municipalities have been reduced from five to two, urban and rural, all with the same powers and authority. Urban municipalities may also exercise their preference for being called a village or a town with a city designation being limited to populations of at least 7,500 people.

As a result, we could have three more cities in Manitoba. The conversion of local government districts to municipalities acknowledges the ability of LGDs to effectively govern themselves. Population requirements for incorporation of a new municipality has been increased from a minimum of 750 people to a thousand people. The ability to form local urban districts within rural municipalities ensures services to urban-type areas in rural municipalities may be delivered more efficiently and effectively without having to incorporate into a separate urban municipality.

The legislation also gives municipalities administrative flexibility through the broad granting of by-law making powers which vastly reduces the need for legislative detail. Instances where by-laws are needed have been limited, streamlining decision-making at the local government level.

Municipalities will also have the flexibility to choose the size of local council that works best, with a minimum of five and a maximum of 11 councillors. The head of council will now have to vote on any motion, unlike previously when the head of council could only vote in a tie situation.

A new process for handling tax sales balances the interest between property owners and municipalities. Municipalities will be obliged to return excess funds received from the sale of property to the owner.

Madam Speaker, while municipalities will have more authority and flexibility, they will also be more accountable to their constituents. The public's ability to be informed about council activities is enhanced by the adoption of the principle of open local government. More open public meetings, greater access to municipal information and wider applications of municipal council conflict-of-interest provisions are examples of how local government will be more accountable.

Youth will also have a role to play in local government now that councils will have the ability to formally appoint a youth member to their council.

The ability of ratepayers to have a voice in the municipality has been enhanced by the expansion of the eligibility qualifications for candidates of municipal elections. Property owners in all municipalities, provided they are Manitoba citizens as well as local residents, will now be able to run for office.

* (1520)

I have just touched on some of the highlights of Manitoba's new municipal act. Thanks to Manitobans who participated in its formation, I believe Bill 54 places Manitoba at the forefront of local government initiatives.

Once again, Madam Speaker, I want to extend my appreciation and thanks to the review panel, and with

your indulgence, I would like to point out that Mr. Henry Wiebe, who is the chair of the panel, and Mr. Jack Nicol, the president of the Union of Manitoba Municipalities are with us here this afternoon as we present this bill for second reading. They were members of this panel, so I extend to them and to the members of the panel, our extreme appreciation for the effort that they made in their participation in a comprehensive and exhaustive process which led to the development of Bill 54.

Upon passage of this legislation, we will have a new act which I think we can all be proud of and will be proud of to take us into the future with courage, confidence and conviction. Thank you very much, Madam Speaker.

Mr. Daryl Reid (Transcona): I move, seconded by the member for Brandon East (Mr. Leonard Evans), that debate be adjourned.

Motion agreed to.

Bill 49—The Regional Health Authorities and Consequential Amendments Act

Hon. James McCrae (Minister of Health): Madam Speaker, I move, seconded by the honourable Minister of Rural Development (Mr. Derkach), that Bill 49, The Regional Health Authorities and Consequential Amendments Act (Loi sur les offices régionaux de la santé et apportant des modifications corrélatives), be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. McCrae: Madam Speaker, the purpose of this bill is to create regional health authorities with the power to administer and provide for health services in specified geographic regions of Manitoba.

Even though my speech is very short, it is historic and very important. This bill is the result of four years of planning and consultation about the renewal of health services in our province. The process began in May 1992 when my predecessor Don Orchard released Quality Health Care for Manitobans, The Action Plan. This document detailed a path to healthier Manitoba communities. It also proposed the establishment of the

Northern and Rural Health Advisory Council with a mandate to provide advice on issues related to the renewal of health services in northern and rural Manitoba.

In May 1995, after two years of work as well as extensive public consultations in northern and rural Manitoba, the council delivered its recommendations for governance of northern and rural services. Bill 49, Madam Speaker, reflects the majority of the recommendations made by the council.

This past January 10 regional health associations were incorporated as nonprofit corporations, and their board appointments are being finalized. Bill 49 will continue these bodies as regional health authorities and will give them the power they need to plan and direct health services in their regions. This bill outlines the relationships between the authorities, existing health and hospital boards in rural and northern Manitoba and government.

It sets out a mechanism for existing boards to transfer their operations and assets to the regional health authority if they decide to do so and for two or more authorities to amalgamate if they want to do so in the future. Madam Speaker, the bill allows for appointment of a commissioner to inquire into and make recommendations respecting labour relations matters in the context of transition to regional health authorities.

Finally, Bill 49 contains consequential amendments to seven other acts to bring them into compliance with the bill with respect to regional health authorities. I look forward to the discussions that will flow from the presentation of this legislation and to the decisions that will be made in the future respecting health care in all parts of Manitoba.

Mr. Leonard Evans (Brandon East): I wonder if, before adjourning the debate, the honourable member would submit to a question of clarification.

Madam Speaker: Does the member for Brandon East have leave to propose a question to the honourable Minister of Health?

Mr. McCrae: Leave.

Madam Speaker: Leave has been granted.

Mr. Leonard Evans: Madam Speaker, I would like to ask the minister whether the regional boards will have their own administrative staff or their own bureaucracy, and will there be a comparable reduction in administrative staff in the head office in the city of Winnipeg?

Mr. McCrae: Yes, and yes. In addition to the second yes, you will probably also see reductions not only in the government but also in the administrative structures of a number of hospital districts throughout the province.

Mr. Leonard Evans: I would move, seconded by the member for Transcona (Mr. Reid), that debate be adjourned.

Motion agreed to.

Committee Changes

Mr. Edward Helwer (Gimli): Madam Speaker, I move, seconded by the member for La Verendrye (Mr. Sveinson), that the composition of the Standing Committee on Law Amendments be amended as follows: the member for Turtle Mountain (Mr. Tweed) for the member for St. Norbert (Mr. Laurendeau), the member for Charleswood (Mr. Ernst) for the member for River East (Mrs. Mitchelson), the member for Brandon West (Mr. McCrae) for the member for Morris (Mr. Pitura) and the member for Roblin-Russell (Mr. Derkach) for the member for St. Vital (Mrs. Render).

Motion agreed to.

* * *

Hon. Jim Ernst (Government House Leader): Would you call for second reading of Bill 7, Bill 69 and Bill 74?

DEBATE ON SECOND READINGS

Bill 7—The Medical Amendment Act

Madam Speaker: On the proposed motion of the honourable Minister of Health (Mr. McCrae), The Medical

Amendment Act (Loi modifiant la Loi médicale), standing in the name of the honourable member for Transcona.

Mr. Daryl Reid (Transcona): I have just a few comments before we are prepared to pass this bill through to committee.

Bill 7, The Medical Amendment Act, is a fairly straightforward piece of legislation with, I believe, the government's intent to make changes to the way that complaints are dealt with for practising physicians in the province of Manitoba.

Madam Speaker, there is a process set up dealing with the complaints committee and an investigations committee, and the bill explains fairly clearly the powers that are set out to each of these committees. Of course, the investigations committee will have censure powers as part of their responsibilities. The investigations committee can also accept voluntary surrender of licences of practising physicians in the province.

It is my understanding, too, that any costs for these investigations would be borne by the member that would have surrendered the licence voluntarily and that for any monitoring cost, it would be ongoing. It is also my understanding that there is a process in place through this legislation that will allow for any appeals of the investigation committee decision to the executive committee and that will allow for some redress for any person of the medical community feeling aggrieved in that they may have been dealt with unfairly.

It is also, in this legislation, fairly clear that where there is a serious risk to the public, the chair of the investigating committee does have the power to direct the registrar of the college to suspend the licence of a college member pending the results of an investigation. It is also my understanding that there would be a hearing to be held within 14 days of a notice of appeal.

It is one of the things that I have had some difficulty with in past years, even prior to coming to this Legislature, that there are several bodies within our province that have the power to undertake powers of investigation and take whatever action they deem fit, all of it, from my understanding, taking place behind closed doors. This process will in some way, through this legislation, allow for the public to be involved in any of

the hearings that take place, although I do note that this piece of legislation is permissive in that the investigation committee, through the college, will allow for a decision to be made on whether or not these hearings take place in full public view.

* (1530)

I have some concerns in that these decisions may not be explained to the public, why it is going behind closed doors, but I think the public has a right to know. For any member of the public that is so charged and has to appear before the courts, unless there are some extenuating circumstances, the public has a right to be in attendance in those hearings, and I think, in many cases, the same could apply where there are serious matters to be dealt with by this piece of legislation dealing with members of the college.

There is also the ability to impose a censure or fines should a person be found guilty of some wrongdoing, and, while the fines are not extensive, I think they are in the range of some \$10,000. If there is a very serious infraction involved, I think the committee has powers to suspend in some way permanently the licence of the individual found guilty.

With those few words, Madam Speaker, I am prepared, on behalf of my colleague, our critic for Health, to have this piece of legislation passed through to committee and let members of the public come forward and add their comments, should they choose to do so.

Thank you, Madam Speaker.

Mr. Kevin Lamoureux (Inkster): Very briefly on Bill 7, The Medical Amendment Act, we understand that there appears to be some will to see this particular bill go to the committee and possibly third reading and, ultimately, even possibly receiving Royal Assent prior to session. We do not want to prevent the opportunity of it to go to committee unless we hear otherwise in terms of strong comments, in terms of why this bill should not see passage prior to the end of June, and then we will be quite content to allow it to go through the process. Thank you, Madam Speaker.

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 7. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

Madam Speaker: Agreed and so ordered.

**Bill 74—The Court of Queen's Bench
Amendment Act**

Bill 69—The Real Estate Brokers Amendment Act

Madam Speaker: On the proposed motion of the honourable Minister of Consumer and Corporate Affairs (Mr. Ernst), Bill 69, (The Real Estate Brokers Amendment Act; Loi modifiant la Loi sur les courtiers en immeubles), standing in the name of the honourable member for Rupertsland (Mr. Robinson). Is there leave to permit the bill to remain standing in the name of the honourable member for Rupertsland?

Madam Speaker: On the proposed motion of the honourable Minister of Justice (Mrs. Vodrey), Bill 74, (The Court of Queen's Bench Amendment Act; Loi modifiant la loi sur la Cour du Bank de la Reine), standing in the name of the honourable member for Point Douglas (Mr. Hickes). Is there leave to permit the bill to remain standing?

Some Honourable Members: No.

Some Honourable Members: No.

Madam Speaker: No. Leave has been denied.

Madam Speaker: No. Leave has been denied.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, this is one of those pieces of legislation which we believe ultimately is going to have the potential of seeing some of the older inner city areas, of the city of Winnipeg in particular, where we will see some sort of revitalization through monies that are going to be allocated for renovations to homes. On the surface it is a bill which we do not have any problem with, we are quite supportive of, and we would like to see this bill go to committee.

Mr. Gord Mackintosh (St. Johns): Madam Speaker, the purpose of this bill, I understand, is to increase the number of judges available in the Family Division of the Court of Queen's Bench while reducing by one the number of judges available in the general division. The request to pass this legislation came initially from the bench of Queen's Bench largely in response to a problem of increasing backlogs in the Family Division.

Mr. Daryl Reid (Transcona): Madam Speaker, I just have a few words on this piece of legislation. It is our understanding that the government wants to move this piece of legislation through to committee to allow members of the public to come forward, for those who may have an interest in doing so, and we are prepared to have this bill move to committee to allow members of the public to come before committee.

It is our understanding that pretrial conferences are not available until the end of August, that trials are not available until November, and according to the Associate Chief Justice of the Family Division, as of May 30 the Family Division is setting trials of one week or more into the middle of January 1997.

So, with those few words, Madam Speaker, we are prepared to allow this bill to pass.

Clearly, Madam Speaker, this is a serious issue, particularly when you consider that the matters before the Family Division are matters of great emotion and deal with very difficult circumstances for family members, particularly for children. When we are dealing with matters of custody, maintenance, divorce and separation, it is important that these matters be dealt with expeditiously as it is stressful enough that there be family breakup and even more stressful that one must resort to the court system and the confrontation inherent in that system, let alone have to deal with the backlogs that we understand now go to January of 1997. We do not recognize, though, that the solution to backlogs in Queen's Bench or any other court can be dealt with solely by increasing the number of judges. It is our view that increasing the number of judges may provide a short-term

Madam Speaker: Is the House ready for the question? The question before the House is adjourned debate on second reading of Bill 69. Is it the will of the House to adopt the motion? Agreed?

Some Honourable Members: Agreed.

solution to backlogs. Therefore, we do not question the necessity, at least in the short term, of this legislation; but, in the long term, the way to deal with the backlogs requires a more systemic approach.

It is necessary to re-examine, for example, the restriction on the cases that go to Small Claims Court. It is necessary to rethink the role of mediation in settling disputes in our community, particularly in family issues that do not involve violence. It is necessary to look at the role of arbitration, particularly when we have very costly, time-consuming battles raging between large corporations, for example, regarding matters that really are between two parties, and yet those disputes can only be settled with the infusion of great taxpayer monies. We have to rethink whether the public and taxpayer money should be going to the extent they are today to the settlement of these disputes between corporate interests. We have to look at arbitration clauses and commercial agreements. We have to look at alternative dispute mechanism as is taking place in Ontario, where they have established on a pilot basis a facility to encourage out-of-court settlements, and we have to look at what Saskatchewan is doing.

I understand that the task force on civil court reform is engaged in some of that examination now. Of course, we do not have high expectations that the recommendations of that report will lead to anything. There is a long history of reports sitting in the Minister of Justice's (Mrs. Vodrey) office. I will not get into the long list right now.

We have to look at the role of preliminary inquiries in the criminal system at Queen's Bench. Now it is our understanding that reducing by one the number of judges in the general division is not going to increase the backlogs or reduce the ability of that court to deal with cases on a timely basis, and it is on that understanding that we gain from the minister, who advises us in writing that she is informed by her officials and as well the associate chief justice, that the civil and criminal matters in the general division will be dealt with on a timely basis. She writes that at the present time the general division is providing at least two judges to the Family Division each week. Upon the appointment of an additional Family Division judge, it may be that the number of general division judges to be supplied to the Family Division will be reduced by one; that is, it is critical that, by solving a problem in one division, we not

create a problem in the other division. So, on that understanding, we accept this bill.

* (1540)

Finally, with regard to the urgency and why this bill is being moved quickly, the associate chief justice writes that the early passage of this bill will enable the court to have a new Family Division judge in place in Brandon for the start of the fall session of the court on September 1 and transfer Justice Duncan from Brandon to Winnipeg prior to then. Of course, the urgency is also dictated by the impact of backlogs on families that are in distress.

It is also our understanding that federal Justice Minister Allan Rock has made representations to the Justice minister of Manitoba that he will indeed appoint the additional judge on the passage of this legislation, and we hope to see that.

With that, based on the information available to us, we agree to this legislation and we support its urgency, and we are of the view that this should go to committee at the earliest opportunity. Thank you

Madam Speaker: Is the House ready for the question? The question before the House is adjourned debate, second reading debate, on Bill 74, The Court of Queen's Bench Amendment Act. Is it the will of the House to adopt the motion? Agreed?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

House Business

Hon. Jim Ernst (Government House Leader): Madam Speaker, I have a number of items of House business which will require some consideration.

Firstly, I wonder if there might be leave for the Committee of Supply to sit in three sections this afternoon, with Friday rules applying after 5:30 p.m.?

Madam Speaker: Is there leave of the House to sit in three sections of Committee of Supply this afternoon, with Friday rules to apply after 5:30 p.m.? Agreed? [agreed]

Mr. Ernst: In that case, it would be the Department of Industry, Trade and Tourism in Room 255 until 6 p.m.; Justice, the Aboriginal Justice Inquiry and the Status of Women in the House until 6 p.m.; and the Department of Urban Affairs, the Department of Housing and the Seniors Directorate in Room 254 until 5:30 p.m.

I wonder, Madam Speaker, if there is leave for Committee of Supply to sit in one section this evening—

Madam Speaker: Order, please. Can we get clarification, please, from the honourable government House leader. I think there is some concern relative to the hours identified. It is my understanding that in Room 255, committee will sit until 6 p.m. to consider Industry, Trade and Tourism; in the Chamber, to continue the Estimates of Justice, followed by Aboriginal Inquiry and the Status of Women until 6 p.m.; and then in Room 254, I heard until 5:30 p.m. and I think that is—[interjection] Okay, Urban Affairs and Housing in Room 254 until 5:30 p.m.

Mr. Ernst: That is correct.

Madam Speaker: Agreed? [agreed]

Mr. Ernst: I wonder if there is leave for the Committee of Supply to sit in one section this evening, with Friday rules to apply?

Madam Speaker: Is there leave of the House to sit in one section of Committee of Supply this evening?

Some Honourable Members: Agreed.

Madam Speaker: The honourable government House leader, for clarification, I assume the Chamber?

Mr. Ernst: That is, Madam Speaker, with Friday rules to apply.

Madam Speaker: With Friday rules to apply, but in the Chamber?

Mr. Ernst: Yes, in the Chamber.

Madam Speaker: In the Chamber. Okay. Leave? [agreed]

Mr. Ernst: In that case, Madam Speaker, it would be the Department of Urban Affairs, the Department of Housing and the Department of Seniors starting at 7:30 p.m. until 10:30 p.m.

Madam Speaker: Committee of Supply, this evening starting at 7:30 p.m. to consider the Department of Urban Affairs, Housing and the Seniors Directorate. Leave? [agreed]

Mr. Ernst: Madam Speaker, I wonder if there might be leave to waive Private Members' Business tomorrow.

Madam Speaker: Is there leave to waive Private Members' Business tomorrow? Leave? [agreed]

Mr. Ernst: I wonder if there might be leave, Madam Speaker, for tomorrow morning for the Committee of Supply to sit in three sections from 9 a.m. until 12 p.m., with Friday rules to apply?

Madam Speaker: Is there leave to sit in three sections of Committee of Supply tomorrow morning, with Friday rules to apply? [agreed]

Mr. Ernst: From 9 a.m. to 12 p.m.

Madam Speaker: From 9 a.m. to 12 p.m. [agreed]

Mr. Ernst: In that case, it would be Industry, Trade and Tourism in Room 255; Justice, Aboriginal Justice Inquiry and the Status of Women, one following the completion of the other, in the Chamber; and in Room 254, it will be the Department of Culture, Heritage and Citizenship.

Madam Speaker: The three sections of Committee of Supply, as previously agreed to, tomorrow will sit in the following departments: In Room 255, Department of Industry, Trade and Tourism; in the Chamber, Justice followed by the Aboriginal Justice Inquiry and then the Status of Women; and in Room 254, Culture, Heritage and Citizenship. Leave? [agreed]

Mr. Ernst: Madam Speaker, by leave, I move, seconded by the Minister of Environment (Mr. Cummings), that the member for Sturgeon Creek (Mr. McAlpine) be appointed the Chair of the third committee for this afternoon and tomorrow.

Motion agreed to.

Mr. Ernst: Madam Speaker, I wonder if there would be leave to complete all outstanding Supply resolutions by whichever committee is deemed necessary by 12 noon tomorrow.

Madam Speaker: Is there leave to complete all outstanding resolutions in the various committees by noon tomorrow?

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, just two points: One is, I understand there may be some difficulty in going beyond 5:30 in Justice. Perhaps that can be dealt with in the committee. But in terms of completion of Estimates, there is agreement to complete each department but not concurrence by noon. As long as that is understood, that concurrence would not be completed.

Madam Speaker: Just for clarification, the honourable member for Thompson, I believe Justice was to go till six. [interjection] Leave had been granted? [interjection] It was Urban Affairs and Housing. So is there leave?

Mr. Ernst: Madam Speaker, if I may, the intent is to clear up all of the outstanding departmental Supply resolutions that may be outstanding. There are some that simply require passage of the resolutions. So rather than detail each of the departments, any outstanding ones such as the Leg. Assembly, Sport, Decentralization, things of that nature, will be required to have resolutions passed in the Committee of Supply, and we would do that by noon tomorrow.

Madam Speaker: Is there leave? [agreed]

Mr. Ernst: Madam Speaker, I wonder if there might be leave to have the Law Amendments committee sit concurrently with the House this evening.

Madam Speaker: Is there leave to have the Standing Committee on Law Amendments sit concurrently with Committee of Supply this evening? [agreed]

Mr. Ernst: Madam Speaker, I would then call the Committee on Law Amendments to consider Bills 7, 69 and 74 this evening at 7:30 p.m. in Room 255.

Madam Speaker: The Standing Committee on Law Amendments will sit this evening commencing at 7:30 p.m. in Room 255 to consider Bills 7, 69 and 74. Is there leave?

An Honourable Member: What time?

Madam Speaker: 7:30 p.m. Leave?

Mr. Ernst: There is no leave required for that.

Madam Speaker: Agreed? [agreed]

Committee Changes

Ms. Becky Barrett (Wellington): I move, seconded by the member for Transcona (Mr. Reid), that the composition of the Standing Committee on Law Amendments be amended as follows: Broadway (Mr. Santos) for Burrows (Mr. Martindale).

Motion agreed to.

Mr. Ernst: I move, seconded by the Minister of Environment (Mr. Cummings), that Madam Speaker do now leave the Chair and the House resolve itself into Committee to consider of the Supply to be granted to Her Majesty.

* (1550)

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for Sturgeon Creek (Mr. McAlpine) in the Chair for the Department of Urban Affairs, and Housing; the honourable member for La Verendrye (Mr. Sveinson) in the Chair for the Department of Industry, Trade and Tourism; and the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Justice.

COMMITTEE OF SUPPLY (Concurrent Sections)

URBAN AFFAIRS

Mr. Chairperson (Gerry McAlpine): Order, please. This section of the Committee of Supply, sitting in Room 254, will resume consideration of the Estimates of the

Department of Urban Affairs. When the committee was last considering the Estimates of this department, it was on line 1.(b), on page 134 of the main Estimates book. Shall the item pass?

Ms. Becky Barrett (Wellington): Mr. Chair, I was asking questions on the changes that had taken place from the workbook on the Capital Region Strategy to the Applying Manitoba's Capital Region Policy, final document, and I have two questions that I would like to ask the minister about.

One is on page 14 of the new document, Applying Manitoba's Capital Region Policy and it is in the area of sustainable land use, policy No. 2.1. In the Capital Region Strategy book the first action states, develop a long-term comprehensive, sustainable development plan for the Capital Region, and has all five areas covered. It states that the Manitoba government, municipal government, other governments and public sector organizations, private sector and NGOs and individuals will be responsible for this action. It is the first one under sustainable land use.

Maybe it is found elsewhere in the new document, but I cannot find anywhere under sustainable land use or anything else that says, develop a long-term comprehensive, sustainable development plan for the Capital Region, and I am wondering if the minister can explain the elimination of that action plan.

Hon. Jack Reimer (Minister of Urban Affairs): Mr. Chairman, it has been pointed out to me that the policy that the member is referring to, policy 2.1(a), which was included in the Capital Region Strategy workbook, was included in order to gauge the public support for the strategy. One hundred percent of the respondents stated that they either strongly agreed, or agreed with this need for the strategy. Therefore, we felt that it was not necessary to include policy 2.1(a) in the final documents. The document itself already fulfilled the requirements of the policy statement.

Ms. Barrett: So what the minister is saying is that the document, Applying Manitoba's Capital Region Policy is now seen as a long-term comprehensive, sustainable development plan for the Capital Region.

Mr. Reimer: Yes.

Ms. Barrett: I will not belabour the point but I just would like to put on the record that this document is not necessarily a bad document or an incomplete document, but I would suggest that it most certainly is not a long-term comprehensive, sustainable development plan for the Capital Region. If that is what the minister is saying, then we really are, in a Capital Region, in trouble.

I have one other question about the document and that is on page 45, and I guess in light of the minister's response to my earlier question this becomes even more important. This is the strategy review and amendment section and it says that Capital Region Strategy will be regularly reviewed and amended.

I would like to ask the minister, who will review and what is the definition of "regularly"?

* (1600)

Mr. Reimer: It should be pointed out that further on, on that same page, that the member is referring to, page 45, that the review process is outlined, and the fact is that there will be an annual progress report that it will be submitted to, plus the fact that there will be a five-year review that is adapted to the regional capital committee, so a process has been established for ongoing monitoring and input for the strategy and the reporting of it.

Ms. Barrett: Under the five-year review, as well on page 45, within five years from the date the Capital Region Strategy is adopted, there will be a comprehensive review of the strategy. I would like to ask the minister, when the strategy was actually adopted? What is the date that that five years begins, and will that review be publicly released?

Mr. Reimer: The adaptation of it was in March 1, 1996. So if we are looking at five years, that is 2001 which will be gone through, as mentioned here, through a public consultation process at that time.

Ms. Barrett: Thank you, and the second part of my question which was, will the review process when it is concluded be publicly released?

Mr. Reimer: It would be set up in the strategy and the same guidelines as the original process that was set up through this workbook—with a workbook and then a

response and then, you know, with public consultation to follow from that too.

Ms. Barrett: Yes, one final question, or comment actually on this review process. As I have stated in the House on several occasions and as we dealt with quite extensively in last year's Estimates, the Capital Region Committee has some major problems, from our point of view, one of them being that it has actually no authority, to my understanding, it has no authority to actually implement anything. Secondly, the committee does not reflect the composition and a proportionality of the population in the Capital Region. The city of Winnipeg with almost two-thirds of the population of the entire province has only the same number of member, one representative, as do all the other municipalities in the Capital Region.

It seems to me that if the government is stating that this document is a long-range, long-term comprehensive planning document that the implementation or the overview or the overseeing of the implementation of these action plans needs to be done by a group that has some clout and done by a group that represents more fairly what the Capital Region actually looks like. I think it is fair to say, not being a party to the Capital Region Committee, that they have a hard time reaching consensus, and there are some legitimate reasons for that. The way it is structured now seems to me designed to make it difficult, if not impossible, to actually implement what are some very good strategies as outlined in this document. I would hope that the minister would take a look at some of the issues that we have raised about this process and this committee, in particular, and look at changing the committee or adding something to it that would enable it to function in a fairer, more equitable and more representative manner.

Mr. Reimer: The member brings up an interesting concept, because what is happening just as we speak right now is a First Ministers' Conference up in the Yukon where you have the First Ministers of the provinces plus the federal government in a setting of conversations and consensus building. Just as the consensus and the co-operation and the consultation they seek in that type of relationship where the federal government which has the so-called power and the clout is at that table, it has the same type of one vote, if you

want to call it, even though this is not in a voting position.

The Capital Region is not set up that there is a vote per se. It is set up for the consultation and the co-operation and the co-ordination between the Capital Regions in a cohesive manner to come to an understanding and acceptance of problems and a common sharing of resources for the betterment of the whole region. Similar to what is happening on the national scene right now with the First Ministers in the fact that all provinces go to the table with an equal voice just as what is happening here with the Capital Region Strategy, that even though the city of Winnipeg, as pointed out by the member, does have a very significant population base, it is in the same contents, in the same purview, as the Capital Region for the consultation process.

So there is a lot of merit and there is a lot strength in the system of having a consensus building and a co-operation and a co-ordination of ideas and viewpoints and directions instead of having the threat or the overbearance of one particular jurisdiction over another, similar to what as alluded to with the federal government over a smaller province such as Ontario, which has a large population, having more authority than, say, Prince Edward Island or Saskatchewan or Manitoba.

I think that this is not unprecedented. It is something that this country and this province should be proud of, is in trying to build relationships and co-operation so that there is not always one in a power position that says that it is my way or the highway or that we are in a more populous area so that we should have more authority to make these decisions or changes that affect everybody in this capital region. I think the capital region has a tremendous opportunity and a tremendous future because more and more—the realization that there has to be co-operation between all levels of jurisdictions.

The way to do that best is to sort of hash out the problems together and try to make the give-and-take of decision making.

* (1610)

Mr. Chairperson: 20.1.(b) Executive Support \$211,200—pass.

20.2. Financial Assistance to the City of Winnipeg (a) Unconditional Current Programs Grant \$19,587,500—pass; (b) Unconditional Transit Operating Grant \$16,339,000—pass; (c) General Support Grant \$7,987,500—pass; (d) Dutch Elm Disease Control Program \$700,000—pass; (e) Unconditional Grant - Urban Development \$6,400,000—pass.

Resolution 20.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$51,014,000 for Urban Affairs, Financial Assistance to the City of Winnipeg, for the fiscal year ending the 31st day of March, 1997.

20.3. Urban Affairs Program Support (a) Salaries and Employee Benefits \$516,500—pass; (b) Other Expenditures \$221,500—pass; (c) Capital Region Sustainable Development Strategy—no entry; (d) Canada-Manitoba Winnipeg Development Agreement \$880,000—pass.

Resolution 20.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,618,000 for Urban Affairs, Urban Affairs Program Support, for the fiscal year ending the 31st day of March, 1997.

20.4. Expenditures Related to Capital (a) Financial Assistance to the City of Winnipeg \$16,000,000—pass; (b) Urban Initiatives \$500,000—pass; (c) Canada-Manitoba Winnipeg Development Agreement \$880,000—pass; (d) Red River Floodway Control Structure \$500,000—pass.

Resolution 20.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,880,000 for Urban Affairs, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1997.

The last item to be considered for the Estimates of the Department of Urban Affairs is item 1.(a) Minister's Salary. At this point, we request that the minister's staff leave the table for the consideration of this item.

Item 20.1. Administration (a) Minister's Salary. Shall the item pass?

Ms. Barrett: Mr. Chair, I just have one comment and then I am prepared to pass this item as well.

The minister stated in his final response to my question about the Capital Region Committee that it is necessary

to have co-operation between all levels of jurisdiction. He spoke about the—it is actually the western Premiers' meeting in Dawson, and he also spoke about the Capital Region Committee itself and the need to have consensus and co-operation.

The minister in his opening remarks when these Estimates began also spoke, actually three separate occasions, in those opening remarks about the need for the province to be proactive with the city, the need for the province to work with the city, the need for the province to have responsibility for and understand the needs of the city of Winnipeg, which is, as I have stated in the House this afternoon, unique in Canada. Manitoba's population distribution is absolutely unique in Canada, where two-thirds of the people in the province live in one municipality.

I would just make the point that I agree with the minister. I agree with the minister on his comments opening the Estimates and his comments here this afternoon about co-operation. I would suggest to the minister as I did this afternoon in the House that he can have all the good will in the world about co-operating with and being proactive with the City of Winnipeg, but as long as his Leader, the Premier (Mr. Filmon) of the province, makes comments like he has made in response to issues, legitimate issues of concern raised by the City of Winnipeg to the province, there will be no co-operation. There will be no working together. If both parties are not prepared to meet and sit down and talk, then there is not going to be any positive outcome.

This is not an agreement working between equals. The way our Constitution is set up and the way municipalities relate to the provinces throughout the country, it cannot be equal. The city is subsumed under the province's jurisdiction in many, many of its areas, most particularly financial, the ability to raise revenue and the inability, the prohibition against an operating debt and deficit. So as long as that inequality, that power differential exists, it is even more incumbent, I would suggest to the minister, that the provincial government, the powerful partner, be acknowledging at least the validity of the concerns. You can disagree with it, and I think the city would state and probably accurately that no government has given it the kind of authority that it wants nor the kind of resources that it feels it needs. That is legitimate. Get together and have a discussion and a dialogue.

But for the Premier of the province, a former member of City Council, the head of a cabinet that has, I believe, five or six former Winnipeg city councillors on it and has always had former city councillors in his cabinet, for the Premier to make comments like he has made in the last week about City Council and the needs and the concerns of the city of Winnipeg is reprehensible, and it would seem to me that it makes the minister's job just that much more difficult.

I do not think the minister for one moment believes that what the Premier (Mr. Filmon) said was constructive in any way, and I am sure he wishes that the Premier had not made those comments. He might not. I mean, he may think that the Premier is right on with his comments. I would hope he does not. It certainly is not right on with what the minister has said in his comments last year, this year, throughout his tenure as minister.

I feel sorry, in a way, for the minister because he has to deal with the fallout from this, and I feel sorry and hurt and betrayed on behalf of the citizens of Winnipeg, that their government, the Leader of their government, the head of their government, has the lack of class and the uncaringness and the in-your-face attitude that was evidenced by his comments in the last week and also his comments over the last little while. I think it is a shame, and it does not make anybody's job any easier. I wish the minister well, because he is going to need all of his skills in order to overcome what his Premier has done to the people of the city of Winnipeg.

Mr. Chairperson: Item 20.1. Administration (a) Minister's Salary \$12,600—pass.

Resolution 20.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$223,800 for Urban Affairs, Administration, for the fiscal year ending the 31st day of March, 1997.

This now completes the Estimates of the Department of Urban Affairs.

HOUSING

Mr. Chairperson (Gerry McAlpine): This section of the Committee of Supply will now begin considering the Estimates of the Department of Housing. Does the

honourable Minister of Housing have an opening statement?

Hon. Jack Reimer (Minister of Housing): It is indeed a pleasure to open up the Estimates for the Department of Housing, and I am pleased to present the 1996-97 spending Estimates for Manitoba Housing.

The Department of Housing has a threefold mandate: One, to enhance the affordability and accessibility to a suitable and adequate supply of housing for Manitobans, particularly those of low and moderate incomes and those with specialized needs; two, to maintain and improve the quality of the existing aging housing stock; and, three, to facilitate the housing market while otherwise limiting interventionist measures to situations, that it is deemed essential to the public interest.

* (1620)

In attempting to meet its primary mandate in ensuring that the housing needs of Manitobans are met, the Department of Housing has subsidized close to 21,000 units over the course of its history. This portfolio includes housing for the elderly, for families and non-elderly single individuals, as well as crisis shelters for victims of family violence and housing for individuals and groups with special needs.

The major portion of the subsidized housing stock is directly owned by Manitoba Housing. However, the portfolio also includes projects that are owned and/or managed by private, nonprofit organizations which have been financed through Manitoba Housing. In addition to the housing projects which have been developed by or with the assistance of Manitoba Housing, the department's shelter allowance programs also subsidize a monthly average of 4,500 elderly and family renters in private rental accommodations throughout the province.

Since their implementation in the early 1980s, over 95,000 Manitoba renters have benefited from the shelter allowance programs. In spite of ongoing activities to provide housing and housing subsidies, there is a continuing need for housing assistance in Manitoba. Of the 380,000 households in this province, it is estimated that almost 11 percent are in the core housing need. That represents roughly 41,000 households who are unable to obtain suitable and adequate housing at average market

rents without spending more than 30 percent of their household income on shelter.

Over two-thirds of these households and needs are located in Winnipeg, and nearly 70 percent of these households in need are renters. The largest client group in need is family households, and for two-thirds of these households, affordability is their only housing problem. Our ability to meet this continuing housing need has been significantly reduced in recent years. This has been driven primarily by the actions of our major funding partner in social housing, the federal government. The housing sector has become one which is recognized as falling under the jurisdiction of province in the constitutional contents. However, traditionally, the federal government has exercised its spending power to create, in effect, a national housing policy. This resulted in a federal presence in the development of social housing, both unilaterally and in cost-sharing arrangements with provinces and in market housing through the provision of mortgage insurance. This has resulted in over 652,000 units of subsidized housing in Canada.

The federal government began restricting its commitment to new social housing expenditures in the late 1980s, culminating in 1993 when it cancelled agreements respecting delivery of new social housing. In the 1996 federal budget, the government stated its intention to phase out its remaining role in social housing, except for housing on Indian reserves. In order to accomplish this, the federal minister responsible for the Canada Mortgage and Housing Corporation is proposing to transfer the management of the existing federal social housing portfolio and its budget to the provinces and territories. Primary indications are that the proposal will include a cap on federal expenditures. While the proposal has not yet been fully articulated, it clearly represents a long-term staged withdrawal of the federal government from the provisions of social housing to needy Canadians.

Over the next year, Manitoba faces a significant challenge in dealing with this federal proposal. It is important to safeguard the province's ongoing involvement in the management and the operation of the housing portfolio and our commitment to the people of this province to ensure affordability and accessibility of suitable and adequate housing for Manitobans. The last 30 years have witnessed a major investment on the part of our government and taxpayers of this province.

Manitoba housing projects are important assets which provide affordable accommodation to many needy households.

Both the maintenance and management of these assets is an integral part of the department's mandate. In terms of management, the approximately 100 local housing authorities were disbanded in 1992, and the property management function for the provincial housing portfolio was consolidated under the auspices of the Manitoba Housing Authority or the MHA. The mission of the MHA has been to maintain adequate and affordable accommodation for individuals and families of low to moderate income who would not normally be able to afford such housing at market rates. Considerable progress has been made since its establishment.

By standardizing operating practices and procedures, Manitobans have fair and equitable access and treatment in all communities throughout the province. Initiatives have been undertaken to enhance the efficiency of tenancy processing, rent calculation and collection, and arrears control functions. The MHA is faced by challenges and problems that are not unlike those facing any large, diverse property management entity, to operate in an efficient and cost-effective manner that generates sufficient financial resources so that units can be maintained at an acceptable standard.

In terms of maintenance of the stock, it should be remembered that the bulk of the Manitoba Housing portfolio, amounting to almost two-thirds of the units, were developed prior to 1978. Given that these units are greater than 20 years of age, reinvestment is now necessary to maintain the fiscal integrity and condition of the portfolio.

For the last four-year period, maintenance and repair expenses and modernization and improvement costs for the portfolio have averaged almost \$22 million per year. This funding level will be sustained in 1996-97. In order to attempt to deal with the maintenance requirements of the aging assets, much additional work associated with the age of the housing stock remains to be done. By reviewing and prioritizing maintenance requirements on a regular basis and by formulating short-term and long-term maintenance plans, this department will continue to control expenditures while at the same time addressing the highest priority items.

As I said before, these housing projects are important assets which provide affordable accommodations to many Manitobans. Rental revenue based on tenant income is not sufficient to cover the operating and the maintenance cost of these housing projects, and the federal and provincial governments continue to cost-share the subsidy required to provide this housing for Manitobans with low or limited incomes.

In addition to our concern for the fiscal housing stock, Manitoba Housing acknowledges the importance of its social responsibility to its tenants in its housing projects. When major maintenance programs are under consideration, the tenants are permitted a voice in their project environment and, where possible, the formation of tenant associations within housing projects is encouraged. In fact, to encourage pride and involvement and management of their housing projects, tenants have been encouraged to organize and form tenant associations.

There are now 10 family and 34 elderly tenant associations active in Winnipeg, and 40 tenant associations active in rural communities throughout Manitoba. These associations represent the concerns and needs of the tenants within the project, and they are instrumental in identifying services which may be beneficial to the tenant population.

Through their activities, tenants have participated in the establishment of community centres and larger family projects. As well, clothing depots and food banks now operate in certain projects where they have been identified as a need. To provide services to family tenants, programs for children and moms and tots programs are active in a few projects, and there are six daycare centres operating in Winnipeg projects.

Services to elderly tenants are also provided to Manitoba Housing through noon meal programs where space and facilities exist. As well, congregant meal programs, yet operated independently of Manitoba Housing, have been given access to the kitchen facilities in elderly projects in rural Manitoba communities to provide meal services to our elderly tenants in those buildings.

Health clinics have been established in two Winnipeg projects on a test basis to determine if the operation of

such facilities would be viable for elderly tenants. In rural Manitoba, space and certain elderly projects have been made available to home care workers to facilitate their provision for service to residents in the buildings.

Finally, the tenant resource program, available in a number of elderly projects, works with individual tenants to identify their service or care needs and refer them to the appropriate resource, whether it is in a government department or a social agency to provide the tenant with the necessary service.

There is a continuing challenge in many Manitoba housing projects of meeting the changing needs of our aging elderly tenants. The department has received a number of inquiries regarding the need for assisted living services in some buildings, and we will be examining this need in relation to our elderly housing projects and tenants.

Over the next fiscal year, this department will continue to strive for operational efficiencies in the management of the social housing portfolio throughout the province by meeting the continuing challenge of maintaining an aging housing stock in light of the decreasing federal involvement in the portfolio.

At the same time the department recognizes that housing in an integral part of the social and economic development of this province and that adequate and affordable housing has a fundamental influence on the health and the well-being of individuals and of the community as a whole. It is our intent that, through our ongoing commitment to housing activities, this department will continue to address the challenges of ensuring access to an adequate standard of housing and equity in housing opportunities for all Manitobans. Thank you.

Mr. Chairperson: We thank the Minister of Housing for those comments. Does the official opposition critic, the honourable member for Radisson, have any opening statements?

* (1630)

Ms. Marianne Cerilli (Radisson): I would like to make a few comments and then get right into the question. Just in listening to the minister's opening comments, I have trouble believing what he is saying. I

have trouble believing that this government really has a commitment to social housing, given the events that we have seen unfold over the last while with respect to 390 Behnke Road especially, and also with the way they have been dealing with the management of social housing in the province. I have not heard this government making a very strong case in the face of the federal government's backing out of their commitment to social housing and to low-income Canadians, so it is going to be interesting, these Estimates, to see if the minister can convince me otherwise, can convince me that they have made a case and they really do believe in social housing and public housing as an integral part of—I think the kind of society we have had in Canada and I think that the minister should be very critical of the federal government for walking away from a commitment to low-income Canadians.

I made a statement in the House today about the Habitat II conference in Istanbul this month, in Turkey, where they are looking at the need for attention to urbanization and housing internationally and how this is not a problem unique to Canada, to Manitoba. But I know that there were I think 64 recommendations after Habitat I, which was in Vancouver and there have been a number of other international agreements, and yet we have governments that seem to be thinking that they can have the market provide for the housing needs of low-income Canadians.

We are seeing a lot of really frightening trends occurring in the area of urban development and housing, and when you put them all together you get a very bleak picture for the future. We are seeing a huge disparity growing between the haves and the have-nots, and one area where that is becoming increasingly apparent is in the area of housing. You have low-income Canadians that are paying a greater and greater percentage of their income for housing and the upper quintile, the highest quintile, they are paying less. It is now only seven-odd percent of income that goes to housing for those of the highest income in our country, and that is a very disturbing trend. When you combine that with the increase in life expectancy and the growing number of seniors and the fact that the fewer number of young people are not going to be there to purchase the homes that those aging baby boomers have had, we are going to see some real difficulties in the market for housing.

There is also a growing trend in the city of Winnipeg, and it is interesting that the minister has just completed the Estimates on Urban Affairs with references to their so-called Capital Region Strategy which is supposed to be about sustainable development principles, yet what this government continues to do is pave the way through infrastructure, highways, roads, water treatment facilities, for those that have the means to move out of Winnipeg at the expense of those who are living in the main urban centre of Winnipeg. That is just exacerbating the problem that I referred to earlier with this gap that is growing between the different income levels in our province. So what we are seeing in Winnipeg is a tax deficit in terms of the number of people who have higher income moving out of the city, and this is having a direct effect on the property taxes paid by those in the city of Winnipeg. The entire way that the tax system is working which makes it a detriment for people to maintain their homes, they feel that then they are assessed at a higher level, and this is costing the City of Winnipeg greatly because they are then having less assessed property tax that is going to supply the revenue for the infrastructure that we so desperately need.

There are trends and implications that has for the availability of public transit which, again, has implications for the quality of life enjoyed by lower-income Manitobans and Winnipeggers as opposed to higher income. I think that we need to start looking more seriously at what is happening with the housing provision for low-income people, and for a lot of people that may own their own home and are middle-income earners, the drop in the price of housing, the fact that many people now if they sold their home which they purchased within the last 10 years or so, 15 years, would lose money. That has serious implications. We know that the majority of us, all our wealth is put into our homes, and this has huge implications for retirement and for the security of citizens.

I guess in terms of the time that we have for the Estimates on Housing I am going to try and deal with a variety of issues, but I am wanting to give special attention, as I think the minister has referenced in his comments, to what is happening with the federal government and the implications that is going to have for Manitoba not only of them walking away from their funding of new social housing but also the offer that they have given to the provinces for taking over the aging

stock of social housing. Also, as I understand it, they are walking away from their historical role of assisting with mortgages and mortgage insurance. That is something that I am wanting to find out a little bit more about as well from the minister, and I am very interested in seeing how Manitoba is approaching the consultations that the federal government is currently involved in. I am quite concerned with what I have heard about the time frame that they are looking at this and that we do not have a lot of time.

I know that when we last had Estimates about a year ago there was supposed to have been an all-ministers' conference of Housing ministers from all across the country, and that never happened, and that the federal government has in turn tried to broker individually with each province. We are going to have a very different and inequitable system of social housing across this country with each province going off in its own direction. We have the Housing portfolio, a good example of how we are getting a Charlottetown Accord by the back door with the way the federal government is dealing with the budget.

I think I am just going to leave it at that and try and get right into some questions then and allow the minister to call his staff to the table.

Mr. Chairperson: We thank the honourable member for those comments.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly we shall defer consideration of this item and now proceed with the consideration of the next line.

Before we do, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff that will be present when the minister is ready and the staff get to the table, if the minister would, please.

* (1640)

Mr. Reimer: Mr. Chairperson, I will introduce the people that have joined us here at the table. To my immediate left is the Deputy Minister Bill Kinnear. Next to him is Mr. Ron Fallis. The fellow there with the

glasses and the wonderful tie is Ken Cassin, and Gary Julius with the other green tie.

Mr. Chairperson: We thank the minister for that. We will now proceed with the line 30.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits on page 87 of the Estimates book. Shall the item pass?

Ms. Cerilli: I guess I am going to start off by just by taking more of an issue-based approach to this rather than sort of a managerial kind of approach to this. I am going to deal with this in terms of themes and start right off in asking some questions about the federal consultation because, as I understand it, it is the deputy ministers that got together in March, deputy ministers from across the country. I am wondering, we were in a transition period not too long ago of getting a new deputy minister. I welcome Mr. Kinnear. I am just wondering, was it the new deputy minister that went to that meeting or was that prior to the change?

Mr. Reimer: The member for Radisson, I have got to compliment her in her astuteness of what is happening with the housing industry and the housing market, if you want to call it, regarding public housing in Canada.

There has been a tremendous change and tremendous upheaval just in the last short while because of the fact that the federal government has come out with this new directive and change of venue, if you want to call it, regarding their responsibility for social housing. This came upon us very sudden and very fast in the sense of a letter that was faxed to myself. I believe it was back in March, yes, about the early part of March.

It was followed up very, very rapidly and, in the letter, I can mention to the member that there was the direct quote, as she mentioned, of the downloading and the offloading to the provincial government for the responsibility. It was followed up very, very shortly, in fact I believe it was not even a day or two later, by a phone call from the minister herself, Minister Marleau, asking for, more or less informing me of the direction that the government was taking regarding its social responsibilities and also to the fact that she was wanting to set up a meeting with her officials and officials here in Manitoba of how to proceed and begin this process. It

was like a one-two-three punch that came about within a three- or four-day period.

We decided that this was not the best approach to take at the time and so we initiated through the deputy minister a contact to the other deputies across Canada to see whether this was a common approach that was being initiated by the federal government. It was pointed out that this was indeed what the federal government was trying to do with all provincial governments, was sort of like a divide-and-conquer and make-your-own-deal, a Monty Hall type of program here. So we were very concerned about this type of approach. So there was a meeting called and our deputy took the lead on organizing a meeting with the deputies down East to purview and to sort of consolidate a coming together of minds as to which was the best way to approach this situation that the federal government has sort of dumped on our laps.

A meeting was held, and it was more or less the general consensus that we would try to get a better understanding and a better definition from the federal government as to what they were proposing and how they were proposing to unload their responsibility, but at the same time a sharing of ideas with the other provinces as to what was happening so that they were not playing one against the other. It is in that type of stage of development right now.

There have been no overtures by this government to the federal government that we are willing to *carte blanche* accept their position. We have made it known that we are willing to sit down and talk and discuss what and where they are coming at in their proposals.

The member for Radisson (Ms. Cerilli) was right when she alluded to the fact that there was a meeting that was supposed to be held with Housing ministers across Canada last fall. It was abruptly just cancelled by the federal government. We have had no overtures since then that there is going to be another meeting. We have sent our regrets to the fact to the federal minister stating that we were disappointed that this was cancelled.

We are trying to make any type of effort of contact and overtures to our federal counterparts of our displeasure as to the way they are handling and the direction that they are taking our housing stock here in Manitoba. But as

pointed out, I should state to the member that it was Manitoba that took the lead to formulate a united front and approach with the other provinces in approaching the federal minister regarding this downloading.

Ms. Cerilli: I asked a very short question. The minister gave me a very long answer and did not answer if it was Mr. Kinneer that went or not, because I was just sort of trying to get a sense of—and I am assuming that he is going to be the one that is following through anyway.

I am wondering where to start with this. I mean, it is quite a dramatic step. I will let the minister know that I was at the Canadian Housing and Renewal Association conference in Vancouver a couple of weeks ago, and it was a good chance to talk to some deputies from other provinces. There were lots of folks there who had a lot of different ideas about this. Some people were cheer-leading for the federal government and saying, oh, this was a wonderful opportunity.

We have provinces like New Brunswick that are going great guns, and they want to by December have an offer accepted and have, for the next fiscal year, a proposal to implement, is what I have heard. Northwest Territories is set to sell off individual housing units. Ontario had made a big commitment during the election to get out of the business of social housing, and one of the first things they did was cancel all the projects that were on the books from the federal government, and they are looking at how they can also sell off housing stock. They are finding it is not as easy as they had thought it was.

The minister has said that Manitoba's DM had tried to create a united front, but I do not think that has happened, that we have very much a piecemeal approach across the country. I know that Ontario has proposed a way that there can be a nongovernmental agency that will take over the management and administration. I am wondering how the government has responded. I am sure that they have had to do a report for CMHC, and I am wondering if that report is available. I would like to see what they have done. They must have had to go through an assessment to look exactly at how much the province would require. As I understand it, the negotiations would be mainly about finances. The CMHC is looking at getting rid of as many staff as possible and that the province would get a capped amount for maintenance, for administration, that there would be money for additional

staffing, and that there would also be a fund for interest and inflation, but that would also be capped.

* (1650)

I am wondering what kind of assessment has been done. The minister has said that they have outright said no, that they do not want to accept this, but I know that CMHC has prepared this consultation document, and there are a number of specific questions outlined in here. I am wondering if the minister and his department have prepared a document that would have responded to these questions, and I am going to get into those in some detail.

I might as well just end there and see what is it that Manitoba has done other than having the deputy minister attend this meeting. What have they done to do an overview of our social housing situation here? Because if the minister is suggesting that Manitoba could simply say no and CMHC would continue business as usual—I am not sure if that is an option, if Manitoba wants CMHC to continue its role in administration that it has had now. As I understand it, CMHC basically just wants to write cheques and have the provincial level administer it. So I would like some response to those specific questions, especially with respect to what has been prepared in Manitoba and if there has been a written response to this document.

Mr. Reimer: It should be pointed out that, as the member has indicated, it is a relatively quick response that the federal government is looking at in the sense that they were wanting to finalize this in a very expeditious manner. What we have at issue, we have not responded in a formal manner back to the federal government in the sense of setting up a negotiation format yet. One of the things that we are concerned about is that we do not know the ground rules; we do not know the format that the federal government is coming forth. It is the opinion that to respond and to set up a negotiation, if you want to call it, at this time is premature because we still have to get an evaluation on our end and on our properties. I guess it is the realization of whether it warrants in the best interest of Manitoba Housing to pursue a new arrangement with the federal government when we do not know the parameters and we do not know the consolidated information that they have said that they wanted. It is best that we know the ground rules before we set up parameters of evaluation to come forth with MH to try and make a deal.

The member is right. The federal government is more or less trying to get out of it and just be a cheque writer at the end of every day—pardon me, every year. We are very, very concerned by the fact that once there is block funding, it is the easiest way to pull back and just say, while there is a 10 percent reduction next year or a 5 percent reduction next year, and then this is just passed down to the provincial level.

The member should also note that over the next two years or so the federal government has indicated, and I believe the number is—now I am trying to go back to memory—I think it is a total of around \$230 million that is going to be cut out of the budget anyway for Manitoba—pardon, not for Manitoba Housing, but for federal housing. We do not know what our portion of that will be, so that is going to put additional pressure on our budgetary process as to the priorities and evaluation of where funding should end up for Manitoba Housing. So there is a fair amount of variables that have to come into play and be recognized as legitimate before a formal response can be made to the federal government, plus the fact that they have not given us the clear rules of the game yet. In fact, it is also the option for the federal government that has given this to the province. It is not a fait accompli; in the wording of the letter and in the indications of correspondence, it is an option that the federal government has put forth. That is just another factor. In essence, they cannot force us to take their stock, but it is worthy of analysis. Whether it is of benefit to Manitoba, we have not made that decision yet.

Ms. Cerilli: I will just ask a few straightforward questions then. (1) Does the minister buy the duplication-of-services argument? (2) Does he believe that the federal government should still fund new social housing? (3) If he does not think that the federal government should be funding new social housing in Manitoba, because in the past there has been the argument, hey, no, we have a vacancy rate; maybe we do not need new social housing. Even the minister today was trying to use the vacancy rate to justify tearing down old Behnke Road there. I am wondering if the minister thinks that the market can supply housing for low-income Manitobans.

So those are three questions. Does the minister think that the market can provide decent, affordable and safe housing for low-income people?

Mr. Reimer: One of the mandates as pointed out in my speaking notes that I just went through was the fact that the Manitoba government is committed to provide affordable housing to people that are in that category of need or find that there is that responsibility that the government should be there for those people. That need will continue. There will always be the need for people in need to have housing. Our government commitment is there, and it will continue to be there.

Ms. Cerilli: The minister did not answer my questions. Does he believe, first of all, that the federal government should be funding new social housing? We have gone through this last year, and it was under Mr. Mulroney that they first started reducing the amount of funding for social housing. In 1994 they eliminated all the money for new construction. So does the minister think that the federal government should still have a program to fund new social housing, whether it is public housing or programs for sponsored housing with community organizations?

Mr. Reimer: It should be pointed out, and I believe the member is aware of it, that it was the federal government itself that originally and initially was the provider of the housing program. In setting up the program, a lot of the housing agreements—some of them were in a 50-50 sharing; most of them were in a 75-25, I believe. Then there are even housing projects where we as a provincial government participate to 12.5 percent, where we also get into an arrangement with the City of Winnipeg and the federal government for housing. So the relationship of who is involved with housing and where the money comes from has always been in a partnership with the other levels of government.

For the provincial government to take on the sole responsibility of providing social housing or affordable public housing, I should say, public housing, our budget and the administration of our budget are something that we could not take on as a sole responsibility. There is room for partnerships, and if partnerships are available, we will explore every option that way. But, to take on the sole responsibility of being the provider of public housing in itself for Manitoba, with the Manitoba government, we are not in the position to do that as a fully funded entity within our budgetary process right now. For new housing, I should point out, yes.

Ms. Cerilli: So the minister said that Manitoba would not be able to fund, without a federal partner, new social housing.

Mr. Reimer: That is correct.

Ms. Cerilli: So I am assuming then you think the federal government should continue to play that role of initiating new social housing by being a funding partner.

Mr. Reimer: I would think that we would look at any partner that is interested in a relationship, whether it is the federal government or private initiatives or municipal initiatives where there is cost sharing or some sort of arrangement that can be made out to lessen the load, if you want to call it. Whether it is the federal government or private individuals or municipalities, these are some of the things that we would welcome to look as initiatives for providing social housing, public housing.

* (1700)

Ms. Cerilli: So, again, does the minister think that the federal government should maintain its responsibility for funding new social housing?

Mr. Reimer: The federal government made a decision that they are not going to do it, and I believe that is their decision. Whether they change or not, I guess it is up to the federal government to make that decision. We continued to show our displeasure when they pulled out of the market in 1993, I believe it was, and we have indicated that we are not happy with the way they are unloading this present situation. So the federal government is abdicating its responsibility, and we have made our feelings known to them, not only through my department, as minister, but I believe my cohorts also had correspondence to the federal government outlining their displeasure.

Ms. Cerilli: Well, the minister is not giving me much confidence. He is not saying they should be maintaining their role in funding new social housing, and I am wondering why he is not saying that. I mean, this government seems to go to Ottawa on what are to us issues that are not the most pressing. On the gun control bill there were ministers off to Ottawa; on the Young Offenders Act, there were ministers off to Ottawa. Then, when we have major cutbacks in health care, major

cutbacks in income assistance programs, in post-secondary education, and in social housing, it does not seem there is very much public outcry from this government, and now the minister is even hesitant in even saying he thinks the government federally should be maintaining this role. So I do not understand why, if you feel so strongly, you are not (a) more public about it, and (b) saying even now that they should be maintaining that role as a funder for new social housing. I wonder if you can explain that.

Mr. Reimer: I think I have been trying to allude to the fact that we are very, very concerned that the responsibilities and the offloading are being put back onto the provincial level.

The federal government has made it abundantly clear that they are not going to be involved with social housing anymore. When the decision was made there was an outcry and there were directives that came from, I am sure, not only our department here in Manitoba but all departments across Canada indicating their displeasure with the fact that the federal government has felt that the responsibility for housing is being put back onto the provincial level, whereas initially it was initiated by the federal government for housing. We will carry this concern forward that for the best interests of Manitobans that public housing is a very high priority and we place a fair amount of, a great deal of importance that public housing remains as a very strong alternative for people that are of need in that particular situation.

Ms. Cerilli: I am going to ask some questions about specific numbers then, because I think last year in Estimates the minister said that the cutback that was announced in 1994, \$270 million over three years, was going to hit Manitoba at \$5 million a year approximately, and I appreciate the minister sending me the schedule for the financing of modernization improvement in Manitoba. I figured out that the federal government this year is contributing almost \$3 million to the modernization improvement. That is just for the public housing.

I am wondering if other than, unlike what the minister has said, where the federal devolution of responsibility for the administration and management of all the housing, if that was signed in an agreement, would it not mean that the federal government had to maintain the agreed-to

funding? If we got into an arrangement with the federal government where we were not going budget year by budget year, and maybe that is the way these agreements would work, but as I understand it, it would be an agreement that they would maintain a certain proportion of the funding, because I am wondering if it would lock them into a certain level of funding, whereas the way that they are budgeting now, with reductions every year, allows them to slowly erode their financial commitment to maintaining the social housing.

I am wondering if it was an agreement that was signed with them that would have been, I do not know if these agreements would be until the end of the mortgage or if that would mean that they would be committed to a certain level of funding that could be predetermined by the Province of Manitoba so that we had an assurance that they would be committed to maintaining a certain percentage of the operating costs of these properties.

So I would like some clarification on that, and maybe the minister could also inform me of the breakdown. I mean, I have gone through the annual reports and that, and I just want a clarification on the breakdown in the different categories of the amount of money coming from the federal government. You know, there is the subsidy of some of the units, there is the mortgage payments on the sponsored housing, there is the mortgage payments on the public housing and the modernization and improvement money, and then there is the maintenance money. Those are sort of the budget areas that I am mostly dealing with. They seem to be the largest cost areas. I have the most recent annual report with me and I am wondering if the minister could direct me to those figures.

Mr. Reimer: The agreements that the member is referring to would run as long as the mortgage is held on that particular piece of property. The calculation of the amounts that the federal government reimburses or is responsible for is calculated sort of like at the end of the day in a sense of when the rent is brought in as a source of revenue and then the losses are calculated at that particular time. That is when the determination of the federal responsibility is calculated. It is not on an ongoing basis in the sense that it is a certain percentage. It is all brought into focus because of the variables in the variation in rental income or rent income that comes in that is charged back against that particular unit or units.

* (1710)

A good example is on page 33 of the annual report. Just for quick comparison, there is a calculation of the total revenue, and from that revenue the administration is taken off, the property operating amount, the grants in lieu of taxes are taken off, the amortization and interest are taken off, the insurance is taken off. It comes up with the operating loss. The operating loss for this particular one that I am looking at is approximately \$38 million, and then you take off the federal subsidies. It is then calculated on that, which comes to approximately just over \$22 million. The formula is then calculated on a certain percentage of the loss, and then the net housing operation is the final figure, which is approximately \$15 million. So that gives you a bit of an idea of how the federal subsidy is calculated. The expenditures are taken off the revenue, and the revenue does not equal the amount of rental revenue, so it is working at a loss. That is where the federal government comes in to pick up its share.

Ms. Cerilli: If I am understanding this correctly, what the minister is saying is the amount of money from the federal government is not calculated until after you know how much you are going to get from the rental revenue. Is that correct?

Mr. Reimer: Plus the loss. Not just the revenue, but the losses also. The revenue is brought forth as a number, and then the operating losses are charged against that revenue. Then you come to your final figure of the total operating loss. That is when the federal formula is kicked in and applied against that loss.

Ms. Cerilli: The minister is using the word "loss." I am wondering, does that mean cost? I mean, administration, property operating, taxes—those are all the costs.

Mr. Reimer: I guess I am using terminologies in a different way, but the gross costs that are charged against a unit are taken away from the rental revenue, and then you come up with your operating loss. It is that loss that we charge a portion of to the federal government, and they reimburse us.

Ms. Cerilli: I understand what the minister is saying now because that is where we got into difficulty the other year when they had promised if the rent geared to income

was increased that that money would come back to the province, but they were able to keep that, as I understand it. So, because of the way that this has worked, it made it easier for them to do that.

From that page 33, from the '94-95 annual report, how can we get a clear indication of what is the actual operating cost for operating all of the public housing managed by the Manitoba Housing Authority for the province? Is that the \$83-million figure?

Mr. Reimer: If we look on that page at the 1995 total and we see the \$102,611,000, that is the total cost of expenditures for public housing in 1995. We took in just over \$57 million, so it shows a—

Ms. Cerilli: Yes, I understand.

Mr. Reimer: I should point out, too, that the \$102 million, that is just the projects owned by MHRC. There are other buildings with which we are in sponsorship that would also come into effect. That might be on the report there, too.

Ms. Cerilli: As I understand this chart, the third column, 1995 Total is the addition of Schedule B and Schedule C, Schedule C being the sponsored but managed properties. Maybe there still are additional properties that are sponsored and there is some involvement of CMHC and the Manitoba Housing Renewal Corporation in the mortgage, but they are all operated and managed by community agencies, seniors groups, aboriginal groups. I think I am getting a clear picture of how the federal government finances these buildings because I thought it was strictly 25 percent. I thought it was 25 percent of the costs.

Mr. Reimer: I should point out, we were talking about page 33 before. We can look at a different page also and see that there is additional cost that is recaptured, and that is on page 51, where we have the private, nonprofit operations, where you see there, too, that there is a federal subsidy of just over \$9 million in regard to this portion of the public housing. You see, those people there would own their own buildings, so there is a lot of money there.

But as to the formula, I would have to find out exactly whether it is a set formula or a sliding formula.

Ms. Cerilli: What I am really getting at in all of this is to understand, and maybe the minister has alluded to this already when he said the federal government has not put forward any criteria, but what I am trying to get an understanding of is what they are proposing the formula for the agreement would be, the formula for the financial agreement, and if they would continue in this sort of vein of basing it on the operating costs or if they would be committed to a percentage or how it would work, if there is any indication from the federal government of how these management and financing agreements would work and if you actually signed an agreement and a legal document with them that locked them into a certain amount of funding, if that may not secure more funding from the federal government than if we continue on in this process of just them budgeting year after year and being able to reduce the amount of transfer payments that come for social housing.

Mr. Reimer: That is an interesting point that the member raises, because under the existing agreements right now, there is a formula that is locked in, even though it may be different for various projects because of the time that they were built and the percentage rise.

The member is correct in stating that what the federal government is looking at now is a standardization, if you want to call it, of—we are not too sure. I should not speculate too far into what the federal government is proposing, but what they are saying is a lot of the existing formulas and the funding that is flowing now, the way it seems to be interpreted is this would change with a new arrangement with the federal government.

We are very, very concerned that if that does change, we do not know what the impact would be as to not only the existing fundings that we are receiving now but also future fundings that could be, as the member mentioned, just capped or cut or moved to a different type of percentage.

I would also include in our indications that the federal government is saying that they are looking at using '95-96 as a benchmark and then looking at a cap. Our concern would naturally be whether those '95-96 calculations or funding formula would be adequate down the road two or five or 10 years because, as the member knows, things change, governments change, ideas change, and we may be faced with very dramatic funding that we can or cannot handle.

* (1720)

As has been indicated to myself, we are not privy to those details at this moment. We are very concerned, as I mentioned earlier, that we get the playing rules or the level of concern that we have before we make any type of commitments to the federal government. We have asked for additional information, but they have not responded to date, the federal government. They have not given us that type of information that we are asking for. There are legitimate concerns and questions that we as a department have started to ask, just as the member for Radisson has asked. It is not an uncommon thing. I think all provinces are going through the same thing.

Ms. Cerilli: Well, there are some provinces that are jumping on the federal bandwagon and have indicated that they are moving quickly on this. [interjection] The minister says they are not very smart. I mean, it seems to me that if there is going to be a cap and there is going to be no guarantee that they would be locked into a certain amount of dollars to ensure that there is going to be retained a certain percentage of the operating costs for these housing complexes, then it is a way for them to continue to reduce the amount of funding, so if they could sign an agreement with the provincial government and then the next year say, well, we are cutting the money for CMHC, and that would be reduced, that does not seem like it would—I cannot understand how that kind of an agreement, how they could expect the provinces to want to go forward with that.

Mr. Reimer: It should be pointed out that the reason maybe that it has been indicated to me that some of provinces are looking at it in a more aggressive manner is the fact that their social housing may not be of the magnitude that we have here in Manitoba, plus the fact that I believe she is alluding to New Brunswick. While in New Brunswick, government is the name of the game, and they seem to jump on any type of federal initiatives first off the mark. Now whether that is good or bad I could not speculate too far, but other than the fact that their housing stock may not be of a nature in the amount that we have here in Manitoba.

Our commitment to it is an interpretation maybe in a different venue than what New Brunswick has got before them so they may be easily swayed, if you want to call it,

by the federal government's musings, so we will just leave it at that.

Ms. Cerilli: So this booklet then, put out by CMHC, it is called Consultation on the Public Housing Program, Fall 19—oh, this is '90. I thought this was '96. I was looking at this all the time thinking it said '96, so this is quite out of date then and must have been prepared when they were first starting to reduce the amount of funding for social housing but I think it has some key questions.

One of the concerns that I had about this is it is already there in black and white alluding to, sort of, private offloading. I am wondering if that is one of the things that the minister and the Department of Housing in Manitoba gets the sense of what the federal government is encouraging, that they see that continuing to fund aging housing stock is only going to increase in costs and financial commitment, and if they are sort of suggesting that one of the ways of dealing with this is to try and find ways of selling off or privatizing any part of social housing.

Mr. Reimer: I guess, there is always room for innovative ways for looking at social housing with the view of still being there to provide for it in some other way, whether it is in the actual bricks and mortar of a housing and the physical aspect of building a residence or an apartment block or whatever it is for public housing. The member is right. There is a concern but the fact that there is a lot of public housing that is coming of an age where the maintenance and repair on it is growing at an ever rising amount, plus the fact that there is concern for providing for the safety and security of the individuals that are in these units.

There are a lot of alternatives that I feel we can look at in providing social housing or public housing and that is in the area of rent subsidization. This is something that I feel the federal government, if they are in a serious position of downloading and offloading their responsibility for a building program or an expansion program of a public housing project, that that possibly is a strong alternative to still provide affordable accommodations in the market. At the same time, it is still the utilization of monies that have shown a commitment to public housing and it may free up money that, instead of going into maintenance and repair on an aging stock, can be redirected into a rental subsidy program where there are the accommodations and the

dispersment of people into apartments or homes that are in the private sector or in the nonprofit sector, private nonprofit sector on a subsidy basis, a rent subsidy basis and at that time still being there to provide for these type of individuals.

I think there is room for a lot of innovative approaches and co-operation and partnerships within housing. I think we have to be open to look at this because of the fact that, as the member mentioned, the idea of building new public housing, the monies are not there on the federal basis, the municipalities are being faced with some severe choices for their direction and the priorities of their funding and spending, just as we in a provincial government have to go through an analysis as to where the monies are going, but at the same time I think it opens up a very innovative way of looking at other areas of trying to provide for public housing.

Ms. Cerilli: I am wondering if the minister has found one of those innovative ways and we are seeing that exemplified on Behnke Road. One of the things I am wanting to ask the minister if he will table—we are going to break soon—I am wondering if he will table the document he referred to in Question Period today in terms of the vacancy rates for this year. I agree that I had been referencing the '94 year, because that is the only one I have.

The other thing I am wondering is, if the mortgages were paid off on those kind of complexes, the public housing, how close would the rent-geared-to-income be to paying all the operating costs? So two questions. Will you table what you referenced today in Question Period and would those properties carry themselves as low-income, paid-for properties?

Mr. Reimer: Yes, I see that we are just about running out of time, but I can get those information tables for the member. We will try to get them for her in a very short while if not as soon as possible on those figures, those vacancy figures and the occupancy figures.

Mr. Chairperson: Order, please. The hour now being 5:30, the committee will recess.

INDUSTRY, TRADE AND TOURISM

The Acting Chairperson (Frank Pitura): Order, please. Will the Committee of Supply please come to

order. This afternoon this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates of the Department of Industry, Trade and Tourism.

When the committee last sat, it had been considering item 10.3.(d)(3)(a), which is entitled Telecommunications Marketing. Shall the item pass?

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I want to ask the minister's guidance or reaction. I have been waiting for some information from Revenue Canada in regard to the border issues of last year. It finally arrived over the weekend, and I would like to discuss this information. We could do it under Minister's Salary at the end, or we could agree to do it now. I do not really mind, it is not a contentious issue, but I want to just get up to date on the issue of pepper spray and other prohibited items. I have some information the minister may already have, but if he does not I would like to share it with him.

Hon. James Downey (Minister of Industry, Trade and Tourism): Mr. Chairman, before I answer that, I would like to introduce my deputy minister, Fred Sutherland, who was unable to be with us previously because of personal illness. He is back to normal again. I just wanted to introduce him as the deputy minister.

As it relates to the question which the member has presented, he may have some information that I do not have because he has just had recent correspondence. We have corresponded directly back and forth with the federal government of which I do not have any trouble in making the correspondence available of which it is not current, it is some time ago.

As I indicated to him previously, it is a matter of making sure that people are fully informed of what the regulations are, and we did not want to be treated any differently than what other jurisdictions were, because it was in fact having an impact on the department. So the member, I would appreciate any comments or anything that he has that might be helpful. If he has some recent information, I certainly would not deny him putting it on the record.

Mr. Sale: Mr. Chairperson, is there then agreement that we would—I suppose it is to revert back but I am not

really asking for much of a reversion. I am simply asking to discuss the tourism issue at this time in the committee, and I just need some guidance as to whether that is appropriate or inappropriate, proper or whatever.

The Acting Chairperson (Mr. Pitura): Is there leave?

Mr. Downey: There is leave to discuss it, certainly.

The Acting Chairperson (Mr. Pitura): Leave has been granted.

Mr. Sale: Mr. Chairperson, I do not need to remind the minister of the unfortunate incidents that occurred at our border and at other border points across Canada in regard to, particularly, mace or pepper spray. The Canadian Customs indicated to me that there were some 170 incidents of pepper spray being seized at our borders in the calendar or fiscal or whatever year it is they use as their year. I want to be very clear that we are glad that material was seized, and we are certainly glad that the border officials are vigilant in terms of people bringing prohibitive weapons into the country.

Of course the most serious concern is weapons that could be used in a violent crime—as pepper spray can be used in crime—but guns, knives and those sorts of things are obviously unacceptable, and I am glad our border is monitored carefully and I hope that will continue.

* (1600)

The issue that, of course, concerned us was whether the bringing in of a prohibited substance, in this case pepper spray, without declaring it or inadvertently forgetting to declare one or two small containers while declaring others should be seen as a major criminal offence with a five-year exclusion from the country consequence and serious fines and court proceedings and, in fact, a criminal record in Canada.

The issue here, of course, is that the possession of this substance in Canada is completely legal as long as it is labelled properly. The Catch 22 for American citizens is that in the United States no such labels are required, so, understandably, American manufacturers do not label their products for Canadian export. So it seemed to us always to be a case of serious overreaction to treat people who are bringing a substance into Canada in quantities

that are clearly for personal use to be criminals simply for a labelling infraction, which is what this comes down to.

I want to ask the minister whether he has any current information about the approach that is being used with this substance now and whether this issue has been laid to rest.

Mr. Downey: Mr. Chairman, again, there are not any changes as it relates to labelling and packaging to my knowledge. The department has informed me that we are working with the feds, ourselves and the federal government, to inform by signage and/or by other information methods the travelling public who are coming to our country as to what the rules are as it relates to mace and pepper spray.

I think it is unfortunate because, quite frankly, the one situation that was raised, people had been coming to a northern fishing camp for some 22 years, really a part of the summer community, carrying a product which they carried, and no reason not to believe them, for the purposes of protection against dogs which, in fact, could cause them some harm when they are out doing their jogging or their walking and did not fully appreciate the infraction that they would face by having it with them and not declaring all of it, I guess, that they had in their possession. Then to have the five-year suspension from Canada and the criminal record the member refers to seemed, and I say seemed, the best information I have, a fairly substantial penalty for what would be seen at the outside as a perfectly innocent activity.

I am pleased the member has put on the record his position as it relates to those things that are prohibited from coming into a country. Customs officers probably have one of the toughest jobs going. Everybody is, in their own mind, doing what they think they should be doing, and, of course, when that does not meet the rules, then it causes a disruption, but I think it is a matter of trying to co-ordinate.

I did discuss this with the Canadian representative in Washington recently. He was not aware of it, Mr. Raymond Chretien. I raised it to his attention when he visited us about a month ago, I guess it was. He, quite frankly, had not been informed of the difficulties and was going to make himself a little more informed on the particular subject.

So I would say to the member that I think there have been enough people had it brought to their attention, that, hopefully, as it relates to tourism and making sure that it does not leave a bad taste in the mouth of those tourists who are legitimate and want to come in here and that we still have a system in place that protects us from those kinds of improper products that people may want to bring into our country.

Again, it is a difficult position the Customs people are in, but I think it is a matter of having on balance the kinds of regulations and the kind of system that can do both. It may be a tough call, but that is what we would hope could be accomplished.

Mr. Sale: I would like to ask the minister, Mr. Chairperson, whether he has had any contact with the Edgertons who were the couple involved in one of the two incidences that occurred in Manitoba in the last little while, let us say in the last six months.

Mr. Downey: Not that I am aware of. I do not believe that there has been contact to my office in that period of time.

Mr. Sale: Has the minister or his office or officials been in touch with Robert Dery the Consulate General for Canada in Minneapolis who is handling this case through his office?

Mr. Downey: I do not believe I have personally had contact, though someone in the office may have, and/or the department. I will take the question as notice to see if someone in the department has.

Mr. Sale: Mr. Chairperson, has the minister or his office had any contact with the office of Senator Charles Grassley, Waterloo, Iowa, the Iowa senator who has been advocating on behalf of the Edgertons and others?

Mr. Downey: I personally have not. Again, I will take the same question as notice to see if staff have been in contact with him.

Mr. Sale: Mr. Chairperson, I want to provide the minister with some correspondence that indicates both some of the process that has been going on and also some current information from Customs Revenue people.

I want to underline that I think that the minister's department's handling of this case has been considerably less than enthusiastic and helpful. I also want to provide the minister, without tabling, but I want to provide the minister with some confidential information that comes from Revenue Canada.

Revenue Canada has indeed changed its process for dealing with seized or concealed pepper spray at the border. I do not want to put on the record what the change has been because I believe this is something for Revenue Canada to enforce appropriately, but I think the minister on reviewing the material will see that persistent advocacy pays off and that there has been quite a substantial improvement in the intelligent approach to be taken to noncommercial quantities of pepper spray.

Mr. Chairperson, I would like to underline, without expecting any particular credit because it is part of my job, that I have spent a great deal of time on this issue over the last year, because I believe that it seriously damaged the credibility of Manitoba as a welcoming place for tourists. I would remind the minister that we were ridiculed in Reader's Digest, which is not perhaps one of the magazines I read most frequently, but it is one read by an awful lot of people, and we looked pretty foolish as a result of that article. It was clearly a matter of overkill and may well have arisen because of personality or inappropriate human relationships between the parties at the border, but to fine people, give them a criminal record and exclude them from the country for five years for possession of an almost empty can, which, in fact, was thrown back at them, saying you might as well keep it because it is virtually empty, and a tiny little one attached to a key chain in Mrs. Edgerton's purse, it was very clear to everyone concerned that this was overkill.

I think when we are trying to rebuild our tourism business and to make sure that we are appropriately enforcing our regulations while also welcoming people to our borders, we should be a lot more proactive than the department has been over the past year in this regard and should have been taking the lead to achieve what has been achieved by the hard work of Revenue Canada people and Senator Grassley and others who have had an involvement in this issue.

I would tell the minister that I have had letters from as far away as Medicine Hat, Alberta, indicating real concern over this case, embarrassment; in one case, a letter by Mr. Leonard Fretts from Medicine Hat.

He was so upset by the treatment that he wrote, and I quote: The account of this incident reported in Reader's Digest December 1995 has bothered me to no end. My only thought was to appeal to our member of Parliament for this area—I do not have copies of this letter for the minister, but perhaps he might want to look at these and return them to me at some appropriate time—my only thought was to appeal to our member of Parliament for this area, and I told him that as a Canadian citizen and as a war veteran I hung my head in shame over the way these people were treated. Obviously, they had no criminal intent whatever. I sent them a cheque for \$20 and told them to initiate a fund to reimburse these people at least in the amount of the fines and penalties that they were assessed. Further, I asked him to use his influence to have the five-year ban revoked.

I am 76 years of age and while I respect federal authorities, I am not intimidated by them at any level. With nothing to go by but the name of a fair-sized city, I was still able to contact the Edgertons. I have talked to them on the phone, written to them and received two letters.

He goes on to say the contents of some of the letters. He closes by saying: I am sending Mr. Solberg a copy of your letter—that is, my letter to the provincial minister, to you the minister now at these Estimates—and you have a copy of his letter to the federal minister. Perhaps you could get in touch and so forth, Mr. Leonard Fretts, and he gives his address.

The issue here, I think, Mr. Chairperson, is not simply one older couple who were refused entry at our border, but it is the impact of this issue that went on television in Iowa, television in Minneapolis, Minnesota, in the Reader's Digest, and basically found its way into corners that we could not even imagine. Without going over the top, I want to suggest that I think the minister and his department could have been considerably more forthright in dealing with the Edgertons in a constructive way and not simply rushing to the defence of the customs officials, and might have gone so far as to advocate on behalf of the changes in the rules which have been achieved,

through some persistent advocacy and application of common sense, by Revenue Canada. So, with those comments, I am glad to share this information with the minister. If he already has it, I am certainly glad to know that as well.

(Mr. Ben Sveinson, Deputy Chairperson, in the Chair)

Mr. Downey: Mr. Chairman, I guess at the outset what I should say is that we did not, in any specific way, take the position of the federal Department of Immigration and/or Customs as it is put on the record by the member. We did advocate on behalf of the tour travelling public as it relates to coming into Manitoba. If the member wants to take the credit for accomplishing this, certainly, I do not have any problem if his actions and work had, in some way, helped this take place. I congratulate the member.

I do think, though, he is a little unfair in his criticism of the Department of Tourism, which, quite frankly, as well took the side of the tourists into making sure that there were not any negative outflows. The negative outflows had already taken place because of actions of Customs and Immigration department. It was up to the federal government. We communicated our concerns to them. He communicated his concerns to them. As I said, as recently as the visit with Mr. Raymond Chretien, who had not had it brought to his attention by the member, he was also going to look into it. I think a series of efforts by a lot of people put into this have probably brought the thing to the conclusion that it has. As I said earlier, we also have the department that—we did not have the ability to change it, but we did have the ability to help communicate to the travelling public what the rules in fact were as it related to importation of Mace or pepper spray or those types of what were considered to be prohibited weapons from coming into Manitoba.

Again, I think it was a combination of things, but I do not accept, on behalf of the department of Tourism, that they did not work aggressively to make sure that the tourism industry is healthy. I can assure you that every member in the Tourism Division of this department and this government are very much committed to tourism, work very hard on this issue, and I do not mind taking the criticism. If he wants to lay it at my desk, I can handle a little bit of that criticism from the member. If that is as bad as it gets, I can handle that, but I do say that I hope

the actions that have been taken will now satisfy the problem.

We do not want to do anything that will negatively affect on the people of Manitoba, but, as I said earlier, the customs officers have a job to do, and I am sure that he would not want to see them in a compromised position because they rely on the job for their livelihood. I am sure that when it comes to dealing with importation of product which their officials and their supervisors have said shall not be brought in and it has come in, they have to act accordingly. Overkill, yes, not necessary, but that again is a judgment call by people.

So I again acknowledge that the member has put on the record what he has, but I will not accept on behalf of the department of Tourism that they have in any way not acted responsibly to try and have this action corrected. If he wants to take the credit, fine, lay the criticism at me, but the department, I can assure you, did their best to try and make sure that this issue was resolved as well.

Mr. Sale: Mr. Chairperson, I will take credit for advocating. I have no idea how the final decision was reached and whose advocacy had the right or good effect. I take no credit for the final decision, but only for pursuing what I thought was an injury to Manitoba.

Can the minister indicate whether his department is actively pursuing a full pardon for the Edgertons and the other couple who were criminally charged, at this point, so that they can re-enter Canada without a special permit and without further costs to them?

Mr. Downey: I cannot say, Mr. Chairman, what the current status is. I know that there have been discussions with Manitoba Justice. I do not know what the outcome or what the whole discussion has evolved around that. I will see as to where the status of that is at. If he is advocating a complete pardon, I will see what state it is at.

Mr. Sale: Mr. Chairperson, I am advocating a complete pardon because, as the minister will see from reading the Revenue Canada material that I supplied to him, a conviction would not have taken place under the revised interpretation bulletin. So I think that graciousness and any other kind of human considerations would suggest that is the right route to go.

I was in touch with Revenue Canada late last week, and they indicated that the Edgertons' letter and the letter from Senator Grassley, response, was being treated as an appeal to the current situation. I would ask the minister if he would be prepared to commit that he will, through his department or through appropriate officials, bring whatever kind of influence he can to bear on obtaining a pardon for the two couples involved.

There is another couple, Mr. Chairperson, I think that the minister's staff will be aware of, that were in the same situation. The only difference was that they did not leave Canada following their conviction. They continued on their trip, but, having now left Canada, they cannot come back for five years either. It is exactly the same situation.

I believe that we would win. We would get positive press. The minister could take all sorts of credit for it, and I would be happy for him to have that credit, but I would be more happy if we had the positive spin in the American media and perhaps in Reader's Digest and any other place where the negative spin has been, that we are a province that does truly welcome people and that we do try to right bureaucratic errors aggressively. We care about our reputation. I would ask the minister if he can make that undertaking.

Mr. Downey: Mr. Chairman, I have no trouble with that undertaking to look into making sure that the current rulings would in fact act as he has said, make sure that all that work is done if it has not been done. I believe that it was an overpenalization for those individuals, and, if that change could take place, hopefully, it would in fact get as much positive coverage as it received negative. I am not sure to what point that is at, but I will have an undertaking to get a complete update on it and take the necessary action to try and clear up the matter.

Mr. Sale: I thank the minister very much for that undertaking.

Mr. Deputy Chairperson: Item 10.3. Strategic Initiatives (d) Information and Telecommunications Initiative (3) Telecommunications Marketing (a) Salaries and Employee Benefits \$287,500.

Mr. Sale: The minister undertook at our last meeting to provide a list of call centres in which the government had some involvement in terms of employment numbers. I wonder if he is able to table that information today?

Mr. Downey: No, I do not have that information fully prepared, but it is our intention, as soon as possible, to get all the questions that we have taken as notice prepared for him and provide them to him. I can talk about some, but I have not got all of them compiled at this particular time. He knows of some of them because they have been publicly announced. AT&T, GWE certainly are two of them that received support from the province.

* (1620)

Mr. Sale: The minister was also asked if he would examine GWE in terms of its fundraising activities and whether or not those activities brought GWE into some potential conflict with Revenue Canada because of the cost of fundraising associated with their telemarketing on behalf of nonprofit organizations. Is the minister able to share any information in that regard at this time?

Mr. Downey: No, Mr. Chairman. All that work has been carried out. I believe—was it Friday that I took those questions as notice?

Mr. Sale: Can I ask about a couple of telemarketing companies and their current status? One of them is a company called Marusa. Are we involved supporting or in negotiations with the company M-a-r-u-s-a?

Mr. Downey: The answer is yes. We have a company of that nature operating in Manitoba.

Mr. Sale: The minister obviously has more information there than he just gave me. Can the minister enlighten me about the nature of the company and the nature of our relationship with the company?

Mr. Downey: I do not believe, my department have indicated to me, that we have any direct involvement through support of this company, so you would have to contact Marusa as to the work that they do.

Mr. Sale: Can the minister indicate who the principal of the company is?

Mr. Downey: I understand it is a family-owned company.

Mr. Sale: Can the minister indicate the name of the family?

Mr. Downey: No.

Mr. Sale: Well, let me share with the minister my problem. I know this company is a telemarketing company. I know some things about it, but I am unable to find it in the Manitoba corporate register. I am unable to find any record of incorporation. I cannot find it in the phone book, and I cannot find it in the Yellow Pages—

An Honourable Member: Put Jim Maloway on it.

Mr. Sale: Jim Maloway has done some very good work recently, and that may be the right answer. I would appreciate it very much if the minister could be a little more forthright in terms of—this is a public company, which clearly the minister has a briefing note on, how would one contact this company? Perhaps, let me put it that way. I would like to get some telemarketing done for the NDP, Mr. Chairperson. How could we get in touch with Marusa? [interjection] I do not see how he could turn it down.

Mr. Downey: Well, Mr. Chairman, he is aware of the company name, and he can phone Information. As I said, I do not have the name of the family. It just says that it is a family-owned company, my department have indicated to me. I also indicated that I do not have any direct support to that company. If he has a concern about their registration and their doing business in Manitoba, then he would be well advised to contact the Department of Consumer and Corporate Affairs to get the details he may need. I also have an indication that they are a member of the Canadian Direct Marketing Association, but it is not my place, I do not believe, to—we do not operate as police officers or an information bureau. It is incumbent upon the member to inform himself. I have given him as much information as I think is pertinent and what I have the responsibility of providing.

Mr. Sale: Mr. Chairperson, can the minister confirm that Marusa is substantially behind in its payments to the Manitoba Telephone company?

Mr. Downey: No, I cannot.

Mr. Sale: Mr. Chairperson, is the minister indicating that the company is not behind in its payments?

Mr. Downey: Mr. Chairman, I cannot make any comment as it relates to where they are at with the status of any bills that they may have owing or not owing.

Mr. Sale: Mr. Chairperson, can the minister indicate whether we have a relationship with a company called PR Response?

Mr. Downey: Mr. Chairman, I do not want to leave the impression that there has not been any discussions with Marusa as it relates to the government of Manitoba. They may have had discussions with the department as it relates to some form of program, but, to my knowledge, there has not been any conclusion of any support or any agreements reached between the two parties.

Mr. Sale: Mr. Chairperson, I thank the minister for that. Am I to take from his comment that there have been negotiations with this company but that they have not reached a conclusion that would be announceable?

Mr. Downey: No. He could take that there have been discussions, I believe, with the department but to what extent, I am not sure. There has not been a conclusion or the signing of any support or any program between the two parties. There may have been discussions as to what the province had available but no conclusion to those discussions.

Mr. Sale: Mr. Chairperson, the minister was wondering, the other company's name. It is PR Response.

Mr. Downey: Yes, Mr. Chairman, I understand they are a company operating in Manitoba.

Mr. Sale: Mr. Chairperson, does the government have any ongoing agreements or involvements with the various programs of loans or incentives or any other program training, et cetera, with PR Response either under discussion or in effect at this time?

Mr. Downey: Mr. Chairman, I am not aware of any; however, I will take the question as notice, but my department has indicated to me at this time—and they have not indicated that there is any connection.

I should say, however, though, to make it clear, that any of the call centres may have, and probably do have, arrangements with the Manitoba Telephone System

which provide them with service, so I do not want the member to jump up and say that I did not disclose that there were some arrangements with a government agency or—

Mr. Sale: I would never do that.

Mr. Downey: The member says he would never do it. If I can get him to sign that in ink, then I would feel more comfortable. Well, maybe I would not.

But I want him to be clear on that, to my knowledge, there is not any support from the province, any program that I am aware of, and, if there is, I will notify the member.

* (1630)

Mr. Sale: Mr. Chairperson, I take the minister's comments as lighthearted. I would always attempt to have substance behind any accusation I would make. I sometimes may be in error, but I would I hope I would not take that cheap a shot at any point.

Mr. Chairperson, he is indicating, the minister is indicating, as I understand, that the PR Response is a Manitoba company doing business in Manitoba. He is not aware at the present time of negotiations with that company, but is he saying that there are no negotiations between government and the company, excluding MTS, or is he saying he is simply not aware of any?

Mr. Downey: There have been discussions, but, to my knowledge, no conclusion to any agreement.

Mr. Sale: Mr. Chairperson, would the minister characterize the state of negotiations with PR Response as similar to his previous answers in regard to Marusa?

Mr. Downey: Mr. Chairman, it is pretty hard to be definite. Again, I am sure the department, as new call centre activities come to the province, carry out their responsibility without coming to the minister every time something like that is discussed, so I would classify them as having been discussed in both categories, but not to the stage where I have been presented an agreement which I would have to give any decision on.

Mr. Sale: Mr. Chairperson, is the minister aware of a company called Promark that is considering relocation to Winnipeg? P-r-o-m-a-r-k.

Mr. Downey: I am not, the department may have had discussions with them as they have had with many potential call centre clients.

Mr. Sale: Mr. Chairperson, are there any plans the minister is aware of that the government is making to relocate some of the rural call centres back to Winnipeg? I am thinking specifically of the call centre that was located initially in Russell.

Mr. Downey: Is there any intention of the province to relocate a call centre which we do not own or have any influence over back to the city of Winnipeg? It would not be, first of all, within our jurisdiction to do so, and the answer would be, as far as I am concerned and to the knowledge that I have, no.

Mr. Sale: The question was not whether the government was going to unilaterally do anything, it was whether there were any negotiations underway to move some of the rural call centre seats out of Russell and move those seats to Winnipeg.

Mr. Downey: Mr. Chairman, there may well have been some discussions with the department as it relates to service which may be provided by the company in Russell, but I do not have any specifics or any conclusion to any agreement. If it were to take place, it would be a business decision, but I do not believe there has been any conclusion to any activity in that regard.

Mr. Sale: Mr. Chairperson, does the government have any involvement with a company called Network Options, a Toronto company, or with Watson and Associates, a Toronto company, in regard to business undertakings in Manitoba?

Mr. Downey: Mr. Chairman, I cannot give any information on Network. I am not aware of any discussions. The department does not have any information that they can give me at this particular time. Watson, we did have some discussions with them, but nothing has proceeded from those discussions.

Mr. Sale: I am a little puzzled by that response, Mr. Chairperson. Clifford Watson and Associates are the owners of Network Inc., and I believe they are business partners with Manitoba Telephone System in one of its

subsidiary four organizations, a company called MB Communications.

I am wondering if the minister can confirm that MB Communications is a new Manitoba company with which the government has had significant involvement?

Mr. Downey: The department has indicated to me that our department has not had any direct relationship, but I will double-check to make sure that is the case, and, if it is the case, I will report back to the member.

Mr. Sale: Mr. Chairperson, I am prepared to pass this section now.

Mr. Deputy Chairperson: 10.3. Strategic Initiatives (d) Information and Telecommunications Initiative (3) Telecommunications Marketing (a) Salaries and Employee Benefits \$287,500—pass; (b) Other Expenditures \$420,500—pass; (c) Less: Recoverable from Rural Economic Development Initiatives (\$192,400)—pass.

10.3.(e) Environmental Industries Development Initiative (1) Salaries and Employee Benefits \$365,200.

Mr. Sale: Mr. Chairperson, if I could refer the minister back to the organizational review document, which we talked about considerably in the opening section of our Estimates discussions, the consultant expressed some concern that the initiatives under this section of Estimates were very unevenly distributed, and the area of environmental industries was singled out as an area that was very small in Manitoba and that there were no particularly clear reasons why environmental industries were going to be a major winner for Manitoba in this area.

I wonder if the minister could respond to that concern as raised by the consultant.

Mr. Downey: Mr. Chairman, yes, I can and I will. I want to indicate that the concern that was raised will be addressed as it relates to the overall cluster industries. I do not consider, again, under the way the previous organization of the department was established, that it is particularly, or should be, a stand-alone industrial development sector, although we should identify environmental industries as a very important one, but it can be, in fact, part of a cluster of economic activity for

which there are more supports coming to that particular development in our province through a broader range of supports through overall industrial development resources and policies.

So I acknowledge the comments that were made in the report, but I think what we are doing within the departmental reorganization will give probably even greater strength to those environmentally development-type industries or strategic initiatives. They will get a greater amount of support under what we are doing with the reorganization.

Mr. Sale: I appreciate that my question was general, and the answer was general. I wonder if the minister could be a little more specific about what he sees happening with the staff and the resources that are associated with the subappropriation, some half a million dollars? Are you moving these to another higher priority sector? What about the sectors that were referred to in the review by the consultant on page 12 which are understaffed and underresourced at the present time? What is the government doing more specifically in this area?

Mr. Downey: We do acknowledge and recognize the importance of the environmental industries sector within our department. It will be folded into the overall economic or industrial development sector. There will not be resources taken away from it. I believe we will see the need for additional resources. Again, indicating to the member that—let me give two examples in one particular area. We have seen two areas in our province that have come forward and are very aggressively trying to develop a recyclable use of straw. One is known as isobord, in which a lot of work has taken place. The other one is my colleague who is at the table in the constituency of Turtle Mountain in the Killarney area, which have worked very aggressively to develop a strawboard plant, Isobord being one, the other one at Killarney.

* (1640)

They are both very ambitious projects. I would put them in the environmental industries category, quite frankly, of which we see tremendous opportunity, taking straw that has been traditionally burned, particularly in the Red River Valley, and turned into a usable product in the building industry. So just to single out and say that

we are not putting the adequate resources, are not paying the necessary supports to that industry, I do not accept. We are spending a considerable amount of time, resources and energy and seeing how we can support those two major, major industries. So I do not think what is reflecting here and the comments he is making, and I think, in discussion with the consultants if they were to see the overall initiatives that are taking place, one could argue the case that we are in fact spending quite a bit of time and resources and effort to make those kinds of things happen.

We can also talk about the handling of waste waters. We have certainly some successful companies developing in that area of which, again, some of their product is used in Manitoba. One of them is Bioclear Technology which, quite frankly, are selling some product to the province in the Northern Affairs community. It is a technology which we are very pleased to see developed here in Manitoba and work very carefully with it.

Again, we have the sustainable development fund, which is also another area in which government's commitment to the environment and environmental industries, not as directly, but, I mean, there are a lot of different areas of resources and support for this whole area, and, in our new reorg, I think we will be able to not only maintain and enhance the environmental industry sector but in fact will see support for it grow.

Mr. Sale: This is a case where maybe we are learning how to spin straw into gold, and that is a good idea if we can do it. I hope that the strawboard plants, isobord, work and that it takes off. I would not characterize that as an environmental industry, but the minister can do so if he wishes. I do not see the isobord and strawboard plants as an environmental industry. I see them as a really interesting new developing sector but not much different than OSB plants that emerged in times past to make better use of what used to be garbage woods. That is fine. I am glad we are doing that, but that really does not speak to this issue. The concern that I guess I have here is that the things that the minister might have been doing in this area are not being done to any significant extent and I think we either have to hold up this as an area of high priority for the government, which I do not think it has been, or we have to get into it in a serious way.

Let me indicate what I mean by that. I asked last year in several Estimates, I cannot recall whether I asked in this one, but I certainly asked in Natural Resources and in Education questions about the Freshwater Institute and the research capacity related to fresh water and ground water in Manitoba. The experimental lakes station has been virtually gutted by the federal government cutbacks.

An Honourable Member: Shame.

Mr. Sale: It is a shame. This is world-class research which put the University of Manitoba and the Freshwater Institute on the global map and brought to us scientists from around the world. The minister knows, I am sure, and the member for Minnedosa (Mr. Gilleshammer) is indicating that he knows as well that this was an area in which Canada did the pioneering work on acid rain, lake acidification and eutrophication and that we brought as a consequence of that both a lot of research money through the University of Manitoba and we also brought scientists from around the world to Manitoba to study this.

The federal government has not seen fit to prioritize fresh water research and said all of the federal money is going to Fisheries and Oceans and saltwater fisheries and the whole notion of the enormous Canadian advantage in the area of our fresh water resources just seems to have totally escaped the federal Liberals at this point. I think they should hang their heads, given that they talk a lot about research and development, but when it comes time to actually do it in one area in which Canada clearly has the outstanding resource capability in the world in the natural resource area, they virtually shut down this world-class institute.

I know the provincial government cannot backfill in terms of areas of federal cutback, but the truly annoying thing in regard to the Freshwater Institute and the experimental lakes research plant is that these are very small amounts of money. In that particular area, a million dollars goes an enormous distance, because it is levered with other grant money and other contract money from universities around the world. I will just tell the minister, he probably knows that I enjoy long-distance canoeing as my major recreational summer pastime and—[interjection] I beg your pardon.

Mr. Downey: Did you bring your canoe with you today?

Mr. Sale: I may need it to get home, although paddling upstream on the Red this time of year, it would be a fair amount of exercise.

Mr. Downey: Go for it.

Mr. Sale: I have canoed through the experimental lakes area a number of times, probably 15 or so times in total in those days in there. It is a beautiful area too if the minister is interested in beautiful canoeing country. I have run into scientists from Germany, from Sweden, from the southern United States, other countries in western Europe, Japan, all working in this area in the summertime under contract bringing business to that camp but, essentially, they all come into Winnipeg and move through here and through the University of Manitoba where they do their detailed lab work to the actual field station where they get their samples, but they do not actually do much of the science at the field station. That is mostly done elsewhere.

I want to ask the minister if serious consideration has been given through his department to some way of capitalizing on our position at the edge of the Canadian Shield and on the other side in the prairie land mass with the great aquifers that we need and use and the very important issues of ground water quality which have significant implication for our hog industry. The minister is very proud of the expansion of the hog industry, but the minister also knows that Holland and Denmark are at the point that vast areas of their water table are polluted with nitrates and that they cannot use a lot of their ground water anymore because of the excessive runoff. So here is an area of true environmental investment in which we have great advantages. I do not see us capitalizing here; I see us, in fact, just accepting, perhaps with some protest, but basically accepting the significant shutdown of the Freshwater Institute and the ELA area.

I do not see the investment in the kind of technology that would allow us to manage hog production at a greatly increased level. I see us just basically abandoning a very important area here, and I would like to hear from the minister as to whether he sees any merit in any of these issues as a focus for his department to at least study what the potential might be in this area.

Mr. Downey: The first response would be that he has been laying a pretty heavy criticism on the federal

government. I am aware of the fact that I think he knows Mr. Reg Alcock very well; in fact, they probably attend a lot of the same events and cross paths on many occasions. I would hope that he lays that directly on Mr. Alcock to bring it to his attention, of his concern, and is even more adamant in his criticism to him directly than it is to this committee because that is, quite frankly, who is part of making the decision, unless, for some reason, he thinks Mr. Alcock is ineffective as a member of Parliament. Now that could well be as well. Again, I would suggest that might be an approach that he may want to take to him; that is to be very straightforward and adamant about his feelings as to how the federal government is, in fact, treating this whole issue.

I am not so sure that it is the Industry department that should be doing this with funds that they have. I think the intent of the Environmental Industries section is to promote companies that want to develop activities in the whole environmental field, not to carry out the kinds of research that he is referring to. I am not saying the work should not be carried out; I think that there should be a clear recording—which I believe both Environment and Natural Resources are doing—as it relates to ground water. I think that we are pretty much on top of our capability and what is happening with our ground water supplies. If there are some specific areas that we are not, I would suggest that he suggest where that could happen.

* (1650)

I am comfortable that Natural Resources, I believe, is pretty much on top of it, and I know that Environment is as well because through the different industrial activities that are taking place throughout the province, I am comfortable that both are carrying out their roles in a responsible way.

If we were to fund an industry or a company that was to come here to say, look, we are going to provide a service to the public or provide a service to an industry that wants to further do something that would impact or infringe upon or may, in fact, impinge upon or to, in some way, affect the water resources or the water tables of the province, then that is another question. That is an industry development presentation. I am not saying it should not be done and the monitoring should not be done. We should know where we are. I think that is important; it is the responsibility of government to provide that information. I believe we are doing that.

He makes specific reference to the hog industry. I can tell him that I am aware of some work that is being done by a private-sector company that is dealing with the hog waste. There is—in fact, I think there are several companies—but I know one in particular as it relates to the dealing with hog waste. I think it is important. I think we have to not only see the development and growth of an industry, but it has to be done in a responsible manner as it relates to the potential pollution of ground water and that whole system. That, I believe, is well in hand.

He makes specific reference to certain countries that have had difficulties. He has to remember that these countries that he is referring to are heavily, heavily densely populated with people and are very small in geographic size. We have, I believe, the capability to responsibly do what we say we are doing in the development of our hog industry, that we do not have to pollute any ground water, we do not have to pollute any surface water, that we have mechanisms and technology today that can deal with the problems that can flow from this as long as it is done and done responsibly. It cannot be done irresponsibly.

You cannot place demands on a private-sector company or on a farm community that cannot in fact put in what may be considered overly expensive and/or unnecessary treatment of certain things because we do have some experiences and we do have some background knowledge as to what in fact the impact of this type of industry has, not to the extent that we will have in some areas. We can learn by other countries' mistakes. If the member is referring to using some resources to make sure that we are not following in that situation, that could well be a potential area for someone to spend the money if somebody presented us with an environmental case to do it

So I do not think the resources that we are identifying here and debating here, that that would be the proper use of them. I think that what I intend and would intend to do with this is to see an industry that comes forward, presents itself, has a good idea. Whether it is actually dealing with a product that comes strictly from something that might be an economic opportunity from a byproduct or an industrial activity, I think that is important.

I guess I could go on for quite a bit of time on this. I know that we have some success stories. The member

says we should be either getting into it greater or we should be getting out of it. Our record is not good. I do not agree with him. I think it is good. We are being identified and recognized internationally with the work that has been going on here. Could we do more? Certainly, we could do more. Should we have more people interested in it? Yes, I believe so.

But there is one area that I think that we can hold our head high and we are recognized for, and that is in the whole area of our round table on the environment and the economy at which the Premier (Mr. Filmon) has chaired from Day One, he continues to chair, the business community, the environmental community, all those people who are interested in the preservation of our environment and at the same time seen the economic development.

We have had probably one of the most effective round tables in the country, and I think it is because of the attention the government has paid to this. Again, I will stand by our record. We, I think, are doing as well as they are anywhere, if not better, as it relates to the whole area, and it will not suffer in future as it relates to what we are doing with reorganization. I believe it probably will be strengthened.

I will conclude my comments on this particular time to say I disagree with the member. I disagree with the member in a big way when he says that the isobord and the strawboard plant could not be considered an environmental industry. I can tell you on two major fronts why I think it is an environmental industry.

Number 1, he has been in Winnipeg for many, many years, and he has seen what it has been like to be here in the fall of the year when a lot of the stubble is being burnt around. Why are the windrows being burnt? It is because there has not been an economic use for that straw. Yes, it is an economic return to the soils as it relates to their introduction of nitrogens, but the Red River heavy soils cannot incorporate and handle it to get a good crop in the next year, and farmers' practices have traditionally done this. They just have not had the ability to deal with the overabundance of straw that is produced. So the bailing to taking it off the fields and turning it into an economic product in a fibreboard is using a product that would otherwise be burnt. It was burning valuable product, No. 1.

Number 2, in the making of that board, what are we doing? We are replacing the need for more trees to be processed and put into a fibreboard. So I look at it on two fronts. One is, you are using a straw that has caused an environmental problem by burning, the smoke that has caused problems for the residents of Winnipeg, and, No. 2, when you are putting straw fibre into a board that goes into the building market, I am sure it replaces some of the demand that comes from the harvesting of trees. So I wanted to make that case because I feel that the member should look at it in a little bit broader context than he has. Thank you, Mr. Chairman.

Mr. Sale: Mr. Chairperson, I accept the case the minister has made to view this as a very environmentally friendly industry. I certainly agree that he makes a good case, that we should see it as an industry that would support the notions of using and recycling waste streams so that they become somebody else's product. That, I think, is not the same though as an environmental industry which normally means some new technology for the management of the environment and, in that sense, virtually any industry that is using raw materials and producing a service would be an environmental industry, but I think the minister's case that we should welcome this development from an environmental perspective is very sound, and I agree with it.

In his comments about the member of Parliament for Winnipeg South, he is a very large presence in the community, but I have to tell the minister that in my short time in office I have not been on a public platform with, nor have I ever encountered him in the community. I think that he exists in cyberspace to a very great extent. I am always being invited to look up his home page, but I have not actually seen the member in the flesh in the community, although I am sure he is there, but I have not run into him.

I can tell the minister though that in that member's campaign and in that member's public speeches at various points, he has said what a high priority the ELA and the Freshwater Institute has been for him, so the fact that the government has treated it the way it has is probably evidence of the member's weight in his party, and I think that the minister is probably accurate in his comments. But I think I have even less influence with Mr. Alcock than perhaps the minister does, given my record with his party. [interjection] No, I do not think I

need to explain. I think my record and my choice speaks for itself.

* (1700)

I do, though, want to comment to the minister that I had no intention of suggesting that the resources of this particular segment of your Estimates ought to be used to do primary research. That is obviously not the point of this department. I am not suggesting that, but I would ask him to recall that the HIDI initiative, the very successful HIDI initiative, and some of the other initiatives have sprung from and been grounded in some primary research capacity in the community. It was having a health sector that was doing fundamental research here that enabled the HIDI companies that have been so successful for this government and for our government when we were in office as HIDI developed to employ and support so much activity in this community.

So my point in raising concerns about the loss of the Freshwater Institute and related federal research is simply that it was on that kind of basis that some companies would begin to see possibilities, and his department might then be able to assist those companies to emerge. If we are going to lose the fundamental research capacity in the environmental sector because the federal government continues to cut back in that area, we are going to have a very great deal of difficulty developing any initiatives in this area because there is not going to be anything to develop them on. It is basic and applied research that lets us develop industrial initiatives, and the federal government is crippling the fresh water industry in Canada in this regard.

It has seriously cut back its agricultural research, and I am very concerned that I have not heard a lot of complaint from this government about the federal double standard of speaking strongly about the need for R & D and about the fundamental knowledge sector and at the same time slashing its expenditures in this area and trying to turn all of them into some kind of applied research that will have immediate payoffs.

I think both the minister and his deputy are people with a lot of experience in this field, and they know that you do not get long-term solid economic development that is not based on research, pure research, that was done at some point, often 10 or 15 years prior, and if you cut off

that flow of knowledge development, it may not have an impact today or tomorrow on your industrial development, but it will have an impact down the road because your country will not be able to attract and retain the sorts of cutting-edge, leading-edge industries that we all want to have here. So I do not think the minister and I differ in this area. I just want to express the concern that I have not heard from this government much solid criticism of what the federal government is failing to do in investing in research, not just in this area, but in other areas that affect Manitoba's economy, not today and tomorrow, but 10 years from now.

Mr. Downey: Mr. Chairman, quite a few of the companies that are involved in this whole area of the department are really in applied research, in activities related to the applied research side of things.

Mr. Sale: Mr. Chairperson, without prolonging the discussion, I know that. I understand they are involved in applied research, but applied research always builds on pure research. It does not come from nowhere. You do not start out to machine a new engine block, you have got to start out first with the metallurgy that allows you to cast it in the first place, and the minister knows that, I am sure he is not disagreeing. But I would just ask that he and his colleagues be more critical of federal withdrawal from basic knowledge production sectors and recognize that our future health for the time when, of course, our party will be in government is dependent on the good research investment that is done while his party is in government.

Mr. Downey: I accept everything but the last statement, Mr. Chairman. I would hope that there is a long time for research to take place. I will work to that end.

Mr. Deputy Chairperson: Item 10.3.(e) Environmental Industries Development Initiative (1) Salaries and Employee Benefits \$365,200—pass; (2) Other Expenditures \$166,900—pass.

10.3.(f) Agri-Food Industries Development Initiative (1) Salaries and Employee Benefits \$292,100.

Mr. Sale: Mr. Chairperson, I wonder if the minister could outline here, I believe we have transferred—well, maybe the minister should simply tell me, what is the status of the agrifood lab in Portage la Prairie at the present time?

Mr. Downey: It has now become an SOA, and it reports to the Minister of Rural Development (Mr. Derkach).

Mr. Sale: Could the minister then outline, Mr. Chairperson, the relationship between this initiative and the Department of Rural Development? It would just seem on the face of it that there seems to be some separation of responsibilities. Is the assumption that these resources might well move to Rural Development as well? What happens with this initiative?

Mr. Downey: Mr. Chairman, not that we consider it any less important to the overall activities of economic development but believe that the cross-functional activities of the food lab can play a greater role with Rural Development and closer to the Agriculture department. We certainly will still be strongly supportive of it and direct activities to it. but I think the direct relationship that it will have can better serve the people that would look to Rural Development for direct departmental support and the same with Agriculture.

I say this with the greatest of respect to all people who have been previously responsible for the food lab, I think it is one of Manitoba's better kept secrets, quite frankly, that we do have that capability. We have seen some excellent successes come from the food lab. I say I am not being critical in any negative way, I just think that it has done some tremendous work, but I see it can play a far greater role in the whole advancement of the food and activities that are available in Manitoba. So I would make those comments, Mr. Chairman, and pass this item.

Mr. Sale: Mr. Chairperson, could the minister indicate whether, and I just have not found it, I have looked for it but I cannot see where there were any resources divested from the department to go to Rural Development. Have I missed this in another subappropriation? How did this SOA get created without any apparent impact on the department?

Mr. Downey: There is no transfer of people. Basically, it stayed as a unit. What has happened is—EITC actually was the directorship of the Portage food lab—that the resources that were allocated for the activity, as it related to the operations of EITC and the food lab, have now been allocated through to the Department of Rural Development for the funding of the operation.

Mr. Sale: So, Mr. Chairperson, that is under sub-appropriation 10.4.(b) and (c), the EITC Fund and council. I am not sure where EITC itself is.

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

I would like to just take a minute because I think it is important to put it on the record. We are really seeing, I hate to use the word "revolution," but I will use it. There is really a quiet revolution taking place in Manitoba's food industry and what is happening. I think I made reference to it the other day with the loss of the federal transportation support program, that I was not happy that the support was lost in the manner in which it was. You know, it was an important support to rural agriculture. It has gone to the railroads over the past 10 years; I think 10 years at a subsidy rate of over \$700 million a year, that is a substantial amount of money. Over \$7 billion to \$10 billion has been spent of what I would consider farmer's money has gone to the railroads to provide a transportation system. The unfortunate thing is that I do not think we have a better transportation system for it. I think, in fact, we have about the same as we had at that particular time.

We now have the loss of the Crow, the loss of the support to the grain industry. Farmers and industry have to equip themselves to deal with the new reality of marketing a bushel of wheat that now costs \$1.35 or so to ship a bushel of wheat compared to probably less than 50 cents a bushel a year ago. That is a substantial increase. The member may wonder what is happening, why all this debate over movement of grain south of the border. Well, once you take away that subsidy and leave all the regulations in place, if you can find a market that is better for a farmer for less cost to get there, then they are going to cause a lot of the uproar that is taking place. That is, in fact, what is happening. A lot of people are now forced to use the Canadian system of transportation, I am talking about, and it is very costly. That is all going to have to be considered in the future as to what is happening.

* (1710)

What we have really seen is a response from the Manitoba hog producers, the Manitoba potato industry, the Schneider announcement, the expansion we have talked about in the hog industry, the potato industry with McCain's \$70 million, \$75 million expansion, and with

Nestle Carnation, which has just recently undergone a name change, which I referred to the other day. These are major, major shifts in what is happening in our agricultural community.

The job creation that will flow, for example, doubling the hog industry, will give us a potential 9,000 to 10,000 new jobs in rural Manitoba. For example, the potato industry, with the thousands of acres of increased production, will add tremendous numbers of jobs. Schneider's plant, we know how many new jobs that will create; McCain, at 150, in the plant, and that does not talk about what is needed on the farms. I have a couple of colleagues here who are very familiar with what it will take to make sure that the products are planted, properly managed through the growing season, and then harvested and then stored and then hauled, both for Nestle and McCain.

It is phenomenal and we can talk about special crops. We can talk about the continued sugar beet industry which, we would hope, continues to grow and expand and the canola plants and the oil seed crushing activities, both with Canamera that are in two locations in Manitoba. We took a look at the flour mill industry. Quite frankly, the member knows that we should be milling more flour here in Manitoba. Under the old system it was more efficient to build the big plants, the big flour mills right beside the populations and ship the raw product because it was cheaper to ship it.

Today there is probably enough milling capacity, but I believe it is in the wrong place. I think it will have to shift back to the source of supply, and we have to work very aggressively and very hard to do that, and it will happen. Again, and I will not take the member's time, because I know he has some other questions, but when you see this kind of enthusiasm and this kind of kind of planning taking place, it causes people like Simplot to announce what they have done, a \$200-million expansion in one shot, \$33 million in another shot.

That is big time—800 construction jobs at one time in Brandon this summer. There is enthusiasm out there and I just wish right now that the rain would kind of slow up and quit so the farmers could conclude their seeding and take advantage of the higher prices and the opportunities that are out there, but the point I am trying to make is, there are a lot of things happening, a lot of things, and it is reason for optimism.

I would hope the member would share that optimism. That is really the point that I am getting at.

Mr. Sale: Mr. Chairperson, I do share the minister's optimism. I also remember a conversation that I think we were both part of at an event last year in which someone who is very knowledgeable about the overall macro-economics of agriculture pointed out exactly what the minister is saying now, that before we had the major market distortions of the Crow and the way it was used, we did have a big milling industry here. We had a large flour mill and I am very proud that part of my ancestry in Manitoba is with the Ogilvie family. I was preceded by one of my relatives who rode across with Van Horne in the first transcontinental train and sited mills in a variety of places across western Canada. I think we can get back to those kinds of days.

That makes the concern that I am wanting to raise here, Mr. Chairperson. We have an Agri-Food Industries Development Initiative with five SY, and the minister has just finished totalling up investments which by my very rough arithmetic are well in excess of \$500 million and maybe closer to \$800 million or \$900 million, with very large numbers of jobs and long, long-term impacts, positive spin-offs and also a need for environmental management in all of them that will keep the whole base sustainable and protected so that this benefits our children and our children's children.

Yet, on the page previous, in the subappropriation 10.2(e) which we just finished approving, there are six SY in a tiny little sector by comparison with not nearly the leverage or impact that the agrifood industry sector has, so I just underline again the same concern the consultant had and have here, that here is a very big area that needs more research and development than the federal government now is apparently prepared to put into it, has huge impacts on infrastructure, roads, transport, technology, market development, huge impacts and, yet, we are sustaining it with fewer SY than the tiny little environmental sector, which really is not going anywhere. So I am wondering about the resource allocation within his department.

I see the deputy agreeing with my concern. Maybe the minister can elaborate a bit for me.

Mr. Downey: I would have to check that out, just how much he would agree with your concern, but I would—

[interjection] He makes reference, he is agreeing with the solutions. What I want to say though is that what the consultant's report was was a snapshot in time, a particular time of our department. Also, I want to point out to him that it is a growth area. Environmental industries is a growth area. We are not denying that opportunity. In fact, I said it on the record a few minutes ago. I hope I do not have to go through it all again, that a lot of the major initiatives, quite frankly, are environmentally related. We do have an Economic Development Board, we do have a cluster, we do have a team of people that are called in that if there are opportunities, it is not just this little, what he refers to as a small amount of people and resources. We bring in a team of people to do the exact thing that we want to see happen, major developments take place, so it is not that we are denying any opportunity for industry to grow, environmental or otherwise, it is a matter of, as we said, a snapshot in a particular time and you see that change as the industries grow and we can promote them and develop them.

Mr. Sale: Mr. Chairperson, is there a linkage between this appropriation because of the—this is not meant to be a negative comment. It is a positive comment. The linkage between environmental sustainability, the concern that the round table—the minister spoke about, positively, about our round table—is there a linkage here between the Environmental Industries Initiative and the Agri-Food Industries Initiative in terms of mutual reinforcement or the looking for opportunities in the agrifood side? I reference this to Mr. Sieber who talks a very convincing case about the need to co-locate industries, each of whose waste stream becomes another company's input stream. There seems to me there to be some real opportunities that maybe we should explore further.

Mr. Downey: Mr. Chairman, the member is well aware of the fact that he worked in government and that there can be, certainly, stovepiping or islands or that type of thing. What we are doing, and successfully are doing so, breaking down some of those barriers and working within the different departments in a co-operative way through what I said were the deputy's teams, the way in which we establish our budgeting process, an ongoing process of working together to accomplish the goals of which the government wants and the people of Manitoba want. I do not think the people of Manitoba want different individuals having their own little turf wars. They want to get on with the overall objectives of getting on with

development, and, yes, it is taking place and will continue to even get better.

Mr. Sale: Mr. Chairperson, the minister spoke about the round table on industry and environment. How does the round table impact on the agrifood developing area? What are the mechanisms for getting those messages about sustainability and investment out to the agrifood area?

Mr. Downey: Generally, it is the makeup of the Round Table on the Environment and Economy. The Minister of Agriculture, (Mr. Enns) the Minister of Rural Development (Mr. Derkach), the different ministries directly are involved at the round table level. Sustainable development unit works closely with the different departments on different projects, and has the opportunity through the ministerial connections through their departments to be part of it.

I think I should add as well that it is important to put on the record that we do have co-operation in the pharmaceutical industry and the agricultural industry. Good co-operation there. The Wyeth-Ayerst activities, the PMU activities, I think, are positive. It is an area which we see an industrial development growing and expanding. Yes, we have Environment involved because of the activities that the plant in Brandon carry out. I mean, it is not a matter of everybody working in isolation. It is a matter of a co-operative activity, and we have seen—and I do not know when we will get the opportunity to do so—but we have certainly seen an increase in the whole pharmaceutical industry in Manitoba. We are pretty proud of the work that HIDI has done and the success stories that come to the table, and it is not done in isolation. Anybody knows that you have to have co-operation from all sectors. The pharmaceutical industry could not grow and develop in that particular area unless they had the support of agriculture and the whole activities as it relates to the production of the product that they process. Again, that is, I think, another example of co-operative activities throughout the different departments.

Mr. Sale: Mr. Chairperson, the member for Emerson (Mr. Penner) wished to make a comment.

Mr. Jack Penner (Emerson): Mr. Chairman, just a very brief comment. I want to compliment the

honourable member for Crescentwood and the minister for the discussion around this table. It has been most enlightening and interesting, and I think the discussion and the questioning have complemented some of the things that we have heard across this province over the last number of three months, specifically when we did the task force hearings on sustainable or economic development.

* (1720)

I think it is important to note the very dramatic changes that have taken place, especially in much of rural Manitoba. I think it is also important to note the tremendous economic impact that will have to centres such as the city of Winnipeg and many of the other urban centres. What it points to, however, is that because of a very significant policy change at the most senior level of government in Ottawa that I think was not properly thought through, the impact of that policy change, namely, the elimination of the Crow benefit and the impact that will drive and have on other policy areas has not been truly appreciated nor understood. I think that many of the regulated industries that agriculture has been involved in, and you can talk about supply and management, you can talk about the Wheat Board, you can talk about the hog board and many of the others regulated within the parameters of equalization under a freight rate formula, were not in the ties within, were not properly understood.

I think the discussions emanating now within those levels of government or agencies that reflect the operations of some of the components on the agricultural sector side are only now realizing what that has meant or will mean in the future. It would appear to me that many of the things that we have heard across Manitoba over the last three, four months are going to be reflective of some of the things that we are going to hear in the future, some of the massive changes that will be driven by that one policy change. I would suspect that the competitive nature of the industry is going to be the driving force, not only in Manitoba, but in all of western Canada. I think the milling industry that the honourable member for Crescentwood (Mr. Sale) was referring to a little while ago was largely removed from the Prairies because of a freight rate equalization formula within a noncompetitive system. Thereby, I think, having removed that will cause a competitive re-evaluation of that industry and maybe many other industries.

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

I wonder whether we have truly reflected what the needs are going to be within our departments in government in this province and maybe in all the other western provinces, and how we might want to reflect on changing direction with the knowledge that the ag-based or, what I like to call, the renewable resource industries, mainly our food production industry, how that will be reflected and how we deal with that. I think the honourable member for Crescentwood touched on it very briefly in his questioning as to the small component within the Department of Industry, Trade and Tourism, in that area, and the need to change that direction now based on the policy change in Ottawa, and how we have more impetus from this department as well as many other departments. You can name the Department of Agriculture, you can name the Department of Environment, the Department of Rural Development and others that should work very closely and tie together many of the initiatives.

We have heard from rural Manitobans saying that the co-operation within government should be much more significant than it has in the past. I think that will be reflected very quickly within the very near future. I think government departments within have noted this. I would like to ask the minister what action he has taken within his department and/or whether he has directed discussions with his people in relation to other departments and how they will tie in those discussions in the future.

Mr. Sale: I just would say, I agree with his comments and I appreciate his comments. That has been the substance of a great deal of our Estimates debate this year, how to reflect that new reality in the department and get away from what the minister aptly calls stovepipes. So I thank the member for his comments, and, if the minister wishes to reply, I would be glad to have him reply.

Mr. Downey: No, I will hold and maybe in my concluding comments, I will deal with it, what the member asked.

Mr. Sale: Mr. Chairperson, maybe I could just conclude with a question. Is it in this area of cross-communicating the round table issues, the sustainable development

issues, that Brenda Leipsic works? Is that what her role is?

Mr. Downey: Mr. Chairman, no. The sustainable development unit does not answer to the Department of I, T and T. It answers to the Department of Environment.

Mr. Sale: Her role then is with the sustainable development branch?

Mr. Downey: That would be the sustainable development unit of government.

Mr. Sale: Mr. Chairperson, I was confused as to whether her role was through environmental sustainable issues in regard to environmental industries or agri-food industries or some other form, but the minister has answered my question, and I appreciate that. Pass.

The Acting Chairperson (Mr. Dyck): 10.3. Strategic Initiatives (f) Agri-Food Industries Development Initiative (1) Salaries and Employee Benefits \$292,100—pass; (2) Other Expenditures \$99,400—pass.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,480,800 for Industry, Trade and Tourism, Strategic Initiatives, for the fiscal year ending the 31st day of March, 1997.

10.4. Economic Development (a) Economic Development Board Secretariat (1) Salaries and Employee Benefits \$531,500.

Mr. Sale: Mr. Chairperson, I apologize to Hansard for the confusion that they are probably going to hear on the tape when we were trying to sort out questions of adjournment.

I would request that the Chair ask for leave that the committee rise at this time and convene tomorrow morning—recess, not rise.

Mr. Downey: Mr. Chairman, I appreciate that. I do realize there was an agreement to go to six o'clock, but I think he has a reason why he wants to rise at 5:30. I certainly do not disagree with him, and we are back here at nine o'clock tomorrow morning, so even though we are not going along with what the House leaders agreed to, the committee is its own boss, and we will rise.

The Acting Chairperson (Mr. Dyck): So is that the will of the committee then, to recess until nine tomorrow morning? Agreed? [agreed]

The committee is in recess.

JUSTICE

Mr. Chairperson (Marcel Laurendeau): The committee will come to order. This afternoon, this section of the Committee of Supply will be dealing with the Department of Justice. At this time, we invite the minister's staff to enter the Chamber.

Mr. Gord Mackintosh (St. Johns): The minister gave a different series of numbers about those who were released in the month following the Headingley riot. I am wondering if the minister can tell us whether the numbers of sex offenders released has changed now from 12.

Mr. Chairperson: Just for the information of the committee, by leave, the committee has temporarily set aside Resolutions 4.2 and 4.3 and is considering Resolution 4.4, which is Corrections.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Chair, the number was 14, but, as the member knows, one of those was released on bail by the courts. That leaves 13 others.

Mr. Mackintosh: I thought the number was 13, minus one on bail, for 12. Can the minister just refresh my memory?

Mrs. Vodrey: The number within the window period that we spoke about, which was approximately a four-week period, is 14, I am told. Of those 14, one was released on bail. That is in that four-week period as information given to me now by officials.

Mr. Mackintosh: Can the minister advise of the status of the inmates injured in the riot? Are any still in health care facilities?

Mrs. Vodrey: I am told that a number of the inmates have been receiving medical treatment on an outpatient basis. There was one inmate, I am told, who was in hospital, released, returned to hospital. I do not have the details at the moment as to whether that individual is still

in hospital or was released and returned again. I will have to undertake to find out that information.

Mr. Mackintosh: Can the minister advise whether the injured inmates are receiving psychological counselling? If so, is that at public expense?

Mrs. Vodrey: I am told that inmates in custody would be receiving some psychological services if required that would be provided by the trained staff within our institutions.

In terms of those in the community, I am not able to tell him specifically about any numbers. I am told that contact was made by Corrections to the Community and Mental Health Division, but whether or not they are, in fact, actively seeing any inmates is not known to me at this time.

* (1600)

Mr. Mackintosh: Is the minister aware of whether any correctional officers are receiving psychological assistance beyond the offices of the Employee Assistance Program?

Mrs. Vodrey: I am told that for staff, for correctional officers, that some are receiving support through the EAP and through Workers Compensation, but, beyond that, their attendance with a psychologist or a mental health care professional is confidential and so we do not have that information.

Mr. Mackintosh: Has the minister offered or is the minister's department prepared to help with the funding of any required psychological assistance that is needed beyond what the EAP can offer?

Mrs. Vodrey: I am told that an offer was made by senior correctional officials through the EAP for interim psychological assistance for returning to work.

Mr. Mackintosh: Is the minister aware of any incidents at all of any backlash, retaliation against correctional officers who spoke up either during or following the riot by more senior staff in the correctional system?

Mrs. Vodrey: Having checked with senior officials who are with me at the table, I am told the answer is, absolutely not.

Mr. Mackintosh: Could the minister tell us what the capacity of the Remand Centre is and what the current count is? The count might be, say, Monday and Tuesday, or what is her understanding of the range of the count for this week?

Mrs. Vodrey: I am told that the capacity at the Remand is 289, that the count in the Remand today is 334.

Mr. Mackintosh: Given the overcrowding there, is my understanding correct that inmates are sleeping on the floor in the institution?

Mrs. Vodrey: I am told that in dealing with these numbers that some inmates have been sleeping on the floor, but sleeping on the floor with mattresses and full bedding, so they have been accommodated with all of those needs.

Mr. Mackintosh: Given that overcrowding can be a factor which leads to other security problems and pressures on the staff, have there been increases to staff and other security precautions taken to deal with the overcrowding?

Mrs. Vodrey: I am told that staff positions have been increased. Seven posts have been added; that, secondly, there are ongoing meetings with joint counsel to examine any concerns which might arise; and, thirdly, in coping with the numbers, there have been some changes in what may be called the services to inmates. For example, there have been reduced visits.

Mr. Mackintosh: Could the minister tell the committee whether there have been any disturbances at the Remand Centre as a result of this overcrowding in the last several weeks?

Mrs. Vodrey: Staff inform me that there are often and always some disturbances at some levels within these institutions. However, I am told that there has been no significant disturbance that is different or out of the ordinary to the kinds of concerns which are of a general nature in terms of managing an institution such as this.

Mr. Mackintosh: Well, in this time period, is the minister aware whether there have been any disturbances resulting in personal injury to any of the staff?

Mrs. Vodrey: Mr. Chairman, if the member could clarify for us which time period he is speaking of.

Mr. Mackintosh: I said in the last several weeks, but the time since the riot at Headingley jail.

Mrs. Vodrey: Mr. Chair, I am told by the senior Corrections officials who are here that none have been brought to their attention. If the member is aware of any, then I hope he will add to our ongoing diligence in terms of dealing with this very difficult situation. That co-operative method is always the most helpful.

Mr. Mackintosh: We have raised in this House the issue of the barrier wall in cell block No. 1, going essentially to the minister's credibility. I think that was the issue there when she belittled the question by the member for Transcona (Mr. Reid).

Would the minister now tell the committee whether or not the barrier wall did exist, in fact, in cell block No. 1 and was removed relatively recently?

* (1610)

Mrs. Vodrey: Mr. Chair, I am informed by the senior Corrections officials who are here today that the cell block wall in block one does, in fact, exist. I am told that the wall in cell block one, the change was that the door was opened, but the wall has not been removed. The walls were removed in some cell blocks. I am told today by the officials who are here with me that the wall has not been removed in cell block one. So if the member wants to produce some further information on that, I am currently seeking further clarification on this, as well.

My comments, by the way, were not a belittling to this. My comments were that often incorrect information is brought forward. That is clear. That is absolutely noted by Manitobans who watch Question Period, by people who listen to members opposite. We often have wrong information brought to them. They throw it up as sort of flyers, it seems to me. Do not let me attribute motives, but we often have wrong information. So my comments were basically that we often have wrong information. That is what I said, and then we went from there.

The members opposite chose to view that in a different way, and they chose to make it somehow another matter and chose perhaps to deliberately misunderstand the

comments. One can only ask what productivity to the people of Manitoba there is in that, other than what may appear to be political.

That was the preface to my comments in Question Period, which occurred quite sometime ago, and I did seek the detailed information and have put forward significant detailed information around walls and any walls that have been removed. I understand that there was some question between two answers given by Corrections officials, and it was very difficult to know exactly which wall the member was referring to, in which cell block, and that was really the major issue.

It is very easy to sit on one side and make a comment, and with the tremendous volume of work which has been required by Corrections officials in this division, the answers were provided in the best way possible, and to have seen the ridicule that came from members across the House where there was such an effort to answer the questions, the information sought through Corrections officials and information returned, information asked in huge scrums, where it was very difficult for people to make themselves clear.

Now, the short answer to all of this in terms of credibility is, I believe, that really everyone has really done the best that they can and that the information brought forward has always been to the best of our knowledge and ability at the time. Where clarifications are required, clarifications have been given, and they have been given as clarifications. As information has been used to attempt—and, again, I have to be careful to not attribute a specific motive, but what appears to be political gain, what appears to be that, it has been very difficult to try and get the information out in the interests of the people of Manitoba.

So the other side has made a great deal of the efforts to provide information by senior Corrections officials, by the minister, by people who have spoken, with information provided, and I still have to say to myself I am not sure how this has been helpful to the people of Manitoba. I certainly agree that it is important to get the information out. That is what we have been striving to do and to get it out in the most clear fashion.

That is the context to what the member referred to as my comments in relation to a question from the member

for Transcona (Mr. Reid), and I think some context is required there. However, the information that I have received, again to clarify, and I received this from senior Corrections officials, is that, in cell block No. 1, I have been told that the wall still does exist but is open, the door is open, and that the wall has not been removed. As I said, other walls have been removed. Some walls have been removed at the request of the guards because they had wanted to have better vision. In some cases there was a wall up and, when the Remand Centre opened, then there was a concern that there could not be adequate supervision as a result of the wall.

I am told that any changes, to the best of everyone's knowledge and memory, were dealt with through the workplace safety committee. So I am endeavouring to see if there is further information here on other walls within the institution that may or may not have been removed. I do not seem to have that information, but perhaps we could be looking for that information over the next while if the member wishes to continue in this line of questioning.

Mr. Mackintosh: Well, the information that the barrier wall is still there appears to contradict statements from staff that were apparently or allegedly involved in taking down that wall. It is certainly contrary to our understanding of a statement by senior staff that the wall had never existed. But I think this is an issue that, hopefully, Mr. Hughes will deal with and get to the bottom of.

Would the minister tell the committee what training correctional officers receive before they become assigned to making decisions as to whether a temporary absence pass should be granted or not?

* (1620)

Mrs. Vodrey: Just again, to provide a final comment on the wall, as the member knows, Mr. Hughes will have the opportunity to examine anything which is considered to be important in looking at the causes of the riot. That is whom we are relying on. That is whom we will be looking to provide us with information and an assessment about what led to the riot and how things were managed, and also in the area of temporary absences. I think that is whom Manitobans now will be looking towards.

The issue of the wall, a great deal has been made of it by members opposite, as I said, for lots of reasons. Again, some individuals would like to have it up and others would like to have it down. I guess it depends on whom he happens to be talking to at the moment as to what he might bring forward. However, I would certainly just like to leave that issue by saying that we agree that we will have Mr. Hughes examine any issues and, if the wall should present itself as an issue in terms of the cause of the riot, then we will be looking to that. Most sincerely, we are looking forward to any recommendations, the assessment and recommendations, which may be brought forward by Mr. Hughes.

There is absolutely no doubt in anyone's mind that no one wants this to occur again, that we certainly will be working with Corrections officials, and we will be working with the report when it is submitted, to do all things possible to make sure that this does not occur again. That was our intention.

When I look at what happened at the time of the riot, the issues of public safety were uppermost in our minds to bring the institution back under control and then to call the independent review to determine the facts of what had occurred there. Those were the two steps taken very, very early by this government in terms of the Headingley riot. Though we have gone on in the last many hours of Estimates with the member asking a lot of detailed questions, including certain times and dates and other details, that really will be ultimately what Mr. Hughes will comment on and what Mr. Hughes will tell us. So I think that for the people of Manitoba, that is where we place our faith.

The member also asked some questions about training around the area of temporary absences. I am told that staff members do not receive a specific training program around the granting of temporary absences. However, they are acquainted with the temporary absence regulations, which are regulations which I have referred to many times, both at the time when they were passed, at the time when inmates were frustrated that they could not get out for Christmas because the regulations were changed. Since the time of the riot, I have commented a number of times on our regulations. I am told that though staff may make the recommendation, the decision on the temporary absence is a decision taken by the superintendent, ultimately, and that staff training has

focused on matters such as risk assessment in the release plan. That, obviously, is of a significant impact and importance in terms of any decisions made. The other type of training is also a case management technique.

So the focus has been, again, on risk assessment and case management techniques and the ultimate decision around the temporary absences made by the superintendent of the institution, I am told.

Mr. Mackintosh: Who does the risk assessment on an individual applying for TA then? Is it the correctional officer, or is it the superintendent, or is it a combination of both?

Mrs. Vodrey: I am told that a risk assessment is done by correctional officers on the admission of the inmate. Then further risk assessment is done by program staff or the unit manager on an ongoing basis. Then a recommendation goes to the superintendent regarding temporary absence, based on those risk assessments which are carried out, as I said and I am told, in two phases.

Mr. Mackintosh: Regarding the risk assessment done by program staff or the unit managers, what training do those individuals have to assess risk?

Mrs. Vodrey: I am told that there is training in the area of risk assessment, but that, as a result of a divisional initiative, there has now been additional training in the area of risk assessment and the use of the risk assessment tool.

Mr. Mackintosh: Could the minister describe the duration, either in terms of hours or days, of the training in risk assessment?

Mrs. Vodrey: I am told that the training itself is delivered by a staffperson specifically designated to deal with the risk assessment and risk assessment tool, and that the training lasts for staff approximately half a day, and that the use of that tool is then monitored on a regular basis by the individual, by that staffperson, who has specifically the responsibility for the risk assessment tool within the division.

* (1630)

Mr. Mackintosh: Is there any ongoing review of the risk assessment techniques or training, perhaps, now given the importance of maintaining public safety in light of, what I would say is, an important program, the TA program, and to maintain the integrity of the TA program?

Mrs. Vodrey: I am told that the risk assessment tool has had an extensive review over the past year and a half. There has been also a review of the literature in terms of the most up-to-date view of the risk assessment tool. There has been consultation with the Correctional Services of Canada in reviewing this risk assessment tool. There has been consultation with Dr. Jim Bonta, chief of correctional research with the Correctional Services of Canada and also Dr. Steven Hart from Simon Fraser University, who is a criminologist at Simon Fraser University. I understand that the tool was acknowledged in the inquest into the death of Sarah Dawn Kelly.

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

Mr. Mackintosh: Regarding the supervision of individuals on TA, what would be the options of supervision for individuals on TA who live outside the city of Winnipeg and outside of the capital region?

Mrs. Vodrey: Mr. Chair, I am told that for outside the capital region, the supervision on temporary absences can be done by reporting to police in that area, through community participation agreements—we have a number of those with aboriginal communities—through band councils, through probations, through private agencies, including the John Howard Society, and also through agencies such as friendship centres, I am told, in The Pas, in Portage and in Brandon. So those are some of the examples.

Mr. Mackintosh: Is the department currently engaged in any review of the supervision scheme for people on TA?

Mrs. Vodrey: Mr. Chair, I am told that there is an ongoing review of this, and that in the Winnipeg area there is a development of quite a stringent program in relation to youth in particular.

Mr. Mackintosh: Is this new program in relation to adults, as well?

Mrs. Vodrey: I am told that for adults it is not seen as a specific program but is certainly available and that where an individual case requires this more stringent supervision, then that is provided. It is unique to the requirements, but, also, on the adult side, we have halfway houses which are available. Those halfway houses provide a more stringent kind of supervision than a temporary absence release directly into the community. There is that option on the adult side.

Mr. Mackintosh: Does the minister or the department have any plans to expand the number and range of halfway houses?

Mrs. Vodrey: I am told that we have the capacity, that if we require more beds in halfway houses, then to acquire them. It is not our plan to simply acquire the beds and then fill them, but I am told that where there is an assessment of the supervision need, that we are then able to acquire the bed on behalf of that individual.

I see the Chair wondering—the question was, are we intending to expand? What the answer is is that we are not intending to expand without inmates to fill them. If it is required, that level of intensive supervision is required, then we will acquire the beds. That is open to us to do, but we are not going to go and acquire 20 more beds and then look for somebody who just might fit the bill to fill them.

* (1640)

Mr. Mackintosh: Does the minister or the department have any current plans to expand the Community Options, which would obviously have to include supervision and supports in the community to reduce the bed counts in the institutions in Adult Corrections?

Mrs. Vodrey: Really, our first concern is the issue of public safety, and that will always be what guides us in terms of any plans or decisions that we take in terms of whether or not there is more release into the community or changes. It is not our intention at this time to do that, it is not our intention. We are not moving in that direction. The bill which was discussed by the federal-provincial-territorial ministers of Justice, that bill, I believe it is C-41, is providing an ability for those further Community Options to be looked at. There are some

provinces across the country that are very, very much looking for that use.

In Manitoba, though we are very supportive of community participation, we are supportive of community justice committees, we have been supportive in the past of our part of restorative justice and also mediation, it is not our intention at this time to look at moving in that direction. I just want to make sure that that is well understood on the record in that we have been supportive of these areas.

I believe the member's question was are we looking at expanding into these areas as a result of prison population. No, not as a result of prison population. There will be ability for us with certain types of inmates if it becomes our policy decision, when C-41 is passed, to move further in this area. At the moment we have not made a decision to do that. Our decision is in the interest of public safety.

Mr. Mackintosh: Well, given Bill C-41, is the minister considering what options would be available to the province through Community Corrections to expand the Community Corrections in the appropriate cases, public safety, of course, being the main criteria, and perhaps reviewing initiatives taken in such jurisdictions as New Brunswick. Is that kind of review ongoing; and a second part to that question, what resources are the federal government going to release in order to provide a carrot for the provinces to move to greater reliance on Community Corrections?

Mrs. Vodrey: In terms of Bill C-41, we have an interdivisional committee that is working on the proposals in Bill C-41. The bill will impact in a number of areas, a number of areas, and I am not sure if the member has had the opportunity to go through that bill.

It is really very significant, and I believe that on behalf of Manitobans we want to be very careful about what kind of options that we look at for our province. That is what the bill does. It will allow for some options. The member references some provinces that have a great interest in this bill. There are others than the one that he mentioned.

For us, we will be examining what the interdivisional committee reports as options, and I think it is important

to look at the whole impact on the justice system. Then we will be looking at what options this government might consider.

He asked about money. To our knowledge, there are no resources accompanying this bill, no resources to have us move into the community. That certainly is a concern along with other reductions that have been made by the federal government in the community in the Canadian health and social transfer payments. You know, there is quite a reduction, and obviously a great number of the services that are provided through that transfer may, in fact, be services necessary when people are within the community under Bill C-41.

Mr. Mackintosh: Was it therefore the view of the minister that, although the Liberal government is talking about and urging greater community correctional options, it is not prepared to provide a carrot, to provide assistance to move the country in that direction?

Mrs. Vodrey: The member does offer me an opportunity to speak about the federal government and their role in the justice system and the fact that, no, we have not been provided with or offered any additional funds at this point in terms of moving towards greater participation of the community and Community Corrections, though it is clear that the federal government is very interested in this and would like to have this greater participation for lots of reasons, particularly from the federal side.

If that money was available, we would look at what options were available and how that might be used, but to this point the federal Liberal government has done nothing more than put forward a bill.

Mr. Mackintosh: What is the minister's current view of the Restorative Resolutions project? Does she see that there are positive outcomes from that project at this time?

Mrs. Vodrey: As I replied in Question Period, I believe it was yesterday, on the Restorative Resolutions issue that in our view the outcomes have been generally positive. As the member knows, it targets a very specific group of individuals who might be qualified, and that was the terms under which Manitoba came to the table with the federal government to look at the Restorative Resolutions possibility and pilot project.

We understand that the interim evaluation appeared to also be supportive, so our experience appeared to be supportive. The interim evaluation appeared to be supportive and there is a formal evaluation being done by, again, Dr. Bonta from Ottawa.

Our position is that we have been continually supportive. It has really been quite interesting how the last time this was raised, I think it was about a year ago, it was raised again that somehow the province was going to let this slip away, but the province's money has been on the table. Our participation in terms of our staffing commitment and the money that we put forward for Restorative Resolutions has been there. Our difficulty is that we do not have a commitment from the federal Liberal government who is interested in passing Bill C-41 or is interested in more Community Options. We do not have any commitment from the federal Liberal government that they are prepared to continue with their dollars.

* (1650)

This province's position is that whether it is in social services, whether it is in health, whether it is in post-secondary education, we cannot continue to backfill what the federal government withdraws from the people of this province. So though we are supportive and have indicated that, we do not yet have any firm commitment from the federal Liberal government that they are prepared to continue with the program.

Mr. Mackintosh: Well, again, I mean, we had correspondence last year. I certainly urge the minister to do everything in her power to ensure that this project continues because of its significance not only in this province.

Now, I understand the argument that the province should underwrite this project because it is the province that will reap the immediate benefits of any cost savings in terms of incarceration. I also, though, appreciate the argument that the federal government has a stake in this, not only because it helped begin this project, underwrite it initially, but that this is of national importance, not only in terms of the objects of Bill C-41 but because the federal government has an interest in promoting alternatives, and this is a model. This is a unique experiment in Canada, as my understanding goes, and I

am wondering, is that the argument that the minister advances for continuing federal participation?

The reason I ask that, I would like the minister's understanding as to the proper role of both governments in funding this project with the view that this project is one that if you stand back and look at the Corrections system is essential.

Mrs. Vodrey: We are meeting with the Restorative Resolutions people and the John Howard Society to look at how we may continue our participation past the September deadline.

In terms of the role of the federal government, it certainly is our position that they have some responsibility in this area that there is federal legislation which governs a great deal of what we do, and as a result of that legislation, then it is clear that this is a co-operative effort, and it requires the co-operative effort. And we see the federal government putting forward what is called a pilot project, but, you know, it was not their pilot project all by themselves, it was a joint pilot project. It was an agreement that we would look at something. We see the federal government often coming up with some ideas which then they withdraw from very quickly.

So it is our position that where the evaluation is positive that it should be a matter of strong consideration for the federal government considering their role in the justice system, some of the legislative responsibility that they bear, and that this is something in which it would be, I think, important to work co-operatively. As I have said, this government is looking at seeing how we can pursue should the federal government happen to withdraw as we have seen in a number of cases.

This issue has been raised and the whole issue—well, I will wait for further questions and perhaps add on then.

Mr. Mackintosh: I want the minister to assure the committee that despite the overcrowding at the Remand Centre that there will not be any instructions to Crowns to take that into consideration on bail applications. Can the minister give that assurance?

Mrs. Vodrey: The position is for the Crowns that it is business as usual.

Mr. Mackintosh: Can the minister give reviews on privatization of correctional facilities, whether there is a review by her department with that issue in mind, and what are her views on privatization of jails?

Mrs. Vodrey: We have no such review in this province ongoing at all, and though the member references New Brunswick, which I believe did have such a review going on—perhaps that is what piqued his interest—we do not have such a review in Manitoba.

Mr. Mackintosh: Would the minister advise the committee of her view of the possible use or the usefulness of electronic bracelets and monitoring individuals either pre or after sentence?

Mrs. Vodrey: This issue of the electronic monitoring has been an issue of interest throughout the Justice department including the judiciary as the member may know. We are quite interested in how it may be applied, for instance, where bail has been granted, and our position has been in some cases, there should be a reverse onus on bail, but the federal government has not agreed to do that in the area where the victim still may be at risk, and we felt that reverse onus on bail would be a very important step.

That has not happened. The federal government has not agreed to that, and so I have had some discussion with the judiciary about whether or not electronic monitoring in that case may then be helpful in the interest of public safety, that that would be then an additional way to check on the whereabouts of the individual who is not allowed to see certain people, may be released with conditions of some sort.

In terms of release after sentencing, we are not looking at electronic monitoring as a way to release someone earlier. That is simply not an area that we are interested in. How it may be used after sentencing, I think we still have to examine the issue I know is being discussed, but one of the first areas of interest that I believe our government may be interested in is again where bail has been granted and there appears to still be a concern for the safety of the victim.

Mr. Mackintosh: Well, I urge the minister to consider that option and, as the minister is likely aware, that issue came out of the task force on domestic violence hearings

conducted by our caucus as a potential way of ensuring the safety particularly of a victim of domestic violence where there is an ongoing oppression perhaps and ongoing anger that is directed at a particular individual.

I wonder if the minister has any figures indicating the relapse rate of youth who are sentenced in adult court and serve time in adult correctional facilities. There is a debate ongoing as to the usefulness of more transfers of youth, young offenders into adult court. Some say that is tougher, whatever that means, I am not sure, in terms of consequences. I have serious questions as to what happens. The other side is that you hear the argument that youth want to be transferred into the adult court because it is easier, and the adult correctional facilities are not as rigorous, so I think this is an unclear area as to consequences. But I am wondering in terms of an individual youth who serves time in an adult facility whether the minister has either a review or statistics on the relapse rate.

Mrs. Vodrey: I am told that we do not have statistics for the relapse rate of young offenders who may have been moved to adult court and then sentenced to adult facilities.

* (1700)

Mr. Mackintosh: I know that representations have been made about bringing in youth, children would be their definition, individuals under 12, into the youth justice system, and I believe the minister may have made some representations to her federal counterpart in that regard when it comes to changing the Young Offenders Act.

I am wondering if the minister has had discussions with her colleague the Minister of Family Services to address the challenges that must be met by the government of Manitoba in dealing with youth under age 12 who are acting out or engaged in what otherwise would be criminal activity, given that it would appear that no such amendments are on the horizon or foreseeable future.

Mrs. Vodrey: The Minister of Family Services (Mrs. Mitchelson), again as part of our cabinet, is well aware of the position of this government and took part, obviously, in developing it in terms of some young people being brought into the justice system who are under 12, because it is our position as a government that there are clearly some young people who just should not walk away from

the justice system, from what it means to be brought into the justice system, and I understand now that that position is shared by some other provinces also. So we may yet have some movement from the federal government. We do not know what round that may occur in.

The parliamentary committee is starting its trip across Canada. I understand that they were in Ontario last week or earlier this week, and this idea was put forward to them, this position was put forward to them. When they come to Manitoba, we will be putting this position forward again. So we are not sure yet what they are going to do with this, but so far they have not agreed to move ahead in this area.

The Minister of Family Services (Mrs. Mitchelson) herself has some plans which she will be announcing and discussing when she feels the appropriate time is that may, in fact, assist in dealing with this, but I believe, as her colleague, it is really not my place to divulge or to discuss something which perhaps she has not yet. So I can just say that we have a very full discussion. I think one benefit of this government, and I have to say I feel very positively about this, is that there is full discussion among colleagues, full participation among colleagues. I think that that is always a benefit to the people of Manitoba.

Mr. Mackintosh: I understand that inmates in the adult correctional facilities receive a stipend or a pay cheque, if you will. Can the minister tell the committee what the fee or payment schedule is?

Mrs. Vodrey: The pay rates in the adult institution are pay rates received for work done by inmates, and the inmates have to work in order to receive this. The range is \$2.20 a day at the low end to \$3.90 a day at the high end, and the \$3.90 a day is reserved—an inmate would have to work their way up to that particular pay. It is reserved for those seen as very responsible inmates. It may be in areas such as food services and also laundry.

Mr. Mackintosh: Can the minister tell the committee—Mr. Graceffo, I believe, is one of the individuals here. Is he seconded now to Corrections from Courts? I think that is where he was.

Mrs. Vodrey: Yes, I said when I introduced Mr. Greg Graceffo that he is on a temporary assignment to

Corrections, and I think that was made clear in the moment he was first introduced.

Mr. Mackintosh: Could the minister tell the committee what the job description or the scope of his activities is in Corrections?

Mrs. Vodrey: Yes, the individual who is on temporary assignment comes to that assignment with 17 years of federal Corrections background. So when we experienced these three very difficult situations within three weeks—it was an incredible period of time for Corrections division to experience a riot and then within a week of that, less than a week, a job action and following that, there is a person charged with murder, and there has been a great deal of information sought by members opposite, by the public, and in order to accomplish one of our major goals, and that is to get people back to work and also to reopen our institution at Headingley—we required some additional work to be done within Corrections division, and so that is why Mr. Graceffo has moved over on temporary assignment to assist, though I have to say again, as I have said from the very beginning, our main goal has been to get our institution functioning again; that is, reopen and have staff return to work.

There is a great deal of effort in working on all of the committees, all the return-to-work committees from all across the province; there has been staffing, having to deal with any staffing issues which come up. There has still been a management of inmates issues; we have still been monitoring the numbers. As a result of those three instances, which occurred within such a short time, one right after the other, there has really been a very significant burden of work on Corrections officials and particularly senior Corrections officials.

* (1710)

Mr. Mackintosh: Can the minister tell the committee where Bev Owens is currently working? Where is she assigned to?

Mrs. Vodrey: Mr. Chair, I am told that Bev Owens, who was the deputy superintendent at Portage Correctional Institution for women, was on secondment to Headingley and now is a supervisor at the CRC, Community Release Centre.

Mr. Mackintosh: Is the minister aware whether there are any lawsuits being commenced by any inmates—what comes to mind are the protective custody inmates—as a result of the riot?

Mrs. Vodrey: Mr. Chair, I am informed that no statement of claim has been filed to commence a lawsuit.

Mr. Mackintosh: Has the minister received any demand letters?

Mrs. Vodrey: Mr. Chair, we would have to ask the member to clarify what he means by a demand letter. We are not clear about what his question is here.

Mr. Mackintosh: Is the minister aware whether the government has received any letters from representatives of the inmates demanding settlement or demanding compensation for personal injury or otherwise as a result of the riot?

Mrs. Vodrey: Mr. Chair, the senior officials who are here today tell me, not to their knowledge.

Mr. Mackintosh: The issue of the requirement that correctional officers have lunch with the inmates has been a considerable controversy, particularly, well, both before and after the riot. I wonder if the minister would express her views as to the reason that policy was implemented.

Mrs. Vodrey: Mr. Chair, I am told that this was a decision of Corrections division, that it was determined as part of the agreement that correctional officers would be paid to supervise during the lunch period. So, as my comments indicated when this first arose as an issue, the idea of a requirement of people to sit down on their own time and have lunch with inmates was simply not correct, that this did come about, I am told, as part of an agreement that people were seen as working at the time.

I was not part of the negotiations, but I am told that the negotiations were that people were then paid to supervise and during the supervision then they ate lunch with the inmates. Now, that, as the member knows, has been withdrawn and I will have to seek an update about what that means in terms of any supervision or any payment around the supervision.

Mr. Mackintosh: The minister said that there is an ongoing analysis of her so-called boot camp. Would the

minister describe what that analysis is and when the results will become known?

(Mr. Chairperson in the Chair)

Mrs. Vodrey: Mr. Chair, the evaluation will cover two areas, first of all, whether, in fact, the practice is following exactly what we have put forward in our policy and what we say we are doing and, secondly, to look at recidivism, to look at any evidence which we might be able to draw regarding our program having been instituted. My understanding is that that information should be available by the fall.

Mr. Mackintosh: Can the minister tell the committee whether all of the inmates at the Milner camp—it is called Ridge Point, I think—are receiving education?

Mrs. Vodrey: Mr. Chair, yes, at Ridge Point, the educational program is available 12 months of the year. I am told that, depending upon individual assessment, that may determine an individual's participation in the educational program.

Mr. Mackintosh: Well, if I suggested to the minister that there are times when perhaps seven out of 20 of the inmates or the residents are not receiving education, how would she respond to that?

* (1720)

Mrs. Vodrey: I am told that the numbers of young people participating in the education program do fluctuate. One of the primary reasons of the fluctuation is whether or not that young person is over 16 years of age. The requirement in the province is that young people under 16 attend an educational program, and those young people over 16, or 16 and over, are not necessarily required by law to attend an educational program. If they do not wish to attend the educational program, then I am told that they must participate in the work program.

But it was our view in setting up the 12-month, year-round schooling that it was very important for young people to participate in an educational program. Now, obviously, where an individual assessment may ask for some accommodation there, then obviously they would look at that. But that is why we provide the program 12 months of the year, because there is often a short time to

rehabilitate, particularly a very young person, a young person under 16 who would go back into their community, would go back to school, and we really do not want them to have missed a whole lot. Where we can use in the summer, for example, time to assist that young person so that they are ready to return to a school program, then that is exactly what we will do.

Mr. Mackintosh: Do the minister's comments and descriptions of the education program also apply to the Manitoba Youth Centre?

Mrs. Vodrey: Mr. Chair, yes, at the Manitoba Youth Centre it is our intention to have 12 months of the year schooling. I understand that currently there is a grievance relating to the educational program at the Youth Centre. Individuals have gone through the steps and then it is going to arbitration. However, it is our intention to provide that year-round 12 months of the year schooling.

Mr. Mackintosh: To the point, would the minister tell the committee whether there are individuals at the Youth Centre who are not receiving education, and if so, why not?

Mrs. Vodrey: Our approach at the Youth Centre is the same. There is a classroom in every cottage at the Youth Centre. I am told that the numbers may vary in terms of participation in the educational program, because at the Youth Centre we do have young people who are up to 20 years of age, and as I said, for young people 16 years of age and older the law does not require them to participate in an educational program, though it is certainly our intention that one is available to them and that that is what would be very beneficial.

If the member knows of some instance of where this is not happening, then I would really like to know about it. Genuinely, I would like to know about it if there is some case in which this is not occurring, because it is the intention of this government—especially when dealing with young people, who, as I said, will return to their communities, whom we want to be able to participate in further training programs, who may need literacy skills, who may need whatever kind of training is required—that those young people do participate and that training is available and that it is available 12 months of the year. So if there is a circumstance the member knows about he

wants to talk to me about, I would be very happy to hear from him.

Mr. Mackintosh: How much money has been allocated by the Department of Justice to the Youth Secretariat for this fiscal year?

Mrs. Vodrey: Mr. Chair, I will have to clarify the amount of money, and I will clarify how individual departments are funding when we sit next.

I think the important part is that we do have co-operation among four departments to work in the best interests of the young person and to break down some of those barriers that have existed in the past between departments. We have seen one of the first projects that was instituted was for the medically fragile young person, and that was where Health dollars were transferred to Education. I will have to check on and clarify as to whether this is on a project-by-project basis or what the dollar amount is.

Also, we do have a staffperson who is seconded to the Child and Youth Secretariat, and I am sure the member would want to calculate or factor that into any amount of money which is provided to the Child and Youth Secretariat through Justice.

Mr. Mackintosh: Further to a question from the member for St. James (Ms. Mihychuk) the other day, does the minister now have the number, approximate is fine, of young offenders who have as a condition of their probation orders that they attend school?

Mrs. Vodrey: Mr. Chair, following the question by the honourable member for St. James, we endeavoured to get that information and I am told that we are not able to get it. There are approximately 1,800 on youth probation and, because we are not on a specifically computerized system to go through that and to find out how many of those 1,800 have as a condition of their probation attendance in an educational program, we have not been able to get that number.

* (1730)

Mr. Mackintosh: What ever became of Mr. Demers? I understand he is not with Corrections anymore.

Mrs. Vodrey: He is Assistant Deputy Minister of Corrections for the Province of British Columbia.

Mr. Mackintosh: Who is in the position that Mr. Demers was in?

Mrs. Vodrey: Mr. Ben Thiessen, by competition, is in that position now.

Mr. Mackintosh: I have no further questions under the Corrections appropriation in its entirety. If there are follow-up questions, I can direct them under the Executive Support line when we go back to there, I suppose, but just in light of the time constraints that are facing the Legislature right now, it is my intention to allow the Corrections appropriations under 4.4 to proceed to a vote, but I understand the member for The Maples (Mr. Kowalski) has a series of questions.

Whether or not we get through that, I guess, will be up to the committee tonight. It is my understanding that at nine o'clock in the morning the Committee of Supply will continue with the consideration of Justice, and I presume, if Corrections is finished, we will then go back to where we left off the other day on Executive Support.

Mr. Gary Kowalski (The Maples): Mr. Chair, the first question I have with regard to this line is—I gave notice, and I think this is an appropriate time. The RCMP have or are moving to automatic weapons. The Winnipeg Police Services already have moved to automatic weapons. The use of automatic weapons, for safe unloading of the weapons, require an unloading station.

Now, in all the buildings in the Winnipeg Police Services, they have unloading stations, but when officers go to the Remand Centre or other correctional facilities, there is no unloading station. Now, just in case the minister is not aware, these unloading stations look like a small garbage can lined with ballistic material that an officer can stick the automatic weapon into and take the last shell out, and there is no chance of an accidental discharge.

I understand there has been some discussions with the Winnipeg Police Service and the Justice Department about putting these in the Remand Centre, and I do not know at what point these discussions are. I understand the cost is not that great. Can the minister tell me, as a

result of the RCMP also moving to this, if they will be looking at installing these in all adult correction facilities?

Mrs. Vodrey: Mr. Chair, I am informed by Corrections officials that this has not been raised at any institution other than the Remand Centre, and, as a result of that, we are acting on it at the Remand Centre. However, the point having been raised by the honourable member, we will examine it at our other institutions around the province and see what issues there may be between the police services and our institutions.

Mr. Kowalski: I would like to ask some questions in regard to the Restorative Resolutions program, and I know the minister, every time the subject is raised, has talked about the federal commitment to it, but is there a savings to the Province of Manitoba for these offenders if they go through a Restorative Resolutions program as opposed to custody?

What would be the cost, however you want to break it down, by month, by year, per prisoner, for a person in custody, as opposed to someone going to the Restorative Resolutions program?

Mrs. Vodrey: Mr. Chair, I know the issue of the closing of a bed appears to be the argument put forward by the member for The Maples, but I am told that, in fact, to achieve a cost savings we really have to have a sufficient number of inmates going through the Restorative Resolutions program to actually close a unit, and that would then be where the cost savings would come.

But the cost savings of bed by bed do not appear to be providing us with that significant amount of savings. I think the member is wondering if that is really where we should be looking. So we have not yet closed a unit, and that is a significant point. Then I go back to saying that the legislation that governs the sentencing is federal, and that is where we would argue that this is a matter of joint responsibility, argued that previously, continue to argue that point.

* (1740)

Mr. Kowalski: Does Corrections have a cost per custody case in Corrections for Adult Corrections? What is the average cost of a person in custody in Manitoba?

Is it \$50,000 a year? Is it \$70,000 a year? I know the media have reported a number of different figures, and I would like to get, while we have people from Adult Corrections, an accurate figure on what it costs to keep a person locked up for a year in Manitoba Corrections.

Mrs. Vodrey: Mr. Chair, I am told that the average per diem cost or daily cost for an inmate in our institutions is \$90.48 a day, but that is exclusive of Government Services costs in terms of construction and maintenance costs.

Mr. Kowalski: A figure that was quoted in the paper for keeping a person in custody in Manitoba was \$50,000 a year. Would that be a figure that the minister would say is in the realm of accuracy?

Mrs. Vodrey: Mr. Chair, according to our per diem cost, it comes out to, and this is a rounded-off figure, about \$33,000 a year.

Mr. Kowalski: But, as the minister said, it does not include the capital cost expenditures and possibly looking at other overhead expenses, so would \$50,000 be an inaccurate figure for what it costs to keep an offender locked up in a Manitoba correction facility?

Mrs. Vodrey: Mr. Chair, I really cannot say. I can tell you that our per diem cost is considered very accurate. That comes from Justice. Other costs would come through Government Services. I can tell the member that Manitoba has the fourth lowest per diem in comparison with other provincial jurisdictions and the Correctional Service of Canada. So I think Manitoba has quite a good record on that.

Then when we come back to saying but, well, then would diverting into restorative justice reduce that cost, well, I guess we could divert a whole lot of people into that. The question is are they going to be the right people. In dealing with Restorative Resolutions, there is a narrow criterion that allows someone to participate in that program.

The people of Manitoba, I believe, have given us a message about limited criterion that they would be accepting of. With that limited criterion, we have not yet been able to achieve that threshold number that has allowed us to close a unit which might then result in

savings. So though we can talk about per diem rates and we can talk about the amount it costs per year, the point is that if you want to save that \$33,000 or whatever number the member is using, and just release people out, well, I guess you could do that, but our government is not taking that position. Again, we are supportive of a narrow criterion, and as a result of that criterion we have not yet been able to close a unit and achieve the savings that the member might expect.

Mr. Kowalski: An offender in the Restorative Resolutions program, what does it cost per offender to go through the Restorative Resolutions program?

Mrs. Vodrey: I am told that we do not have a per diem cost for an inmate's participation in Restorative Resolutions. What we have instead is, the program cost is our contribution. That is what I am able to talk about, and I tried to clarify what that contribution was when the question was asked in Question Period yesterday. It was a higher contribution than I gather was reported in the media.

Mr. Kowalski: On June 3, I copied something from the Internet from the Solicitor General in New Brunswick. It said that more effective alternatives to imprisoning offenders are at the heart of a three-year plan announced today by Solicitor General Jane Barry. The need for change is obvious, Barry said. Our crime rate is falling in Canada and in New Brunswick. In fact, New Brunswick's crime rate is 20 percent lower than the national rate yet 20 percent more of our citizens are sentenced to serve time in the provincial adult institutions. In many of these cases there was no risk to society, she added. It is the taxpayer who is punished when we unnecessarily send offenders to jail.

The minister said, there is little evidence to suggest that jail is a deterrent. For example, 87 percent of adult offenders have previous a criminal record. For many, incarceration is simply a revolving door, she explained. Programs that offer alternatives to custodial care for low-risk offenders have proven themselves effective. The document released by the Solicitor General, Achieving a Balance for Community and Correctional Services, points to the successes of provincial community-based correctional programs such as alternative measures, the fine option program, community service orders and the temporary absence program as proof that focusing on

rehabilitation instead of simply incarcerating offenders reduces public risk.

The three-year plan outlines a series of alternatives to jail, all designed to help offenders become responsible citizens. The plan calls for reallocation of resources and utilization of new technologies and advanced correctional programs. The aim is to move from custody-based—

Point of Order

Mrs. Vodrey: I certainly am looking forward to commenting on all the issues the member has brought forward but I wonder if it is appropriate to read the press release of another province into the Hansard of our government's records, and I wondered if you could check on that and give us a ruling.

Mr. Chairperson: Order, please. The honourable minister did not have a point of order. The honourable member can put on the record whatever he so chooses as long as it is within reason.

* * *

Mr. Kowalski: The aim is to move from custody-based to enhanced community-based services. This is not a press release, this is a document off the Internet.

The changes require a formalized system to determine appropriate levels of supervision and the kinds of programs and counselling needed by low- and medium-risk offenders. A new risk needs assessment process developed in partnership with the University of New Brunswick's Centre for Criminal Justice in Saint John provides that kind of direction. The heart of the process is matching the right kinds of programs to the needs of the offender. This can include anything from anger management and spousal abuse programs to job readiness and skills training programs.

The plan calls for some changes to infrastructure, as well. For example, services at some institutions will be realigned to avoid duplication. Also included is phase-out of several other institutions, some identified as security risks. The reduction in adult beds plus a proposed reduction in youth group home beds will free up \$5.4 million in operating costs.

* (1750)

The majority of these savings will be redirected into community based services, resulting in an increase of 83 percent over the current Community Corrections budget. The balance will be diverted to youth such as those in secured custody, youth with addictions, those in a new Intensive Supervision Program.

Just one example of an enhanced services is a second Portage for Youth, a highly successful substance abuse program planned for the Fredericton area this year, Barry said. The Department of the Solicitor General will be a partner in the delivery of this program.

The document also describes key roles played by new elements in New Brunswick's justice system including electronic integrated justice, electronic monitoring, the New Brunswick Youth Centre in the city of Miramichi, partnerships with nonprofit community based organizations providing needed expertise and a specially assigned person for women offenders

Together these elements will provide pieces of the puzzle aimed at creating a more modern crime reducing system while ensuring public safety, Barry said.

Approximately 150 employees will be affected by the change. Many of them will be redeployed within the department, while others will be offered early retirement and severance packages.

Barry noted that public support is crucial to successful implementation of the proposed changes.

Primarily, we are talking about offenders who qualify for release under criteria such as criminal history, nonviolent property-related offences, good employment history, willingness to provide community service work, plus positive police, community and family support mechanisms.

Violent and high risk offenders will always be confined in a secure custodial setting, she concluded.

Now, in this province they could save \$5.4 million, they could add money to programs to deal with youth. If they could do this, and I am told by our staff who have talked to people in Corrections, the professionals, who

their academic training, their philosophy and everything they have ever been taught says this is the direction to go, and they are very proud to work in the correction services in New Brunswick. They know this is the direction. It is in line with the revisions that are in C-41, and, in fact, as a police officer I know that I would feel much confident with someone I have arrested rather than going to Headingley or some other facility where they will come out meaner, angrier, probably better trained as a criminal, that I am going to be the one that is going to have to face that person.

Because we have this politically popular view as opposed to doing what professionals, people in Corrections across Canada are looking to as the right direction to go, where you will save taxpayers' money, put less people at risk, help the offender. Why do we keep butting our head against the wall with old ideas that are not working just to do what is politically expedient on the short term?

As I said, they are going to be saving \$5.4 million. They are going to be closing down jails. They are going to be putting more programs into youth programs that work, that help the youth, not just punish for the sake of punishment, that will be corrective, restorative, that will make the community a safer place, not just be politically popular.

So I ask the minister why are we going in a direction that goes against most academic studies, most of the reforms that any progressive correctional service is doing in Canada, that professionals are saying is the right way to go. Do we go with what the professionals, the academics at the research, say is the right way to go or do we go with what is politically popular?

Mrs. Vodrey: Mr. Chair, I believe, I have approximately 10 minutes so I will speak as long as I can, and then may I carry on tomorrow? Thank you very much.

First of all, it is very interesting that this Manitoban brings forward with just such wholehearted support, would like to just totally transplant a program that comes from another part of Canada right in here, no made-in-Manitoba solution, no made-in-Manitoba thinking, no regard for the people of the province where he lives, just pick it right up from New Brunswick, a totally different province—

Point of Order

Mr. Kowalski: I think the minister is questioning my motivation for bringing forward this. I am a Manitoban. I was born and raised in Manitoba. I have worked as a police officer in Manitoba for 20 years. I do not think it is parliamentary acceptable to question the motivation or the reason that I bring forward this matter. [interjection]

Mr. Chairperson: Order, please. If we could just allow the member to finish his point of order.

Mr. Kowalski: I believe that from past experience, we do not question the motivation or the reason that a member brings forward a matter that is considered out of order.

Mr. Chairperson: Order, please. The honourable minister, on the same point of order.

Mrs. Vodrey: Mr. Chair, I believe if you check the record, you will see that the member took this program and said, if you did this program here you would save \$5.4 million. He was specific as to the amount. He was specific as to the end product. The information brought forward from the member for The Maples spoke very specifically about transplanting a program from New Brunswick onto the province of Manitoba. That is clearly what he said.

Mr. Chairperson: I thank the honourable minister. After carefully listening to the point of order and the minister's statement on the point of order—I was carefully listening to both members, both on your presentation and the minister's reply, and it is clearly not a point of order. It is a dispute over the facts.

* * *

Mr. Chairperson: The honourable minister, to continue her reply.

Mrs. Vodrey: So, as I said, our government is a great believer in made-in-Manitoba solutions. Our government is a believer in looking at what is the requirement within our province. Who is it that we are dealing with within our province? What is it that is required by the people of Manitoba?

The province of New Brunswick has a totally different population distribution, is an entirely different province. Manitoba is a province with one large city than another city that is a fairly large city, smaller areas and very much a rural-based province. We are a province of approximately a million people. We span a great deal of geographical area. So the programming that we bring into place within our province is very specific for the province of Manitoba. If the member is so incredibly happy and thrilled about the program for the people of New Brunswick there in New Brunswick, then I think that perhaps is the place for him, because I do not think that you can take a program and just totally transplant it here.

Mr. Chair, the member brings forward a program in Justice from the province of New Brunswick, and if that

is so good then perhaps he would like to inform the Minister of Education about their educational directions. I understand he is a former school trustee. He may not be quite as happy with all of those in our province, but you know if they are doing that right, then perhaps we should lay that as a template right directly on our educational system. We should lay the health program directly on our system.

Mr. Chair, it is simply not our view.

Mr. Chairperson: Order, please. The hour being 6 p.m., this section of the Committee of Supply will recess until 7:30 p.m., at which time we will be considering the Estimates of the Department of Housing and the Seniors Directorate. It is my understanding that the Department of Urban Affairs has been completed.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 5, 1996

CONTENTS

ROUTINE PROCEEDINGS		Ministerial Statements	
Presenting Petitions		1996 Summer Olympics	
		Ernst	3216
		Cerilli	3216
Teachers—Collective Bargaining and Compensation Review		Oral Questions	
Kowalski	3213	Health Sciences Centre	
Gaudry	3213	Doer, McCrae	3217
Home Care Services		Tuberculosis	
Dewar	3213	Doer, McCrae	3218
Hickes	3213	Regional Health Boards	
Reading and Receiving Petitions		Wowchuk, McCrae	3218
Home Care Services		City of Winnipeg	
Santos	3213	Barrett, Reimer	3219
Barrett	3213	Friesen, Mitchelson	3222
Hickes	3215	Crime Rate	
Retention of Hogs Single-Desk Selling		Mackintosh, Vodrey	3220
Struthers	3214	Manitoba Pork	
Teachers—Collective Bargaining and Compensation Review		Gaudry, Enns	3221
Kowalski	3214	Hog Industry	
Presenting Reports by Standing and Special Committees		Gaudry, Enns	3221
		Gaudry, Cummings	3221
Standing Committee on Law		Public Housing	
Amendments First Report		Cerilli, Reimer	3222
Dyck	3215	Fleet Vehicles Agency	
Tabling of Reports		Maloway, Pallister	3223
Annual Report of Manitoba Public Insurance Corporation of 1995; first quarterly report for the three months ending May 31		Manitoba Telephone System	
Cummings (for Stefanson)	3216	Sale, Findlay	3225
		Faneuil Corporation	
		Sale, Findlay	3225

Aboriginal Solidarity Day Act Robinson; Praznik	3225	Bill 76, Gaming Control and Consequential Amendments Act Ernst (for Stefanson)	3233
Members' Statements			
Economic Growth Dyck	3226	Bill 54, The Municipal and Various Acts Amendment Act Derkach	3234
Third Party Disclosure of Personal Records McGifford	3227	Bill 49, Regional Health Authorities and Consequential Amendments Act McCrae	3236
National Access Awareness Week Award Recipients Martindale	3228	Debate on Second Readings	
United Nations Conference on Habitat Cerilli	3228	Bill 7, Medical Amendment Act Reid Lamoureux	3238 3238
National Transportation Week Award Recipients Render	3229	Bill 69, Real Estate Brokers Amendment Act Lamoureux Reid	3239 3239
ORDERS OF THE DAY			
Second Readings		Bill 74, Court of Queen's Bench Amendment Act Mackintosh	3239
Bill 32, Council on Post-Secondary Education McIntosh	3229	Committee of Supply	
Bill 72, Public Schools Amendment Act (2) McIntosh	3230	Urban Affairs	3242
		Housing	3246
Bill 73, Construction Industry Wages Amendment Act Toews	3232	Industry, Trade and Tourism	3257
		Justice	3275