



Fifth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley, Hon.	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, Hon.	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
<i>Vacant</i>	St. Boniface	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 10, 1999

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Gerry McAlpine (Acting Chairperson): The Committee of Supply has considered certain resolutions, directs me to report progress, and asks leave to sit again.

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

Motion agreed to.

TABLING OF REPORTS

Hon. Shirley Render (Minister of Consumer and Corporate Affairs): Madam Speaker, I am pleased to table the 1999-2000 Departmental Expenditure Estimates for the Department of Consumer and Corporate Affairs.

INTRODUCTION OF BILLS

Bill 203—The Graffiti Control and Consequential Amendments Act

Mr. Gord Mackintosh (St. Johns): Madam Speaker, I move, seconded by the member for Osborne (Ms. McGifford), that leave be given to introduce Bill 203, The Graffiti Control and Consequential Amendments Act; Loi sur la lutte contre les graffitis et modifications corrélatives, and that the same be now received and read a first time.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all

honourable members to the public gallery where we have this afternoon twenty Kindergarten to Grade 12 students from Omega School under the direction of Mrs. Gloria Yaremkiwich. This school is located in the constituency of the honourable member for Gimli (Mr. Helwer).

Also, seventy Grade 5 students from Southwood School under the direction of Mr. Don Thiessen. This school is located in the constituency of the honourable member for Steinbach (Mr. Driedger).

Also, nine Grades 7 and 8 students from Philomene Chartrand School under the direction of Mrs. Sophie Ledoux. This school is located in the constituency of the honourable member for Swan River (Ms. Wowchuk).

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

ORAL QUESTION PERIOD

Chief Provincial Court Judge Letter Tabling Request

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, retired Justice Monnin stated and I quote: in all my years on the bench, I never encountered more liars in the proceedings as I did in this inquiry.

Madam Speaker, today chief provincial Judge Webster states that the statements made by the Minister of Justice are "misleading and inaccurate" comments. I would like to ask the acting, acting, acting Premier whether he or she will table the letter from the Chief Justice, and why do we again see this pattern of inaccurate information according to the Chief Judge.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I, too, had occasion to read that article in the Winnipeg Free Press. Indeed, in response to that article, one of the members of the judicial nominating committee, indeed the individual referenced by

the Chief Judge in what are purported to be her comments, phoned me, was extremely agitated and certainly felt his position had been unfairly portrayed.

He had confirmed with the office of the Chief Judge that indeed he was the one being referenced by the Chief Judge, and he wanted his position known in respect of the efforts that he had been making in order to ensure that the judicial committee moved along on a very timely basis. He indicated in his written correspondence that he made numerous suggestions to Chief Judge Webster to speed up the nomination process and also made a number of changes to his calendar to ensure that the judicial nominating process would proceed as quickly as possible.

* (1335)

Mr. Doer: I asked the minister or the Acting Premier to table the letter, and I would ask the minister again to table the letter. What have you got to hide? The Chief Judge of the province is saying that inaccurate statements had been made by the Minister of Justice. This is a huge issue of trust for the administration of justice in this province, and to sort of deflect away, Madam Speaker, I think the minister should have the integrity to table the letter in this House and make it public.

A year ago the Speaker ruled in this House that there was a series of inconsistencies with the member's statements, the Minister of Justice's statements, between the statements made in this House on May 7 and May 11, dealing with the initiation of the nominating process.

When will this minister be honest with the people of Manitoba, and why do we have to have the Chief Judge and the Speaker saying that this person is inconsistent and inaccurate with the people of this province?

Mr. Toews: I understand that that particular letter has in fact been released to members of the media, and indeed the court released those letters to members of the media, so the letter is already public. As a result of receiving that letter, which incidentally was received by the media prior to my having an opportunity to read it, I indeed asked my staff to gather together certain

information which would in fact indicate that my statements are accurate, and I asked my staff to provide that material to me.

I was advised this morning that my staff has been unable to provide that material that they compiled, and they compile it for a number of reasons. Some include on behalf of the Chief Judge, and others they compile on behalf of my department for the appropriate administration of my department. I understand that that material had been removed by one of the Department of Justice officials at the direction of the Chief Judge and that the Chief Judge now holds this material. So I have written to the Chief Judge, before I can reply in respect of her particular letter, that I would like her to return that material to the office where it was formerly stored so that I can take that material and respond to the letter that in fact she sent to me. I table three copies of the letter that have I sent to the Chief Judge.

Mr. Doer: On May 28, 1998, dealing with the requests we made for months about the huge caseloads of Crown attorneys, in this House, the Minister of Justice said that this was not an issue raised with me by Mr. Hannon. Mr. Hannon then subsequently went on to say publicly that he was not misquoted in the media and that he had raised this issue with the minister for over a number of months.

We have a situation now where the Speaker has said that this Minister of Justice has given inconsistent statements to this House, the Chief Judge has said that inaccurate statements have been made by the Minister of Justice, the Crown attorneys have said that this person gave inaccurate statements about raising this issue with them prior to May 28, and now the Minister of Justice is saying the Chief Judge removed documents in an inappropriate way, and he has asked for them to be returned.

How can we have a tenable situation between a Minister of Justice and a Chief Judge in dispute? Which one, Madam Speaker, has lost their credibility with the people of this province and can no longer maintain their position?

Mr. Toews: Madam Speaker, in fact, you heard my response to the last answer. That is not what

I said. The member has misrepresented what I have stated very, very clearly here on the record. Indeed, what I have said to the Chief Judge, I have not indicated that the Chief Judge has taken those documents. I have indicated that those documents are presently in the possession of the Chief Judge.

I state in my letter to her that: "those records have been kept, maintained and stored by the Department for years. I understand that within the past short while, perhaps the last day or so, they have been removed from the possession of the department and have been placed into your possession. At the moment, it is unclear to me who made that request, what events have precipitated this removal, and the basis for it. I would like to . . . respond to your letter, and the comments that you have made, but find myself in a position of not being able to do so by virtue of the removal of the records from the Department to your office."

That is in fact what I have said. I have not indicated that there was anything untoward about the removal of the records. I am simply suggesting that I require those records to respond to the letter that was distributed by the court to the media.

* (1340)

Provincial Court Judge Shortage

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice, who appears to be losing his backers over there, will the minister—

Madam Speaker: Order, please. The honourable Acting Premier, on a point of order.

Point of Order

Hon. James McCrae (Acting Premier): The honourable member for St. Johns and his Leader both—

Madam Speaker: Order, please. For clarification, is that an accurate title for the—

An Honourable Member: Yes.

Madam Speaker: Okay. The honourable Acting Premier, on a point of order.

Mr. McCrae: On a point of order, even now from his seat, the Leader of the Opposition pokes fun at my acting status today. The honourable member for St. Johns refers to members not being in the Chamber. I think that, instead of poking fun at things like that, members of the New Democratic Party would be well advised to keep in mind the plight of farmers and other people in southwestern Manitoba right now who are, as we speak, being visited by members of this House. I think it does the New Democratic Party no service to be making fun of the plight of the farmers and others in an important region of our province and, at the very least, ought to be called to order for calling to attention absence of members from the House.

Madam Speaker: The honourable Leader of the official opposition, on the same point of order.

Mr. Gary Doer (Leader of the Opposition): On the same point of order, Madam Speaker, we think the situation is serious, and I asked the Acting Premier a question and never received a response. The Acting Premier could have dealt with that when we asked the question. Point No. 2, we have raised as lead question the agricultural issue; we have raised it for weeks, and we will continue to raise it today.

Some Honourable Members: Oh, oh.

Mr. Doer: Let me finish.

Madam Speaker: Order, please.

Mr. Doer: Furthermore, we consider a dispute between the Chief Judge of Manitoba and the Minister of Justice (Mr. Toews) a very serious issue of integrity, and we want it dealt with by members opposite.

Madam Speaker: Recently, in several rulings and to many people standing on points of order, I have asked that all members co-operate when speaking to points of order, to speak to the violation of the rule. I would once again remind the honourable Leader of the official opposition to speak to the point of order that was raised, which was reference that was made to members absent.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. That was the point raised by the honourable Acting Premier. I personally did not hear the honourable member for St. Johns (Mr. Mackintosh) reference members absent in the House, but that was the point of order raised by the Acting Premier.

I will take that point of order under advisement and check with Hansard and report back later.

* * *

Madam Speaker: Now the honourable government House leader, on a new point of order.

Hon. Darren Praznik (Government House Leader): Madam Speaker, I think you have dealt with the matter at hand in your comments with respect to the Leader of the Opposition (Mr. Doer).

* * *

Mr. Mackintosh: Madam Speaker, to the Minister of Justice and on the issue of his credibility.

While the minister had the nerve to tell this House last session that Manitoba was—and I think his words were—among the best when it comes to moving matters to trial quickly, Statistics Canada was meanwhile reporting that Manitoba had the worst youth court backlogs of all the provinces in the country. Now, Madam Speaker, the Provincial Court, we understand, is in a worse mess because of a shortage of judges. It is putting justice on hold and victimizing victims even more.

My question to the minister is: rather than pointing fingers, as this minister does for a living, would he consider the outrage and the words of the Chief Judge of Manitoba and admit that he is a big part of the problem?

* (1345)

Hon. Vic Toews (Minister of Justice and Attorney General): The member has put erroneous information onto the record, and I wish to correct that. Indeed, what Statistics

Canada indicates in respect of youth court is that variations can be explained in differences by charging practices. For example, Manitoba recorded the highest proportion of cases stayed. High proportions of cases stayed or withdrawn are often indicative of charges set aside pending completion of an alternative measures program. So what we do in the province of Manitoba is when someone has been charged in youth court with a particular offence that is capable of being diverted, that youth then is diverted. At the end of the entire period, at the end of the diversion period, at the end of the alternative measures program, the case is then stayed.

So that accounts to a large degree for the difference in terms of the practices. It does not indicate a problem in the courts. In fact, it indicates that not only do we utilize the regular court system, but in fact we utilize a diversion very effectively.

Mr. Mackintosh: How can this minister, who obviously wants to get onto another topic, Madam Speaker, possibly explain how he can have so little disregard for the functioning of our courts that he took two months to respond to an urgent request from the Chief Judge for more judges. So it took from February until March 31 to get the applications in, and then he appointed a representative on the nominating committee who could not fulfill his function until mid-July. Was he too busy writing his pre-election announcements?

Mr. Toews: Madam Speaker, not only did I move in a very prompt manner in order to meet the judge's request for additional judges, three additional judges, we wanted to ensure that that funding was in place for those three positions. In fact, when I wrote the Chief Judge on that matter, I indicated the manner in which the appointments would have to be staggered in order to meet funding commitments. So that was a very important issue, and I think it was dealt with appropriately and in a prompt manner.

In respect of the member for St. Johns criticizing a community member who is volunteering his time, Mr. MacPherson was very upset by the allegations made against him. Here is a volunteer, a community member wanting to participate in the justice system, and what does

he get? Criticism from the member for St. Johns of the worst kind. He has indicated in a document, which I intend to table in this House, the steps that he took in order to ensure that this process would move in a timely fashion.

**Minister of Justice
Public Confidence**

Mr. Gord Mackintosh (St. Johns): Would the minister, who of course used and manipulated the Chief Judge once before for his own political ends and today accuses her or her office of taking documents from his office—

Madam Speaker: Order, please.

Point of Order

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I believe that the member is imputing motives, contrary to the appropriate citation in Beauchesne.

Mr. Dave Chomiak (Kildonan): Madam Speaker, on the same point of order, it is not a question of the member for St. Johns imputing motives. The member for St. Johns is simply stating the facts, that the minister will use and does use and is prepared to use his staff and anyone else in order to satisfy his own political purposes. So it is simply a dispute over the facts. It is not a question of motives; it is a question of fact. Besides, the minister did not cite any rule or citation confirming his position.

Madam Speaker: On the point of order raised by the honourable Minister of Justice, I indeed will take the matter under advisement to check the context within which the words were spoken by the honourable member for St. Johns.

* * *

* (1350)

Madam Speaker: Would the honourable member for St. Johns please pose his question.

Mr. Mackintosh: How can this minister, who the Chief Judge says made, and I quote, "misleading and inaccurate" statements—she lacks confidence in this minister. How can such a minister have the confidence of those who

work in the justice system and those who rely on it?

Mr. Toews: Madam Speaker, there were certain statements made in a letter addressed to me that was distributed by the court to members of the media. The content of that letter is well known and well circulated. I have asked for certain information, information that my department regularly compiles, for example, to assess the number of preliminaries in the overall system and the overall impact of the system if there are amendments to be made to the Criminal Code. What essentially this documentation does—and I have other copies of this type of information that I have received on other occasions. It talks about the commencement of the courts and the termination of the courts on an hourly basis directly attributable to the comments that are under discussion. Those were in the Department of Justice, have been in the Department of Justice for a number of years. For some reason they have been removed into the possession of the Chief Judge. I simply want those documents in order to respond.

**Minister of Justice
Relationship with Judicial System**

Mr. Dave Chomiak (Kildonan): Madam Speaker, I dare say that in all of the history of the province, of all the Attorneys General and Justice ministers, the episode and the character displayed by this Minister of Justice is unprecedented.

Madam Speaker, the minister is challenging the very nature of the fundamental relationship between the government and the judicial system. How does the Minister of Justice explain, because he has been criticized, making public a letter accusing the Chief Judge or the Chief Judge's department of taking records from his department that would allow him to respond to a letter, doing it publicly and using it as a political defence because of criticism that has been levelled at him? That is unprecedented and—

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

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, it is not I

who has stated this alone, but I have indeed a memorandum from one of my departmental staff who also acts as the executive director in respect of Judicial Services. The memo in respect of a request for Provincial Court statistics indicated that the Chief Judge instructed, and a certain clerk is named in here, to deliver the files to the Chief Justice's office as soon as possible on June 10, 1999. In fact, they were delivered this morning to the Chief Judge's office.

Madam Speaker: Order, please.

Point of Order

Mr. Chomiak: Madam Speaker, the minister has not tabled the letter from the Chief Justice, but will he table the letter? You know, the rules clearly indicate that if members should refer and quote from a letter and memo, the member must table it. I am asking the minister to table that correspondence.

Mr. Toews: Madam Speaker, I do not have the appropriate number of copies, but I am prepared to not only table that memorandum which was sent to me by Lavonne Ross, the acting executive director, and Carol Abbott, director of judicial support, Judicial Services, as well as the memorandum from my deputy to the assistant deputy minister of Court Services Division, both dated June 10.

Madam Speaker: The point of order raised by the honourable member for Kildonan has been dealt with.

* * *

* (1355)

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

Mr. Chomiak: Madam Speaker, as a supplementary, I would like to ask a question of the Acting Premier and the former Justice minister, if perhaps he could explain to me, if he is aware of any instance in the history of Manitoba where a Justice minister has done what this Justice minister did today, by virtue of tabling a letter in the House, accusing the Chief Judge of removing documents from his office, and did not deal with it in private, and in discussions with the Chief Justice rather than trying to make a

political issue out of it in order to save his political hide. Can he answer that question?

Madam Speaker: Order, please.

Point of Order

Mr. Toews: Madam Speaker, the member has indicated that I have made some imputation of impropriety against the Chief Judge. I have not done so. I have quoted the letter that I sent in response to a request for certain documentation, and what I indicated is that it is unclear to me who made the request, what events have precipitated this removal and the basis for it. I simply want to know the answer.

Madam Speaker: The honourable Minister of Justice does not have a point of order. I believe the question was put.

* * *

Mr. Toews: I think what has to be borne in mind in this particular case is that the Chief Judge wrote a letter to me. I respected that confidence until I realized that this letter had been distributed to the entire media. Now it was not indicated on the letter that in fact copies were given to the media, and in order to respond effectively to that, I required some information. I wrote, or I contacted my staff to provide me information which from time to time they do provide me with exactly this information. In fact, I have a copy of one such document here, and the reply I received was that I was not entitled to material that my department routinely uses in order to do a number of things, and that I was led to believe by the documentation that I have before me, that at the request of the Chief Judge it was removed to her offices. Now I am simply saying I need that information in order to respond to the letter that she sent.

Madam Speaker: The honourable member for Kildonan, on a new question?

Mr. Chomiak: Yes, my final supplementary, Madam Speaker.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Kildonan, with a final supplementary question.

Mr. Chomiak: Thank you, Madam Speaker. My final supplementary, again to the Acting Premier or the Minister of Justice, and the question is: does the Acting Premier, a former Justice minister, think it is appropriate for a Justice minister to table a letter, to make public a letter accusing the Chief Justice of the province of Manitoba of taking files and not providing him with files in order to defend their political position, and would it not be more appropriate and would deal with the question of the administration of justice for the Justice minister to not undertake that activity in order to save his own political skin?

Mr. Toews: Madam Speaker, as I had indicated to the newspaper yesterday, I was not prepared to release my response to the Chief Judge because I respected the confidentiality that she placed in writing that letter, and if she wanted to release my letter in response to that letter, that was indeed her choice and I left that open to her. However, when I found out that I could not access the information I required to respond to her—and the member has now asked me to table these letters. I have tabled them. I have been open with this House, and I will continue to be open with this House.

* (1400)

Crop Insurance Unseeded Acres

Ms. Rosann Wowchuk (Swan River): Madam Speaker, for the past several weeks we have raised the issue of the serious flooding situation in the southwest part of the province on behalf of those farmers. But to date, we have not had any answers from this government as to how they are going to deal with this situation. There are things that this government could be doing to help the farmers.

I would like to ask the Acting Minister of Agriculture why we are not looking at the unseeded acreage clause of crop insurance and offering Manitoba farmers what Saskatchewan farmers have, and that is a payment of \$25 per acre for their unseeded acres. It is a standard policy in Saskatchewan. Why do we not have it here?

Hon. Leonard Derkach (Acting Minister of Agriculture): Madam Speaker, as the member well knows, this is a situation that is evolving as time goes on in the province of Manitoba. As we have increased the deadline for seeding dates, we are seeing that the rains continue to fall, and indeed there are more lands that are being impacted by this devastating natural situation. Indeed, it would be far too early for us to jump in and indicate that this is the finite amount of money or this is the finite area that is going to be encompassed in any kind of assistance that is going to be offered.

Madam Speaker, the Premier (Mr. Filmon) of our province, the Minister of Agriculture (Mr. Enns), the Minister of Natural Resources (Mr. Cummings), ministers from this government are indeed consulting with municipal leaders, with farm leaders, with ordinary farmers and producers in Manitoba, with suppliers of agricultural products to see just what it is that a government such as ours might be able to do in a situation like this. This is an unprecedented situation.

Madam Speaker, I might also add that we have called upon the federal minister not only to pay some attention to Manitoba but indeed to pay attention to this geographic region of Canada to see what it is the federal government can do, because they have a serious responsibility in this matter.

Ms. Wowchuk: I do not deny that the federal government has a responsibility; they certainly do.

Madam Speaker, given that farmers have complained about the unseeded acres policy under our crop insurance plan for many years, and very few people are taking this program because it is just not very useful, will the government consider changing that clause so we will have a similar program to Saskatchewan where, if they cannot seed, they get a \$25-an-acre payment after the seeding deadline is finished? That would get money to their hands in June.

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

Mr. Derkach: There is no way that we can impact the unseeded acreage coverage for this particular economic disaster in rural Manitoba. But let me say that this is a question that is probably more appropriate for the Minister of Agriculture (Mr. Enns) to consider in the due course of time as we move through finding solutions to this very serious matter in all of the western side of this province. I will take that part of the question as notice on behalf of the Minister of Agriculture and ensure that the member gets a complete answer to that.

Net Income Stabilization Account Unseeded Acres

Ms. Rosann Wowchuk (Swan River): Given that there is such a serious financial crunch for these people, and they have seeded, can the minister indicate whether his government has taken the position that we should be able to access NISA funds for a one-time access without a penalty fee?

Hon. Leonard Derkach (Acting Minister of Agriculture): That is precisely why I indicated in my first response that we have to consider all of the areas of support to agriculture that are available today from the provincial and federal governments and see what kinds of adjustments need to be made in order for producers to be able to access dollars over the course of the next 18 months, because this is not a situation that is going to resolve itself over the course of the next six months or so. This is a situation that we are going to be facing in the next year and a half in this province. We have to make sure that whatever programs we come up with are going to be able to sustain these people on the farm over the course of that period of time.

Madam Speaker, nobody harvests a crop at this time of the year. We are simply putting a crop in, so the impact of all of this natural disaster, if you like, economic disaster, is not going to be felt in the next six months and could be over the next 18 months or so.

Education System Standards Testing Breach

Mr. Kevin Lamoureux (Inkster): Due to questions that I asked yesterday and the day

prior, late last night I got a call from a constituent of mine who relayed that the teacher who has been demoted has now been given a gag order and told not to talk to me any longer. The integrity of our standards exams are put at risk. There is a human story that is being missed. The government today is being motivated only because it happens to be the campaign manager for the New Democratic Party.

My question for the Department of Education, the Minister of Finance (Mr. Gilleshammer) is to acknowledge that today more than ever there is in fact a need to have an arm's length investigation. I am asking the Minister of Education to provide—

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

Hon. James McCrae (Minister of Education and Training): Any suggestion of a gag order would be of pretty significant concern to myself, and there is indeed not the human dimension of this being missed by myself or anybody on this side of the House. These matters do affect real live human beings who have families and reputations and those sorts of things, and we do take it seriously.

I do resent a little bit the suggestion on the part of the honourable member for Inkster about political permutations. It was he who raised that matter in his questions yesterday that this whole issue has political implications. It was not me; it was the honourable member for Inkster who made that point yesterday, true though it is. I am not saying that there are not political implications because the person, the wrongdoer, the admitted wrongdoer here, is the campaign manager for the New Democratic Party, one Brian O'Leary, who, after this incident, instead of being—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Inkster, with a supplementary question.

Mr. Lamoureux: Madam Speaker, I believe that the question is very simple and straightforward. Given the comments that the Premier

(Mr. Filmon) himself put on the record two days ago, any sort of investigation, whether it is by the school division—and I ask the Minister of Education to acknowledge this. Any investigation by the school division or this department, in my opinion, would be nothing more than a farce. What is needed—and I am asking the Minister of Education to initiate an independent investigation.

An Honourable Member: We will pass that on.

Mr. Lamoureux: Will he do that today? Please do pass it on.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. McCrae: Other than the profound statement from the Leader of the Opposition (Mr. Doer) that this is not China, the silence of the New Democratic Party is perfectly deafening on this particular matter. The silence says maybe more than volumes could say.

The honourable member's point is well taken. I read in the Winnipeg Sun today that Seven Oaks Superintendent John Wiens maintains O'Leary's actions did not cause any harm, therefore no action should be taken against him. It kind of says something about maybe what we can expect in the report coming in a week or so, lending credence to the demand being made here by the honourable member for Inkster.

* (1410)

Nonetheless, out of an abundance of fairness, I think it is appropriate that we await the report from the Seven Oaks School Division before making such a decision. But given the hint that we have been given by Superintendent Wiens about how he views the situation even before the report is made available to me, I can see why the honourable member for Inkster would be making this request today.

But I repeat: the silence on the part of the New Democrats on this one is deafening, Madam Speaker.

Mr. Lamoureux: Madam Speaker, I pose the question to the Minister of Education. The real

lack of action by this government is what is really and truly disgraceful. What we want from this government—and I ask for the Minister of Education to acknowledge that the politics, the very politics of this particular issue do not allow for the teacher's best interests to be represented, either the principal or the teacher that has been demoted, and that what is really needed is an independent investigation. Let us not waste time. Let us act on it today, and I ask the Minister of Education to do what is right.

Mr. McCrae: Given the human dimensions involved, the perception that the wrongdoer is rewarded and the perception that the whistleblower is being punished, I can certainly understand the honourable member's feelings. The handling of the matter by the government is not indeed disgraceful, but there are processes, and we are attempting to follow those processes. But, Madam Speaker, I am given reason to be a little bit doubtful about the investigation that is being carried out when we already know the position of the superintendent of Seven Oaks School Division.

I disagree with anybody who says breaching the rules, breaching around security protocols does not do anybody any harm. Madam Speaker, what message does that send to every single teacher in this province, every single student in this province when the principal of a school can breach security, admittedly, and be found that he has done nothing wrong? That is a very bad message to be sending out to anybody involved in our school system in Manitoba.

I simply say to the honourable member that I think he needs also, as I do, to await that report before moving further at this point.

Mining Industry Paper Staking

Ms. MaryAnn Mihychuk (St. James): Paper staking has proven to be disastrous to many independent and small exploration companies and would have a serious negative economic impact to communities like Bissett, which services many exploration activities. That is why we have strongly opposed paper staking on this side of the House and have urged the government to learn from other jurisdictions

which have proved the paper staking to be a huge mistake.

Will the minister immediately commit his government to end his so-called self-regulation and put an end to what is de facto paper staking?

Hon. David Newman (Minister of Energy and Mines): Madam Speaker, we do not have map staking or paper staking in Manitoba as a technique for setting the boundaries for claims in this province. With respect to, again, the repetition of the word "self-regulation," it is substantially the responsibility of the claim stakers, in accordance with the standards expected of those licensed to do a proper job of staking, but there is random inspection to make sure that they do comply legally. But to the extent people want to be fraudulent or people want to avoid self-responsibility, then, from time to time, there will be occasions where people escape responsibility, and then there is punishment and, hopefully, a deterrent to others to do the same thing.

Mines Act Enforcement

Ms. MaryAnn Mihychuk (St. James): For my final supplementary: will the minister acknowledge that The Mines Act has not been enforced and, in fact, that penalties identified in the act, such as fines up to \$10,000 and the laying of criminal charges, will not be applied in this case because The Mines Act is unenforceable? Why does this government make laws it is not willing to enforce?

Hon. David Newman (Minister of Energy and Mines): Madam Speaker, The Mines Act of Manitoba, which is regarded as one of the best in the country, particularly in relation to sustainable development, does have enforcement powers or punitive powers under, as described, and whether or not those can be enforced is a matter that is in the hands of the Justice department right now. The facts of this particular situation that the honourable member for St. James is referring to, with respect to whether or not there has been a violation of the Criminal Code for declaring a false declaration, is another matter that is under consideration, so stay tuned and a decision will be made by the Department of

Justice in this respect through its prosecutorial branch.

McEvoy Family Apology Request

Ms. Marianne Cerilli (Radisson): Madam Speaker, the McEvoy family whose daughter and sister, Erica, was killed in front of Club Regent, last May, expressed to me their frustration and disappointment at the way the Minister of Justice responded to their complaints about how they experienced the justice system in Manitoba. He brushed aside their questions about the delays and the number of remands, the lack of victim input and assistance by saying that they had no complaints until NDP MLAs got involved.

I want to ask the minister if he will apologize to the family. They have asked for an apology. Will he consider the way that his comments have affected their hope and optimism about justice in their case?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I think that this government has demonstrated not only in word but in deed how we are concerned about victims, and in respect of this particular case, I know that it was a particularly terrible tragedy. I would encourage the McEvoy family, if there is any concern about how the Justice department treated them, I would encourage them to file a complaint, the results of which ultimately are placed before this Legislature in a report. The strength of the complaint process in our act is unparalleled to any act in Canada. We feel very deeply for the McEvoy family, and we want to ensure that they receive the best possible service from the Department of Justice.

Ms. Cerilli: I want to ask the Minister of Justice: how can he assure the McEvoy family that their complaint, which they plan to file, will be viewed impartially and not with the defensive, partisan attitude that he has expressed in the House and in the media.

Mr. Toews: Well, you see, Madam Speaker, they want me to become directly, politically involved in the process that does not allow for that.

Madam Speaker: Order, please.

Point of Order

Ms. Cerilli: Quickly, on a point of order, the minister should not impute motives, political or otherwise, when I am raising a matter on behalf of my constituents in this House.

Madam Speaker: Order, please. I would remind all honourable members to pick and choose their words carefully.

* * *

Madam Speaker: The honourable Minister of Justice, to complete his response.

Mr. Toews: I do not want to get politically involved in the process as is suggested by the New Democratic member. I want to ensure that there is a fair process in the hearing of any of these complaints because ultimately the result of that process is tabled here in the Legislature. It serves no interest for me to get involved in an inappropriate way. I want that result of that investigation here so that if there is any type of way that we can improve our service, we want to do that.

Chief Provincial Court Judge Request for Additional Judges

Mr. Gord Mackintosh (St. Johns): This is a very serious matter before Manitobans in this House today respecting the issue once again of the minister's credibility. We had the issue of his threatening a striker. He denied it, and then he expressed regret. He said he was never told of problems in prosecutions. The representative of the prosecutors said he was told many times. He contradicted himself the last time he and the Chief Judge got into a spat.

The issue today, and this is my question: would the minister explain to Manitobans if he told the media that he took the request from the Chief Judge for three additional judges immediately to Treasury Board? If that is true, why did it take two months to reply to the Chief Judge?

Hon. Vic Toews (Minister of Justice and Attorney General): What in fact happened, if my recollection is clear on this, and if I in any way misrepresent anything, I will come back to this House and explain that very fully. But, as I understand it, when the Chief Judge wrote the request to me for those three additional positions, that request then went through the due process in the department, and it went to cabinet. As a result of discussions in cabinet, I had further discussions with the Minister of Finance. The discussions with the Minister of Finance resulted in the way the letter was drafted to the Chief Judge in respect of the three appointments and the staggering of the appointments. That is what happened, and I do not think that there was any undue delay on my part. I believe that every time the court has requested judges, we have provided those judges.

* (1420)

Letter Tabling Request

Mr. Gord Mackintosh (St. Johns): Would the minister, who took two months to respond, now admit that the issue of credibility is directed at him? That is the issue before Manitobans, and why is he raising this issue of a red herring about the Chief Judge taking documents from his office? Is that just an act of revenge? I ask him to table the letter from the Chief Judge.

Hon. Vic Toews (Minister of Justice and Attorney General): I find myself in the position that I gave an undertaking that I would not disclose that letter. Now I understand the Chief Judge has disclosed it to members of the media, and I will take it under advisement whether it would be appropriate for me to release that letter in view of the fact that the judge or the court has released that particular letter.

This is not an issue of credibility. This is an issue of my being able to access the documents that were formerly within one of my employee's possession, documents that our department uses for a number of purposes and which are no longer there. I simply need those documents in order to respond to the letter that was made to me.

Madam Speaker: The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Mr. Jim Mackay

Mr. Gerry McAlpine (Sturgeon Creek): Some people may say that the education system does not always do enough to promote the development of musical talent and ability. I would like to share with the House today a bit about one teacher in St. James who has proven this wrong.

Mr. Jim Mackay spent 21 years as the band teacher at Silver Heights Collegiate. He has decided to retire, but he will leave a considerable musical legacy behind which I concluded after attending an event last night. Many students have entered Silver Heights without necessarily having cultivated their musical ability. They sat in front of Mr. Mackay where he uncovered their skills. Later they graduated from Silver Heights, taking with them awards for their newly developed talent. He has inspired many students to further a career in the music and arts industry. For example, one previous student plays keyboard for Lenny Kravitz. Another student is currently in Paris working for a national ballet company. Another student, Jim Mair, is in charge of the music program at the University of Idaho.

I recently had the pleasure of attending his last school concert at Pantages Playhouse. I was very impressed to witness these young students who sounded so professional. The enjoyment they were receiving from playing under Mr. Mackay's direction was readily apparent.

Mr. Mackay is truly deserving of the awards he has received during his teaching career, including one for excellence in teaching. Many parents, students and fellow teachers of Mr. Mackay's have benefited from their friendship and professionalism. His students quickly became like family.

It is teachers like Jim Mackay that will continue to develop our students into successful young adults as he passes on the reins to another great teacher, Mr. Blaine Workman. I hope that

the many lives Mr. Mackay has touched have truly benefited from the qualities that he carries. Thank you, Madam Speaker, and thank you to Mr. Mackay.

Mr. Murray Smith

Ms. Diane McGifford (Osborne): Madam Speaker, on April 27, 1999, Murray Smith, retired teacher and dedicated community activist, was named the 1999 Joseph Zuken Citizen Activist.

In presenting the award, Professor Carl Ridd compared Murray Smith to Don Quixote whose challenges to established order became his mark of heroism and morality.

Murray Smith's professional career and academic record are distinguished, but today I want to celebrate the highlights of his volunteer work. He served on the University of Manitoba's board of governors for eight years and on the Health Sciences Centre board for 12 years, including three years as chair. He was president of the Manitoba Teachers' Society and has been a long-time advocate for teachers' rights and pension benefits.

Murray Smith was a strong advocate for the Status of Women long before it was politically correct for men to champion feminist thinking.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

An Honourable Member: They see your double standards. They know—

Ms. McGifford: Could you just shut your mouth for one minute, Linda.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Leader of the official opposition, on a point of order.

Point of Order

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I would like to ask you to call

the member for Assiniboia (Mrs. McIntosh) to order. She has been constantly heckling through the statements. There is a little heckling that goes on between all members, but nobody has been constant through Question Period; we pointed that out two days ago. Now in statements about people who have contributed a lot to Manitoba, members cannot finish their statements.

I think all of us, including myself, should stop our heckling, and the member for Assiniboia should be monitored by the Speaker.

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

Hon. Linda McIntosh (Minister of Environment): Madam Speaker, since I was moved to this particular seat, I have the—I do not know if it is advantage or disadvantage of having the sound come here from that side. All day long every day that we are in session the members on that side are muttering and heckling and chirping from their seats, and, yes, I respond. Almost everything they hear from me is a response to what either the member for Transcona (Mr. Reid) has said or somebody over here has said, and the Leader of the Opposition (Mr. Doer) is one of the worst, sitting there muttering under his teeth, muttering all the way through. Sometimes I am sitting here reading, and he will say be quiet, and I am reading.

Madam Speaker, I do acknowledge that I did indicate that they were honouring someone who is named after an award who was a communist, and that is fine. That is not an insult.

Madam Speaker, I will refrain from heckling, but I do want to point out again this is another example of the double standard of those people who insist that we achieve a standard they find impossible to keep themselves.

Madam Speaker: The honourable member for Osborne, on the same point of order.

Ms. McGifford: Madam Speaker, I want to take this opportunity to express regret for my intemperate words to the Minister of Environment, but the Minister of Environment has been insulting and tossing epithets around about

individuals who are here who I am trying to celebrate for community service and who are not here to defend themselves. I think that is quite mean and quite despicable.

Madam Speaker: The honourable government House leader, on the same point of order.

Hon. Darren Praznik (Government House Leader): Madam Speaker, on the same point of order, I appreciate the difficulty with which Madam Speaker is attempting to deal with the situation in the House. But I just say, in fairness to the member for Assiniboia, her comments, which I did not hear, I understand were not directed at any of the individuals being honoured by the member for Osborne.

Perhaps the lesson for all members is in the banter that goes back and forth across this House. Many times what is intended is not what may appear by those listening. I think that is a warning I would ask Madam Speaker to make to the members in this House.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. I would like to ask all members of the House if they would like a five-minute recess to settle the issue once and for all. Is that the will of the House?

Some Honourable Members: No.

Madam Speaker: No? Order, please, then. Please. I have been standing for almost all of Question Period on and off trying to maintain order.

Firstly, let me thank the honourable member for Osborne (Ms. McGifford) for the withdrawal of her intemperate language. Secondly, on the point of order raised by the honourable Leader of the Opposition (Mr. Doer), I was attempting to get all members to indeed come to order. I do not know if members in this House recognize, first, how rude you are perceived to be by the public when there is so much disruption, and secondly, when the Speaker stands and asks for order, how very few members pay any attention to the Speaker standing.

* (1430)

I would ask for the co-operation of all honourable members in this Chamber. I particularly am very sensitive to the fact that there is a lot of disruption—I have raised it on several occasions—during members' statements. We have only five members' statements a day, and members are allowed two minutes. That is very important time for all members to make comments, particularly regarding events and individuals in their constituencies who deserve recognition.

* * *

Madam Speaker: Now the honourable member for Osborne, I believe, has one and a half minutes left to complete her member's statement, hopefully without interruption.

Ms. McGifford: Thank you, Madam Speaker. I do not know whether Murray Smith will be pleased or not that his name has caused so much fuss and fervour in the House. I was speaking about his volunteer record and wanted to point out that more recently he has been a board member of the Manitoba Society of Seniors organization and also president of the Retired Teachers' society. Murray Smith earned the Joseph Zuken Citizenship Activist Award for the range of his volunteer activity but particularly for his recent work in advocating against the federal government's proposed seniors' benefit.

Believing that this proposed benefit would indeed be no benefit at all, he took up the issue with great tenacity, organizing and speaking to groups all over Manitoba. Murray Smith and his colleagues won the battle, and rightly so. Today, I ask all members of the House to join me in congratulating Murray Smith on this particular victory, on his receiving the Joseph Zuken Citizenship Activist Award and on his long life of dedication to social justice.

Order of Sport Excellence

Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship): On Wednesday, June 9, I had the pleasure of presenting the Sport Manitoba Order of Sport Excellence to the Vincent Massey girls cross country running team for winning the Varsity Girls Cross Country Provincial Championship.

I would like to extend my sincere congratulations to Michelle Carson, Julie Dunford, Tobi Straker, Jill Johnson, Shanna Semler, Sarah Malahias, Janice Rotts, Heather Kirby, Val Carson, Kim Pollock, Jenna Lessak, Christel Johanson, Ellie Lessak, Marie Baffoe and Crystal Wiegner.

I would also like to congratulate Michelle Carson who placed second overall in the three-kilometre race in a field of 140 girls. So congratulations to each one of these very talented and hardworking athletes and particularly how very well they worked as a team. Congratulations, Vincent Massey.

The Maples Recreation Centre

Mr. Gary Kowalski (The Maples): I rise to speak about a number of organizations in The Maples. As spring arrives, a number of community groups have their windups, their elections, and often these are hardworking volunteers. Quite often in The Maples, as probably in most communities, it is the same people you see serving as volunteers at the parent committees, in the schools, at the community centre, the justice committees, and they do not get anywhere near their recognition.

Recently, I was away from the city to attend a wedding of a niece, and while I was away the annual general meeting of The Maples Recreation Association occurred. From all accounts that I have heard, it was a well-attended meeting. This recreation association in the past couple of years has really expanded its reach. They have gone beyond mere sports programs. There is a lot of work done in hockey and soccer and the baseball programs that they have there, but they also have a seniors' program in the recreation association. They have had a drop-in program there. They now have The Maples literacy working group having literacy programs in there. In the recent election, they have changed the setup of their board to not only represent the different sports involved, but they have five members-at-large who are going to continue in this direction of making The Maples Recreation Centre a true community place, and I congratulate the board and the volunteers and hope they carry on the good work that they are doing.

NATO/Yugoslavia Peace Agreement

Ms. Marianne Cerilli (Radisson): I want to rise today to recognize the announcement that NATO has ended the bombing in Kosovo and Yugoslavia. I am sure that all members in the House will join me in my hope that this is the beginning of peace in this region and that there will be further agreements in the removal of Serbian troops. There has been criticism and concern expressed in the local media today that not a lot has been said here in this House over the last 79 days of the military action of NATO in Yugoslavia. I know myself I have often felt that the debates we have been having in this House over this period have paled in comparison to Canadian forces involved in this NATO action. I want to assure members, as well as on our side, that I am sure there has been a lot of concern.

I know that I and others have been in contact with our federal colleagues who do, at the federal level, have the majority of the responsibilities legislatively in parliament over these matters. But we have all watched with horror at the failed bombing attempts, at the errors made, and now the humanitarian disaster that still is occurring with hundreds of thousands of people who are forced to be refugees. We know that these people have been forced to live in appalling circumstances, that they have been separated from their families, that they have had inadequate food, shelter. They have survived flooding as well as the bombings and the loss of their homes and possessions. We know that there are 5,000 that are coming to Canada and 350 are coming to Manitoba, and I know from the Minister of Housing (Mr. Reimer) that some of these families are indeed going to be housed in Manitoba Housing properties.

I also want to recognize, though, the lack of forethought in planning for the obvious humanitarian refugee needs that were going to be occurring when the bombing was first initiated. I also want to recognize that the horror is going to continue as we now have to replace the infrastructure and deal particularly with the fact that depleted uranium shells were used in the bombing of Kosovo and that the radiation from these shells, as it did in Iraq, will continue

to have environmental and human health consequences for many, many years to come.

ORDERS OF THE DAY

Committee Changes

Mr. George Hickes (Point Douglas): I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Selkirk (Mr. Dewar) for Transcona (Mr. Reid) for Tuesday, June 15, 1999, for 10 a.m.

Motion agreed to.

House Business

Hon. Darren Praznik (Government House Leader): Madam Speaker, given some changes in the availability of ministers and critics, my colleagues in the House leadership in the opposition, we have been attempting to accommodate as much as possible, and I hope members do bear with us in accommodating so many interests as one has to.

The first thing I would like to do is ask today, given that we had our private members' session this morning—I believe if you canvass the House, there will be a willingness to waive private members' hour.

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

Mr. Praznik: Secondly, Madam Speaker, we have some changes to make in the order of Estimates, again to accommodate a variety of members. The first one, and I would seek approval of the House to make these changes, is that the section of the Committee of Supply meeting in the Chamber will consider the Estimates of the Department of Energy and Mines today, and I look to my colleague if we could agree for Monday as well, understanding that we will be likely back in with Executive Council in the Chamber on Tuesday. As the member is aware, I believe the Premier (Mr. Filmon) is attending a particular function. That

will have to be confirmed with respect to Monday. We will do that on Monday. I look to my colleague. I believe some confirmation is required, but I wanted to mention it today to give notice to members as much as possible.

So for today I will be seeking leave to move the Department of Energy and Mines into the Chamber for today, and we will report back to the House on Monday with respect to Monday.

* (1440)

Madam Speaker: Is there unanimous consent of the House to permit the section of Committee of Supply of the Estimates for Energy and Mines to meet in the Chamber? [agreed]

Mr. Praznik: We have moved the Department of Consumer and Corporate Affairs, now in consideration in Room 255, I believe. That will continue today. I just look to my colleague whether or not there is agreement for Consumer and Corporate Affairs just today or to continue in there until it is completed in the order of Estimates. Well, then, we will ask simply for leave for today.

Madam Speaker: Is there unanimous consent of the House for today to permit the Estimates of the Department of Consumer and Corporate Affairs to meet in Room 255? [agreed]

Mr. Praznik: Madam Speaker, this does not require consent of the House. The Department of Labour is continuing in its Estimates in Room 254. Just for, again, information, it is my understanding that those Estimates may perhaps be completed today, in which case it is the Civil Service Commission which is next on that order. I just only say that so that all concerned are aware that that may be called later on today.

Madam Speaker: We do not need unanimous consent for that, but I will reiterate the statement if you so desire.

Department of Labour Estimates will continue to be dealt with in Room 254, and upon conclusion of the Estimates of the Department of Labour, the Civil Service will be dealt with in Room 254.

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

Motion agreed to.

* (1450)

COMMITTEE OF SUPPLY (Concurrent Sections)

LABOUR

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon, the Committee of Supply meeting in Room 254 will resume the Estimates of the Department of Labour. When the committee last sat, it was considering item 11.2. Labour Programs (k) Worker Advisor Office (2) Other Expenditures, on page 116 of the Main Estimates book. Shall the item pass?

Mr. Daryl Reid (Transcona): Mr. Chairperson, I have had a chance to collect my thoughts. When we ran out of time yesterday afternoon, of course, I was somewhat hesitant in that regard. You had indicated with respect to the Worker Advisor Office that each of the worker advisors has a caseload of approximately 50 Workers Comp case files and that there are no waiting times for individuals who call in at the present time.

Can you give me an indication of the fluctuation in the number of cases that the individual caseworker might face? I am sure there must be some fluctuation throughout the course of the year in what has been the experience of the Advisor Office?

Hon. Mike Radcliffe (Minister of Labour): Mr. Chairman, in response to my honourable colleague's question, the fluctuation in each worker's caseload would be as low as 35 individuals as open files, and it could go even as high as 55. I mentioned 50 as an average caseload yesterday, but, in fact, sometimes the burden does ebb and flow depending on the exigencies of the moment, but it would be as

high as 55 open files at any given time. The mean average of the number of files processed or handled in a given year of clients or files would be about 140 per person.

Mr. Reid: If the average caseload is 50 per advisor—and I know you say it fluctuates in there—how often would we be communicating with the claimant, the Workers Compensation claimant in that regard? So if you are doing 50, would you get to one claimant every month and a half, for example? How do you prioritize the communication there and the workload with respect—do you do it based on when the appeals are coming up?

I am looking here in the sense of service or level of service to the individuals and the communication that would take place, considering if you do one every working day it would be nearly two months before you would get back to a claimant again.

Mr. Radcliffe: There is a standing protocol, I guess, in the department that each officer must respond within 24 hours to a call from any individual claimant who is seeking assistance or help. Beyond that, I cannot really comment because there is no monitoring or hands-on supervision or looking over the shoulder of each individual worker. So, therefore, the contacts with the individual claimants vary as is required by the individual clients from time to time. If they need a lot of care, they get that. If they need sporadic or intermittent care, they also get that.

So it is not something that is mechanized or minimal standards that, you know, you must call through your lists once a month and talk to everybody. You talk to them and you do the job as required, when required, and if it is intense, you work through the intense period, and if it is somebody who is less intense, well, then, you deal with that accordingly.

Mr. Reid: I am sure, at least this was my experience from last year, that there is some turnover in the Worker Advisor Office with respect to staff, and I am wondering if you have a list of the names of the advisors, not necessarily put on the record, but just a list of those individuals available so that I might see

whether there has been turnover in the last year. If that information is not available here today, it is not crucial, and perhaps you could supply it with other information that may be coming forward.

Mr. Radcliffe: Mr. Chairman, I do undertake to supply my honourable colleague with a list of staff in this capacity. For the purposes of this discussion, I would advise my honourable colleague that there are two new employees who are worker advisors at this point in time that were replaced between now and this time last year in the existing complement.

Mr. Reid: Can the minister give me an indication of where these two new employees may have come from? In past experience, some have come from outside of any involvement in any government agencies or departments. Last year there was one, I believe, who came from Justice, and one has come from within the Workers Compensation Board. There have been shifts of staff internal to government operations, so I am trying to get an understanding here of where these two individuals would have come from.

Mr. Radcliffe: One individual came from Workers Comp, and the other person came from the Alzheimer's Society. The one position was filled by way of secondment and then an infill of a vacant position. That was the Workers Comp person. Then the second position required bulletining. That was done, and this person responded to the request.

Mr. Reid: I am not quite clear. You said one was seconded and came from the Workers Compensation Board. If that is accurate, then, can you tell me, because the Worker Advisor Office is supposed to be viewed and separate from the functions of the Compensation Board, how would the Worker Advisor Office handle a situation if the person came from the Compensation Board then and had dealt with the files or had some contact or knowledge of the files for which in the cases now they are in a position of having to be acting as an advocate on behalf of that claimant?

* (1500)

Mr. Radcliffe: I am told that the department has basically what is tantamount to a conflict-of-interest protocol whereby the Workers Comp person self-declared if in fact this worker had a face-to-face communication or any file knowledge even, however remote, not even a hands-on file management, but even a knowledge of a file, and that person withdrew and had nothing to do with that particular application or situation as a worker advisor. Further to show that in fact this protocol was effective, there have been no complaints, no comments, no feedback to the Worker Advisor Office that anybody felt aggrieved or had any problems with the individual person.

Mr. Reid: In that regard, I do not believe I have had any claimants contact me with respect to that individual either.

When you mention seconded from the Workers Compensation Board, I am just wondering: is that the appropriate term to use? Did the worker advisor or the deputy minister perhaps go to the Workers Comp looking for people, or did that individual actually make application to transfer over, because seconded looks like we are searching instead of bulletining out for job vacancies?

Mr. Radcliffe: The department, Mr. Chairman, did issue a request to the Workers Comp Board to determine whether there were any individuals who were interested in working over at the Worker Advisor Office. There were 12 applications that were submitted. All 12 applications were screened, interviewed, their qualifications reviewed, and one person was chosen. The placement was to be for one year, and that was how this person came to be placed in the department at that point in time. Once the person was there, a job vacancy came up and they filled that job vacancy.

Mr. Reid: The minister mentioned it was for a one-year placement for that particular advisor. Why would it be for one year? I do not understand the functioning of why you would bring someone in for a year. I mean there must be some level of training that is involved in that. Is there a condition or a reason that it was only for the year?

Mr. Radcliffe: Basically, this was a managerial or administrative undertaking or arrangement between the Workers Comp and the Worker Advisor Office that the person would come for one year, be placed with the department for that particular year, and, at the end of that year, would be reviewed with regards to the success of the placement, I would presume, and further decisions made.

Mr. Reid: So at the end of that year then the individual would be sent back to their original employment, original position, and that we would have to then seek out another person, or am I misunderstanding the process that you have in place?

Mr. Radcliffe: The whole basis for this movement of staff, Mr. Chair, was a matter of partnering or facilitating communication and comprehension of the different environments. So the department wanted to foster a degree of understanding amongst the staff of what the Worker Advisor environment was like. On the other hand, when a Workers Comp person comes over, worker advisor colleagues would understand some of the attitudes, some of the principles, goals, and reality of the Workers Comp Board. So the idea, the concept, was that the person would come over from Workers Comp in order to foster greater communication and understanding. At the end of the year, that person would be reviewed with regard to whether that person would stay on or not, and, before the year expired, a vacancy came up in the Worker Advisor Office. So that person who came from Workers Comp then moved into the vacant position.

There may well be opportunities in the future for Worker Advisor people to move over to Workers Comp Board to facilitate greater understanding between both sides, so that one is not looking at an adversarial abyss with two isolations but rather a working partnership, and an issue more of conciliation and facilitation between the two arms of administration. So that is sort of the general vision; that is the purpose. In fact, in this particular case, the scheme was never fulfilled, because in fact the person was permanently placed. But who knows, I mean, there might be further administrative changes in the future of this type.

Mr. Reid: So is the Worker Advisor Office or the ministry considering other secondments to come in for training purposes to further that objective that you indicate of trying to provide for some cross-understanding between the functioning of the two operations, the Worker Advisor Office and the Workers Compensation Board? Is that part of your plan for this year?

Mr. Radcliffe: Right now, Mr. Chairman, there is no forethought of extending the participation to the Workers Comp Board, but, in fact, the department is looking at almost a clerkship or internship situation with employees from the Manitoba Federation of Labour or the MGEU. There is a training component that goes on where the worker advisory does assist in training some of the people from these other organizations, and this would be an extension or a complement to their academic training. So this is what is anticipated may very well happen.

Mr. Reid: I look at this from the point of view of the claimant. As a claimant, there is often—at least the calls that I get to my office, and I am sure that my office is not much different than what other MLAs have with respect to the caseload involving the Workers Compensation Board. But how does this further the understanding or the perception of the public, the claimant in these cases, when this information is no doubt public to some degree? I mean, it is not that big a secret. Friends and neighbours and relatives talk to each other about where they work, and there is word of mouth.

* (1510)

If a claimant becomes knowledgeable of someone who was working in the Compensation Board in what many view to be an adversarial relationship for at least 15 percent of the claimants of the Compensation Board, judged by the survey numbers, the raw numbers that were given to us some time ago, and yet the individual then could be transferred over to the Worker Advisor Office where we are trying to build the understanding that the Worker Advisor Office is for the benefit, acting as an advocate on behalf of the claimant, how do we maintain that separation between the two functions?

I understand that they are dealing with the same legislation and the interpretation of it in

many cases, but how do we continue to build the public perception or not do anything to undermine that belief that there is a separation between the Worker Advisor Office and the Workers Compensation Board if we bring people and we actively seek people from the Compensation Board's side and bring them onto the Worker Advisor Office side?

Now, I understand that there may be a benefit to doing that with respect to the limitations on training time required, because if you are working with the act on the Workers Compensation Board side, of course you would have knowledge that you would carry over and you would be able to put that to good use, obviously, but I am looking here at how we are in the best interests of the claimant who would come to the Worker Advisor Office.

Mr. Radcliffe: Mr. Chairman, I guess I can cast myself in a litigant role for a moment because I did spend 25 years of my life being an advocate for litigants. What one does when one enters this sort of a role as an advocate is that one espouses and presents the interests and the concerns of your client of that moment. That clientele can change from time to time. It is very important to maintain an objectivity. It is very important to have an understanding of the other side of the coin, and so I can share with my honourable colleague that for years I was a defence attorney, but it was very important for me when litigating in the criminal courts to have an understanding of the mentality of the Crown, how the Crown works structurally, what their value structure was, the priorities under which they dealt.

One often finds, and I can look around the defence bar today in Winnipeg and I can point to some leading defence attorneys today who started out their life as Crown prosecutors. So it is very important that if one is going to be effective in this sort of an environment, that one have a working knowledge, a real internal understanding, of both sides of the line, that in addition to the fact that this is not a court of law but rather a matter much more of conciliation. One does not sacrifice claimants' views or claimants' interests, and I think the proof of that is that there have been no complaints and no comments made to the Workers Advisor Board

over the past year with regard to this individual is the proof of the pudding, that nobody has perceived that there has been a conflict of interest. I think, in addition, the protocol that has been set out and followed vis-a-vis a conflict of interest has also been effective.

Mr. Peter Dyck, Acting Chairperson, in the Chair

I would look again as an example to try and illustrate the point for my honourable colleague, Mr. Chairman, that when a judge is appointed from the private bar or from the Crown in our province, the bar in Manitoba is a very small community, and it is a very intimate community. The people who are often active in the courts system are a very small select few, and judges are able and capable very quickly of obtaining an objectivity, even though they may have at one point in time been an insurance attorney, or they may have been a plaintiff's lawyer, or they may have had a particular bent to their private practice. They are able to turn the corner on that and deal with cases not in a conflict of interest, because, obviously, there is a waiting period within which one does not receive cases when one is on the bench from one's former firm for I think it is a period of at least five years. There is a cooling-off period.

What I am trying to do is to explain to my honourable colleague that from the employee's side, that I am sure that the employee has travelled this road of objectivity, of assuming a new identity, of assuming a new role, while at the same time bringing a wealth of knowledge from the other side of the fence. The public, obviously, has not been concerned with this, and I am sure that management being whom they are and aware of legal principles and aware of natural justice, that if even there was a scintilla of a doubt of infringing, these precepts of administrative law would interpose themselves immediately if, in fact, any function would be jeopardized within the Worker Advisor Office.

Mr. Reid: I can only give you anecdotal information here. I cannot say that I am knowledgeable of any complaints that have gone to the Worker Advisor Office or to the ministry in this regard. I know that each of us who deal with these cases sometimes have to take them

with a grain of salt, and you have to kind of put your own test to the cases or the information that is brought to your attention.

There are cases where I have had people tell me that they have tried to use the services of the Worker Advisor Office—and I am not saying they do not do a good job because I think by a very large part they do. But there are the occasional cases that come along of individuals who say that they have tried, and, of course, there has been no success or they were not 100 percent satisfied. I will not say they were totally dissatisfied, but they were not 100 percent satisfied, and they have gone on and then come to our office seeking assistance in that regard.

I am trying to preserve at least the perception of the independence between the two bodies, and if the actions of seconding services from the Workers Compensation Board undermines the public perception that I think exists of the good work that the Worker Advisor Office does, I think that that would do a disservice to the Worker Advisor Office and to the overall advocacy role that they have played on behalf of claimants. That is what I am worried about when I raise the matter from that point of view.

In the Supplementary Estimates, it indicates over a thousand cases, and I know the annual report talks of actual results of last year; I am talking '97-98, 1,235 cases. Can you tell me what the total number of cases was for 1998-99?

Mr. Radcliffe: Mr. Chairman, 1,352 cases.

* (1520)

Mr. Reid: So we have seen about a 118 or 115 case increase year over year. Can you tell me what is your success rate in the handling of those 1,352 cases?

I would imagine that some of them are still perhaps outstanding and unresolved, but perhaps you can indicate how many of those in that case and how many of them were resolved at various stages, whether through the process of going back to initial adjudication or the numbers through appeals or the numbers that were

disbanded or perhaps moved on to final levels appeal, including MRP.

Mr. Radcliffe: Mr. Chairman, I am told that the successfully appealed cases at a primary adjudication level by the Worker Advisor Office is 70 percent. Then the percentage of cases successfully appealed at the final Appeal Commission level is 38 percent. Then there is an interim level of resolution which is more formal than the primary level that I have discussed and that is the review office, and 49 percent of those cases are resolved to the claimant's satisfaction.

Mr. Reid: Could you give me a breakdown on those numbers? I mean the percentages obviously do not add up to 100, for obvious reasons, but I am looking for the number of cases that would move to those different levels. So, in primary adjudication, if you had all 1,352 moving to that level first seeking some resolution, how many would move on to the review office and then the number that would actually be moving to the Appeal Commission for some resolution?

Mr. Radcliffe: We do not have those actual numbers here today, Mr. Chairman. We will undertake to supply them to my honourable colleague.

Mr. Reid: Can you tell me how many of the cases would normally carry over from year to year so I have an understanding?

Mr. Radcliffe: The carry-over from fiscal year '98 to '99 to '99-2000 was 132.

Mr. Reid: Going back to my question of first contact. I think it was indicated that first contact is made within 24 hours. I think that was the information the minister supplied. In your report here, it talks about case assignment, in the Supplementary Estimates, and then first contact with the client occurring within four weeks, 80 percent of the time. Can you give me an understanding of—I mean, four weeks if someone has just received a letter of benefit termination from the Compensation Board, which is usually the precipitating factor for someone to pick up the phone and call the Worker Advisor Office or an advocate. I am trying to get an understanding

here of what is the accurate picture. Is it 24 hours when someone calls the office with respect to that or do they have to wait four weeks for an appointment with that worker advisor after it is assigned, and that is after the 24-hour contact period, or give me some indication of how that functions?

Mr. Radcliffe: Mr. Chairman, the process of induction or intake is approximately as follows, and this is a generalization so there are always exceptions to the rule, but normally what happens when someone contacts the Worker Advisor Office, the Worker Advisor Office will, if the person has not come in directly to the office but rather contacted the office by mail, an authorization form will go out to the claimant, the claimant will sign the authorization and that will be returned to the office. That is an authorization permitting the Worker Advisor Office to have access to the WCB file.

So as a general rule, and again, I caution my remarks, there can be shorter times and longer times, this usually takes about a week in the experience of the office. Then the office sends for the physical file from the WCB. So by the time the correspondence is generated, mailed over or transported over to WCB, the file located and transported back to the Worker Advisor Office, that is a seven to 10-day process. Then as a working guideline, the Worker Advisor Office allows the particular worker advisor a five-day opportunity to review the file, become familiar with the material, digest it and internalize it so that they have a working familiarity with the material that is on the existing file. At that point then the advocacy rolls forward. At any time, either during the intake process or through the active management of the file, if the claimant should phone the officer, the working rule is that it is a 24-hour turnaround time to respond to the person's phone call.

Mr. Reid: What happens in the other 20 percent of the time if your results here are first contact in four weeks 80 percent of the time? What happens in the other 20 percent?

Mr. Radcliffe: That other 20 percent of the time represents the obvious and human situation where perhaps the claimant takes their time in

returning the authorization, does not understand it, does not sign it, has to follow up on it. It could be that there would be delay at the Workers Comp Board on retrieving all the parts of the file and making sure that it is reproduced and sent over. It could be that the file is of such a voluminous nature that the advisory person needs more than five days to wade through all the minutia of the file.

Obviously, you know, some of these are very straightforward, and sometimes when you get into very complex medical matters that have been ongoing for some particular time, with a lot of technical medical evidence that has been submitted, they do take a significant length of time and you have got to be sitting there with either your medical dictionary or other source books in order to wade through and understand really what the issues are. I can attest to that from some of the material that I have received in my office where I too get claimants who contact the minister's office thinking that I am an office of ultimate appeal. I am afraid not and do not want to disabuse my honourable colleague of that fact. In fact, again as I have said publicly, I am the keeper of the process.

* (1530)

My concern is to make sure that there is expeditious response, that files do not get lost, that people are treated with courtesy and dignity, that the process is working. But it would be very, very, improper for me as a political person to interfere with the substance of the files and interpose myself as a medical officer, which I am not, or interpose myself as an adjudicatory person when I am not. My role is to see that the process itself runs in an appropriate, humane and compassionate manner.

But I can assure my honourable colleague, and I am sure you have had the same experience, that when you get a three-page detailed letter of a tale of woe from some claimant who is angry and frustrated and obviously sincerely hurting and has had three years of experience at battling, there is a lot of detail that you have to absorb in order to understand it in order to react intelligently. Then I have an assistant who goes back and relates to the Workers Comp Board, and often I will ask questions to satisfy myself

that the process has worked properly and if not, draw it to the attention of the appropriate manager that I would like a response given or I would like somebody's file brought forward and considered. Sometimes files get lost and that has happened. That is my role as watchdog to make sure that the system works and works well for these people. But sometimes, in order to talk intelligently, you have to absorb the stuff and it can take a number of days to work through it.

Mr. Reid: Well, I think when we were having our earlier discussions with respect to staffing, I had asked about individuals that the minister has for his staff, and he has indicated that he has a person who works on compensation cases that would come to his office. I think it would be probably the best way of describing that. So what role does that individual play then in his or her, I guess it is his in this case, capacity when the minister's office obviously does get cases dealing with the compensation act? The process between the minister, his staffperson, the work advisor and the Workers Compensation Board, how do those pieces all function together? What is the role of that individual then? Do they communicate with the Worker Advisor Office and let the worker advisor do that advocacy work, or does that individual that the minister has on staff communicate with the Compensation Board and deal with those matters, and what advice do you provide to that individual doing that work?

Mr. Radcliffe: It is a problem-solving technique of a general nature and so the employee in my office would either contact the point person who is the liaison with the Workers Comp Board or managerial level of the Worker Advisor Office or in fact even sometimes the individual worker advisor, depending on where the issue may lie, obtain the facts, obtain the perspective from the Workers Comp side. Having been a professional of some 25 years, I have learned, I guess, to be able to read between the lines often on different explanations as to when something has the patina of fairness and reasonableness and when in fact something may have fallen apart. If something has fallen apart, then that is obviously brought to the attention of management, and it is rectified. So that is the general overall relationship.

The minister does not ring up the general manager of the Workers Comp Board or the chair of the board of directors because that then smacks of interference. This way removing oneself a step or two away from the function, you get the opportunity to overview the function and still keep oneself out of the issues of substance and the of trying to exchange oneself for making individual hands-on decisions, which one should not do as a minister.

Mr. Reid: Well, then, what direction does the minister or deputy minister provide? I think it is Mr. Robinson who does, as the minister's assistant involved in the handling of Workers Compensation cases. What guidance do the minister or the deputy minister provide to Mr. Robinson? Do they leave it to his sole discretion to decide on what needs to be done with respect to cases that may come to the minister's office seeking attention?

Mr. Radcliffe: Well, I have a number of standing orders, I guess, or principles that I employ in communicating with members of the public. Whenever a letter comes in from a member of the public, my staffperson would immediately respond, acknowledge receipt of the letter and saying this matter is under review and we will be back to you shortly. Then, as a general rule, unless there is some good reason why not, I like to have a response back from the bureaucratic level or the management level or the actual working level of the file within seven to 10 days. I like a response back in my office with an explanation as to what has happened.

Generally speaking, I have found that there are often matters of communication, and you have to understand, which I am sure my honourable colleague does, Mr. Chairman, that often these people are emotionally involved. They are not people of a high education level. They are people who are feeling threatened and vulnerable, and you have to take that all into account when you are making these inquiries and dealing with their matters. You have to deal with them very sensitively. Then a letter will be prepared in my office by my staffperson, either summarizing the inquiry that we have had or presenting the material that we found in a clear, concise, simple and direct manner. There can be often a follow-up with a reference for that person

to contact a worker advisory person so that there is some remedy that the claimant can follow. So the person is not just left dangling, with a shallow piece of paper in their hand, but rather that there is a course of action that is being recommended so that the claimant can follow up with a human being, and they are redirected at an appropriate level.

Often, I have found that people sometimes become frustrated with the maze of government or the maze of administration because there are so many people, and you have to tell your story so many times and you are never sure which is the right person you should be speaking to. So part of our role is to focus the question, focus the direction, come up with the right level and the most effective person that the claimant should be speaking to so that they can get a hands-on answer. We make it very clear in my office that, in fact, I am not an appeal court of last resort because that is a common difficulty. For example, sometimes I do take people into the office and interview them just to get a feel for what is happening, because I think that is important as well that you actually get a chance to meet the real people and they are not just pieces of paper crossing your desk.

I can recount to my honourable colleague that one Friday afternoon, I was pushing paper across my desk and this woman came storming into the office. She had a very thick European accent and was very distressed. She wanted to speak to the minister, so I said, fine, you are speaking to him, sit down, have a cup of coffee. I put her in my armchair and poured her a cup of coffee, and I listened to her story.

The conclusion I came to was that she had come from another culture and, obviously, another country in middle Europe. She had been used to a different system of justice and almost a different rationale for problem solving. So I took it upon myself at that point to find a co-nationalist, a co-ethnic person as a social worker who could go and speak to her from her own community in her own language, and through my own personal contacts I located that type of a person. I then shared the social worker's name with the claimant, and the claimant then went on her way and decided her case and her remedies for herself.

That gives you a flavour. I like promptness, I like direction, I like clarity in communication with members of the public, with members of the board. I also like to have an open door for individuals so that if they feel that they have to come and tell me their problems, I am there to listen. I will listen, sometimes much to the chagrin of my staff, but I feel it is important that one do this as long as you can still function and until they consume you, which often does happen. Then sometimes there are the people who are—how should you say it? They are the chronic attenders. They are part of the backdrop, like the Greek chorus in a—[interjection] I am sorry.

An Honourable Member: I have a few to send you.

* (1540)

Mr. Radcliffe: Oh, you have a few to send me. Yes, they are the regulars. There is the gentleman who camps on the front doorstep from time to time. I have had some in-depth conversations with him and got to know him personally and, in fact, greet him warmly when I see him on steps. I am not sure if he knows who I am yet, but I have certainly talked to him and am aware of his personal situation and satisfied myself that he, in fact, is receiving a disability income at this point in time.

This is all part of the backdrop of the responsibility for this position. So it is a mix. I want efficiency, I want clarity, I want directness, and yet you still have to have the open door and the soft, compassionate touch in order to deal with the members of the public who understandably are often in positions of grieving.

Mr. Reid: Well, I am just trying to get an understanding here for my colleague. When she becomes the Minister of Labour she knows how the previous Minister of Labour would have handled the functioning of the office. Can you tell me, then, is there a practice in the office dealing with cases that come in? Because I am sure Mr. Robinson in handling these cases is going to need some direction from time to time. Does the minister actually sit down and talk with his assistant or with the deputy with respect to the handling of these cases and how best to

resolve these, or do we leave this to Mr. Robinson to handle himself? In other words, I am looking here to see if the minister is providing some guidance and some advice into these cases and how best they can be resolved, and perhaps where Mr. Robinson should go seeking out the support necessary or providing some direction on a case file.

Mr. Radcliffe: Mr. Robinson, and I can say this for all members of my staff who handle any of these Workers Compensation files, they are very well trained, I would say, in the role of what the minister does, what the minister's jurisdiction is and how the system works, who the cast of characters are within the system to speak to. They have been well trained to know that the minister does not get in and manage the Workers Compensation Board, and so from that perspective there is that ministerial line beyond which a minister does not transgress. That is very clear.

As to daily or weekly communication on the particular issues, yes, there is communication that goes on back and forth over a particular letter. I will want to know: is the person somebody who is suffering from an intellectual disability or an emotional disability? I can think of one person right now who gives me some considerable concern, because just in the short time that I have sat in the chair and been on watch, I have seen a series of letters come in of an increasingly emotional rancour which, in my eyes, as a professional and having been trained for 25 years in dealing with members of the public, you can see a pattern developing. I am on the verge of referring this matter to the City of Winnipeg police.

Mr. Reid: For psych services.

Mr. Radcliffe: Yes. Or psychological services. That is right. One gets to know the people whose anger is getting out of control, and so we sit and discuss these matters. Sometimes there are people who are just plain frustrated with too many phone numbers, too many files, too many pieces of paper, too many Latin terms in medicine. Sometimes it is a matter of people who feel that they have not been heard. Part of my experience that I guess I have learned in this political process is that very, very often a politician—and, in some cases, a minister—

performs a very useful function to the public by just listening. Often that is all people will want, to come and vent and tell the minister what their frustrations are. They are not looking for you to fix anything. They just want to come and talk.

So we will review that on the correspondence and discern whether in fact that is part of what is going on and what the need is for the particular claimant. You have got to look at it on a very sensitive basis. There is frequent communication over the particular correspondence that comes into my office and the individuals that come into my office.

Mr. Reid: I understand that there has to be, or at least the government and the minister and his predecessors have always taken the role of separation between church and state, so to speak in this regard.

Mr. Radcliffe: Am I the church or the state?

Mr. Reid: No, I think you are the state. I have always found it very frustrating in the cases that have come to me and the claimants that come to me asking me to be the advocate on their behalf. I assure the minister I look at the case on the merits of the case. I do not just take everyone that comes to my doorstep, because I think there are cases from time to time for which an individual has been through every conceivable appeal process level. The final result is still the same. There is little likely that I would be able to do in that regard, but from time to time we need to have the ability to have perhaps some common and reasoned thought given to some of the cases that come along.

Has the minister ever had occasion to be involved with any of the cases on a direct basis whether from within his own constituency or from outside of the constituency and other parts of the province, perhaps for which he may have had to play a role or involve himself directly in the resolution of some of those cases?

Mr. Radcliffe: First of all, my legal practice did not take me to the Workers Compensation milieu, so I can say from a professional basis that I have never had any connection with the Workers Comp Board, at least in the last 10 years of my practice. I think maybe early on I

did consider some Workers Compensation matters, but that would have been more than 25 years ago.

One thing I guess I want to put on the record right now is that I find sometimes the correspondence that is prepared for me expresses principles in a general nature which I choose sometimes to interpret may not be particularly responsive to the inquiry which another colleague has sent me. I sometimes redirect correspondence for redrafting, so that the particular issue that my colleague has raised with me is responded to because I feel that is important.

I try to put myself in the position of either my critic or a member on the opposite bench of receiving a letter from the minister. So I want the particular member to know that the points that that member has raised had been received, had been considered, had been understood, and there is a response. Whether the person likes the response or not is a wholly different issue. But it is very important for me in the correspondence to know that there is substance to the correspondence. Have I been personally involved in the prosecution of any case? No—recently as minister. What I have done is taken it upon myself to ensure that there has been timeliness, and if there has been untimeliness in some responses, I have sent the message along that I want immediate attention and I want something fast-tracked, if say something like 30 days has gone by and there has not been. There are exceptions to the rule, we are all human. With the number of cases that come before the board and are considered at the Worker Advisor Office, sometimes a file will get stuck and that does happen.

I know of two or three cases where I have come across issues where people have come and complained, and I have actually done a paper search or done a search of the correspondence and looked at it. On the face of the record there has been an unusual length of time, so that has been through staff. That has been drawn to the attention of management, and it has been rectified forthwith, and the appropriate responses have been given to the claimant or person involved. So I do not look on that as personal management or personal prosecution of a file,

personal handling of a file. Again that goes more to process. I deliberately try to stay out of substance because I think it is wrong. I do not think that a politically elected person should be involved either from a constituency level because, of course, to me that would smack of being a classic conflict of interest, that somebody to whom I am responsible as a duly elected member and then on the other hand being the minister responsible for an arm of government would be putting me then in the classic conflict of interest case. That has not happened, and I would hopefully be on guard to make sure it did not happen.

* (1550)

Mr. Reid: I know the minister is fairly new in his responsibilities, but is there any knowledge within the department of perhaps previous ministers or deputies being involved in resolution of some of the cases directly instead of leaving that to other staff, perhaps referring them on to the Worker Advisor Office. Is there any knowledge in that regard of predecessors?

Mr. Radcliffe: Mr. Chairman, no, there is nothing from the deputy minister's level, the minister's level or any other administrative level, any knowledge of any cases that have been hands-on interference or management or dispute resolution from the minister's office at the deputy's office.

Mr. Reid: The Worker Advisor Office obviously has a great deal of experience in what I would consider probably some of the more difficult cases involving The Workers Compensation Act. Does the Worker Advisor Office provide any feedback to the deputy minister, the minister or other members of the department with respect to shortcomings of The Workers Compensation Act? In other words, because they get an overall view of what is happening, they can see where there are stumbling blocks within the system or bottlenecks in the process, in the legislation. I am wondering if there is any feedback of communication that occurs between the worker advisors and the ministry.

Mr. Chairperson in the Chair

Mr. Radcliffe: In response to my honourable colleague, the Worker Advisor Office is from

time to time in communication from the board, the nature of the request being to comment on either practice or policy of the board, and they do respond on some of the operational side. That sometimes could possibly go as high as the deputy, but there is nothing that comes to the minister's office on that. However, what I do and I am perpetuating a practice that my predecessor had was that once a quarter I do sit down for an informal meeting with the three citizen representatives on the board of the Workers Comp and just talk about issues of a general nature, a policy that they might see going by that are matters of concern to them, service levels, something of that nature, that would require legislative change or regulatory change or hot spots that are potentially happening just so I am kept aware of the progress of the administration. It is almost like as minister you have the right to be advised. You have got to be scrupulous then not to get your fingers into the pudding.

Mr. Reid: So then the Worker Advisor Office will communicate with the Compensation Board and we leave it to the Compensation Board to assume the role of an advisory council or committee to the ministry on any problem areas within The Compensation Act or any shortcomings of the act itself. Is that the process that occurs here? If that is the case, would it not be more appropriate to have perhaps the director or staff of the Worker Advisor Office having the ability to communicate directly with the ministry, because they act as an advocate on behalf of the claimant? They see the problems from that side of the issue, where the Compensation Board looks at it from the other side, and they have a certain interest that they have to protect from the other side as well. I know they try to do it fairly in most cases, but the two roles are slightly different. I am wondering if the Worker Advisor Office does not have that communication role directly with the ministry, why would that not be the case? Would there not be some advantage to having that occur?

Mr. Radcliffe: I have no doubt but that if there were something of a legislative or a regulatory nature that needed attending to, it would be brought to my attention, but the level of communication that I was trying to express is

more of practical operational feedback from a day-to-day level of people who are mixed up in the system, and that is not something that the minister should be involved with. If the matter is working well, then, you know, if it ain't broke, don't fix it. Do not look for a problem to fix.

But I have every confidence that should, as I say, a legislative or a regulatory or a policy matter come to the attention of the Worker Advisor Office, I pride myself that I do run an office with an open door, that they would feel welcome and they are welcome, and by virtue of putting this on the record today, I am making the statement that they are welcome to come forward to my office, if it is a matter of a legislative issue.

But if it is a matter of an operational level, then that should be handled by the general manager. If the general manager does not solve the issue, then the recourse, as I see boardsmanship, is that somebody has recourse then to the board of directors. But there again, you see, the board of directors, I would suggest, has one employee, and that is the general manager. If the general manager does not do a good job, then you have a career decision to make. But the board of directors, a board itself, ought not to be involving itself in the everyday tinkering of a department or of a board. I am not sure if my honourable colleague has had occasion to go to any seminars or do any reading on the Carver principle of boardsmanship, but I am a devotee of that, and I found it to be a very effective method of boardsmanship.

Okay. Carver is an American and has a concept or policy, and you could even apply this to government which is actually very applicable, but it is applicable to volunteer boards, not-for-profit boards, and even public boards, that a board of directors, and Carver comes out with the pie-shaped chart, and he says that the board concerns itself with policy. Policy is the outer rim, and then as you go deeper into the circle, there will be principles that a board will deal with, for example, that there should be fiscal responsibility, there should be accountability, there should be transparency, there should be, oh, I do not know, principles as to revenue source and all these sort of things.

But the actual management of the person at the computer or answering the machinery or dealing with the public is left to the chief executive officer. It is a grave mistake of protocol for a board person to step over that line and interfere with the work of the chief executive officer, so you can liken that, in this case, to government that the Cabinet is the board of directors of the operation, the manager or, in this case, many managers are your deputies, and the deputies have the hands-on responsibility from day to day of the management of the department. If they do not do a satisfactory job, it is not up to the board to go in and rectify the problem and start running their departments. You go and get a new deputy who can do the job.

* (1600)

So that is what Carver proposes. He has written some quite extensive material on it and has come up here. I went to a two-day workshop that he did for MAST a couple of years ago, and we employed a lot of these board policies in a not-for-profit, I think it was the Museum of Man and Nature that I was involved with at that point in time. My wife was with me and she ended up as a chair of an independent school and applied that concept of boardsmanship to the independent school and found it very successful. It really works, it is very effective. Then staff know their limits. Managers know their limits, and board know their limits, and you do not cross over and do the other fellow's job.

Mr. Reid: I stand corrected here. A person's job, I think, is the more appropriate term of reference.

I appreciate the minister sharing that information with me. It perhaps would be some good reading material for a time when perhaps we are not in this building on a full-time basis.

With respect to meetings that you have, I would expect that there would be some communication that would occur, and I think it would be desirable to have that occur, between the minister responsible for his overall department or his deputy would meet with these people. The minister has indicated that he has met with some people involved with the

Compensation Board. I mean, the Appeal Commission has to handle cases utilizing—I mean, the Worker Advisor's staff go and attend, I think they attend Appeal Commission hearings. Because Appeal Commissioners also have knowledge of the process as well and can provide feedback, do you meet with Appeal Commissioners as well to get some feedback on what is happening with the Compensation Act as well?

Mr. Radcliffe: My relationship is with the chair of the Appeal Commission, and I have done a cursory—I will not say particularly in-depth, but I have done a cursory review of the annual report of the Appeal Commission. I had some questions on volume capacity with the chair of the commission. I was looking at issues of timeliness, and I wanted a response which I got. Here, again, my concern as minister responsible is that the chair of the Appeal Commission has the resources with which to do her work. In other words, are there skilled individuals, trained individuals that she has access to to form her commission?

That is my job. I have to supply her with the resources. I am concerned the appropriate training be given and that they be handling their appropriate volumes. Again, the timeliness and the quality of the adjudication from a professional point of view is a matter of concern, and that there be clear, unequivocal, understandable decisions being delivered from the commission. What the merits of each individual judgment are is not something that I should be involved with as minister responsible. But I do communicate with the head of the commission with regard to the overall management and are the tools there to do the job; is there a satisfaction level; is there an area for improvement; what are the goals, visions, objectives—those are the sort of things that I feel are properly the purview of the minister.

Mr. Reid: The minister talked about overall satisfaction level of the clients. Does the Worker Advisor Office survey its clients to find out—because it indicates here four to five client satisfaction rating. How do you determine that you have a satisfaction rating? Is there some information, do you have a survey that perhaps you can share with us or some statistical data

that I might be able to see the questions that were asked and the results of that particular survey if one exists?

Mr. Radcliffe: I have for sharing with my honourable colleague a 1997 client satisfaction report for the Worker Advisor Office prepared by Outlook Market Research and Consulting, February 16, 1998. The client survey questionnaire is included, and the executive summary consists of scaling of the questions, general trends, next survey, performance indicators. The exhibits include statistics, bar charts, correlations, T-tests and cover letter and survey. I would ask the Clerk if they could reproduce this because in fact we just have one copy, but I would like my honourable colleague to have a copy of this.

Mr. Reid: I thank the minister for the information. I will read through it.

Mr. Radcliffe: Mr. Chairman, I just wanted to add for purposes of the record, when my honourable colleague said client satisfaction, there is also, I believe, an issue in administration of the satisfaction of the employees, the satisfaction of the adjudicator. Do they see that they are fulfilling their mandate and their function, or are they unhappy? That is also, I think, a very important issue that a minister responsible should be aware of. If somebody is not right for the job or has changed or does not have the goals, you have to keep in touch with these people to make sure that the job they are fulfilling really fulfills their needs in their life at that particular point in time. If it is not, then you have to be aware and flexible and react.

* (1610)

Mr. Reid: I think the minister must be reading my mind because that is the direction I was heading in. I dealt with the Worker Advisor Office, and they provided me with good advice and guidance on the occasions I needed to turn to them for some direction. When cases do come to my office that I think, perhaps having utilized the service of worker advisors, or would be best served, I do refer cases to the Worker Advisor Office for assistance. There would be no way individual MLAs can handle the number

or the volume of cases that would come in, so we do refer our cases there.

I know, from time to time in talking with worker advisors, that there are frustrations that happen. Some of the cases, if you get case files that are six inches or eight inches thick—perhaps some of them are larger—[interjection] Yes, a shopping cart would be a good way to describe how you would transport the case files. It can become a very long and very onerous process, very frustrating to have to have to deal with those in circumstances where perhaps appeals have been tried and failed previously. Do we have some kind of a debriefing process that would allow for the ability of the worker advisors to sound off, to have some ability to influence some of the changes that they see as being stumbling points within the system?

This goes back to my earlier question with respect to communication between the worker advisors and the ministry. I am looking to have a channel of communication that would allow for a free flow of the frustrations and where they see problems within the system here. I do not know the relationship that exists between the director and the ministry, but I am wondering how that free flow of information would go from the advisors who do the groundwork, the day-to-day work, to make sure that their thoughts are being heard as well.

Mr. Radcliffe: I am told, Mr. Chairman, that internally there is good communication between front-line staff and administration and that there is frequent internal review as the case needs arise. Also, management has a human relations policy where they try to ensure that the individual case advisors do obtain a general broad body of knowledge, so that nobody gets stuck and goes stale in one particular type of work, that they get a cross-section and a variety so that it keeps life interesting for them. Also, they obtain a wider cross-section of skills themselves of dealing with different cases, different people, different situations.

As I am sure my honourable colleague can appreciate, this often can be a very emotional business. You are dealing with pain and you are dealing with that very powerful Anglo-Saxon word which is two letters and begins with N and

ends with O, and often, that is very difficult for people to reconcile.

So it is something that has to be dealt with with compassion. Management are aware of these sorts of difficulties and are supportive of the front-line workers in this respect.

Mr. Reid: Well, I know of at least two situations, and I am sure there are more, where the worker advisor had done all the groundwork and there were others who acted as advocates and got the credit. One was dealing with the Falzarano case, which I am sure the ministry is aware of. A few years ago Mr. Falzarano, unfortunately, took his own life, was a claimant of the board, and also the one dealing with the survivors of the Federal Pioneer Electric firm, and the Worker Advisor Office, I believe, did the groundwork in those cases as well.

Unfortunately, they did not get credit for the work that was done and the success that was gained out of that process, but I do pass on my best regards and respect for the work that they do on behalf of the claimants who come, and I know them. Some of them are long-standing cases, and they have had success in regard to some of them. I know it is sometimes just a few victories as shining moments in amongst a whole bunch of other black space, but I would hope that we would have a process in place that would be able to recognize their efforts and to kind of keep up the morale, so to speak, in the performance of their job.

Another question that I have that comes to mind involves the worker advisors in their role and function involved with medical review panels. I have had claimants say to me that because going through the appeal process is very strange territory for those who have never had to deal with it or encounter it, many of them do not want to take lawyers into the process, and they look to the Advisor Office for that support and assistance, to provide the guidance and to actually act as the advocate or the lawyer, quasi-lawyer in cases like that.

Did the worker advisors go into the medical review panel hearings and actually participate or assist the claimant in those matters, or do they deal strictly with the results that would come out

of the MRP when it goes back to the Appeal Commission hearing?

Mr. Radcliffe: Mr. Chairman, as a rule, the worker advisors do not attend the medical review panels. The medical review panels are more of a clinical or scientific collection of data is the nature of the exercise there. These are involving physicians, and I am sure my honourable colleague is very aware of the process. But it is where physicians review charts, blood work, X-rays. They conduct an interview with the claimant and they make observations. But it is not a forum where opinions are communicated or expressed necessarily or at all, and it is not a place where argument is made. If the claimant feels from an emotional support basis that they would be comfortable with the advisor going with them, then the advisor is most willing to go. But the worker advisor would be there in a support capacity, not in an advocate capacity because that is not where the advocacy occurs. It is for the collection of data, the collection of objective and extrinsic evidence.

So the mandate or the role of the worker advisor does not fit that forum, per se. I believe one of my colleagues at the table here said that in five years of practice, he has had occasion to go once to such a review panel. So that gives you an idea of the frequency on which this happens.

I just wanted to be responsive as well to my honourable colleague's remarks, Mr. Chairman, and I guess this is perhaps of a personal or objective nature, my response that often I feel that individuals obtain satisfaction in a particular field of endeavour when you know that a particular cause that you have pleaded succeeds, whether you are there for the final day and the cheering and the accolades or not. I have found through my years of practice that often I have not been present for the final success but have gained great satisfaction of knowing that something I started has come to culmination and been successful. I am sure that that probably does transcend down into the department as well, that individual workers probably gain a lot of satisfaction when they see causes, principles, ideas succeed that they had started but not necessarily on the file at the end of the day.

Mr. Reid: There are probably a million different types of personalities in the world and perhaps more, each one having its own variances. Some like to be recognized, some can take satisfaction in their own endeavours or achievements, and others would want to have some recognition of that. So I would hope we would not miss out on opportunities where good work is done to recognize that and to point that out from time to time.

I have no other questions at this time with respect to the Worker Advisor Office, Mr. Chairperson. I thank the minister for answering the questions and for providing the information, and I look forward to the other information that you have indicated that you will be sending forward. I am prepared to move to the Fire Commissioner's office, I believe is the next point.

* (1620)

Mr. Chairperson: Item 11.2.(k) Worker Advisor Office (2) Other Expenditures \$166,200—pass.

The next item on the agenda is item (m) Office of the Fire Commissioner. There is no amount entered in here that we are allowed to ask questions of the minister.

Mr. Reid: I have a number of questions involving the Fire Commissioner's office seeking some information.

I would like to start off first with an issue that I had raised last year. I do not know if this has been resolved to this point in time, but it involves, I think, Three Bears Day Care in Pine Falls. Can the minister advise: is he able to comment directly on the Fire Commissioner's involvement, both from the inspection side of that particular daycare in Pine Falls, and also the results of any investigation with respect to the fire that occurred at that particular daycare some time ago?

Mr. Radcliffe: Mr. Chairman, in response to my honourable colleague's inquiry, I can only state that there were criminal charges laid at one point in provincial judge's court against different individuals. Those charges, as my honourable colleague knows, were stayed.

There was an inquest ordered in May of 1999, and we anticipate that the inquest will be held sometime in September of 1999.

But, most importantly right now, I am told that the individual participants or people who were aggrieved and suffered loss have filed a statement of claim against the United Church and against the government of Manitoba. This statement of claim was filed in November of 1998, and so therefore it would be inappropriate for me at this point to make any further comment in face of civil litigation against the entity which I represent until this matter has worked its way through the courts.

Mr. Reid: Are you able to comment on the functions of the Fire Commissioner's office prior to the fire that occurred at that particular structure? I do not want to do anything that would prejudice the case one way or the other with respect to the government's defence or those who are bringing forward the prosecution. I am just trying to get an understanding of where we draw the line and at which point I can ask questions prior to that point. That is why I am asking that.

Mr. Radcliffe: I think that I would refrain from making any comment on any activity of the government of Manitoba, the Office of the Fire Commissioner, involving this daycare, either at any time before the fire, at the time of the fire, or any time subsequent to the fire. I think what I should do is confine my remarks to the general operation of the Fire Commissioner's office, what their general policies are, and matters of a general nature of policy. But anything to do with this particular daycare I feel would legally jeopardize the position of counsel or of the parties involved and would be misinterpreted and would be inappropriate.

Mr. Reid: I have no knowledge of whether or not this matter is actively before the courts or is there only court action contemplated or proceedings that are underway. Perhaps the minister can advise in that regard in this case.

Mr. Radcliffe: Mr. Chairman, I do not have personal conduct of the litigation, obviously, but what I can do is I can tell my honourable colleague that a statement of claim has been filed

in the Court of Queen's Bench as of November of 1998. The defendants sued were Her Majesty the Queen in right of the Government of Manitoba and the United Church of Canada.

I do not think the matter is at issue by any means. It is a long way from being at issue. I cannot tell at this point and I do not know whether statements of defence have been filed, whether interlocutory proceedings have been conducted, whether examinations for discovery have been held or exchange of documents. Any of those sorts of things I cannot comment on, but I can counsel my honourable colleague that a perusal of the file at the prothonotary's office would reveal what stage the litigation is at. I do not have that knowledge at hand.

Mr. Reid: I was just going to go to the events leading up to the fire that occurred. I was not going to talk about the point after that. I understand that there is an inquiry that will be underway. No doubt, there will be, hopefully, a thorough investigation, and all the facts will come out at that point.

I was only going to confine my remarks more directly to the role that the Fire Commissioner's office played on the inspection side. Now, I do not know whether or not that would in any way create any difficulties. Perhaps the minister can advise, because this goes back I think, if I recall correctly, back to '91, maybe even to that point, with respect to the investigations and difficulties with follow-up. I think that date is right, and I stand corrected if the actual date is wrong.

But there is a problem with the follow-up on the inspections, and I am looking for some guidance on the process that you had within the Fire Commissioner's office when that inspection was performed.

* (1630)

Mr. Radcliffe: Mr. Chairman, my honourable colleague is probably aware that what will happen in the normal course of litigation is that counsel or the parties exchange pleadings, which is a statement of claim. The statement of claim embodies the general principles or headings of loss, the allegations of negligence, if any, or the

types of relief claimed, the parties that are involved, and a general and very concise recitation of the facts which give rise to the heading of loss.

The statement of defence is a response of the defendants who are sued, and that statement puts in issue particular facts, and makes the denial or a cross-appeal, a cross-claim to other parties. There may be third-party pleadings or counter-claims issued. All these sorts of things are framed in the pleadings.

After the pleadings are exchanged, the parties then are entitled to demand production of documents from each other, documents that are in the possession of each party. The demand for production are documents which the parties will be relying upon for the assertion or defence of their case. Also, the parties have the opportunity to examine each other as to the facts that give rise to the allegations. So, for example, if—and I cannot even tell you who the litigants are—the executor to the deceased person in the fire or members of her family were litigants, and if they were alleging negligence against the government of Manitoba or the United Church, they would have an opportunity at an examination for discovery to demand production of the Fire Commissioner staff.

A person knowledgeable and in charge who had direct knowledge or as good as knowledge as available, as possible, would be obliged to be produced to answer the questions that counsel would level at the Fire Commissioner. At that point in time the Fire Commissioner would attend and go through such issues as prior inspections, quality of inspection, depth and length of inspection, what they found at the inspections, what records were maintained, what recommendations if any arose from those inspections and a whole myriad of other things, you know, limited only by the imagination of counsel and the expertise of counsel involved trying to ascertain perhaps the cause of the fire, the activity and behaviour of public officials representing government, to ascertain whether there is any liability that could be visited upon Her Majesty the Queen and the Province of Manitoba.

So any questions that would touch on the relationship between the Fire Commissioner's office, the government of Manitoba, as the provincial Crown, and this event, anything that would touch upon the rights, the facts, the law surrounding it will be reviewed at an exam for discovery in I am sure significant depth. For me as a minister responsible in a public forum for the Fire Commissioner's office to comment at this point in time would only succeed in either binding, conflicting, affecting and influencing the position of counsel and would in fact be contrary to the best interests of Her Majesty the Queen. So as a member of the litigant at this point in time, I must refrain from any comment at all governing or touching upon any of the facts with this daycare and any inspections or any relationship or any inquiries or any results that arise out of this situation for these reasons.

I am sure that production, interrogatories, discoveries, all of these things will unfold in the fullness of time in civil litigation, and I would not want to impact on counsel. Having especially been counsel myself in times gone by, I know how difficult it is for counsel if members of the parties make inappropriate statements that then have to be refuted or explained or contradicted or whatever at a subsequent date.

Mr. Reid: I guess then in cases like that, I know I tried to argue this point last year unsuccessfully, I might add, with respect to information, and I was not exactly sure at what point the line would be drawn this year, so I had to ask and find out. Now the minister has advised me. So while I may disagree with the limitation on my abilities in seeking information, I will respect the process that is in place, and we will have to wait for the hearings, the inquiry to commence, and any matters involving court action that is contemplated.

Mr. Chairman, if we could just—one minute till the minister is able to respond. I guess what we will do is I will go on to questions that perhaps the minister can answer with respect to the functions of the Fire Commissioner's office.

Mr. David Faurshou, Acting Chairperson, in the Chair

Last year, I had asked questions with respect to licences for dealing with daycares, and the Fire Commissioner's office, I believe, was, or perhaps still is, involved in doing some of the inspections with respect to fire codes and perhaps other matters.

Can you advise the role that you are playing in inspecting daycares? I do not know if you have any statistical information with respect to that, personal care homes, other public facilities, et cetera, and if you can give me some background information on that. It is my understanding that there are a number of daycares that are currently holding provisional licences awaiting inspections, and my understanding is that they have requested inspections, fire code inspections. I am wondering if the Fire Commissioner's office can indicate how many daycares, for example, are currently waiting for their inspections and that their licences are only provisional at this point as a result of that.

* (1640)

Mr. Radcliffe: Mr. Chairman, I am told that the role of the Fire Commissioner's office is that of being a resource, a training authority for local fire authorities. This is mandated in legislation and in regulation, so therefore unless employed or engaged by a local municipal authority or a local fire authority, the Fire Commissioner's office performs no function of fire inspections. This is particularly spelled out as well in the daycare code, a series of regulations which were published in June of 1998, and that is CCSM 158 and in the definition section it makes reference to the definition of local authority which is the operational entity that does the fire inspections.

I can comment that generally there are some daycares that are outstanding that are functioning with provisional licences. How many, we have no idea, and we cannot comment on those. Those questions are probably best asked of Family Services. Likewise, with personal care homes and public facilities, the local fire authority is the appropriate entity that does perform the fire inspections.

Mr. Reid: I think the minister will know, if he was to check Hansard, going back to the

Department of Family Services, that the Fire Commissioner makes the report. So I am getting bounced back and forth between the Ministry of Labour and the Ministry of Family Services like a ping-pong ball here. All I asked for is the number of daycares that have requested fire code inspections of the Fire Commissioner's office. My understanding is the Fire Commissioner's office does that work on a fee-for-service basis now, for-profit basis, and I have asked for that information. I do not want to be bounced back and forth between the two departments. I do not think that that is reasonable to occur.

That was the indication that was given to me last year to go to that department. We went to that department to get some information with respect to the number of daycares in the province, and what we are asking for now is how many of the daycares have requested fire code inspections of the Fire Commissioner's office.

Mr. Radcliffe: I would inform my honourable colleague that he was probably quite correct in the citing from Hansard which he did at the time that it was done, but that is now time dated, that relationship, and in fact the whole reporting system is done at the local authority level now. There has been a movement to remove the Fire Commissioner's office away from the position of doing the active inspections, doing the active reports. So, unless requested or employed so to do, the Fire Commissioner will only train the local fire authority to perform this function.

Having said that, there are four daycares in the province of Manitoba who have directly contacted the Fire Commissioner's office for fire inspections. In addition, there is a memorandum of understanding between the City of Winnipeg and the Fire Commissioner's office that the Fire Commissioner on a one-spot only, or a pro tem basis, is going to perform for value some inspections for the City of Winnipeg Fire Department on daycares. And these we believe to be 196 in particular. This is to catch up the City of Winnipeg Fire Department people so that they are on an even playing field, but the role of the Fire Commissioner's office on a regular basis is not to do fire inspections unless particular arrangements are made with the local authority, and then the Fire Commissioner's office does that service and does it for value and charges.

Mr. Reid: So, if I understand correctly, you mentioned 196 daycares that are required to have fire code inspection and the City of Winnipeg Fire Department has asked the Fire Commissioner's office to be involved to undertake those inspections and then provide the report back to the daycare or the Fire Department. If there are any deficiencies with respect to the inspection, improvement orders, et cetera, will they be handled through the Fire Department or would they go directly to the daycare, or do both get a copy and then they can be worked on immediately, et cetera?

Mr. Radcliffe: The reporting line is back to the Department of Family Services.

Mr. Reid: The fees that are associated with inspections, when I asked for that information last year, the previous minister indicated, and I quote: "It is anticipated that there has to be a regulation change over these inspections."

That was with respect to my request for a list of the fees that are charged. I am wondering if you have that list of fees now.

* (1650)

Mr. Radcliffe: Mr. Chairman, in response to my honourable colleague's question, the standing fee for the Fire Commissioner's office, under the relationship which I have already described, to do a fire inspection is \$250 per inspection. In the unique case with the City of Winnipeg, under the memorandum of understanding, Family Services is covering the cost of one staff year at the Fire Commissioner's office, which is the sum of \$66,400; plus there will be an additional charge from the Fire Commissioner's office if there is any requirement for revisiting any of the premises.

Mr. Reid: Can you tell me, if there are 196 daycares that are requiring this inspection, is this the current outstanding amount, or was this the global amount that was asked or assigned by the city or Family Services to the Fire Commissioner's office or a request for assistance? How many of those have been inspected to this point in time, and what is the waiting time with respect to the inspections?

Mr. Radcliffe: Mr. Chair, there is an MOU that has been drafted. It is right now in the Department of Family Services. It has not been signed by Family Services at this time. The Fire Commissioner's office has not yet started and will start immediately upon the execution of the document. It is anticipated that on the execution of the document, and this is for the term of one year, and one year only, at this point in time, that the individual designated inspector will do five inspections a day and that will take a period of approximately two and a half months to go through the backlog of daycares that are existing right now. The Fire Commissioner's office anticipates that there will then be future work assigned to this person from Family Services. The reporting line is back to Family Services and the fire inspector will be completing a form that has been set out and prescribed by Family Services and will be working to a code that has been laid out by Family Services. It is their particulars and substance that form the parameters for the inspection.

The Fire Commissioner's office knows that there are some 235 daycares in the city of Winnipeg but cannot comment at this point in time how many daycares will be assigned to this person to go and inspect. So all we know at this point in time is that there is a tranche of 196 that are backlogged right now that the City of Winnipeg Fire Department cannot get at, and that is the first step in the assignment. It is anticipated that there will be future work for this person and that this person will be engaged throughout the course of the year, but that is all we know at this point in time.

* (1700)

Mr. Reid: The minister referenced that there is a possibility that a memorandum of understanding will be signed between Family Services and the Fire Commissioner's office to the benefit of having a full-time staffperson for this coming year of \$66,400 cost to the Family Services department. Now, that \$250 inspection fee, is that paid for by Family Services or is that paid for by the daycare? Is that additional monies that would go to the Fire Commissioner's office for this work? What is the arrangement with respect to that fee?

Mr. Radcliffe: Mr. Chairman, the \$66,400 plus any fee for reinspection to be negotiated is the sole reward at this point in time to the Fire Commissioner's office. The \$250 is a flat charge which is done outside this MOU. So, in other words, if there was a casual inspection came down the line, casual requests, independent of this one assignment of work or arrangement, then that would be the charge. But in this case there is not going to be a per inspection charge. The only cost is covering the staff year for the particular individual plus the additional costs, so one is not related to the other at all.

Mr. Reid: Because you mentioned that there are 196 daycares that have been requested to be part of the inspection process, which you indicated will take two and a half months or thereabouts to inspect, my understanding is there is quite a larger number than that in the province. You said 235 in Winnipeg. There are 526 in the province, from my understanding, not counting the home daycare. When did this 196 start? In other words, when were you asked to take on this responsibility, this inspection? So I would have some idea of when these requests came in.

Mr. Radcliffe: Apparently the Fire Commissioner's office was asked about three weeks ago to undertake this service. I just want to make it clear to my honourable colleague that these are the licensed daycares and in the city of Winnipeg.

Mr. Reid: I am sure that the numbers that the Minister of Family Services (Mrs. Mitchelson) referenced would be centres for which her department would be responsible, which would be the licensed centres. There are 526 that she has indicated that there are in the province. There are another 534 home daycares, for a total of 1,060 facilities. I am just trying to get an understanding here. What do the other daycares do? Do they go directly to the local fire departments to do that inspection? Do those fire departments require a fee for their service to do those inspections? Who would oversee to make sure that that is occurring?

Mr. Radcliffe: My honourable colleague is correct, that it will be the local authorities who will perform the fire inspections. These will be

done under the aegis or authority of the local municipality. It would be up to the local municipality whether a charge is assessed or not. That is policy at the municipal level. The Fire Commissioner's office will provide training free of charge to the local authorities and has international status on their training program. The Fire Commissioner's office has volunteered to be a fall-back position until January 1, 2000, for an inspection service if the local municipality is unable to perform that function. That will be at the rate of \$250 an inspection which would be paid by the local daycare.

So, after 2000, presumably the situation would have to be readdressed, and we have no policy yet on that. We are a fall-back position, but the Fire Commissioner's office does provide training free of charge to the local fire entity.

Mr. Reid: In the question with respect to home daycare centres, who is responsible for ensuring the fire code is met with respect to those operations? Is it Family Services? Would they request the Fire Commissioner's office to be involved in those, or is the Fire Commissioner's office involved in training the inspectors from the Family Services office that would go into those homes? Perhaps you can give me some indication whether those people have all received the training through the Fire Commissioner's office.

Mr. Radcliffe: Mr. Chairman, this department is not aware of the requirements, the responsibility line of who should be inspecting the home daycare. It may well be the local municipal authority, but if the home daycare is licensed out of Family Services, then this is probably a question that more properly lies under Family Services.

I can add to that that the responsibility for carrying out provisions of the fire code is the responsibility of the owner or their duly authorized agent, but beyond that the Fire Commissioner's office is not involved and so cannot comment any further.

Mr. Reid: With respect to school inspections, and I have raised this question with the minister before in Question Period. I mean, I have had the opportunity to talk with trustees and risk

managers and custodial people and get an overview of what is happening in schools, and I was not comfortable with what I was hearing.

I would like to know what role the Fire Commissioner's office plays with respect to the inspection of, what, some 700 schools in the province of Manitoba, and if you have had a request, if that is the process, by the Manitoba Association of School Trustees to be involved in the inspections, and if perhaps you are also involved with the risk manager who I believe is on staff at MAST for those inspections.

What role does the Fire Commissioner's office play in the inspections of schools for fire code conformance?

Mr. Radcliffe: Mr. Chairman, the situation for public schools or independent schools, parochial schools, whichever, that my honourable colleague would reference would be very similar to the situation outlined for the daycares, that if the local school board wishes an inspection, their recourse is to go to their local fire authority who would perform the function. But the Office of the Fire Commissioner is not in the business of doing fire inspections. It is in the business of a training resource, of an inquiry, an investigatory function, but it does not perform regular, routine fire inspections.

Further, there has been no contact by MAST to the Fire Commissioner's office to perform any tranche or group of inspections of schools.

Mr. Reid: So, I mean, it is pretty simple math. You have one risk manager working for MAST. You have 700 public schools in the province of Manitoba, public schools, not counting private or religious schools. Dividing the number of workdays in the year into the number of schools times one tells you pretty clearly how many schools you would have to visit in a single day, and knowing the size of schools, how do we ensure that our schools are safe? Who is doing the follow-up?

Mr. Radcliffe: This would be, I believe, Mr. Chair, the responsibility of the local school board who are the owners of these properties and the local fire department, which is governed by the municipality in which these areas are found,

and I can appreciate my honourable friend's concern, my honourable colleague's concern.

I mean, I do recall having attended Kelvin High School myself, which was a three-storey brick veneer building that was the mate of St. John's High School in its day. It had, I think, steel joists, but wooden floors and lathe-and-plaster construction and brick veneer, and that school, then as now, poses, of course, a concern for members of the public. The Fire Commissioner's office, as I say and I keep repeating, is a resource for education and is a resource for training for the local fire departments. The responsibility for maintaining the code levels would be with the owner of the building, would be with the local municipality and the local school board.

* (1710)

Mr. Reid: Well, I understand what the minister is saying. Not necessarily agree with it, but I understand what he is saying. Can you tell me: what was the role of the Fire Commissioner's office prior to becoming a special operating agency? Were they in the business of fire code inspections, or were they just an educational body as the minister has indicated they are now?

Mr. Radcliffe: In years gone by, the Fire Commissioner's office did, when resources were available and upon requests, perform fire inspections. The Fire Commissioner's office at one point in the recent past did review their act and realize that there was no authority for the Fire Commissioner's office to perform these fire inspections. On legal advice received by the Fire Commissioner's office, they were apprised of the fact that, by performing these fire inspections, they were faced with a difficulty because they were incurring potential liability. The Fire Commissioner's office had no authority in their legislation to enforce any of the orders or improvement or work orders that might arise from a fire inspection. The advice that was given to the Fire Commissioner's office was that they had no obligation to perform this function.

Mr. Reid: Well, if the Fire Commissioner's office did not have the authority to enforce, what can we expect from those fire departments or local municipal authorities with respect to their

abilities, their powers with respect to enforcement? If the Fire Commissioner's office as an agent of the provincial government does not have that power, what expectation do we have that there would be any more power capabilities at a local municipal level?

Mr. Radcliffe: I am sorry, Mr. Chairman, I misspoke myself. In fact, the Fire Commissioner, under The Fires Prevention Act, does have legal authority, and I want to correct that on the record, does have legal authority to enforce its orders. In fact, my honourable colleague raises a very cogent point, that the authority to maintain buildings to code is assigned by the Fire Commissioner's office to the local municipality for enforcement purposes to the local fire authority and then also under The Municipal Act. The local municipality does have authority to enforce fire code. So that is under The Fires Prevention Act assigned to the local municipality, and under The Municipal Act.

Mr. Reid: How do I assure my constituents that the two dozen or so schools in my community are inspected on an annual basis, at minimum, for fire code inspection, and that we will have annual inspections of all of the schools, knowing that there is only one risk manager working for MAST, and the amount of time that is involved in a structure of that size, that physical size—I mean, what follow-up is there to make sure that these inspections are being undertaken, and that, where required, any defects or deficiencies would be corrected? I am looking for someone that is going to do those inspections on a minimum of an annual basis and perhaps more frequently, but also having a follow-up to make sure that, if there are any problems, they are corrected, and that the schools are safe environments for our children to go to.

Mr. Radcliffe: In response to my honourable colleague's question, the first and primary responsibility for the maintenance and safety and well-being of the individuals contained within these buildings rests with the owners and operators of the buildings, and that would be the respective school boards who control and own the buildings. They, in turn, have responsibility and would look to their local fire authority to maintain the service such as my honourable

colleague has outlined, and I would suggest, and I think my honourable colleague would concur very readily, that it is wholly impractical, if not impossible, for one risk manager person from MAST to physically perform all these inspections. I do not think that is a reality at all.

So, to sum up, the initial responsibility lies with the local school division, and the local school division looks to their fire authority as a resource to perform the service that would be reasonably required for either annual or semi-annual or whatever inspection and investigation that should be required. That would be a policy that should be set out by the local school divisions, I would suggest.

Mr. Reid: It always comes down to questions of dollars. The school division looks at, if I have to do this work, where am I going to get the money from? When there are tight dollars, scarce resources, the next question that comes, if I have to hire somebody to do risk assessment or fire code inspection, what paraprofessionals are going to be cut, what teacher is going to be lost to recover those monies to pay for that particular service being done? So you win on one side and you lose on the other.

Mr. Chairperson in the Chair

This is a difficulty that the school divisions have before them. I know I have talked to my colleagues about this in their divisions as well. It always comes down to fire code inspections, risk reduction, and to balance that off with a loss of teachers. So that is the decision that the school board is faced.

Can you tell me, with respect to other public facilities, because there are schools and daycares that I have asked about, but I am sure there are others where the public is involved, for example, personal care homes where the elderly and infirm are living. Also, can you tell me what requests have come into the Fire Commissioner's office for inspections so that I might have a clearer picture here in understanding of what requests or workload they have in that regard? If there are a significant number of them, give me a breakdown, perhaps by type of facility, for example, personal care home, schools, daycares, et cetera.

* (1720)

Mr. Radcliffe: I want to make it very clear to my honourable colleague that, and I do not want to berate or beat the issue to death, there are virtually no requests for fire inspections coming in to the Fire Commissioner's office. I believe we said there were four for particular daycares, and that was charged for value or for service, but, over and above that, public buildings, personal care homes, any building of any nature and kind whatsoever—and I just have to repeat myself—these requests are not coming to the Fire Commissioner's office. The responsibility for maintaining fire code is on the owner, and I concur with my honourable colleague that, in fact, there is one taxpayer, and one consumer, and one producer of wealth, and the buck stops with him—[interjection] Or her, yes.

My honourable colleague reminds me of an anecdote that I could recount at this point, touching on that gender sensitivity, that my children were once engaged in a sail instruction course. They came home to me and said: Daddy, Daddy, the sailing instructor has now informed us that the journal or volume from which we learn our lessons can no longer be referred to as a manual. I said, why is that? They said, well, because it is not gender sensitive. I said, well, you go back and you inform the instructor that in fact the word "manual" derives from manus which is hands, and this is a book that is held in the hand. But I do sit corrected—[interjection] Exactly. I do sit corrected from your honourable colleague that in fact the language should be nonspecific and gender sensitive. I will try to amend my remarks accordingly. However, I do concur with your honourable colleague that I would love to see Latin reintroduced into the schools because if you do not understand Latin, then you have significant difficulty understanding English. But that is a subject for another discussion.

Mr. Reid: With respect to the inspections, fire code inspections, the sole responsibility rests with the various municipalities to which the responsibility has been delegated under the act. Those particular municipalities and their fire departments, either full-time or part-time volunteer, are responsible for conducting investigations for public facilities like personal care

homes, hospitals, schools, daycares. How do we monitor whether or not these inspections are being undertaken, or do we wait until the structure burns to the ground, people get killed, and then we find out nobody went in and did an inspection?

Mr. Radcliffe: The fire code specifically states, and I think I mentioned this on the record already, that unless otherwise specified, the owner or the owner's authorized agent shall be responsible for carrying out the provisions of the code. So that is the primary responsibility of the owner of the building. Beyond that, I think my honourable colleague does raise some very germane concerns. For example, in personal care homes, the health authority has certain criteria and very specific criteria as to width of doorways, construction materials to be used, coverings. They even regulate so far as the temperature of the water to be used for washing one's body in a personal care home so that older people cannot be scalded or burned. So that one has to look to the licensing authorities in each individual discipline to ascertain whether there has been appropriate conformity to the requirements for fire inspection.

Mr. Reid: The bigger question then with respect to volunteer fire fighting forces in the province if they are in charge of doing inspections, whether it would be the local fire chief who in some cases is a volunteer, as well, has full time employment at another occupation. If I was a volunteer and it is my assigned responsibility either from the Fire Commissioner's responses or the local municipality, local government district, et cetera, there is also the insurance provisions, law suits, et cetera, that come into play. I am not sure if I was a volunteer I would want to put all of my possessions on the line at risk of being sued in that regard. So I hope that there would be some provisions or protections that the municipalities would have to have in that regard. Perhaps the minister can comment on that in a minute. I will also ask with respect to contracts that the Fire Commissioner's office, I think it is the fire college, if that is the appropriate term, I have asked for this information past with respect to contracts. If you have that information here, I would appreciate receiving that. If you have information relating to travel that the department may under-

take through the college or also any staff with the Fire Commissioner's office, I would appreciate receiving that information with respect to where and purpose and costs. I am looking for information relating to court actions, prosecutions with respect to the act as well. I will open that up to the minister and see if he has that information available, then I have a couple of other questions.

Mr. Radcliffe: I am advised, Mr. Chairman, that there is a provision in The Municipal Act to cover liability for municipal representatives. I am not personally familiar with it. I am just told that it does exist, so I would direct my honourable colleague's attention to that, because in fact I think he makes a very valid point that there is significant liability that attaches from being well meaning as a volunteer and attending. I can only recount that at one point, I had some clients who were farming in the R.M. of Westbourne and some young lads who belonged to this particular colony were lighting fertilizer bags at the time of spring seeding. Unfortunately, we had not had rain since the previous June, and a significant wind came up and one of these bags blew into the verge of the field that got into the local tree break that in fact wiped out a local hog farmer. It turned out in that particular case that the local volunteer fire brigade who attended started a backfire. I was able to discern through litigation and through actual walking the ground and recreating the events of the day that it was very possibly the causa sine qua non of the actual loss to the farmer was the firebreak that was lighted in order to consume the available fuel, so that the fire that my clients had started would not sweep the township. So my honourable colleague does raise a very real point. [interjection] That is right.

Mr. Chairman, I have for my honourable colleague's perusal and inspection a list of contracts supplied or performed, I should say, by the Fire College which indicates the party involved, the type of training that was involved, the date that it occurred, the location that the training occurred, the contact person, the amount of money that was paid and the contact within the department.

The second page consists of some seven items which are again parties, and in some cases

some fees that have been negotiated to date and a brief description of the work. These are potential contracts that are in the offing but not yet signed or executed but work that is anticipated that will be performed. We do not have travel details at this point in time, nor prosecution particulars but undertake so to produce.

* (1730)

Mr. Reid: Okay. If the information is available perhaps in a day or so, a couple of days, the beginning of next week, that is fine. I am looking for—it was the information with respect to the contracts that the department has that will be coming and the information associated with that, who the parties are involved in that and the values, et cetera. The travel will be coming, court and prosecutions information is coming as well.

A question with respect to the levy that is charged on the insurance premiums of the province. Can you give me the percentage that we have in place and also is that flexible? Is that varied throughout from year to year or is that fixed, and whose discretion is it to vary it if it does, and also the money that is in the fund currently for the last year which would be '98-99, I guess?

Mr. Radcliffe: Mr. Chairman, I have for perusal and consideration of my honourable colleague a copy of the annual report, 1997-98 annual report. [interjection] I sit corrected. My honourable colleague informs me that he has copy of the annual report, so that is redundant at this point in time.

The authority for the fund, the levy, is contained in The Fires Prevention Act, which states that a levy on every fire insurance policy may be up to 2 percent of the premium value. The levy right now is fixed at 1.25 percent. The Fires Prevention Act also states that there must be a reserve of \$4 million kept in the Fire Prevention Fund. The Fire Commissioner's office has an annual expense of approximately \$5.2 million; \$3.2 million in any given year is drawn from this Fire Prevention Fund to run the Fire Commissioner's office, and the reserve is then also maintained as well. The additional

revenue comes from permits and the sale of services. The authority that sets the actual rate of levy on these insurance policies would be the provincial government.

Mr. Reid: I thank the minister for that information. I look forward to the other documents that will be coming forward with respect to the Fire Commissioner's operations. I have no further questions at this time with respect to the Fire Commissioner's office. I look forward to an opportunity to continue to raise issues, at least up until the next provincial general election, of course, at which time I hope to be answering those questions.

Mr. Radcliffe: Mr. Chairman, I, too, would like to put on the record that I would thank my honourable colleague for the quality and nature of the questions that have been issued in this Estimates process and the discussions that we have had the opportunity to have. I would like to assure my honourable colleague that if, in fact, he does not have a revelation on the road to Damascus, he can look forward, I would suspect, to a long and happy sojourn in the opposition benches, and we would look forward to renewing this acquaintance this time next year.

Mr. Reid: Well, Mr. Chairperson, being the nonpolitical person that I am, I will just confine my remarks to thanking the staff that have waited here very patiently over the course of the last five days or so, and their willingness to assist the minister with answering the questions. I know some of my questions have, perhaps, not always been as clear as they should be or precise, so I do appreciate the staff being here and the minister's agreement to have them provide the information back to us in the next few days. So I thank the staff for participating in this process as well.

Mr. Radcliffe: I would echo my honourable colleague's remarks in that respect.

Mr. Chairperson: Resolution 11.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,231,000 for Labour, Labour Programs, for the fiscal year ending the 31st day of March, 2000.

Resolution 11.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$320,400 for Labour, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2000.

* (1740)

The last item to be considered for the Estimates of the Department of Labour is item 11.1.(a) Minister's Salary. At this point, we request the minister's staff to leave the table for the consideration of this item.

Item 11.1.(a) Minister's Salary \$27,000—pass.

Resolution 11.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$506,400 for Labour, Labour Executive, for the fiscal year ending the 31st day of March, 2000.

This completes the Estimates of the Department of Labour.

CIVIL SERVICE COMMISSION

Mr. Chairperson: We will now proceed to the next set of Estimates that will be considered by this section of the Committee of Supply, the Estimates of the department of the Civil Service. Does the minister have an opening statement.

Hon. Mike Radcliffe (Minister charged with the administration of The Civil Service Act): Mr. Chairman, I do indeed. I have a few brief remarks.

In introducing the budget Estimates for the Civil Service Commission for 1999-2000, I would draw attention to the Supplementary Estimates information which has been provided and contains a good deal of organizational program and financial information to assist members with the Estimates review now before us.

The Budget Estimates for the Civil Service Commission for 1999-2000 show an increase of \$107,800 from \$4,258,000 to \$4,365,800. This increase can almost exclusively be attributed to salary increases related to the implementation of the third year of the collective agreement. The

increase has been applied equally to all staff, including those who are excluded from the bargaining unit such as the staff of the Civil Service Commission. As at the end of March 1999, the third year of the collective agreement provided for the full removal of the reduced workweek reduction and the application of a two percent across-the-board salary increase.

The position complement for the Civil Service Commission also shows an increase of five positions over 1998-99, increasing from 87 to 92 positions. Within the 1999-2000 Estimates, one vacant position was eliminated from the Executive Office and six positions were added within the Human Resource Management Services complement resulting in the revised complement of 92 positions. Six new positions will be used to hire six interns or trainees for a new aboriginal public administration program. This new initiative will recruit and introduce aboriginals with a priority on youth to the systems and processes of government through a combination of work placement and formalizing training courses. A pool of aboriginal talent will be developed and made available for permanent assignment to both aboriginal organizations and various levels of government. The participants will be selected with a balance of both gender and representation from among First Nations, Metis, and non-Status people.

The program will focus on training aboriginals over a two-year period to work in government and also provide access to training and work experience for existing employees of aboriginal organizations through secondments or exchanges. This new initiative, which is focused on external recruitment, will be developed and administered by the Civil Service Commission in close co-operation with the Department of Northern and Native Affairs.

This creates a total of 32 positions within the complement of the Civil Service Commission that are directed toward a variety of initiatives supporting the proactive recruitment and training of young, talented employees. These initiatives will assist government in preparing the public service for management renewal and change resulting from an aging Civil Service workforce and an anticipated increase in the levels of retirement that will occur over the coming years.

As has been referenced in previous years Estimates discussions, the remainder of these 32 positions are comprised of a complement of 18 positions now devoted to the management internship program. This a program through which six masters level graduates are recruited each year and are centrally managed through rotational work assignments, orientation, structured training, and mentoring over a three-year period to provide accelerated learning and maximum exposure to government operations.

Another eight positions are allocated within the aboriginal management development project, targeted at existing aboriginal employees within government, providing them with accelerated training and learning assignments that will equip them with the skills and competencies to compete effectively for the management positions within government.

Taking into account the 32 positions allocated to the staff at various initiatives, the actual core complement of positions within the Civil Service Commission is 60 positions, that is, 92 minus 32 equals 60.

Turning to other areas of activity within the Civil Service Commission, Mr. Chair, as mentioned earlier, '99-2000 is the final year of the three-year collective agreement negotiated with the Manitoba Government Employees Union, which expires at the end of March 2000. Based on past experience it is anticipated that negotiations for the revision to the collective agreement will commence either at some point in the late fall of this year or the early winter of the year 2000.

Throughout the past year the Civil Service Commission has had several staff seconded to and participating in the Better Methods project, which involves a complete updating and redevelopment of the government's corporate financial and human resource management information systems. These systems will have a significant impact on the way the Civil Service Commission manages information and conducts its business in the future. More importantly, successful conversion to the new software applications contained within the Better Methods project holds the solution for the Civil Service Commission with respect to the year 2000 issue.

Current management information systems are not year 2000 compliant, so it has been extremely important that the commission direct its resources towards resolving these issues. The first stage of conversion to the new information system was successfully achieved in April of this year. The second stage of conversion will take place over the coming months, targeted for completion at the end of October 1999.

As the Civil Service Commission will become the owner of the human resource management portion of this new enterprise-wide system, the dedication of time, effort and resources to the system will continue to be a priority.

With these very brief opening remarks, Mr. Chair, I would now welcome questions from the members opposite on Estimates now before us.

Mr. Chairperson: We thank the honourable minister for those comments. Does the official opposition critic, the honourable member for Wellington, have an opening statement?

Ms. Becky Barrett (Wellington): No.

Mr. Chairperson: We will now proceed with item 17.1. Civil Service Commission (a) Executive Office (1) Salaries and Employee Benefits \$175,700.

Ms. Barrett: I have a fairly broad question or series of questions under this executive category, which I am assuming is the general policy area. I would like to refer the minister to the throne speech. The minister did answer or did respond to a series of questions in his role as Minister of Labour in regard to the paragraph in the throne speech on page 9 of the legal-size throne speech document. I would like to ask a series of questions in this area in his role as Civil Service minister. I am going to quote the paragraph in question: "Over the next five years, Manitoba will have a unique opportunity to reorganize how it serves our citizens and to reduce the size of government without laying off any government workers. The provincial civil service is aging, and over the next five years some 25 percent of our employees will be eligible to retire. Seizing this opportunity, my government has set a goal of reducing through attrition the

size of the civil service by 10 percent over that period."

The minister in his comments as Minister of Labour said things like, there is no specific targeted plan at this time to implement this policy, it will be guided by personal situations and there is a need to be flexible and reactive, and that the government is starting down the road to thinking about it.

I must admit that I was a bit concerned at the lack of specificity in the Minister of Labour's answers, and concerned because this is a statement that has been made in the Speech from the Throne and talks about a specific time period which is five years, which is not an enormous amount of time, and which will require an enormous amount, I think, of planning and looking ahead in every single department.

* (1750)

So I thought I would ask the Minister responsible for the Civil Service Commission some questions about perhaps is there an overall government plan or process in place to begin planning for this goal of achieving a 10 percent reduction through attrition? I think in the current situation, I cannot recall exactly the reduction in the number of the civil service over the past 10 years, but it is a quite substantial number so it is not like we are looking at a terribly bloated civil service. I just think that it is incumbent upon the government, each department, and I would suggest probably the Civil Service Commission in its role as overseer of the entire civil service, to have some specifics in mind. I would have thought there would have been some specifics underlying this paragraph in the throne speech. So I would like the minister's comment on it in general, and that will undoubtedly lead me to further questions.

Mr. Chairperson: Before I ask the minister to respond, I would like to welcome the minister's staff to the committee, and I would ask that the minister please introduce the staff present today before he responds to the question raised by the critic of the official opposition.

Mr. Radcliffe: Thank you very much for that opportunity, Mr. Chair. I was, in fact, going to

commence my answer with an introduction of my staff, and I appreciate the opportunity at this juncture.

I am joined at this point by Mr. Paul Hart, the Civil Service Commissioner; Gerry Irving, who is the Assistant Deputy Minister of Labour Relations; and Bob Pollock, Director of Human Resource Programs Branch, and I would thank staff for appearing today and providing us with their skill and expertise.

Mr. Jack Penner, Acting Chairperson, in the Chair

Mr. Radcliffe: I thank my honourable colleague for the opportunity to amplify my remarks that she has so graciously cited here today in committee. In fact, the management of vacancy, which will be really the thrust of this issue, the complement of staff years is a function of the Estimates process which is overseen by Treasury Board from year to year. So, when the budgets are prepared each year by departments—and they will be probably starting to review this consideration in September, and then through December and January the actual significant scrutiny goes on—the complement, the size, the definition, the outside parameters of every department in government are scrutinized. The levels of those departments, the size of those departments is determined. The major issue here to consider is that this reduction will not impact on any active employees; i.e., that means that this statement is not a basis for commencing layoffs in government.

My honourable colleague has pointed out that my remarks were of a general nature before, and they will have to be confined to be a general nature, because some of this reduction will be predicated on the personal decisions of individuals as they mature in the civil service. Somebody has the opportunity, say, at 55 years of age to retire, but they may choose not to retire until the age of 65, and that is something over which, of course, government has no control. The experience of government to date has been that over the last 10 years we have reduced the size of the civil service from 18,500 down to 14,000 people, and over the course of that period of time the layoffs have been less than 200 people from government. So we would look

forward again to a similar sort of experience as the demographics of our population change. My honourable colleague is, of course, very aware of the demographic bulge of the baby boomers, as am I. These people are now moving into their mature years, and this will have an impact, because the baby boomers form a significant part of the working population right across our country. So every industry, every service, every aspect of employment is going to be impacted by this group of people, as has the economy, as these people were teenagers, as they were young marrieds, as they were caregivers, and now as they age.

I cannot be anything more specific than that at this point in time. The plans on a department-by-department level will, of course, be shared by deputy ministers and directors, and I would only hope that employees as they reach this level of seniority in chronology would share with their supervisors and directors and deputy ministers their plans for employment in the future. That would give us then the opportunity to create and plan the vacancy management which will, we know, occur.

What this statement is is a statement of a prospect of reality which we know we are going to encounter, and, as government goes through this stage, our government will be looking to manage the vacancy through the Treasury Board process, through the Estimates process. The other component, of course, will be with the advancing training and increasing skill level of the remaining employees and the new employees who are brought onside with the advance in information technology.

With the superior skills of the new staff that are being employed by government, the face of government will change.

The Acting Chairperson (Mr. Penner): The hour being six o'clock, committee rise.

CONSUMER AND CORPORATE AFFAIRS

Mr. Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the

Department of Consumer and Corporate Affairs. When the committee last sat, it had been considering item 5.1.(b)(1) on page 37 of the Estimates book. Shall the item pass?

Mr. Jim Maloway (Elmwood): Mr. Chairman, we had previously decided in the committee that we would not deal line by line.

Mr. Chairperson: You are right.

Mr. Maloway: We would simply move around in the report.

Mr. Chairperson: Yes, that was agreed and you can resume your questions wherever you would like.

Mr. Maloway: I would like to continue where we left off yesterday regarding the issue of Y2K measures that have been taken by the department. My understanding is that each deputy has a meeting quarterly with the Y2K people. There is a written report and there is, of course, the verbal meeting that goes on. I would like to know what the minister has to report regarding the last meeting.

Hon. Shirley Render (Minister of Consumer and Corporate Affairs): Actually, Mr. Chairman, if I could just advise the member for Elmwood of the staff who are here because he may want to direct some of his questions. We have Marjorie Simpson, who can handle all questions regarding the Consumers' Bureau; and Lucy Couture, Acting Director, Insurance Branch; and Fred Bryans, who was introduced yesterday. Perhaps you may wish to direct some of your questions in that direction. I am sorry, I did not catch the honourable member's question that he just posed.

Mr. Maloway: Mr. Chairman, I would be happy to repeat it. Yesterday, at the end of our session we had just started to deal with the issue of Y2K as it relates to this particular department. There are quarterly meetings held in which the deputy minister is briefed as to the progress of Y2K readiness of the computer systems. So I would like a report on what happened with the deputy at the last meeting held, well, it would be held at the end of May as to what was discussed and what sort of problems were dealt with at that meeting.

Mrs. Render: Again, I am wondering whether we can defer just for a short time the questions on Y2K discussions simply because we have other staff here. Would that be possible? Maybe can we shorten those questions, so we can deal with the Consumers' Bureau or the Insurance Branch.

* (1450)

Mr. Maloway: I would expect that we will have plenty of time to deal with Consumers' Bureau and Insurance Branch now and at future meetings. I certainly did not come totally prepared to deal with exclusively those two areas in totality today, although I can, there is no question about that, but we will be wanting to bring them back again later on. I only brought up the subject of the Y2K because that is just where we left off last night. I was going to suggest that we could go into the Planning branch because I know we can take care of a lot of areas that I was interested in under the Planning and Research branch. Since Lucy is here, we can deal with the Insurance Branch pieces of that today, too.

Mrs. Render: Our director of the Planning and Research was unable to be here in the city today. Unfortunately he was scheduled for out of town.

Mr. Maloway: That is certainly not a problem with us. We have lots of time. So, if we could deal with the Y2K issue and get that out of the way, then we could go on to others.

Mrs. Render: My deputy advises me she was unable to be at the last meeting, but from past conversations our department is in very good shape. As I had mentioned to you yesterday, our department is Y2K ready.

Mr. Maloway: I would like to know about the testing program that the department has done regarding Y2K as to what the schedule was for it or is for it, whether there is still testing going on or whether it has been all completed.

Mrs. Render: I am advised that all the programs have been tested. Is that correct? And there is a full-scale dress rehearsal, so to speak, in September. Also, just to answer a question that the member asked me earlier about the annual

report, I understand it is to be ready sometime in September.

Mr. Maloway: Could the minister tell us whether the whole Y2K computer project as it relates to her department was under budget or over budget?

Mrs. Render: Some of the testing was done by the Better Systems initiative, so, in other words, our part was time and material. One of the areas came in under budget. One, I believe you said Vital Statistics, was right on budget, and the balance has been done internally.

Mr. Maloway: I assume the minister is dealing with the SOAs, as well, then, including those systems.

Mrs. Render: That is correct, Mr. Chair.

Mr. Maloway: I wonder if the minister could provide us with a list of the Y2K projects, who did them, and the testing methods and so on. Obviously, you will not be able to get that today, but if you could endeavour to get it. I am interested in—

Mrs. Render: Yes, we can provide that.

Mr. Maloway: What I am interested in here is not only the computer programs that were purchased and the computer hardware that was purchased, the cost and where they were purchased from, but also the Y2K testing contracts, if any, that were let. The minister will know that in some of the other departments companies were hired to do Y2K testing and Y2K changes to the computer systems. In some cases they were running parallel systems, right. In case of failure of one, they could go back to the other.

Mrs. Render: We will be pleased to gather this information and provide it to the honourable member.

Mr. Maloway: I would like to know what activities have occurred in the last year regarding Y2K issues with this department as it relates to its dealings with consumer groups, financial institutions, school systems. What, if anything,

has the minister or minister's staff done in that regard?

Mrs. Render: Consumer and Corporate Affairs has worked with a variety of clients, client groups, and national associations to advise Manitobans about the Y2K issues. I will just briefly go over some of the groups that they have worked with.

Trust, Cooperatives and Credit Union. The branch sent out a brochure entitled Impact 2000: What the Turn of the Century Will Mean to Your Computer Programs and Your Bottom Line to all co-operatives. Credit unions and the caisses populaires have fully developed plans to Y2K compliance, and the branch is monitoring progress to ensure that the plans will be completed on schedule.

The Insurance Branch: In September 1997, all provincially incorporated insurance companies were advised to assess their year 2000 computer exposures, and, in order to ensure compliance, all insurers are expected to follow the federal Office of the Superintendent of Financial Institutions Best Practices.

Mr. Maloway: Could the minister detail any actions of the Securities Commission has taken with regards to Y2K?

Mrs. Render: The Manitoba Securities Commission has taken a very proactive role in conjunction with the other Canadian securities regulators through the Canadian Securities administrators in addressing year 2000 issues as they relate to the securities industry.

On December 1, 1997, the Manitoba Securities Commission distributed to the industry CSA Notice 31-301: The Year 2000 Challenge: Setting Out Expectations for the Industry concerning readiness to deal with the issue.

Then about a month later, on January 30, 1998, the Manitoba Securities Commission distributed a second CSA notice, 41-301N and 51-302: The Year 2000 Challenge Disclosures: Issues Dealing with Expectations concerning disclosure by companies distributing their

securities to the public. Very specific to this particular issue.

Then again, a few months later on April 1, 1998, the Securities Commission distributed a notice to its registrants, advising them to contact the Manitoba Securities Commission, really concerning any anticipated year 2000 compliance problems.

Then a number of months later, at the end of October 1998, the Securities Commission distributed a notice and CSA national instrument 33-106: Year 2000 Preparation Reporting, which imposed reporting requirements on our registrants to report on year 2000 readiness on an ongoing basis.

So I guess really it would be correct to say Consumer and Corporate Affairs continues to advise clients about Y2K in as many ways as possible.

* (1500)

Mr. Maloway: I would like to know whether the minister has any detailed plans to deal with this issue. When the year 2000 arrives, what sort of problems does she anticipate might occur? How does she plan to deal with them at the time?

Mrs. Render: Well, I am not too sure just what the member's question refers to. I can really only talk about Consumer and Corporate Affairs. I cannot discuss other departments and their programs. There is obviously no way to ensure that everyone gets the Y2K message and no way to ensure that all who get the message take notice of it. Maybe the member could be a little more specific.

Mr. Maloway: Well, certainly the minister will know that during the flood two years ago there were contingency plans that the government had in place. They pulled up the old project—I forget the name of it right now—from the 1950s. They were making plans, they were updating. I believe it was Project Blackboy from the 1950 flood. They worked out a contingency plan to deal with the flood, depending on how bad it got, depending on how high the water went, and they would make certain moves.

Now, I am not comparing this to the flood necessarily, but governments certainly have to consider all these possibilities, so surely there must be some sort of an overall plan. When I met with the federal Y2K co-ordinator a year ago, as I had mentioned yesterday, he was a little concerned about all this and he was not finding a lot of understanding at the provincial government level, anywhere for that matter. You know, he had met with ministers who really had not heard of the problem, and if they had heard of it, did not really understand it all that well.

What I do know is that the deputy is meeting quarterly with Y2K. I have no idea whether it is just simply for them to tell her what is going on or whether it is a two-way discourse here, but surely there must be some sort of an overall game plan that you are following here.

Mrs. Render: I have been advised that the year 2000, the Y2K readiness is really no different from any kind of a work stoppage. The department is still assessing and putting together a full-blown contingency plan, and it will be a part of the dress rehearsal in September.

Mr. Maloway: I appreciate the response. I mean, what the minister is dealing with here is exclusively the department itself. I appreciate the fact that this department may be fully operational January 1, but it would be small comfort if the rest of the province is shut down, though, but at least you will be operating correctly. What I am asking about is does the government itself have an overall plan as to what it is going to do on January 1?

I know it is certainly taking care of itself. I am aware of that. The government up to two or three years ago has recognized this is a problem. I recognized yesterday that this province is further ahead in this area than some other jurisdictions. Certainly it is ahead of a lot of other countries and it is ahead of other provinces in recognizing, understanding the problem and working to do something about it. That was quite clear a year ago, but what was not clear is who was worrying about the rest of the province and the rest of the economy, and it did not seem to me like anybody was.

It was just a few people recognized the problem, were getting the government compliant, but that is wonderful, so the government's compliant, but what about the rest of the province? We talked yesterday about the municipalities and the mining industry and all sorts of other industries. So does the government itself have an overall plan?

I know you do and you are going to be operational. I understand that, but what about the rest of the province and where is the plan for the rest of the province?

Mrs. Render: There is a Y2K office, and it is the Minister of Finance (Mr. Gilleshammer) who oversees that.

Mr. Maloway: I know where it is, I know who is there. I have all those answers. What I am trying to get at is where is the overall plan here, and is there an overall plan? Is there any appreciation of how minor this could be or how major this could be?

Mrs. Render: I guess I would have to say to the honourable member that, yes, government is very mindful of what could potentially be an interesting moment in our history. That is why the Y2K office is in the Ministry of Finance, because Finance touches on every single department. The Minister of Finance will be overseeing and ensuring that everything is in compliance.

Other than that, I really cannot speak for the Minister of Finance and tell the honourable member the overall plan. I can only speak as it concerns our particular department.

Mr. Maloway: So I guess then what the minister is saying is go to Finance for the questions about the overall government, and that is fine, we will do that. So we have established that the department is going to be Y2K compliant and things will work here. We are not sure about the overall government and as far as the consumers are concerned, which is the other big area, I would like to know what the minister is planning to do about consumers, potential consumer problems?

Now, the Consumers' Bureau is represented here, but I guess I would like to know whether

there have been any complaints thus far about noncompliant consumer products? Let me give you a few examples. By way of background, as late as last July, I believe it was possible to buy fax machines in one of Canada's leading retail consumer product stores here in Winnipeg that were not Y2K compliant. It is only if you understood the subject and asked the question of the salesperson and got the salesperson to actually spend some time and look into it that you really got answers.

Now, let me tell you what I found out. In the case of three or four fax machines at this particular leading chain store, after putting an effort into it and chasing this issue around with him because he obviously did not want to talk to me about it, obviously did not understand the problem, once I pinned him down and got his information, I found that I think two of the four were compliant and the other two were not.

Now, I ask you: what will happen when these things do not work? What will happen when these machines do not work properly in the year 2000? Will the people that bought them file a complaint with the Consumers' Bureau, and if so, then what is going to happen at that point? Are we dealing with a warranty question here? You know, it is buyer beware, right? If you were lucky enough to have bought one of the two that works, then you should be okay. If you were unlucky enough and bought the other one, then what is going to happen?

I set another example. Until last year, one of the major computer manufacturer-resellers, Gateway would—and Dell as well. I mean, these companies are huge and they are very reputable companies. But I think even if you phoned them today, you will have to chase them to get them to certify Y2K compliance on their computers, and it is only six months before the deadline. They just do not want to do it.

So what is being done in this area? Have you had any complaints so far regarding products that may or may not work? If so, when you do, what are you going to do about it?

* (1510)

Mrs. Render: The Consumers' Bureau did hold an information session just last month, using

consumer education volunteers and officers. They went out to give some, I guess, you could say basic information to refer consumers to other sources—provincial, federal publications and websites and so on when questions do arise. The Impact 2000 and the Millennium Home Bug Check are on display at the Consumers' Bureau and are also available to consumers and other clients upon request.

In answer to your question, have we received any complaints, no. Maybe you are going to be the first one bringing one to us.

Mr. Maloway: I am not surprised that you have not received complaints yet, because nobody has had one that will not work, right? It is just how many consumers before they buy a product today are asking this question, and the truth is they are probably not. But they will be January 1. So are you planning to bring the staff in overtime or hire some new ones to handle the flood of complaints that you may get when these products do not work?

Mrs. Render: I can see a smile on the honourable member's face, so I am not too sure just how to take that question. I would say that consumers are fairly well informed. There has been a lot of media. I would say that a lot of the stores that are selling computers, the salespeople are very quick to talk about their product and the fact that their product is Y2K ready.

In answer to the member's question as to whether we are going to be bringing more staff on, making our staff work overtime, I guess I do not have an answer for that. I think perhaps the minister is being a little pessimistic. Staff at the Consumers' Bureau have always seemed to be able to handle anything that comes at them.

Mr. Maloway: Well, you know, I admit there are no right answers here. I mean, you have to start considering all the possibilities, right? I would like to know who, if anybody, is going to protect the consumers and perhaps issue some warnings, or at least talk to the stores and so on about what they are stocking. I am not sure what the right answer is.

You have this Research and Planning monitoring department that has been monitoring gas prices ever since Ed Connery's days, and I

have not seen a lot of results coming out of there on gas prices. Now, can this same research department not do some research on just what we have been talking about, go in and check these consumer products, start asking these questions and compile some results, maybe come up with some kind of analysis as to how many consumer products are out there on the shelves right now that are compliant and how many of them are not and come up with a recommended list. [interjection] The Chairman says how many need to be compliant? These are questions that you should be asking now, Mr. Chairman, not after you have the products.

Mrs. Render: I agree with a lot of what the honourable member has said. Again, I repeat, I think there has been a lot of media attention on this. I think we probably will be putting out a news release once again advising consumers to ask the question. Possibly we will be suggesting some of the questions they should be asking. I believe that the Y2K office is also going to be doing more as we approach the end of the year, again alerting consumers of questions they should be asking.

Mr. Maloway: The minister knows that one of the biggest problem areas for the department is the whole area of warranties. That is where a huge amount of problems are, have been historically. Businesses are ready to deal with or sell the products and actually even make verbal warranties that are never followed. That is a big problem. You can save \$100 on a product and then find out that you have warranty problems at the end of the day. I would like to know what is being done to, in a way, find out just how big the problem is. Are we looking at a huge amount of noncompliant products being sold in this province? Then we are going to have a huge amount of complaints about them.

I am looking at computers here. Do we have a lot of computers today? Does anyone here know whether all the computers being sold today are Y2K compliant? I mean, they should be. You would think they should be. But do we know that for sure? The same thing is true of other consumer electronic machines.

I am suggesting, the research department is there. Why do we not send that research

department out to do this little study and have them come back with some results? The minister could give me the results, and we could take it from there.

Mrs. Render: There are provisions in The Consumer Protection Act to protect the consumer. If the consumer was promised Y2K readiness in the contract—I am looking for the word that I am looking for. I guess the bill of sale. You are asking about computers. I know that when I purchase a computer it has certain things on it. Again, when I purchase a computer as, hopefully, ideally, most consumers do when they purchase a computer, they are ensuring that what they are requesting for in the computer is all laid out.

Certainly this is a question that I myself have asked: Is it Y2K ready? So I keep my bill. As I say, The Consumer Protection Act is here to protect the consumer. But, obviously, the consumer has to do his or her homework ahead of time to ensure that he or she has asked the questions and that is in the bill of sale.

Mr. Maloway: I have noticed a distinct reluctance on the part of the computer people to certify that it is compliant. If they are reluctant to do it, it means simply that they are not really sure whether it is going to work either. I mean, it is the bottom line. They do not want to warranty something that they are not 100 percent sure of. I am sure that is what it is. But, at the end of the day, the consumer is the one we have to worry about here. I would like to know: Will the minister undertake a study of this area and report back?

Mrs. Render: I guess the question would have to be asked: is it just computers you study? I would say that there is a whole spectrum, and our Consumer Affairs department just would not be able to handle that spectrum. I mean, you have got computers, you have got cars, you have got anything with an electronic device in it, and I do not think you can just pick one particular area. That would tie up I do not know how many years. I have been advised that we think that the federal government is doing something in this area, and obviously we will be asking them questions.

Mr. Maloway: Well, once again, I do not think it is really that complicated. Whoever you have checking gas prices, just have them stop at a few stores and do some random checking. I mean, you give the Consumers' Association money, grants. Ask them to do it. They do price comparisons right now, grocery price comparisons, so ask them to do it, but get somebody to do it. Then, when you get some results, have a press conference and start promoting your findings. That would be my suggestion. I mean, I will come along with you and attend your press conference.

Mrs. Render: I will certainly take the member's suggestion, and perhaps the member and I can go out and do something.

* (1520)

Mr. Maloway: That is fine. I would appreciate it if the minister would look into that a little more. I know that Minister Radcliffe last year got back to me and did report back a couple of times on all these meetings he was doing. It is just that at that time we did not get into the whole idea of whether he should be doing some checking on products and whether he should be holding press conferences and so on, but it seems to me that that is the logical thing to do, so that at least at the end of the day, one year from now, you do not have me asking you, assuming you are still here and I am still here, that is, but I do not have a situation where I am asking you: why did you not foresee this, why did you not foresee that?

At least you will be able to say that I did all the checking at the time and my best information at the time was that there was this problem or that problem. At least you put yourself in a stronger position on the issue.

Has the minister met with the federal Y2K co-ordinator? The federal Y2K co-ordinator was here last spring when Minister Radcliffe was still the minister, and I do not think they met at that time. I would like to know, in the year since, have you met with the federal co-ordinator, and, if not, why not?

Mrs. Render: I do not know for sure, but I do not believe the previous minister had met with the Y2K officer, and, no, I have not either.

Mr. Maloway: Then would the minister endeavour to contact the Y2K co-ordinator and arrange a meeting with the co-ordinator? I found the person to be quite well informed on this issue, and, in fact, the Y2K co-ordinator for Canada was extremely interested in meeting with anybody who wanted to meet with him. He was interested in meeting with MLAs, was interested in meeting with cabinet ministers, so, unless he has changed his mind in the matter, I am sure that he would be willing to meet with the minister on this.

Mrs. Render: Mr. Chair, I thank the honourable member for his suggestions, and we will be following up with the federal government the inquiries that we have made and will certainly continue to make inquiries and see what more information we can gather.

Mr. Maloway: Well, I think since the Consumers' Bureau is represented here, we probably should deal with some issues in the Consumers' Bureau, and then we can come back to it at a future date if we have some more questions.

The problem, I guess, that we have is our annual reports are always a year out of date, so basically we would be looking for some updated information on a number of these areas. But, on a year-to-year basis, what sorts of trends are developing now; what is the Consumers' Bureau finding in trends compared to the year before? I noted that certain types of offences, non-compliance, some were up and some were down over last year. Looking at travel agents here, we have the number gone up from 27 in 1996 to 89 in 1997-98. I assume that has to do with Mr. Canada, but I cannot be sure exactly. So, if the minister could take a few minutes and come up with some detailed answers on that, that would be fine.

Mrs. Render: The complaints are broken down into three areas, as I am sure the honourable member knows: one having to do with motor vehicles; second, home improvements; and other. The automotive has the bulk of the complaints; again, home improvements is next. There actually was a decrease in complaints in the automotive.

Just for the member's information, the number of automotive complaints for 1997-1998

were 295, and for 1998-1999, they were 235, so there was a decrease in complaints. The same, interestingly enough, with sport machines. In 1997-98, there were 13 complaints, and in 1998-1999, there was a small decrease: they went down to 11. Now, the home improvements—

Mr. Maloway: Mr. Chairman, the minister is giving information from the 1998-99 report? Oh, I see, okay, perhaps you could go back then to the beginning, and I could just make a note of these from automotive. Because from automotive you started with 319 complaints in '96-97, then you would drop to 295 in '97-98, and I assume you are giving me '98-99, but I did not write it down.

Mrs. Render: Yes, you are correct. I was giving you the '97-98 and then '98-99. Okay. Do you need those numbers again? Okay. The automotive—no?

Mr. Maloway: Yes.

Mrs. Render: For the '97-98, there were 295, and for '98-99, there was a decrease to 235. Then, for sport machines, a very small decrease: '97-98 was 13, and '98-99 was 11. The next area where there were the bulk of the complaints were the home improvements. In '97-98, it was 160 complaints, and '98-99, 163.

Mr. Maloway: Could the minister proceed further then to the area under travel agents, because '96-97 there were 27 complaints, and then it rose dramatically to 89 in '97-98?

Mrs. Render: Yes, 1997-98 was 89; 1998-99, a huge drop, it was down to 31.

Mr. Maloway: Could the minister give us in as much detail as possible the reasons for the increase and then subsequent reduction and explain that whole situation?

Mrs. Render: The 1997-98 number of 89 and then the decrease the following year, likely the reason why the 1997-98 number was so high was because that was the year there was a travel company that failed.

Mr. Maloway: That is kind of a short answer. I was looking for a more extended answer than

that. I know she is talking about Mr. Canada. That is probably the company that we are talking here. I would like a whole history of that as to why we have 89 complaints that year.

Mrs. Render: I have been advised that under the act there is a confidentiality restriction, so I really cannot talk specifically about a certain company. I can tell the member that the Manitoba clients to my knowledge were either reimbursed or a substitute product was given to them.

* (1530)

Mr. Maloway: I do not know why there would be such a reluctance to talk about it. It was in the newspapers, well reported, well documented. The problems of the company started, came about or became big information in Saskatchewan. Surely we can explain how it started and how it developed and what the resolution was. I mean, what is the secret?

Mrs. Render: Again, I can only repeat that the legislation does specify confidentiality, and what was in the newspaper, I do not know how accurate it was. Obviously, we know that newspapers get a hold of information that perhaps sometimes they are not supposed to, but, as the minister responsible for overseeing the act, I do not think I am in a position to breach it knowingly.

Mr. Maloway: Could the minister tell us how much money was lost in total by these 89 consumers?

Mrs. Render: The average claim was about \$100, but, again, for Manitobans, they did receive their money back or did receive another trip.

Mr. Maloway: Well, then, how did that happen, because the company went bankrupt? How did the 89 people manage to get \$100 and/or another trip out of it? How did that happen to materialize?

Mrs. Render: I am afraid the honourable member is not going to be too happy with my response. I am just advised that this is something that I cannot put on record, simply to

say that the Manitoba customers were satisfied with the assistance that the Consumers' Bureau was able to give to them.

Mr. Maloway: Would the minister then say that all 89 of these people were completely satisfied with the resolution of this matter?

Mrs. Render: I think the honourable member has probably answered his own question off the record there. I was listening with one ear over in this direction. The Manitoba consumers, I think it would be correct to say that, yes, they were satisfied, but they did not make up that figure that the member is—the total figure. I believe there were some out-of-province people in that figure that the member is putting on the record, so I cannot really speak for them.

Mr. Maloway: For clarification, then, the 89 people, I would understand, would be Manitobans, and there were another several hundred people maybe from Saskatchewan that were affected by this? No?

Mrs. Render: No. I am advised no. Some of the complaints may have been directed to another company, not just to the one company that the member has referenced.

Mr. Maloway: Now I am even more confused. There are 89 complaints for that year, right? Are we saying there are more than 89 in total? [interjection] There is not. There is a total of 89 and some of them are split between—well, they could be split among all kinds of companies. I guess that is what you are saying. So we are not saying they are all Mr. Canada related; that is what we are saying. We are saying they are not all Mr. Canada related.

Mrs. Render: The honourable member is correct.

* (1540)

Mr. Maloway: As the minister knows, there are, I believe, three provinces in this country that have travel funds or travel acts. If a person is lucky enough to purchase their travel arrangements in B.C., I believe—is it B.C., Ontario, and I am not sure where the third one is. It might be Quebec. Three provinces used to have travel acts. The system under the act allows that, if

there is an insolvency on the part of the agency, the airline or any of the suppliers along the chain, a reimbursement is made; that people do not find themselves stranded in Mexico maybe. I guess that would not be bad if it was January. But you know the story. You have read the stories. People get stranded every once in a while.

In Manitoba there is just no protection. If you live in Kenora and you bought it in Kenora, you simply go and collect your reimbursement from the travel fund of Ontario, funded by the agencies, the airlines and the suppliers. I would like to know why this is not reality here in Manitoba. After 11 years of this government and probably another 11 ministers, we still do not have a travel act in this province. What is holding you back?

Mrs. Render: I suspect that the honourable member knows that legislation governing the travel industry had been contemplated by the province in the early '80s. Then it was not proceeded with because it was felt that the travel industry in Manitoba was too small to support the establishment of a travel insurance fund, and default insurance to protect the travelling public was available from insurers offering travel plans.

I am advised by the department that that answer really is still correct, although I will say to the honourable member that the department is talking with, because we always want to make sure we are reaching out and perhaps just keeping ourselves advised—we are talking with some of the other departments to see whether we should be doing something more. Now, at the request of the Association of Canadian Travel Agents (Manitoba) in June 1998, the previous Minister of Consumer and Corporate Affairs and the Minister of I, T and T did meet with the Association of Canadian Travel Agents, with reps from that association, to discuss various issues facing the travel industry, and whether or not there was a need for any type of regulation.

It is not that it is a dead issue. We are looking at it to see whether it is something we should be doing something more on.

Mr. Maloway: Could the minister tell me what the results, or tell us what the results of that

meeting were, the meeting of June '98. What got resolved?

Mrs. Render: The Association of Canadian Travel Agents hired a consultant in the fall of 1998. They conducted a survey to collect information regarding consumers' understanding and expectations of the travel industry, as well as concerns related to the protection of funds and responsibility for accountability within the travel industry. The survey results reported recently indicated, I guess you could say, a need for more information and education about the travel industry and did demonstrate that consumers are concerned about protection of travel funds, suggested that the travel industry is responsible to provide assurance to the travelling public.

I think it was ACTA that initiated a program to—I have been advised that I, T and T did provide funding to ACTA to initiate a program to educate travel consumers in the industry and the questions they should be asking of their travel advisors. There are a number of these kinds of education initiatives that will be ongoing, I suspect.

Mr. Maloway: How much money was given for this study or this grant?

Mrs. Render: We do not have that figure here with us. It comes from I, T and T.

Mr. Maloway: The minister is telling me that there is some sort of dialogue going on between the industry and the government. Is this government driven or industry driven?

Mrs. Render: Yes, the member is correct. There is discussion. I would say driven by both the department and the industry itself.

Mr. Maloway: Mr. Chairman, does the minister then envision a travel act with a trust fund component to it?

Mrs. Render: I think you and I will have to be back here at the table next year before I can answer that. I think it is premature to give an answer. We just do not have enough information to know whether legislation is warranted at this point, or what route to go to best advise the public.

Mr. Maloway: I was planning to ask the minister, then, what the timetable was, what stage we are at, when we will be meeting next, and what the agenda and the schedule are for this discussion.

Mrs. Render: I am advised that we do not have a firm timetable, but I will be meeting with the industry.

* (1550)

Mr. Maloway: I would like to suggest to the minister that I know the argument, that the old arguments were that the industry was too small. She mentioned that in her answer, but the minister knows that when it came to the lemon law, for example, that is one example, it was successfully negotiated among the ministers for all the provinces—right?—where they developed a national program.

Perhaps something like this might be looked into here, developing a national program, given that we have Ontario. Am I correct—is it Ontario, B.C. and Quebec? Those are the three. So what you have is you have a population of 30 million in the country, and you have Ontario, Quebec and British Columbia. So the three biggest provinces are all governed by these acts, and you have seven provinces, with nowhere near the population of the top three, outside the act. It would make sense to me that you would have a sort of a national pool be set up. Take the best from each of the acts that have been around a number of years now, and simply have Manitoba sign on to a national plan.

I wonder if that is possible, or do we get into the parochial arguments about jurisdiction and stuff like that? Let us face it, we are looking at internal trade. We have a free trade agreement that makes it easier to trade internationally than it does among provinces, and the federal government and the provinces have been trying to address that issue. You have an agreement now, an internal agreement, on trade. Does it not make sense that perhaps a consumer in Kenora should have the same footing—or a consumer in Winnipeg should have as good a footing as a consumer in Kenora?

Also, you have to understand, too, that we are dealing with national companies here. Sure,

you can argue there are some independents, but, by and large, the majority of the industry is either dealing with huge airlines—you are dealing with huge airlines here; you are dealing with national chains when it comes to travel agencies; and you are dealing with national tour companies. You have a consolidation in that business as you have in most other businesses over the last few years.

The consolidation is becoming even more so, with fewer and fewer players, and so companies are operating tour companies right across the country, in all the provinces. So I can imagine that internally, they must be seeing some level of inefficiency here whereby if you are a national tour company, you have to employ somebody who understands the Quebec travel fund and somebody else to understand the Ontario travel fund and somebody else to understand the B.C. travel fund and try to adjust by depending on where the consumer lives.

I think it would be in the interests of some of these national companies, too, to have a consistent level of regulation across the country. I would like to ask the minister if she has been looking at that area at all.

Mrs. Render: Mr. Chair, yes, just to clarify the record, the member was correct when he said that British Columbia and Ontario and Quebec did have legislation and regulations in place. Many of the points that the member has put on record are certainly, I think, valid points. This is an ongoing discussion, and we certainly take your points and continue having discussion, possibly a prairie association. As I say, it is a little bit premature to say definitely.

Mr. Maloway: Mr. Chairman, well, I understand it is a bit of a bigger gamble and a bit of a shot in the dark to try to get the whole country on a program, and we may be all very old people by the time some of these things develop. Unfortunately, what has to happen or what usually has to happen is there is a major insolvency and thousands of people are stranded and then the action comes about. Right? That is what usually precipitates action, but I guess it is not too early for the minister to take the initiative and bring in her own act and, once you have your own act in, to merge it or meld it into a national program.

This issue has been outstanding now for quite a number of years, and I know that 10 years ago there was a lot of resistance on the part of the industry members. They were really resistant to that idea. So is the minister suggesting that there is not the level of resistance that there was before?

Mrs. Render: Mr. Chair, certainly, ACTA is interested in this.

Mr. Maloway: Mr. Chairman, I wanted to put it in sort of a historical context because I recall that the industry on the eve of the 1990 election was sending me demands to meet with them. You know, they did not show a big interest in it before that, but, all of a sudden, they were really interested. They were really hot on the idea of trying to pin me down on this travel act. The meeting never happened, but I remember them being quite excited about it. Certain members of the organization were putting a special effort into this thing.

Now, I know people change, personalities change, over all these organizations and so on, so I just wondered whether there was a different sort of a leadership over there now and a different approach to this issue because certainly they were just dead set against this idea. They were quite content to have regulation up to the Ontario border, but not in Manitoba.

Mrs. Render: Mr. Chair, the ACTA members are interested, but not all the travel agents are part and parcel of that association. I think there are changes in the industry. I think the industry is undergoing some changes. As in anything, there is always a change of viewpoint, but I can only really speak to the association, which, I believe, is most interested.

Mr. Maloway: Well, it seems to me that it would be a decent investment. I know they were concerned about costs to them, and that is a fair concern on their part. On the other hand, there are some benefits to them, too, because if the public is more at ease in dealing with them, then why would they not look at something like this?

I should not say I am encouraged. I expected that there probably would not be anything going on, so the fact that they are even talking about it

is kind of a bit of a shocker. I just cannot get used to all this change, but, anyway, I wish you luck with that.

I would like to ask about prosecutions then. Have there been any prosecutions concerning these 89 complaints regarding the travel business?

Mrs. Render: The answer to the honourable member's question, were there any prosecutions, is no.

Mr. Maloway: Have there been any prosecutions at all in the last year in any area?

Mrs. Render: Yes. In 1998-99, there were a total of 38 charges that were laid against various individuals and companies for breaches of consumer protection statutes. This included 21 charges of committing an unfair business practice; that fell under a particular subsection of The Business Practices Act.

There were four charges of direct selling without a licence, and this fell under a particular subsection of The Consumer Protection Act. There were two charges of direct selling under, again, a subsection of The Consumer Protection Act, and 11 charges for breaching another section of The Consumer Protection Act. This was for collecting fees for a prepaid service in a manner prohibited by The Consumer Protection Act. There were also three arrest warrants issued to individuals charged with violations of The Consumer Protection Act and The Business Practices Act.

* (1600)

Mr. Maloway: Could the minister give a little more detail on these charges as to what the circumstances were for each one of them?

Mrs. Render: I do not have that information. We do not have that information here in front of us, but if the member would like to have the information provided, we can get it for him.

Mr. Maloway: Yes, I would appreciate that. I would like a breakdown of all the charges and what the resolution was at the end of the day, the complete picture. Give me the whole story.

Mrs. Render: We will try to provide as complete as possible. Obviously some of them will not be resolved. As I say, we will give you what we have.

Mr. Maloway: I would like sort of a progress report on them, if they are not resolved. I assume some of them may be related to loan brokers. Am I correct with that assumption?

Mrs. Render: Yes, the honourable member is correct. Three loan broker companies were investigated under The Business Practices Act. Actually that was almost three years ago in 1996.

Mr. Maloway: Has there been any recent activity in this area with regard to loan brokers, or did you solve the problem when you charged and convicted all of the people at that time?

Mrs. Render: I think the member is correct again. It seems that problems with loan brokers have not surfaced since this very successful investigation was undertaken.

Mr. Maloway: I assume that there have been other activities that have surfaced to take their place and keep your staff busy over there. My guess is there is an issue now dealing with the sale of telephone, I guess it is long distance packages. Yes, it would be long distance charges that are being sold by a multilevel marketing operation. I would like to know once again who is involved in this and at what level is it operating? Has it been around a long time? A short time? How many people have been signed up to it? Is it working well? What has the department done with regard to this company?

Mrs. Render: I am not too sure how to answer this question because I think the member is probably talking about the Excel Telecommunications. I cannot really say too much. It was licensed as a vendor by the Consumers' Bureau in January of this year. Your question sounded as if you were talking about a scam. Now, yesterday, you were asking questions about multilevel marketing.

Mr. Maloway: What I am asking the minister is we talked about the loan broker situation. I understand that there has been some interest in

the department in a whole range of areas. One of them would be the selling of long distance packages. I want to know, one, are they interested in it, and two, have they done anything about it? Have they approved it? Maybe it is fine. I am not sure. Tell me what the story is.

You are saying in January the company has been registered. What has happened since January?

Mrs. Render: Yes, as I mentioned, the Consumers' Bureau did approve, did issue a licence because Excel was selling at the multilevel marketing scale. I think you are trying to find out if there are any scams involved.

Mr. Maloway: Yes, if they are approved.

Mr. Peter Dyck, Acting Chairperson, in the Chair

Mrs. Render: Yes, it has been approved. I have been advised maybe what I should do is Consumer Affairs has put together just a small paragraph, so if the member would allow me, I will just read this: under The Consumer Protection Act the Consumers' Bureau licenses vendors who are direct selling their goods or services to consumers. A number of these vendors market their goods or services by means of a multilevel marketing plan. When a vendor selling in this way applies for a licence, the multilevel marketing plan is reviewed and an advisory opinion from Industry Canada may be required to ensure the plan is not a pyramid scheme. If the pyramid schemes are identified, then these are referred to the appropriate enforcement authorities for investigation.

So Excel Telecommunications (Canada) Inc. is a company which sells long distance services to consumers by means of a multilevel marketing plan. It was licensed as a vendor by the Consumers' Bureau in January of 1999.

* (1610)

Mr. Maloway: Can the minister tell us how many licensees this company has?

Mrs. Render: We do not have a number here in front of us. We can get the number for the

member, but we believe it is over 300 have been licensed.

Mr. Maloway: I am just wondering whether that would be considered quite a high number relative to other companies, other similar companies, that are operating out there. I would also like to ask the minister how many other multilevel marketing companies are operating in businesses such as this. Is this a growing industry or stable?

Mrs. Render: I guess 300 could be considered a high number. Whether it is a high number for the telecommunications area, I am not too sure. Your second question was how many multilevel marketing licences. We do not have a number with us. We probably could get it.

Mr. Maloway: I guess what I am trying to pick up is whether there are any trends here, whether there were zero a couple of years ago and now there are 500 of them, or whether there are three or four, three or four years ago, and still three or four of them are operating. Do we have a large number of these companies?

Mrs. Render: I am advised that there does not appear to be a trend in multilevel marketing. I think probably all of us are aware of the companies that market vitamins and supplements and things like that, but there does not appear to be a huge number coming on to the Manitoba market.

Mr. Maloway: Could the minister then provide us a list of the companies that are currently licensed, or the products that they sell?

Mrs. Render: I wonder if the member would clarify. Are you just talking about the multilevels or all vendors? I ask the question just because our staff do put in full days, so I do not want to ask them to do anything extra.

Mr. Maloway: I am interested in knowing just the multilevel marketing schemes. I guess what the minister has said is that each of their plans are submitted to Industry Canada. Industry Canada determines whether they are operating according to your rules and regulations and not illegal under the Criminal Code or any other statute, but then you approve them.

Mrs. Render: Not quite. Just where the department feels there might be a problem, then we submit the application to Industry Canada.

Mr. Maloway: That brings up an interesting issue then. How do you know whether the operations of the company are above board then unless you do more investigations? If you simply take their plan as submitted and submit it to Industry Canada if you are suspicious of it but keep it to yourself if you do not, how do you know that the operation of the company is being done properly?

I draw your attention to a case a few years ago where one of these multilevel marketing operations were selling gold coins, I think it was. On paper it all checked out. They are not stupid people. They usually are smart enough to take it to a lawyer. A lawyer looked at it and said, yes, this conforms with Manitoba laws. In that case I think it was B.C. law, and they went happily about their way of recruiting people and calling meetings. They had meetings I think at the International Inn. The police went in there and recorded their presentation and arrested and charged a large number of these people. That was in about 1990, 1991, something like that.

Once again, we had a case where technically their plan was legally and technically correct. It was not considered illegal. Sending it to Industry Canada would not get you anywhere at all. What got them was the method of selling the product. The way they sold it was illegal, and they closed them down that way.

So I guess what I am asking is, are we really in sort of a feel-good situation here where we find these people—I do not know whether they come to you or you go and chase them down. I imagine it is a combination of both. I do not imagine they all come knocking on your door, but one way or another, you do get in contact with them and they submit—what? They do not fill out an application with you, or do they? Then they submit their marketing plans. How do you know that you have all their marketing plans that they submit? Then you make a decision at some point. Who makes the decision as to whether this one qualifies and that one does not?

Anyway, I wanted to leave enough loose ends here for you to go on at whatever length

necessary to give me as thorough an explanation as possible on this point.

Mrs. Render: I think the member may have answered part of the question himself when he gave his example about going to Industry Canada would not have put a stop to that particular thing. I guess I would say to the member that the experience of the staff is what determines whether or not they discuss or send an application on to Industry Canada.

So I will back up a step. The vendor, whatever you want to call, whether it is selling vitamins or whether selling gold jewelry, whatever, does complete an application. The application is signed off either by a manager or by the director herself, and as I say, the experience of these individuals I think has been such that they know when to send an application to Industry Canada if they think that there might be a problem.

Also, there is a bond required, so that if the company fails there is recourse for the consumer and we can make a claim.

Mr. Maloway: So is the minister saying that when the company is approved, the company itself provides a bond? Does the bond cover each of the direct sellers that are licensed?

Mrs. Render: The bond is for the company, and the company is responsible for the direct sellers. So if there is a problem, you go back to the company and claim.

Mr. Chairperson in the Chair

Mr. Maloway: So let us take this example of Excel communications then. Excel communications would provide a bond. What is the form of the bond, and how high is the bond? I would like to further just suggest for further clarification that I think what we are interested in here is the formula for the bond. Is it based on so many direct sellers? Is it based on the volume of sales anticipated or expected? What are the criteria for deciding how big a bond this company should have?

Mrs. Render: Again, the member answered part of his question. As the member likely

knows, when you go for bonding, it does not really matter what business you are in, your bond is determined by a particular situation. In this instance, I am advised that it depends upon the number of sellers, the average amount or the average value of sales and the annual amount of sales. So all of these things are taken into consideration when setting the price of the bond.

* (1620)

Mr. Maloway: So basically the bonding requirements then—is it left up to the discretion of the Consumers' Bureau to decide how large the bond is, or are there some written rules as to if you do this then you must have a certain-sized bond? How big do some of these bonds go?

Mrs. Render: Yes, it is left up to the discretion of the managers or the director, and the bonds can go from between 5,000 to over 100,000.

Mr. Maloway: I know that bonding has something to do with the experience in the business too, so I do not know how they would get a handle on the experience. We are bonding the company here and we are bonding the salespeople, is that correct?

Mrs. Render: Bonding just the company.

Mr. Maloway: So then how does it happen that the bond can be called in or collected on then, and what experience do you have in recent times of bonds being called? What is the procedure here for calling the bond? Does one of the salespeople get into some sort of trouble with one of the customers and then the customer goes after the salesperson and the company bond is called in? Is that how it works here? What triggers, and by way of experience, what recent past experiences do you have where bonds have proved useful and have been called in?

Mrs. Render: Usually the Consumers' Bureau becomes involved if there is a complaint from the customer. That is what triggers things. At that point the Consumers' Bureau steps in. If things are not resolved, then they call the bond. Now just to give the member some numbers here, in 1998-99, two bonds totaling \$85,000 were forfeited. In addition, a total of \$3,526.19

were paid to five consumers from bonds which had been forfeited in prior years.

Mr. Maloway: Could the minister explain that again? I think she said that \$89,000 was paid out. What were the circumstances of the \$89,000 payout, and what is the significance of the \$3,000 settlement?

Mrs. Render: There is a two-year discovery period, so the \$85,000 that I referred to is held. That \$3,500-plus that I talked about does not come out of the \$85,000 that is being held.

Mr. Maloway: I would like to ask the minister what the significance of the \$85,000 is. What was the company that was involved in that and the type of business they were involved in?

Mrs. Render: I have been advised, again, I cannot give the member the names of the companies. The companies have shut down. The bonds are being held for two years.

Mr. Maloway: It is not a trick question; I am not trying to trick the minister. In the case of the travel company, I told you what the name of it was; I was not trying to trick you into telling me what it is. I knew it before. What I am trying to find out here is to get the type of business that this company was involved in, whether it is vitamins or something else. I am not expecting to get the details as to the exact name of the company, but just tell me the type of business, the scope of the business, how many direct sellers there were, the area of operation, the scope of operation, all the details you can about this company.

Mrs. Render: We will have to get back to the member.

Mr. Maloway: Could the minister give me then an indication of what other areas of problems that her department has had in the area of direct sellers and direct seller applications and direct seller, multilevel marketing, I guess that is the best way to describe them, companies over the last while? We have dealt with this Excel communications, and the minister tells me that they have 300 direct sellers. They are bonded, so, as far as we know, everything is going fine with them. What about some other companies

that are operating right now and over the last year?

Mrs. Render: Again, I am advised that nothing comes to mind. There appear to be no trends in this area.

Mr. Maloway: Could the minister tell me what is happening with the organization known as the Community Party? She probably has a file or has some information that she can tell me about this particular organization. We know that its plan was referred to Industry Canada, so I would like to know what her department is doing about this problem.

Mrs. Render: I believe the honourable member was in the Consumers' Bureau and was advised two months ago now, almost two months ago now, that this really was a pyramid scheme and as such fell under the jurisdiction of the police because it was an offence of the Criminal Code. So it has been turned over to the City of Winnipeg Police.

Mr. Maloway: So the minister has nothing more to report at this time then regarding that particular situation.

Mrs. Render: That is correct.

* (1630)

Mr. Maloway: We dealt with the area of the loan brokers, we dealt with pyramid or multi-level marketing arrangements.

Periodically, the old subject of fitness clubs surfaces, and I would like to ask the minister just what has she done to try to guard against any future problems. It never fails to amaze me how much interest is generated when one of these clubs go under. It is a very popular activity these days for people to join clubs to get in shape when, in fact, it might be a lot cheaper just to go out and walk along the river during the lunch hour, but people do join these clubs at fairly high entrance fees.

What happens is, in order to entice—and there is a very tough competition in the field. What happens is people keep disregarding the rules that exist, and they pay these clubs annual

fees. The rules that we have set down long ago are that the fees have to be paid and cannot be paid up front for the whole year, but clubs manage to avoid and entice, I guess, people into making up-front payments. What happens? Everything goes fine until the club goes out of business, and we have people phoning to complain that they have paid and they have no facilities.

Mr. Denis Rocan, Acting Chairperson, in the Chair

I would like to know just what is happening with that, because the last time we had one go under was I believe last year, and a number of people were out of money at that point. We suggested to the minister that he meet with the remaining clubs and that he make some effort to make sure that they understood that they could not collect up-front fees for the entire year, that perhaps people should be paying on a monthly basis to make certain that they did not lose money in case of a failure. So I would like to know just what if anything has been going on with this whole issue since last year.

Mrs. Render: Four charges were authorized by the Department of Justice under the prepaid services provisions of The Consumer Protection Act. This matter was concluded in March of this year, and it resulted in fine and restitution orders being given to four consumers. Since December of last year news releases have been issued and particularly just before Christmas, I guess you could call them educational issues. One was titled Check Refund Policy to Avoid Return Problems, also informing Manitobans when joining fitness clubs to be aware of the rights when signing prepaid service contracts. You are talking I guess mainly about the fitness clubs, so I will just focus on that particular part.

Just looking at my notes here, and I see that the act, when it was amended earlier in the '90s, 1992, I think it was, it was amended to include a prepaid services section, limiting the losses that consumers would experience in the event of a fitness club failure. Last year amendments were made to the act to make the payment requirements clearer. So that perhaps may have been as a result of your discussion with the previous minister.

Your question also, what else are we doing, not only have we sent out releases to again alert the consumer before he or she buys a product, but also we have sort of put on notice—maybe that is not quite the right word. Fitness clubs were advised in writing by the Consumers' Bureau of the amendments that went into place last year and reminded of their obligations under The Consumer Protection Act. So we have tried to cover off both the fitness clubs and alert them as to what their requirements were and also tried to advise consumers of the questions they should be asking before they sign on the dotted line.

Mr. Maloway: The minister recognizes, I am sure, that this problem is not just peculiar to fitness clubs. I think last year we had an ISP go out of business, and the same sort of problem developed there. Have any others gone out of business in the last year? Could the minister give me an update on the state of those?

Mrs. Render: There does not appear to be a significant number of complaints.

Mr. Maloway: The reason I asked was that there are a number of ISPs—one of them went out of business last year, and a number of people lost money as a result. I do not know how many complaints the department received on that issue, but certainly it was a concern. I suppose that when these things happen, there is a tendency to go with the stronger ones, Sympatico probably I would expect being the biggest in Manitoba, affiliated with the telephone system. So I think when people hear that an ISP has gone out of business and left people in the lurch after they have prepaid their fees, then that probably is a big boost to Sympatico's business because they have been around and they are well known.

I know that this is certainly a large area, and the whole technology field changes so rapidly. So I would like to know how many complaints the department got on the one that went out of business last year and whether she has an idea as to how many are currently operating and what the current state of affairs is with regard to the ISPs.

Mrs. Render: The department tells me that they simply have not identified this as an issue because there just are not very many complaints.

* (1640)

Mr. Maloway: I think that, to a large extent, people take their lumps and they are not happy, but they kind of use it as consumer education, probably no different from what some people are going to conclude when they find their VCRs do not work, may not work January 1. They will just accept that they should have been a little sharper in their consumer purchases. I mean, you recall three or four years ago the red box, blue box, green box recycling companies. I remember paying them for three months in advance or something like that. I learned my lesson that oftentimes prepaid services are not what they seem because it depends really on the solvency and how solid and reputable the company is that you are buying the service from.

You get into the whole area of trust funds again for deposits, because the minister will recall that a few years ago we had a big issue in the province about sunrooms that were being built. Deposits were taken and sunrooms were not finished and were not built and people were out a bunch of money. They came down to the committee hearings here when I believe Ed Connery was the minister in those days. At that time there were quite a number of people who were out money, quite substantial amounts of money too. I guess the public conclude in situations like that, if you can afford a sunroom then, you know, they do not have a lot of sympathy for you.

But we brought the people in here. They made representations to the committee. I introduced some amendments at the time to put these funds in trust. This is not something that is unknown. I mean, when you deal with lawyers your money is put in trust before you buy a property, lawyers trust funds.

Mr. Chairperson in the Chair

Insurance trust funds are supposed to be held in trust, but it is debatable how much that is actually followed because, unlike Ontario, where they follow up and file reports every six months or whatever the amount is, we do not have that. I think it is the law in Manitoba, but I do not know that there is any way of enforcing that. It is an interesting question as to whether or not

prepaid or deposits, I guess that is what we would call them, deposits for things like sunrooms and other types, any kind of good or service bought should be held in a trust situation. I would like to know whether the minister has done any—once again, I get back to this planning department. What is this planning department doing? Have they done any work over the last year in this whole area of deposit legislation?

Mrs. Render: We have not looked at deposits. As far as construction goes, under The Builders' Lien Act there is a 7.5 percent holdback for home renovations. If it is a direct sale, there is a bond as part and parcel of it, so there is recourse there.

As I mentioned earlier in response to your question on the fitness clubs, the Consumers' Bureau had been proactive in alerting consumers for the fitness clubs. They were also proactive in advising homeowners when the homeowners were considering doing home renovations. I guess their alert at that time was called right when considering direct sale home renovations.

I happen to have the Manitoba government news release in my hand which—it is just dated not too long ago, April 19, 1999—Manitobans advised to beware of rights when considering direct sale home renovations. Manitobans should know their consumer rights when dealing with direct sales of home renovations, Consumer and Corporate Affairs, Shirley Render, and Minister responsible for Seniors, Jack Reimer, said.

I think we all know that when the weather warms up, that brings an increase in the salesmen coming to the door. That is why the release was sent out in mid-April. The vast majority of direct sale home renovation companies are reputable, but, of course, there are always some that do cut corners or use poor quality materials. So it was felt wise to advise consumers of what questions to ask if you are going to become involved in home improvement contracts, especially if it was at the door.

Mr. Maloway: I would like to ask the minister then: what media outlets and/or newspapers picked up on that press release and printed a story based on that?

Mrs. Render: I do not know that I can answer what media picked it up. I believe it was in some of the seniors brochures. Other than that, I really could not tell him. I really cannot tell the member.

Mr. Maloway: Well, that sort of illustrates, I guess, part of the problem, that it is a nice gesture to send out a press release, but if it does not get picked up then it does not really help matters.

At the risk of getting into trouble here, I am going to suggest that perhaps the two ministers should have had a press conference maybe, look at some sort of advertising. But ultimately, I guess, the problem, the only sure way, and there is a cost associated with it, is to require trust deposits, and even then you are not 100 percent sure, are you, if you have no compliance requirements to the trust funds. So you would have to set up a bigger bureaucracy here and require trust funds and then you would have to have somebody to go out and make sure there was compliance.

But there are several steps here. Even if you took one or two steps and did not necessarily take all the steps, you could work it and phase it in over, say, a 10-year period, whereby initially you considered the legislation at least dealing with some of the more problematic areas and maybe expanding it, phasing in some other areas over two or three years and then have your trust provisions come in perhaps four or five years later and then your compliance come in around that time as well, as opposed to just saying, well, it is too cumbersome and unworkable, which is what was said 10 years ago when we brought in the amendments at the time.

Now, let me tell you this, that at the time I only recall two people, two interest groups, two interested parties objecting, by the way, to deposit legislation. They had really good points, and we put in exemptions to exempt them, and one was monument makers. You know, if you get a funeral monument made for yourself and you are not happy with it, then what is the funeral director going to do with the monument, right? So in that case if you make a 10 percent, 20 percent deposit, that is probably unreasonable because if you do not like the finished product,

then he is stuck with the monument. So we took that one out. Maybe custom-tailored suits, maybe it is unreasonable to say that only a 10 percent or 20 percent deposit should be made on a suit; it should be maybe 50 percent or 100 percent, right?

* (1650)

So there are some exceptions, but clearly when you have businesses operating, when they are taking—you know, I could go down to my office and bring you up the files, but there were \$10,000, \$15,000 deposits taken on these bloody sunrooms and people, I guess, maybe it was just their own greed to a certain extent but they were given reductions. If you pay it all up front now, we will take a couple of thousand dollars off the front, and these people just basically changed the rules with every case. Some cases they gave them a \$1,000 reduction, some cases it was \$2,000, whatever was necessary to pull as much money up front as possible. Then what they did was they took the money, basically robbed Peter to pay Paul. You know, they had another job going on, and they simply took the money from one job and transferred it to the other job.

We said, well, there is a problem here. We have to get them to separate the monies. When the minister orders a sunroom, then if she puts up a \$5,000 deposit on that sunroom, then that is the deposit on her sunroom, as simple as that, and that contractor should not be able to take her \$5,000 and use it to build the Chairman's sunroom. That is just the nature of business, so that is what people do at the end of the day. So what are you supposed to do? I mean, you have to put down some sort of a deposit, and the reality is, you know, you can talk all you want about the 7.5 percent in builders' liens, but if you canvass people almost nobody knows about it. They do not. The awareness of the 7.5 percent is almost nil, and then if somebody does remember it, they forget it very shortly thereafter, and it does not come into play when you are negotiating to build these kinds of things.

Tell me what the difference is between a sunroom contractor and a renovation contractor. There are well-known contracting companies in Winnipeg that have been around 20, 25 years. Do you think they would have a severe problem

with this, when every single insurance agency in Manitoba has these rules to follow, every single real estate company in Manitoba has these rules to follow, indeed probably the entire country, that it is just simple accounting? If it is trust funds, you put it in the trust account. If it is not trust funds, you do not put it in the trust account, and you separate the two. What is the big problem here? The industry will complain, of course, because it is new. That is natural, and they think it will increase their bookkeeping. But I can tell you for the long-term preservation and safety of the consumer's money, then this is the one sure way of making certain that you do not have ongoing future problems.

I mean, we probably pay for it in the end because we have all this extra activity in the Consumers' Bureau and at the political stages when one of these things happen. It is almost like playing the lottery or the horse racing here. We just kind of sit back, and we just wait for the next disaster to happen. A whole comprehensive sort of approach to the concept of funds, deposits being held in trust is something that the government should pay some attention to and be proactive with. Just relying on a press release that will never see the light of day is probably not really helping matters any. I mean, it might make us feel good for a day, but it did not get reported and nobody knows about it other than the person that wrote the press release and sent it out, and now I do. That is three people.

Mrs. Render: Well, I take the member's comments; I have listened to them with interest, and actually I am pretty sure I have seen these kinds of comments in the seniors brochures. They are talking about elder abuse, and I am very, very positive that in most of the seniors literature now, they have sections that are directed specifically to seniors, because seniors are usually the ones that are targeted for the home renovations.

In fact, in my door-to-door knocking, I was talking to a senior about this very thing, and she happened to have attended the St. Vital Seniors, and St. Vital Seniors are a very active group. I understood they had somebody come in and speak to them. My deputy is whispering in my ear and saying probably from our department, Consumer and Corporate Affairs.

But, seriously, Mr. Chair, I know that there has been a great deal of effort to make sure that this information is in the hands of seniors. As I say, I have seen brochures targeted directly for seniors, and I think your points are well taken. I also believe that educating the consumer, whether you go in to buy groceries or whatever, we do have to be asking questions and know a little bit more than just simply handing over a chunk of cash or writing a cheque. We have to be alert and aware.

Mr. Maloway: Well, if the consumer was so smart and so educated, he would not be paying for professional advice every day of the week. I mean, that is why we have professionals; we have lawyers, we have accountants, we have all these different professionals. We train these professionals to operate under certain rules and hope that that will solve, I think anyway, consumer problems. So why do we go and train lawyers to become lawyers? We have a Law Society, we have all the little rules of ethics that they follow, and 99 percent of them follow these rules. They have all of these rules of how you deal with the public. If any of them wanted to do bad things, they could, but they do not because they are rooted in the rules and procedures they have to follow. Most of us will follow whatever rules are made for us, right? We assume these rules are there for a reason, and we follow them.

All I am saying is that if you take it from the standpoint, ask any lawyer as to how their system is set up and why they have trust funds and ask any real estate agent or insurance agent how their system works, it is set up to protect the consumer. That is what it is there for. It is accepting the fact that there is going to be one in a hundred or one in a thousand people that are going to abuse the system, so we have to set this thing up. It is an important enough function in your life that you have to make sure that when you buy a house, you know, the real estate agent does not run off with the deposit or the lawyer does not run off with the deposit. Every once in a while it happens, in spite of all the rules. But they are there because the consumer cannot be up on all these things.

That is why the consumer goes to lawyers in the first place, because they accept that things

are too complicated, and they have to go to all of these professionals. So you can try to educate them all you want, and I think the intention is good, but at the end of the day you have to have some basic ground rules that these professionals follow to make certain that people get treated fairly at the end of the day.

So if you can regulate these professions like law, real estate insurance, then tell me why it is such a big extension, why it is such a big leap to include, well, used-car dealers, renovation contractors. I mean, why is it such a big problem to move incrementally in this area and have deposit legislation.

Let us say that we say for the year 2000 we are going to select an industry. Look at your list here and see where you have your most complaints, and you say that you are going to trust fund a certain industry, and you are going to start with them and see how that works. Now, you have been in government for 11 years. By now you could have done about 11 different industries. Now, leave your monument dealers alone, right, leave your suit manufacturers alone, and there were two or three other custom business people that did not like this. The rest of the business, a large number of them, will thank you for it. I can tell you there are enough renovation companies in this town that have been around here for a long time that are extremely professional and probably run a trust fund system anyway, if you checked.

If you were to phone Abalon Construction or one of these other big construction firms, I will bet you that they do segregate deposits from their general revenues. I cannot be sure about that. I have done no checking on it, but there is another thing for your department to check out. But why not look at stuff like this? What would be the problem, because it is preventative medicine, is what it is at the end of the day. Look what the real estate—well, anyway, let us leave that for another day. But anyway, I would like to get your response on this whole area.

* (1700)

Mrs. Render: Well, I am not too sure that the member has convinced me, but he has brought some interesting points, and I am certainly prepared to look at them. I think we have a

difference in philosophy, having been on the regulation review committee from the day it was introduced by government, I do not know, back in 1992, '93, '94—I do not remember when it was—to look at regulations to try to reduce the number of government regulations to make sure that we were not hampering business. I would want to look very closely at this to make sure that if regulations or legislation were ever introduced, that it would be done in a way as to not constrict business, it would not be unduly onerous to business and at the same time be useful for the consumer. So I take the member's comments. But as I say, I am not too sure that I am convinced at the moment, but I certainly will discuss them.

Mr. Maloway: I guess in addition to that, the principle here is that the deposits should not be used for the cash flow of the company. It is kind of almost a fiduciary function of the deposit that it should be held in trust, not be used in cash flow, and that the cash flow problem should be secured by a bank loan. You know, it is just normal that the business goes and takes out a bank loan, and that is how they operate. They do not operate on somebody else's deposits. That is the principle involved here.

Now I am not sure whether the Consumers' Bureau deals with things like—well, the franchising legislation, that would not be the Consumers' Bureau that would deal with that. But in the case of Jeffrey Wuckert, can you talk about him or is he on your protected list too now?

Mrs. Render: Actually, it is not this department's responsibility. It is a police matter. It was a criminal matter.

Mr. Maloway: I would like to get into the area of warranties, because once again I know that is a problem here. I would like to know what are the problems that the department is currently having with warranties and what is the level of your complaints. Have they gone up, gone down? What types of complaints are you getting? Are people getting satisfaction? What sorts of settlements, if any, have been effected?

Mrs. Render: I am advised that the department does not track complaints by warranty, it tracks

by commodity. So we do not have numbers to answer your question directly. The department, if they receive a complaint, will try to mediate and get satisfaction for the customer.

I am also advised that a typical misunderstanding, and I have to confess that I have always thought that I had to do this particular part, if you buy something from the store, and I am thinking just even a small alarm clock or something, that there is that little card that you get and it tells you to fill it out and send it in to somebody who lives in Ohio or somewhere. [interjection] You are on somebody's list, are you? In actual fact the seller is responsible. In other words, I could take that card back to whatever store I bought it from and they are responsible.

Yes, I should clarify. I have actually been told, not by my department, but by somebody at the store, that, in fact, I do not have to send this little card off, that I can send it back to the store that I bought it from, but my department advises me that, in fact, the seller is responsible for the warranty, that if my clock does not work, I take it back to the store that I purchased it from.

Mr. Maloway: That has been my understanding, too. I believe companies treat those mailbacks that people send back as just, well, I guess, as a mailing list probably to sell to somebody else. But at the end of the day, while it says on a lot of them that you must send them back within 30 days or whatever, that, in fact, your warranty is not invalidated, that you go back to your original seller. Now, that is if the original seller is still around. What experience do we have with that?

I know that I bought a fax machine a few years ago for the legislative office from I think Majestic or somebody. Does anybody remember that company? It was the one with the yellow store. It was a national company, a national firm, and one would have thought that it would be around too. But when it came time, when I accidentally dropped it off the radiator downstairs, they were not around. They were not in business anymore. [interjection] Well, I think the warranty—it was a \$75 repair job, but the point is that the company was no longer there, you know. So that is a chance you take when you

are buying things. I guess that is the problem with warranties overall.

But I want to get into not my opinion of warranties, I want to get into your opinion and experience with these warranties. I have people who complain about these things all the time, and they are not happy. They buy a product, and they say, well, yes, I saved \$10 or \$20, but when it came to warranties that is when I really found out that I did not really get such a good deal. Surely there is some application here to the BPA, I would think.

* (1710)

Mrs. Render: I have been advised that really it comes under The Consumer Protection Act, but, again, the director of the bureau tells me that there just have not been huge amounts of complaints, not enough that something is sort of lurking out.

Mr. Maloway: I think that the department probably does not get all of the complaints. That would be my guess, that the reality of it is that at the end of the day they end up choosing other methods. Why, I do not know, but they end up going to lawyers to try to resolve the problem for them. I can take you through case after case after case when that is exactly what has happened. I had a case a few months ago where after three years or so of dealing through lawyers and getting nowhere at the end of the day, I sent the complainant to the Consumers' Bureau and the problem was solved real fast, you know, no lawyers required. But the person did not know to go to the Consumers' Bureau in the first place, right?

So I think there are a lot of warranty kind of problems that people have. There are problems with warranties, but I think people do not automatically think of the Consumers' Bureau as a place to go to solve the problem.

Now, there is no guarantee that if you have a warranty problem that you are going to get satisfaction anyway at the Consumers' Bureau. If the operator or the seller does not want to provide the warranty, then they are not going to co-operate. I mean, the Consumers' Bureau tries to mediate, and if a guy or if an operation, if a

business is having financial difficulties or they are just not interested in solving the problems, they are not going to pay much attention to you.

So that is the other problem. Because a lot of these are not expensive, I guess people just finally give up and decide to buy some other brand or deal with some other store. That is their method of dealing with the problem.

There are problems with car warranties. I never advise people to buy car warranties, either new-car warranties or any kind of warranty associated with a car, but some people do that. Who is to say whether—because it is only through the passage of time where you discover whether you are right or wrong. When you go to Future Shop and buy a computer printer or some sort of product, they will offer you a warranty. Well, I can assure you that it is probably not the best thing for you to buy, but at the end of the day, if you have nothing but problems with that machine, then you can get satisfaction and actually benefit at the end of the day. So it is really a crapshoot as to whether or not you are going to benefit. But, in terms of things new-car warranties and things like that, a lot of people do buy them because of persuasive sales techniques, huge commissions associated with these things, that there is real incentive to buy these products and then, when it comes time to collect on the car warranty, the car warranty company is out of business.

Now, surely, there have got to be some better rules for dealing with these car warranties. Now here I do not want to get into mentioning names again, because I do not want to get you riled up about this, but there is a company on Regent Avenue that sells car warranties with its new cars. Basically, they look at your pocket-book and decide the price of the car warranty when they see how much cash you have got in the wallet. They just set up their own rates. If the CBC can be believed, and I believe they can be, they determined that this used car lot was selling these warranties. In some cases they just paid the insurance company a flat net amount, and whatever commission they could tack on top of that was their profit. So, in some cases, it was just obscene profits. In some cases they were making, I do not know, maybe 20 percent, 30 percent, but in some cases they were making 130

percent. They were making a couple of thousand dollars on the warranty alone. That was an issue covered last year on the CBC.

So I want to know what is going on with these used-car warranties that are sold, and could you give me a whole bunch of detail as to how this system works and why it is not working properly?

Mrs. Render: Actually, I would advise the honourable member that the Consumers' Bureau, I think, is very well known. I will just give him a couple of numbers here: 1998-1999, the bureau handled 38,714 telephone inquiries and e-mail inquiries from consumers and businesses requiring assistance. Obviously, the number of complaints registered with the bureau does vary from year to year. So people with warranty problems can come to the bureau. The bureau does mediate, does help. So I would say that human beings by their very nature are not going to go to a lawyer; they are going to go to a service that they can get free of charge.

So I guess I would disagree with the member that, if a person has a problem with a warranty, their first step is to a lawyer. I would say that their first step quite often could be to the Consumers' Bureau. I believe the Consumers' Bureau is well known.

With reference to our unnamed car owner, the Department of Justice did lay charges, so the Consumers' Bureau was active in this particular instance. It did apply for and was granted a permanent injunction against the Auto List of Canada Inc. and the owners and restraining them from doing various things. As I say, the Department of Justice did lay charges against Auto List of Canada Inc. and against its owners.

So when complaints about a business are received, the bureau does investigate the company's actions, and in most cases, The Business Practices Act is effective in dealing with unfair business practices committed by the company. Of course, consumers have the option of taking their complaint to Small Claims Court.

Mr. Maloway: I think in this case the aggrieved parties, I believe, went to lawyers and they went to the CBC. Obviously, there were some bene-

ficial results from doing both. I do not know which came first, whether it was the involvement with the Consumers' Bureau or whether it was the involvement with the lawyer and/or CBC. At the end of the day, I am hopeful that the people received restitution for their losses. I do not know that that has been the case, however, and I think that that particular company is still operating. Am I wrong about that? I thought that there was one action taken against them and then a subsequent action taken a few months later, indicating to me that maybe they had not learned the proper procedures. So, if that is the case, then what I ask about is what procedures does the department have to make certain that there is some kind of consistency in this car warranty program.

* (1720)

Mrs. Render: A three-week trial has been set for the remaining charges. The trial is scheduled for November. Again, this company has been restrained from doing a number of things: (1) having consumers sign blank documents; (2) having consumers sign more than one offer to purchase for a specific vehicle; (3) advising that ALC requires no deposits on approved credit for selling warranties unless payment and/or a registering warranty are submitted with the warranty company; (4) refusing to refund deposits given by consumers after deposits are refundable. There are a couple of other things that they have been restrained against. I could continue, but I think—okay. Changing the terms of an offer to purchase without the consumer's knowledge; and advising consumers that their credit has been approved unless it is able to show the consumer documentation that it has been approved.

Mr. Maloway: Well, I mean, this, to me, sounds like a pretty out-of-control situation where we are not talking about one or two remedies here. We are talking about the whole book of problems. So I would like to know what sorts of guarantees do we have, does the consumer have that there is compliance with these requirements.

Mrs. Render: I have been advised that under the act we cannot shut down a business. We can investigate the complaint, but we cannot shut down a company.

Mr. Maloway: I would like to ask what form of compliance then does the department have, not with regard specifically to this case, although it could apply to this case, too. If the department has taken action in a case, then does it have a system whereby it monitors the offending company or checks into it at periodic times in the future, once or twice a year? Does it have any kind of follow-up to make certain that what it has investigated is resolved permanently?

Mrs. Render: No, we do not have a monitoring system, but if another complaint does come forward about the company, then we go back and investigate, and, of course, the complaint would be forwarded to the Justice department for further consideration and laying of further charges against that company. I have also been advised that that would include contempt of court, because they would be in breach of the injunction, at least the orders that had been set down.

Mr. Maloway: So essentially, then, if this used-car dealership on Regent then just goes back to its own ways and does not follow any of the recommendations here, or orders, then there is really nothing the Consumers' Bureau can do outside of waiting for another complaint to come through.

Mrs. Render: That is right. Unless a complaint comes through, if they are operating properly, then that solves the problem, so if a complaint comes through, the bureau steps in and, as I say, goes back to the Justice Department, and that triggers more action.

Mr. Maloway: I am wondering if there is any jurisdiction here for the Insurance Bureau, because these warranties, I assume, are backed by insurance companies. I have never bought one, but I assume that they are.

Mrs. Render: I am advised that some are underwritten by insurance companies. Of course, if there is a problem, then the department will take it up with the insurance company and again step in and try to resolve the problem.

Mr. Maloway: Was the insurance department involved in this particular case the company on Regent?

Mrs. Render: No.

Mr. Maloway: And why not?

Mrs. Render: The warranty was not in effect in this particular instance.

Mr. Maloway: So it essentially became a self-insurance proposition then where the guy was collecting a premium based on something that did not exist. He was the insurer. Is that what you are telling me?

Mrs. Render: If I am understanding this correctly, the problem was that the customer handed over the money, but the money was not handed over to the warranty company. So the warranty was not in effect. So the customer had no warranty.

Mr. Maloway: Right, so in a way Mr. Tiwani then became the insurance company. Is that what you are telling me or no, or there was no such thing as a warranty? Why are we talking about warranties if it was not a warranty?

Mrs. Render: Perhaps it would be better explained by saying, if the money never went to the insurance company, that is why the Consumers' Bureau was involved, because it was a case of fraud, unfair business practices.

* (1730)

Mr. Maloway: So the question is was their policy enforced then? How would the Insurance department interpret that? The customer paid the money to I assume a registered car dealer, right, somebody who is registered. I would think that the insurance company would be responsible for any claim, assuming that Mr. Tiwani is the agent of the insurance company. Then why would he not be?

I can tell you that if it were a general insurance kind of question, then certainly the company would never get out of paying the claim. The consumer will get its money, get it from the insurance company and they will chase the responsible party. That would be my guess. Am I wrong here? I do not think so. I hope not.

Mrs. Render: The answer to the member's question, we do not know that it was an

insurance issue; it was an unfair business practice.

Mr. Maloway: Well, then, the warranty companies, the insurance companies that back these warranties, are they registered with the Insurance Bureau?

Mrs. Render: We do not know what companies are involved in underwriting warranty companies.

Mr. Maloway: Well, I was making an assumption which I guess maybe I should not. I assumed that all the life companies are registered, and they are either registered federally or provincially, federally and provincially, you know, different combinations. They operate in various provinces. They are all in a book, and you can get their underwriting results, and you can get their presidents' home phone numbers—well, not quite that far, but you know, the name of the president and the operating officer. So that is there for the life companies; it is there for the P and C companies, all 100-plus of them.

I have just never seen any specific car warranty companies listed anywhere. I assume they are just some life insurance companies that want to write auto warranties. I have never bought one of these things, but surely if there is an insurance company operating in Manitoba, it should be registered with the Insurance Branch. They should know who it is and what they are doing and their premium volumes and how many agents and how many customers and all the whole financial detail. So if it is not the case, then I would like to know why it is not, and I am sure there would be good reasons why it is not.

Mrs. Render: I will answer part of the question. Yes, the member is correct. Any insurance company which is operating in Manitoba is registered. We know the volume of business.

Our records do not indicate that, but if somebody bought a warranty they could check with the Insurance Branch to find out—if the company underwriting the warranty were registered here in Manitoba, then we could give information that way.

Mr. Maloway: I just happen to have a 1998 annual report of the Superintendent of Insurance here, but it only goes up to 1997, and I do not see any company that is specifically selling car warranties here. Presumably there would be something called the car warranty company of wherever. I do not see anything like that. So my assumption is it is being written through one of these other companies as kind of a sideline that they are doing, and that is how they would get around the registration side of it. But surely there should be some indication in here. They have classes of business and so on, aircraft and liability and all the different classes—marine—that they write, and I know I have never seen any section that says car warranty business.

My assumption is that it is a jurisdictional question; it probably deals with some other area. For example, there is self-insurance on tombstones in one of the cemeteries. I do not know whether the minister is aware of that as far as the insurance is concerned, but I know that when I had a complaint about it about 10 years ago, when I checked with the Insurance Branch I was told that this was some exception, because there are always exceptions in life, it seems. There was this little exception that had been allowed for the last 20, 30 years whereby this particular cemetery was allowed to run its own little insurance scheme. Kind of a neat little idea if you can do it, but they have been doing it for a number of years, and the Insurance Branch evidently knew all about it. It was all news to me and certainly news to the person that was inquiring, but this cemetery is collecting these, well, cemetery or monument dealerships in the northwest part of the city, was collecting, if you bury somebody in the cemetery or you buy—pardon me, let me start over here.

If you buy a monument from the monument company on Keewatin or that area, they will offer you the ability to insure that monument, and you can pay \$10 or \$20, and presumably you are getting insurance on your marker, on your monument. That is certainly not a registered insurance company; that is just a little self-insurance scheme. I thought this was something that I had never run into before, but there it was. I assume they have been doing it for a number of years, and they are still doing it today.

So what gives? What can you tell me about this?

* (1740)

Mrs. Render: Perhaps an answer to your comments earlier. I would doubt that the type of warranty we are talking about is a separate classification. So that is why it would not show up. It seems to me, I heard you say marine, so it might be a subsection of something else, but I do not know that it would be a particular classification of business.

Your comments on the cemetery and the monument are interesting to say the least. Perhaps you would bring us some particulars, and before any of us go out and take that big step of getting insurance on our monuments we will better advised.

Mr. Maloway: Well, you know, we have to be worried about confidentiality here, do we not? But I would be happy to give you the information, because I did check for the person that was interested in this a few years back, and we did check with the Insurance Bureau at the time. They had the answers; they knew exactly what it was about. I just thought it was one of the strangest things I had ever seen, but I am prepared to accept that there are exceptions to every rule, and for some reason this company was doing it.

But I thought that it kind of reminded me of something that sort of verged on the betting track, stuff like that, right, where you just simply operate your own little internal insurance company without an insurer, without a registration or anything like that. I believe they were aware of it; maybe they are not, but I will tell you privately what it is, and you can check it out and see for yourself. But that is what I am thinking is that this auto-warranty business may be in that kind of a league. There may be some requirement that does not allow—I mean some exception that they have that they do not have to register with the Superintendent of Insurance, although I do not know why not.

Let me explain further. If it were mainstream, as in the P and C business, then this would be something that would be offered by all

the insurance agency force. Correct or not correct? I mean, it would be logical that car warranties would be sold through every insurance agency in the province, and that has never been the case to my knowledge. I mean, you buy them at car dealerships. Car dealerships know about cars, but they do not know anything about insurance. At least that is the theory. I do not know whether that is true or not. But anyway, so car dealerships are selling insurance products. I am sure you have probably had representations in the past about that. Is it an insurance product? Is it not? What is it? I do not know, I am just asking.

Mrs. Render: I guess the short answer is we do not regulate warranties. There is no requirement for a warranty company to have insurance. I mean, it is like many people that I am sure you know, I certainly know, that a lot of people do not have life insurance, a lot of people do not carry insurance on various things in their house and whatnot. They take the risk and some of them are lucky.

Mr. Maloway: Well, you know, hold on here. The car warranty is essentially an insurance scheme, is it not? I mean, it is basically probabilities, right? You buy a warranty—you buy a life insurance policy, you die, somebody else collects. You buy a house insurance policy, you have a fire, you collect. What is the difference here? You buy a warranty, there is no guarantee that you are going to call on the warranty, no guarantee. You have an idea that perhaps you have a certain amount of—actuaries can tell you there is a certain amount of chances that your vehicle is going to break down within the first 100,000 kilometres, and that is how the premium is calculated, and a certain number of people have to replace their transmission under the warranty and certain other people just sail right through.

The insurance company or the company makes money on those who do not make a claim, and they lose money on those who do make a claim. What is the difference? There is no difference; it is the same thing. It is an insurance scheme pure and simple. You cannot tell me it is not. There is absolutely no difference between that and insuring against rain at a

ballgame or insuring a house or a life or anything else.

All you are doing is insuring the probabilities of whatever it is, Mr. Chairman. Whether it is a used car or a new car, you are gambling here. It is a gambling scheme; you are gambling against the probabilities of a loss, and you hope you charge a correct premium for it. So that being the case, then why would the warranty company not be registered under the Insurance Bureau? I do not understand why it would not be, and where is the list of these companies? [interjection] They do what?

Mrs. Render: Mr. Chair, again, I guess what I can say is that we simply have not looked at that as an issue, but I would say that is probably the same thing as a warranty with a dishwasher and what not.

Mr. Maloway: Mr. Chairman, well, since we are going to be back doing this again in the near future, maybe we could give the Insurance Branch an opportunity to check into this, come back with all of the information that we are looking for and that is all the names of the warranty companies—well, first of all, the jurisdiction question.

Mrs. Render: Mr. Chair, we do not have the names of the warranty companies. They are not required to register. It does not fall under the Insurance Branch.

* (1750)

Mr. Maloway: Mr. Chairman, well, then, perhaps the minister could undertake to get an opinion or get some sort of answer as to why it would not, because to me, in a warranty program where you are paying a premium, it is no different than an insurance proposal, that warranty companies—some of them are insurance companies, no doubt about that—so why are they not registered?

So perhaps we could just use it as an exploratory question to get back to us as to what the story really is. I am saying that if you can find out the list of warranty companies that are operating in Manitoba, then it would be nice to find out. If you cannot, well, then, tell me you

cannot, but then we will have to find out from some other source as to where we get this information, right? But if I cannot ask you, who can I ask? [interjection] I could ask the Chairman, that is right, and is he going to know?

Mrs. Render: Mr. Chair, I do not know that we are going to be able to get back to you next week with an answer.

Mr. Maloway: Mr. Chairman, leaving the car warranty issue for the time being, I wanted to ask the minister about these new-home warranties and how they are set up. Perhaps the minister could give us some information about the New Home Warranty Program.

Mrs. Render: We are aware of two new-home warranty programs, but we do not regulate them.

Mr. Maloway: Does the minister have any information then as to whether there are complaints made to her department regarding the new-home warranty programs.

Mrs. Render: The act does not apply to real property but, having said that, the Consumers' Bureau always tries to be of assistance.

Mr. Maloway: I guess we can come back to the Consumers' Bureau another day and deal with more outstanding issues. I had not planned to deal with the Consumers' Bureau at all today, but that is okay. I was thinking about that research group again.

Mrs. Render: He was the one that was out of town.

Mr. Maloway: Right. So maybe he will be back on Monday. If we are in session here on Monday, that is a possibility, I suppose, that he will be back on Monday or she will be back on Monday. Okay.

The area of the Insurance Bureau, I wanted to talk about the demutualization process. I mean, there was no interest in this subject two or three years ago when it was first being discussed, and now, of course, there are all these stories in the paper. People are checking their policies to see if they are going to cash in and be able to go out and buy those hot tubs and other

products. There are more issues here than just a little temporary boom to the economy with people going out and spending money they got from their whole life or participating life insurance policies. There is a whole question here about whether the control of these companies will, in fact, devolve to outside Canadian interests and whether, in fact, the insurance company investment portfolios will stay where they are, too.

I mean, at the end of the day, I guess, it has been observed that, in fact, the big benefit—I mean, there is a benefit here, I guess, to people that are going to be getting money or shares in these companies, but we cannot underestimate the push here on behalf of the management for stock options and million-dollar salaries, because that is one of the side effects of this move to demutualize.

The insurance companies are trying to tell you that it is a measure that they need to be able to acquire new companies and do new and great things, but what they do not tell you is that, in fact, they are looking at huge salary increases, \$100,000 to \$200,000 that they are earning in salary, assuming that is what they get, and benefits. They want to translate that into ten times that amount in stock options and be able to golf with bankers that they golf with right now on an even kind of scale on the monetary side.

So this is a fairly substantial issue. So far all we have seen is stories that applaud the move from people who have a vested self-interest in promoting this idea.

Mrs. Render: I just want to mention to the honourable member that under the proposed regime there are a number of elements that the companies have to follow. One of them is that management is prohibited from benefiting from the company's demutualization proposal, just so he realizes that not necessarily are there these leaps in salaries.

Mr. Chairperson: Very quickly, the honourable member for Elmwood.

Mr. Maloway: I would like to see where that is written. I am not denying that the minister is maybe correct in that, but that is not the

information that I have. So if she has some information to indicate that is the case, I would like to have a copy of it, certainly check the website and talk to the people in Ottawa about this matter and some people in the industry. That is from people who know more about it than I. That is the observation that I have been given, that it is a lot of this, and I would not say it is all about big salaries for company presidents and executives, but that has been given to me as one of the reasons why there would be this big push.

We can get into this at a later time.

Mr. Chairperson: The honourable minister, very quickly.

Mrs. Render: Yes, we can provide the information for the member.

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

ENERGY AND MINES

The Acting Chairperson (Myrna Driedger): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Energy and Mines. Does the honourable Minister of Energy and Mines have an opening statement?

Hon. David Newman (Minister of Energy and Mines): I do.

The Acting Chairperson (Mrs. Driedger): Please proceed.

Mr. Newman: Madam Chair, I am pleased to present the 1999-2000 Estimates for the Department of Energy and Mines. This mission of the department is to foster investment in the sustainable development of our energy, mineral and petroleum resources and promote the efficient use of energy. We are striving to create the best social, economic and environmental conditions by stimulating investment in our mining, petroleum and energy resources to the benefit of Manitobans. As well, our aim is to become the most energy-efficient province in Canada.

The past year, however, has not been an easy one for the mineral and petroleum industries. Low commodity prices, exploration companies experiencing difficulties in obtaining financing, and foreign market crashes continue to hamper industry on a global scale. It is important to recognize that these global effects are being felt here in Manitoba, most notably in our mining communities.

I want to take a moment to emphasize my high regard for these communities. The task of meeting the challenges of today's mining industry has resulted in a mining workforce that is more skilled, more broadly experienced, and more qualified than was the case a generation ago. These strong-willed, self-reliant people are the backbone of the mining industry. They are willing to work through the challenges and make a commitment to building and sustaining both their industry and their community, communities such as Thompson, Flin Flon, Snow Lake, Lynn Lake, and Leaf Rapids in the North, and Bissett in southeastern Manitoba.

It is during times like these that government and all industry and community stakeholders must remain positive and focus on what we do best to see us through these difficult times. More than ever, it is critical for government and other stakeholders to join forces to create win-win partnerships that will keep us competitive.

Partnerships are fundamental in how this department does business. Our partnerships with stakeholders are based on an open-door policy both with my staff and myself. We are not afraid of criticism and we welcome suggestions.

I encourage the outlook and practice of flexibility and good faith over the long term. These are essential, fundamental components in any partnership. If we give a bit here, bend a bit there, and keep our eyes fixed on the benefits of establishing and building relationships, we will achieve the win-win solutions we need to produce continued prosperity in the mining industry in partnership with communities committed to its good health.

In Manitoba, healthy, sustainable communities and a prosperous, sustainable mining industry go hand in hand. Our government is

willing to invest in and accommodate industry in these difficult times with expectations of greater returns in more prosperous years. That is investment in the climate of doing mining business in the province. You might say we are investing together for the future.

I would like to share some examples, Madam Chair, of how we have created a positive business climate in Manitoba for investment by the mineral and petroleum industries. These are the messages that I believe are of great interest to the companies we want to attract to Manitoba and to those already here.

Over the past 11 years, our government has been driven by three guiding principles to help achieve success: first, our fiscal and economic agenda, culminating in the 1995 balanced budget legislation and five consecutive balanced budgets to the present day; second, the long-term investment in our social agenda is intended to decrease dependence on government; third, the commitment to the sustainable development of our economy through a balanced approach between environmental protection and economic development.

We are committed to designating areas for environmental protection while at the same time celebrating economic development opportunities to serve current needs without jeopardizing the needs of future generations.

I think you will agree that our most recent budget reflects our commitment to build a positive environment in which to do business. On the tax side, this budget extends Manitoba's overall major tax freeze for a 12th consecutive year. As we know, responsible management and competitive taxes have built a strong and diversified economy. Achievements in the past mean that Manitoba is well poised to meet the challenges ahead. We have overcome a legacy of deficit financing and high taxes to enjoy several years of steady growth and the lowest unemployment rate in Canada.

In addition, cuts to personal and business taxes make Manitoba one of the best places to live, work, and invest for the future. Small business income tax rates will be cut from 9 percent to 5 percent by 2002 to help small

companies expand. An Equity Tax Credit will be introduced as a further incentive to invest in Manitoba companies and create jobs.

Manitoba's personal income tax rate will be cut by 3 percentage points by January 2000 to put more money in the hands of Manitobans. A 2 point reduction of the mining tax rate to 18 percent is an added incentive for companies striving to remain competitive. A motive fuel tax exemption is now in place for vessels refuelling at the Port of Churchill.

A two-year extension to the Manitoba Drilling Incentive Program allows a tax holiday on the production from new oil wells and qualifying wells where a major work-over has been completed. Royalties and production taxes charged on new oil wells have been reduced by 14.5 percent and 44 percent respectively.

On other fronts, Workers Compensation rates are declining and remain competitive with the rest of Canada. Our 1999 rates were reduced by 24 percent. This translates into \$1.48 million in savings for the mining industry. More specifically, aimed at the mining and exploration industry, we have continued with a focused investment strategy that is consistent with what industry tells us is important to them.

Madam Chair, I would like to touch on the five points of that strategy. First, a competitive cost of doing business. A company's rate of return on investment is a bottom-line factor in any decision to locate or remain in a particular jurisdiction. Besides the many initiatives announced in this year's budget and other tax incentives already in place, we have taken another significant step to keep Manitoba competitive through funding of over \$9 million in mineral exploration and development incentives over the next three years.

Here is how those funds will be allocated: \$8.25 million is being used to extend the Mineral Exploration Assistance Program, or MEAP; \$375,000 has been designated for the Manitoba Prospectors Assistance Program to encourage exploration for mineral deposits by prospectors in Manitoba; \$500,000 has been put towards the Specialty Minerals Incentive Program. This is a two-year program intended to help companies

evaluate the economic potential of specialty mineral deposits and market those resources more effectively.

* (1500)

Second, a current geoscience database. Our government appreciates industry's need for a comprehensive, accessible geoscience database. We are committed to collecting and disseminating baseline information about Manitoba's geology and appreciate that this information is one of the most important services our department can provide.

Thirdly, certainty of land tenure and access. We understand the importance of land access and land tenure to industry. As Minister of Northern and Native Affairs, I have direct involvement in First Nations land claims. Our government inherited long-standing obligations respecting aboriginal and treaty land entitlement, or TLE, and settlement of issues arising from flooding of the lands of five northern First Nations. That, of course, is relevant to my responsibility as the Minister responsible for Manitoba Hydro.

We have made significant progress in resolving both issues, which have considerable impact on certainty of land access and tenure for mineral exploration and development. In May 1997, a framework agreement was signed with the umbrella body that represents the 19 TLE First Nations. Since then nearly all of the First Nations have ratified it, and 13 have signed individual agreements that pertain specifically to them. We expect additional band-specific agreements to be signed this year. In addition, four of the five Northern Flood Agreement bands have signed comprehensive settlement agreements.

Also related to land access, we continue to work with the World Wildlife Fund and the mining industry on the Endangered Spaces campaign to balance environmental and commercial needs. Our approach is being recognized across Canada. In a speech given in the spring of 1998 to the Canadian Institute of Mining and Metallurgy, Monte Hummel of the World Wildlife Fund Canada said that the best approach to implementing the Endangered Spaces campaign largely embodies principles

suggested by Ed Huebert, president of the Mining Association of Manitoba. These were that all discussions should take place in the context of a partnership based on trust and understanding; that relationships should be ongoing; that difficulties and tough decisions should be viewed as challenges that can be overcome rather than obstacles which are insurmountable. Hummel used Manitoba as a model of how the mining industry, government, and environmentalists are working through the process.

Fourthly, a transparent permitting process. We continue to revise our legislative and regulatory procedures to make them more responsive to industry's methods of operation. I should add that these changes are made after extensive consultation with industry. Manitoba's permitting process expedites projects from exploration to production smoothly and efficiently and provides fixed time frames for application and review, ensuring efficient progress for projects.

The Mining Association of Manitoba believes that our regulations and administrative procedure are the most efficient and effective in this country. They appreciate the regular consultation they were given on regulatory reform. They are impressed by the fact that in about half a year we can complete permitting that takes some provinces years to finish. We are proud to be a leader in this area. This illustrates our government's commitment to cut through the red tape at every stage of a project.

Fifthly, productive relationships. The "Manitoba approach" is based on a willingness to work with all stakeholders to build win-win partnerships to achieve our exploration and mining goals. A good example comes to mind in a meeting I had several months ago in my office with the chief executive of Inco Manitoba together with the president of the Steelworkers local in Thompson. I was tremendously excited, especially as a former labour relations attorney for 28 years, especially excited because here we had union and management talking from the same page and working with government seeking ways to ensure the future viability of Inco.

Another example of a win-win partnership is the working group of industry, government, and aboriginal representatives. Its purpose is to establish guiding principles that facilitate relationship building between those involved or affected by mineral activity in the province. The principles reflect a commitment to building and sustaining positive, long-term relationships between First Nations, the Metis nation, Northern Association of Community Councils, and the mineral industry in Manitoba. The partnership will benefit from equity in community and decision making and the creation of new opportunities for sustainable growth and human development.

These are five areas where government can make a difference and contribute to a healthy, sustainable mineral industry. Evidence that we are on the right track comes from feedback from the industry itself. In the Fraser Institute's most recent survey of mining and exploration companies operating in North America, Manitoba is rated amongst the highest in terms of mineral investment attractiveness. Our province ranks second in Canada and fifth among all North American jurisdictions.

Madam Chair, I would now like to turn to the individual branches of the Department of Energy and Mines and give an overview of accomplishments from the last year.

The department has two divisions: Administration and Finance, and Energy and Mineral Resources. The Administration and Finance Division comprises the executive and financial and administrative services. The Executive Branch, which encompasses my office and that of my deputy minister, provides policy direction for the department along with overall program management. Financial and Administrative Services, which comprise the assistant deputy minister's office and that of Administrative Services, provides leadership, policy direction, and centralized management services for the entire department, including financial, human resource, and computer services.

The greatest challenge facing Administrative Services is implementing an integrated business solution chosen by the government to bring our human resource, purchasing, and financial

systems into the next century. In addition, the branch has been implementing the government-wide desktop management initiative and is reviewing and testing all existing software to ensure year 2000 compliance.

Before moving on, I should mention that we made four senior management changes in the past year. Garry Barnes, the previous ADM, is on an extended leave of absence; Bob Dubreuil, Director of the Petroleum and Energy Branch, is now the acting assistant deputy minister; Christine Kazycki and Craig Halwachs have been confirmed as Director of Geological Services and Director of Financial and Administrative Services, respectively; both were formerly in an acting capacity. In addition, with the retirement of Art Ball in December of 1998, Ernie Armitt has become Director of the Mines Branch. John Fox is now Acting Director of the Petroleum and Energy Branch.

There are four branches in the Energy and Mineral Resources Division. I will start with the Marketing Branch. In support of the department's mandate and goals, the role of the Marketing Branch is to promote and enhance mining and exploration investment opportunities and to increase public awareness about the benefits and opportunities of sustainable mineral development. This role is carried out under two main program areas: Business Development and Information Production and Distribution.

On the Business Development side, the branch provides ongoing service to mining and exploration companies operating in Manitoba and to those that are considering coming to the province. Staff provides technical and business advice and acts as a liaison between clients and other government departments. Over 500 contacts were recorded in the last year alone. Through participation on government industry committees, staff also monitor and provide ongoing input into a variety of issues that affect investment. Issues include taxation, land access and tenure, permitting, and improved communication with First Nations.

Manitoba's mining and exploration investment opportunities were promoted through booth displays, special events, and in-person networking at the following conferences: Mid-

Canada Mining Corridor Conference in Thompson; Northwest Mining Association Conference in Spokane, Washington; Focus on Industrial Minerals 1998 in Vancouver; the Cordilleran Roundup in Vancouver; and the Prospectors and Developers Association of Canada convention in Toronto. Participation continued on the industry-government mining taxation committee. The committee has successfully lobbied for amendments to provincial tax legislation to help our mining industry remain competitive by reducing the cost of conducting business in Manitoba.

* (1510)

Three mining projects were granted new mine status for mining tax purposes: Harmony Gold, Bissett Gold Mine, and Hudson Bay Mining and Smelting's Chisel North project and the Triple Seven project. These mines are exempt from mining tax until profits, before any deduction for depreciation, exceed the total cost of new mine capital assets acquired before the start of commercial production. As partners in the Manitoba Potash Corporation, Potamine Potash Mining of Canada and the province hold development rights to potash resources in the Russell-Binscarth area in southwestern Manitoba.

A strategy for the sale of the assets of the Manitoba Potash Corporation was developed in co-operation with Potamine and is now being implemented. The branch has been promoting Manitoba's mineral properties with a listing of 35 properties on the properties available for option website and in the hard-copy publication listing. Through the department's information distribution channels, property owners are given global exposure. This is also an important service for exploration companies not familiar with Manitoba's mineral properties.

The Marketing Branch has emphasized working with Manitoba's mining communities with regard to a number of mining related resolutions put forward by the Manitoba Chamber of Commerce. I might say as a past president of the Manitoba Chamber of Commerce, needless to say, I have considerable respect for the thought they give to this in the public interest.

In terms of recognizing target areas for the Mineral Exploration Assistance Program, we increased available assistance for the Lynn Lake and Leaf Rapids regions to help focus more exploration attention on the vicinity of these communities. Assistance has been increased from 25 to 35 percent on approved eligible expenditures.

Madam Chair, I am very pleased that our mining communities have seen the merits of partnering with government and industry in promoting Manitoba's mineral investment opportunities. In this way, Team Manitoba was created. This concept evolved through open dialogue between Manitoba's mining communities and mineral property owners and my department and was first tested in November at the 1998 Manitoba Mining and Minerals Convention in Winnipeg. Here over 40 property holders and the towns of Flin Flon, Snow Lake, Leaf Rapids, and Lynn Lake took advantage of this opportunity to meet with members of the minerals and exploration industry from all over North America and promote the Manitoba advantage.

A more formal Team Manitoba presence was organized for the 1999 Prospectors & Developers Association of Canada Convention in Toronto in March. Along with Energy and Mines, the team comprised the mayors from the mining communities of Flin Flon, Snow Lake, Thompson, Leaf Rapids, and Lynn Lake. It also included the Manitoba-Saskatchewan Prospectors & Developers Association, which represents northern property holders, and the Manitoba Prospectors & Developers Association, representing southern property holders.

Speaking of conventions, despite the global downturn in the industry, more than 700 industry stakeholders met in Winnipeg last November to discuss mining and exploration opportunities in Manitoba at the Mining and Minerals Convention. The convention theme, Facing the Challenges, was very appropriate. I am confident that much interest in Manitoba and many business opportunities were generated. The convention provided a venue for the industry to learn of the latest geological information releases, exploration and mining services, and business opportunities. The 1999 convention

will take place November 18 to 20 at the Winnipeg Convention Centre. I encourage all in the Legislature to attend.

I would like to turn briefly to our highly successful MEAP program. During the 1998-99 fiscal year \$4.5 million of assistance funds were allocated under MEAP to companies proposing 71 exploration projects. This seed money helped stimulate a total of \$17.7 million in proposed industry exploration expenditures. The total assistance paid since MEAP's inception in 1995 is \$6.9 million, representing 160 completed projects. During that period, 60 companies have received funding, with 30 of those new to Manitoba. Under MEAP's three-year extension, the first offering of \$1.1 million took place on April 1, 1999.

With regard to the program's accountability, a staff geologist completed 21 on-site project inspections throughout the province. Detailed financial audits were conducted by the Department of Finance's Internal Audit division on eight randomly selected projects. As well, desk audits are conducted on all completed projects before payment.

Turning to information, production, and distribution, 11 geological reports and 42 maps were produced. Over 2,000 technical reports and maps were disseminated, along with a variety of marketing publications promoting mineral investment. The department's library responded to 1,200 reference and research inquiries, processing 151 interlibrary loans, and ordered 113 publications and periodical subscriptions.

The Internet is increasingly being used as a tool to disseminate general information to industry clients. Visits to our website have increased to over 12,000 per month from under 1,000 a month when the site was first established. The website was developed for two reasons: first, to provide global access to information on our products, programs, and services; and second, to promote energy efficiency and alternative energy initiatives and investment in Manitoba's mineral and petroleum resources. The site now has accessed searchable databases such as the Mining Claims Registry, Petroleum Branch Crown Land Lease Holders

database and Geology and Petroleum publications database.

Clients can order publications or register for our convention online. They can download maps such as the Manitoba Land Access Map for Mineral Exploration, or view mineral properties available for option or investment. They have access to permit and program application forms, mineral claims information, acts and regulations. This speaks to our drive to make as much information as possible available to our clients in the most effective manner.

Strategic advertising and promotional activities were undertaken to promote mineral investment. These included ads promoting the Manitoba mining advantage, the convention and business development events, and departmental programs. The branch also worked closely with industry on a number of detailed editorials that highlighted the Manitoba advantage in a variety of industry projects. These included Rock Solid for Manitoba Business magazine, a feature article in the Canadian Miner, 1997 and 1998 issues of the Manitoba Mining and Exploration Review in collaboration with the Manitoba Prospectors & Developers Association and Naylor Publications, and the Canadian Mines Handbook.

The branch is also providing opportunities for the mining communities to take advantage of our information distribution network. Initiatives include community focus sections developed for our Manitoba Exploration News, community contact information and our Manitoba mining and exploration directory, community brochure and promotional literature distributed by Energy and Mines, and community contact information on the Energy and Mines website.

Madam Chair, I would now like to turn to the Petroleum and Energy Branch. The mandate of the branch is to foster the sustainable development of Manitoba's oil and gas resources and promote investment and the efficient use of energy and the development of economically viable alternative energies in Manitoba

Last year the world's oil and gas industry was plagued by low prices. This resulted in a severe curtailment of oil and gas investment in

Manitoba. However, I am happy to report that oil prices have begun to recover to levels sufficient to support a reasonable level of investment in our oil patch. The recent increases in oil prices are driven largely by a decision by OPEC members to curtail production. The gradual recovery of a number of East Asian economies is another factor fuelling the price recovery. Many analysts are predicting that industry has weathered the worst of the low oil price storm.

Three assistance offerings under Petroleum Exploration Assistance Program were made during the past fiscal year. They attracted 41 applications, which resulted in 36 applications approved and 19 completed. This accounted for \$2 million in exploration expenditures. With the impending expiry of that program at the end of '98-99, the branch undertook extensive consultation with the oil and gas industry, including an independent client survey, and this was for the purpose of determining whether this was the best use of money to induce investment into the province.

*(1520)

As a result of this consultation, and having regard for recent initiatives announced by Saskatchewan and British Columbia, we have implemented a new oil and gas fiscal regime. Crown royalty and freehold production taxes for new vertical wells drilled after April 1, 1999, are reduced by about 14.5 percent and 44 percent, respectively. As a result of these changes, Manitoba has regained its competitive advantage in attracting oil and gas investment and stands well-positioned to take advantage of strengthening oil prices.

The branch promoted Manitoba oil and gas investment opportunities at a number of fora throughout the year, including the International Williston Basin Horizontal Well Workshop, the Manitoba Oil Show, where we acted as primary organizer and co-sponsor, industry-government round table meetings which we hosted, and the Canadian Association of Petroleum Landmen Conference.

Madam Chair, information is the lifeblood of the oil and gas industry. Increasingly, if a

jurisdiction wishes to attract new investment, that information must be available digitally in a convenient format. For many years, the branch has been developing and digitizing well information, and '98-99 was clearly a breakthrough year. Staff were successful in reaching an agreement with geoLogic Systems that has resulted in the inclusion of Manitoba oil and gas well information in the company's popular GeoScout software.

In addition, internal access to the software is allowing the branch to increase the effectiveness of its geological and engineering assessments and streamline technical input into regulatory activities. The branch has also developed a relationship with CDPubco, making data available to its clients. In return, the branch gains access to the CDPubco software package.

On the environmental side, lower tax prices have led to a number of small oil operations becoming marginal or uneconomic. Often, an operator with limited resources may be unable or unwilling to take appropriate steps to mitigate environmental concerns. Under The Oil and Gas Act, the minister may order the Director of Petroleum to seize the well or facility to take remedial action. Madam Chair, you can appreciate that this drastic action is taken only after an operator has repeatedly failed to take corrective action. Under these provisions, the director has seized a small operation consisting of four wells and a battery. After attempts to identify a responsible operator were unsuccessful, the branch initiated operations to abandon the wells and battery. This process illustrates the measures the government has taken to ensure public safety and environmental protection even in difficult times.

The branch continues to participate with Manitoba Environment in extensive air quality monitoring in the Tilston area. The results indicate gas flaring at oil and gas facilities are not hurting local air quality. The branch is looking at alternatives to gas venting and flaring, with a view of identifying feasible mitigating measures such as use of waste flare gas for electrical generation. Also, staff will continue to diligently deal with potential orphan well situations in a manner that minimizes safety and environmental hazards.

Climate change is one of the most important issues facing society in the years ahead. Evidence is mounting that emission of greenhouse gases, largely resulting from our continued use of fossil fuels, is having a measurable and possibly accelerating effect on our global climate. The international community has recognized the dangers inherent in climate change through a protocol among developing nations achieved in Kyoto, Japan, in December 1997. Under this protocol, Canada has agreed to limit emissions of greenhouse gases to 6 percent below 1990 levels by the time interval 2008-2010.

A national process has been established to develop a plan to achieve this quite aggressive target. The process consists of a number of negotiating tables, each of which will examine potential measures related to a sector of the economy and propose mitigative solutions or actions. Specifically, Manitoba is involved in the electricity table, the buildings table, transportation table, and agricultural table. In addition, Manitoba is represented on the analysis and modelling group, a team that is charged with the critical task of rolling up proposed measures from the various sector tables into a national plan.

Given our abundant renewable and environmentally benign hydroelectric capacity and the potential to expand renewable energy production, such as a fuel like ethanol, we recognize considerable opportunity for Manitoba and the climate change debate. We have made a number of proposals on the national stage that have garnered considerable support from other provinces. We will continue to put forward ideas and concepts that benefit Manitoba and help Canada meet its international commitments.

On the energy side, the branch operates programs designed to increase the efficiency of energy use in Manitoba. Noteworthy is the Manitoba R-2000 program. A total of 44 homes were enrolled under the program in 1998-99, up from 34 in the year before. For this fiscal year, we are targeting at least 55 new enrollments. Highlights for the year include the completion of four units of a 19-unit condominium project in Souris and the enrollment of a new R-2000 home as part of the West Broadway renewal project.

One of the most effective means of providing information on residential energy efficiency to Manitobans is the Home Energy Saver and New Home Workshops conducted by the branch. In 1998-99, Madam Chair, 241 people attended the 23 workshops held throughout the province. Participant evaluations have consistently been very positive.

Madam Chair, I would like now to turn to the Mines Branch. Its main responsibility is to administer legislation governing the disposition of mineral rights. This encompasses permits, claims, leases, the exploration and development and production of our nonfuel mineral resources and rehabilitation of mines and quarries.

The branch administers The Mines and Minerals Act and The Mining and Metallurgy Compensation Act, as well as regulations on quarry minerals, mineral disposition and mineral leases, drilling and the new mine closure regulation. The mine closure regulation came into force on May 25, 1999. It will ensure that mine closure and mine site rehabilitation are effected by industry in a standard, responsible, environmentally acceptable manner, and that mine operators will provide sufficient security when they submit the closure plan to pay for all the rehabilitation costs.

As well, plans for closure and rehabilitation of existing mine sites are required. We consult regularly with Natural Resources regarding protected lands. Digitizing of claim maps for the entire province will be completed this year. In 1998, Madam Chair, 571 new mining claims were staked, and one exploration permit recorded covering an area of 159,126 hectares. In addition, 26 quarry mineral releases, 794 casual quarry permits and 690 registrations for private pits and quarries were issued.

Madam Chair, our government is strongly committed to the rehabilitation of depleted aggregate pits and quarries consistent with the principles of sustainable development. A unique program has been established under The Mines and Minerals Act in consultation with the aggregate mining industry to deal with this problem. It is funded through an annual rehabilitation levy, collected on the basis of aggregate production.

Since the program began in April 1992, we have undertaken over 634 projects, rehabilitating more than 2,700 hectares at a cost of \$4.7 million. This land previously disturbed by surface mining and depleted of economically valuable aggregate mineral has been restored from a derelict state to a condition that is safe, environmentally acceptable, and productive to society.

Mines Branch inspection staff administer the program, as all of the work has been carried out through private contractors. Madam Chair, 166 projects are already pending for the 1999 construction season, and new applications to have rehabilitation work done continue to be received as public awareness of this program increases.

In the past seven years, the Prospectors Assistance Program received 255 applications, of which 199 were approved. To date, 153 have been completed at a total cost of \$657,860. The program allows up to \$7,500 for each approved project following a survey by an independent consultant. In 1998, it has been decided to extend the program for three more years at a funding level of \$125,000 a year.

* (1530)

Finally, Madam Chair, I would like to provide an overview of the activities of the Geological Services branch. As I mentioned earlier, a key to our mining and investment strategy is providing current and relevant geoscience information that supports the minerals industry and contributes to sustainable development and wise land management.

To support this objective, our geological programming balances support for established mining camps, stimulating new exploration and development opportunities in the frontier areas, and supporting land use development priorities in southern Manitoba.

Madam Chair, our programs incorporate a regional emphasis focusing on those areas most in need of new and/or updated geological information. Generally, they are designed on a five-year cycle allowing for rotation in areas of specific focus while maintaining continuous improvement of geological information. Within

a 20- to 30-year period, it generally reflects advances in technological development and scientific thought.

Collaborative initiatives are a key element in Manitoba's geoscience program. These projects draw on the collective expertise and resources of various government, university and industry organizations. They make possible technology transfer information exchange while at the same time augmenting the geoscience database for the province. Over the next two to three years, collaborative projects with the federal government, industry and several Canadian universities will provide expertise and opportunities for technology transfer with direct operational expenditures averaging about \$1 million a year.

In established mining camps, our work focuses on improving understanding of the regional geological controls that influence the occurrence of known mineral deposits and developing new exploration tools to assist exploration in these areas.

Madam Chair, the Shield Margin NATMAP project, which focused on the Flin Flon-Snow Lake greenstone belt is now complete. A complete set of colour maps and accompanying marginal notes was released in November, and the final release of digital data sets and maps and CD-ROM is scheduled for later this year. Results from this project have shown that not all volcanic assemblages within these types of greenstone belts are equally endowed with massive sulphide deposits. This type of information provides a very powerful tool into finding new areas of mineral potential.

Techniques derived from working in the Flin Flon belt are being applied to other greenstone belts across the province in order to update our level of understanding of their geology and mineral potential. In the Lynn Lake-Leaf Rapids region, a reanalysis of archival sample sets will allow updating of existing mapping by incorporating new concepts regarding volcanic assemblages and potential for volcanogenic massive sulphide deposits.

This summer we will conduct new on-the-ground mapping primarily along the western

extension of the Lynn Lake belt. This will focus on upgrading the level of structural information as it applies to evaluating the potential for gold mineralization in the region. We are also working on upgrading the level of geochronological data for the belt and contained mineral deposits.

Madam Chair, these studies are critical to establishing the timing and lithotectonic setting of key mineral deposits and provide a framework for focused exploration elsewhere in the belt. The existing one to 50,000 scale maps are being digitized and will incorporate new geological information and provide a framework for portraying new geological concepts and re-evaluating mineral potential in the region. Much of this information should be available for preliminary release at the Mines and Minerals Convention in November.

In southeastern Manitoba, mapping projects continue in the Wallace Lake and Bird River areas, with a particular focus on developing exploration models for platinum group products in the Bird River area.

In the Thompson area, a study of the geology, metallogeny and tectonic evolution of the Thompson nickel belt is the subject of a four-year investigation administered and sponsored by the Canadian Mining Industry Research Organization. This project began in 1997 and will extend until 2001. The study will integrate existing mining company data and government records with a wide range of new data sets and represents the first major integrated study of this world-class mining camp. The program, directed by Energy and Mines, will develop new exploration tools that will yield long-term benefits to nickel explorers in Manitoba.

We are working with Inco, Falconbridge and Hudson Bay Exploration and Development to produce a new set of one to 50,000 compilation maps for the Thompson nickel belt. Under a memorandum of understanding, these companies have given us access to confidential information that will enable a thorough re-evaluation of lithology and stratigraphy along both the exposed and sub-Phanerozoic portions of the belt.

In frontier areas of Manitoba, work focuses on defining new exploration targets as well as upgrading the geological framework for more focused exploration initiatives in underexplored areas. To this end, our five-year Northern Superior initiative now entering its fourth year has been linked with the federal Western Superior NATMAP program. This program will produce improved understanding of the tectonic assembly of the Superior Province.

In 1999, the very successful multimedia geochemistry project will continue in the southern Knee Lake area. Results of last summer's work will be released in July in time for explorers to develop follow-up programs in the 1999 field season. Bedrock mapping and mineral deposit studies will continue in the Gods Lake and Max Lake areas. In this matter, I would like to mention that the Max Lake work in part is being carried out in a region under hold for land selection by the Norway House First Nation as part of the Northern Flood Agreement and should serve to facilitate wise land management decisions in that area.

Recent studies along the northwestern margin of the Superior Province northeast of Thompson suggest a major reinterpretation is required for the location of the Superior boundary zone in this area. Further south, this zone is known to host the Thompson nickel belt. This work being carried out with researchers from the University of Alberta will have a significant impact on exploration in the region as it will delineate new zones that should have potential for nickel mineralization.

Geological Services is also developing new exploration and development opportunities in southern and central Manitoba. Previous work in the Mafeking area suggested the potential for previous unrecognized metallic deposits hosted within or beneath carbonate rocks overlying the Churchill Superior boundary zone. Further review has identified basement structures along this zone which likely reflect basement reactivation, pointing to the potential for as yet an unidentified lead zinc and/or gold mineralization. More work is planned over the coming year to further evaluate these observations.

In southern Manitoba we are contributing to a number of federally sponsored programs

focused on resource evaluation and land management such as aquifer mapping and evaluation of magnitude and frequency of Red River flooding. The latter project is being funded largely through the federal Red River flood protection program. For the Winnipeg area, the first phase of the Capital Region study is nearing completion in July. In this effort, crushed stone, dolomite, dimension stone and other potential industrial and metallic mineral resources were inventoried to provide a framework for effective regional land-use planning. Preliminary maps released in March were well received by heavy construction and industrial mineral client groups.

Over the past year, assessment of aggregate resources consisted of evaluating wildlife management areas that are under review for inclusion in Manitoba's network of protected areas. When this project is completed, our attention will turn to updating aggregate resource inventories throughout the province, emphasizing those areas in most need of new aggregate supply. Plans for this fiscal year include work in the Rural Municipality of Ochre River and the greater Winnipeg area.

* (1540)

Geological Services is facilitating the review of new northern candidate sites for Manitoba's network of protected areas. Through extensive consultation with our client groups, we are aiming to meet our provincial objectives for the Endangered Spaces Program in a manner that is consistent where there is sustainable development strategy. The process to date has identified 19 sites that have been cleared for protection following mineral sector consultation. In addition, a preliminary agreement has been reached on all but three wildlife management areas under consideration for protection. Many of these have yet to be reviewed by external client groups. Madam Chair, this completes my introduction, and I will be pleased to discuss departmental issues with members of the committee.

With respect to information production and distribution, numbers of reports and maps produced by Geological Services Branch during 1998-99 has been summarized previously. The branch is also currently in the process of

developing digital data distribution mechanisms both via the Internet and CD-ROM. Over the past year, we have released three CD-ROM products which provide clients with direct access to databases in mapped format. We have also completed georeferencing of the Manitoba bibliographic database which contains location and distribution of all maps and reports available from Energy and Mines. This database is currently accessible on the Canadian geoscience publications directory website. The department has also acquired an Internet map server which allows maps to be published to the Internet. Clients do not require any software other than a web browser to view and query maps. The software is currently undergoing in-house testing and development of data sets. When placed online, it will provide access to mining claim information, geological maps, mineral occurrence data in mapped format and will link site location with detailed databases.

That concludes my introduction, Madam Chair. Thank you.

The Acting Chairperson (Mrs. Driedger): We thank the minister for those comments. Does the official opposition critic, the honourable member for St. James, have any opening comments?

Ms. MaryAnn Mihychuk (St. James): Yes, Madam Chair.

The Acting Chairperson (Mrs. Driedger): Please proceed.

Ms. Mihychuk: I want to thank the minister for the comments and his extensive review of the department. There are some areas that I wish to explore, but before I go there, I would just also like to express my concern about the mining communities and the mineral industry, which is facing unprecedented low commodity prices and has been felt through the communities, through businesses, through families and to the workers themselves. We have seen layoffs in Thompson; we have pending closures of mines at Lynn Lake and Leaf Rapids. Thompson, in particular, is coming to the end of their financial commitment for the school division and the city. That will have an impact on every taxpayer in Thompson, and they also are planning an extended shutdown.

But I do know that the workers in the mines have been co-operative both in Flin Flon and Thompson and in Bissett, that this is typical of miners and their willingness to work through the tough times. As well, special recognition should be given to the families that also must adapt. Many of the families will move into a community, establish relationships in hope that their stay in those communities will be long term. Not only is it upsetting to the miners themselves, but the consequences of layoffs or shutdowns is felt through the families to the whole community. So our thoughts and concerns are for the mineral industry and those miners who are facing the commodity-price situation head on. We do hope that Manitoba recovers quickly and that we can expand the number of positions in the work force in the mineral industry.

There are some concerns about the government's commitment to sustainable development, in particular when it comes to the development of traditional mining zones. We have raised these concerns, and the government has moved to making a special provision for the Leaf Rapids, Lynn Lake corridor which we applaud. Our concern, of course, is that the pending closure of the existing mines is so imminent, and the latest initiatives by the government seem to be so late in coming that our concern is that the strategies may not do what they, I assume, are intended to do, and that is to find some additional reserves or ensure the long-term sustainability of the traditional mining zone in Leaf Rapids, Lynn Lake.

I want to put on the record my appreciation for the work that Garry Barnes has done for the Department of Energy and Mines. Garry came into the department when I was in the civil service and working in that department. I have a high regard for his ability, and I know that he will be missed in the department. Garry was an asset and had a long-term knowledge of the department and the people that worked there and a sincere concern for those in the department. So we wish Garry all the best in recovering from his unfortunate illness and that he will be coming back. I understand from the minister's comments that he is on a leave of absence, and perhaps in time Garry will be returning.

I also wish to explore some of the issues related to the claim staking scandal or the claim staking issues that have arisen from the recent Mining Board hearing. It is our understanding that there are a number of claims in question, that there is some suggestion that this type of claim jumping and inappropriate activities are fairly widespread. I am going to be asking the minister to provide information in that area. This is, I believe, the result of not having sufficient staff in the area of ensuring regulations are adhered to. So we will be exploring that whole area.

Indeed with the knowledge that there are few if any inspectors out there to check your claim posts, it is little wonder that we have seen this unfortunate incident in the prospecting sector come forward at this time. There is an onus on behalf of government to ensure that things are being complied with according to The Mines Act, and it can lead sometimes to the staking of claims more by paper than actually in the field. That is why I have been calling it backdoor paper staking. It has not really been an official policy of the ministers. When individuals who perhaps are not as forthright and concerned about following the law are able to perhaps use other measures than going out into sometimes very remote, very difficult situations to do the claim staking, they will take those advantages. That is why it is so important to ensure that we have the proper staffing levels and that we are indeed checking these situations.

I know that many companies and individuals spend a considerable amount of money supporting their claims and their claim blocks, doing the required work, and then to find that the claims have been improperly staked falls onto the registered owner of those claims, and there is very little way to regain your interests. So we have a number of questions in the whole regulation and Mines Branch sector when it comes to the mineral industry and claim staking.

* (1550)

We are also going to talk about the minister's commitment to the five strategies that he outlined in some detail, the MEAP programs and the accountability. It seems that the minister has tried to provide some field observations or

inspections, but if I understand from the minister that it is a geological sciences person, my concern is that we are robbing Peter to give to Paul, because our second goal is the geo-science database. That is an area that I would argue is not wanted to be tapped into. In fact, it is extremely important to industry to have a strong geo-science database. I am concerned that the level of support for that sector has not been sufficient, that the supports in terms of staffing and in particular operations side may not be in sync with rising costs.

It is particularly costly to go into undeveloped regions. Particularly I am talking now about the superior province where helicopter support is necessary and remote outrigging and outfitting of those base camps requires additional funding. I see that that level of support for field expenditures has remained fairly stable, which means that the money must be coming from somewhere else or we have to reduce the amount of field time that individuals are out in the field.

So those are areas that I am concerned about. I do wish to find out the status of the Cross Lake mineral deposit and whether we have seen any advances in the development of that mineral potential. We look forward to a substantial breakthrough so that we can go ahead with this project and provide meaningful employment and opportunities to the people of Cross Lake. I am sure that they will come from Norway House and surrounding areas. What types of programs has the minister initiated to anticipate this mineral development in terms of training and education? Is the workforce prepared? What type of infrastructure may be necessary? Is this project moving ahead or is it unfortunately stalled as it seems to be at the present time? So we will be very interested in that and in getting an update.

I would also be very interested in finding out the status of any potential development, new sectors or renewing old potentials, and I want to hear about the silica sands at Black Island. At one time we had Dow Corning involved. Is there any potential there? We have had other industrial minerals, and I am pleased to see that the minister has expanded the incentive program to include other minerals that do not sparkle or

gleam but do have an important economic component to Manitoba's economy. So there is money available for industrial minerals and other minerals, and I congratulate the minister on recognizing that that is an important sector, but I would be interested in hearing whether there is some potential economic spin-off of some of these deposits that maybe we know about already.

I am also going to be discussing the Marketing Branch and look forward to hearing more about the climate change project, what the minister is doing in terms of promoting the sale of hydroelectricity across North America. Are there any potential long-term commitments which we could develop and of course enrich our economy as well as provide a clean and safe energy source to the people of North America? And so I am looking forward to going through Estimates in some detail, and that concludes my opening comments. Thank you.

The Acting Chairperson (Mrs. Driedger): We thank the critic from the official opposition for those remarks.

I would remind members of the committee that debate on the Minister's Salary, item 23.1.(a), is deferred until all other items in the Estimates of this department are passed.

At this time we would invite the minister's staff to take their places in the Chamber. Is the minister prepared to introduce his staff members?

Mr. Newman: First the member of the female gender is Christine Kaszycki, heads Geological Services branch; Craig Halwachs, who is administrative services; and John Fox, who is the acting director of Petroleum and Energy.

The Acting Chairperson (Mrs. Driedger): Welcome. The item before the—

Mr. Newman: In case there is a question where the deputy minister is, the acting assistant deputy minister and the director of the Mines Branch, they are all engaged in a meeting out of the city of Winnipeg at the present time. The Estimates were called on very short notice, so they were unable to return in time for it. But, in the public

interest, we wanted to proceed in a co-operative way, by agreement, as quickly as we could. So these people are standing in today on their own. Thank you.

The Acting Chairperson (Mrs. Driedger): Thank you and welcome. The item before the committee is item 23.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$275,900. The honourable minister, for any comment.

Ms. Mihychuk: I see under Executive Support there has been a change, a drop actually, and under Financial and Administrative Services a significant increase. I am looking under 23.1, page 17 of the Estimates book.

Can the minister perhaps outline these changes?

Mr. Edward Helwer, Acting Chairperson, in the Chair

Mr. Newman: The differential, I am advised, is, in increased ways, the reflection of the continuing obligation to pay Garry Barnes, who is the assistant deputy minister and is on a leave of absence because of the state of his health primarily, and his administrative support position continues in the employ of the department. The other portion of the increase is explained by the general increases in the civil service positions relating to administrative services and merit increases as well. There was a lesser payment in terms of the deputy minister's salary because Oliver Boulette is at a different level from the level that Michael Fine was at.

* (1600)

Ms. Mihychuk: Can the minister perhaps indicate how long the department is committed to maintaining the former ADM's salary?

Mr. Newman: The former ADM, Garry Barnes, who is on leave of absence, his leave of absence is expected to end upon his expected retirement at the end of the fiscal year.

Ms. Mihychuk: If I understand the minister correctly, that would be next March, so he would

be on leave with pay for how long? I do not recall when Mr. Barnes was forced to leave the department.

Mr. Newman: Mr. Barnes, during the period from May 3 of this year until the end of March 2000, will be consuming his accrued sick leave and vacation credits and so forth. That represents the cost during that period of time. As I said, we expect, unless there is a very substantial change in circumstances, that he will be retiring at the end of March. And I might say that Garry is a great loss to the department. He has done an outstanding job in even added responsibilities under considerable stress, on more than one occasion rising up to be acting deputy minister in circumstances. So we miss him greatly and wish him well.

Ms. Mihychuk: One of the areas that I raised last year and is still a concern to me is the lack of, I guess, expertise in the mineral sector of your senior staff. Besides the director of Geological Services, other members of your senior staff are, I am sure, quite competent and experienced, however lack that type of experience in the mineral sector. I think that it sends the wrong signal. The minister has a deputy minister who is shared by two departments. I think that we have seen perhaps the emphasis of the minister and the deputy minister in the other department, and that the mineral sector at this time is going through some very tough times. Would it not seem to the minister appropriate to have a senior staff member focused on dealing with the mineral sector and the mineral industry at this time?

Mr. Newman: I do not have any material reservations at all about having people whose expertise is in management, in serving in a progressive way within the civil service, having demonstrable human relations skills and being an aboriginal person who has an understanding of the aboriginal people and is respected highly by them serving as deputy minister in the department. I, without equivocations, say that, in my opinion, it is better to have someone with those kinds of qualities and those kinds of credentials and accomplishments in the position at this time in the history of the province of Manitoba.

In terms of other nonmining technical people within the senior management of the department, I believe that one of the attributes which they share is an appreciation of the need to seek expert guidance from technical people of the appropriate specialty at appropriate times. My experience in life and as a human resource lawyer for 28 years is that putting faith in technical people, whether it is a doctor or a lawyer, to do management tasks is sometimes not a good use of the training they have received.

* (1610)

But the concerns about having people who have relevant and recent experience with the industry, I think, is a valid point and that is why in the selection of the replacement for Art Ball as the Director of Mines, Ernie Armit was hired effective February 11, 1999, and Mr. Armit came to the department from INCO, where he held the position of manager of engineering technical services and maintenance, and he was involved for long-term and strategic planning for the division as well as the responsibility for administering the capital plan. He was also responsible for INCO's contract administration for the division, including the 1956 agreement between INCO and the province. In addition to management training, Mr. Armit holds a degree in civil engineering, University of Salford, England. At the time, as you pointed out in your introductory remarks, the present maximum viability of INCO in Thompson and region is a challenge. I cannot think of a better person to have in this position at this particular juncture of our history

So I do not have any personal discomfort or expressions of external discomfort that have been brought to my attention about the composition of the people in the department. I am very proud that the department is being managed in such a way that a John Fox can step in as an acting director, that a Bob Dubreuil can move upwards and be an acting ADM in his area, and that we have been able to utilize the kinds of attributes they have in that portion in Bob's transfer over to ADM or promotion to ADM not only for Energy but also for Mining. I think it is a very relevant kind of experience, and the skills learned there can be of great advantage likewise in the mines side.

Ms. Mihychuk: Can the minister explain if we are covering the total cost of the deputy minister's salary in these Estimates, and is this department covering the total cost of the deputy minister? If so, why?

Mr. Newman: The answer to your question is yes. As I explained at great length last year, this is how we do it. After giving serious and in-depth consideration to your expressions of concern about this last year, it is being considered a matter of such great moment that nothing has been done about it. It is not regarded as a significant issue but just an administrative accountability kind of thing.

We operate in a way that is very holistic between the different areas of responsibility and that, rather than being a weakness, is a strength, and to break it down effectively you would almost have to have timekeeping like I used to do as a lawyer and break things down into tenths of an hour. It just would be regarded as a less than maximally productive use of time to do that. So the decision of management, the decision of the people responsible for administration, the people responsible for accountability, have recommended that we do as we have done over many years when we have had combined departments under one deputy and one minister and not change the present situation.

Ms. Mihychuk: Can the minister inform us how many vacancies and secondments there are in the department?

Mr. Newman: While my staff are getting me details on that, I just wanted to make sure there is no misunderstanding in your mind. When I said the status quo prevails, that means that we split the minister's salary in a 50-50 way between both departments; that is, the minister's cost to the departments; 50 percent goes to Energy and Mines and 50 percent to Northern Affairs. So implicit in what I said, that continues as it is, and the deputy minister's treatment is, as I have stated, charged to Energy and Mines in full.

Ms. Mihychuk: Well, as the staff are looking up I will just respond to the minister's comment. I appreciate that the minister's salary is split between two departments. The issue here is that

one department is covering the total salary of the deputy minister, which is a significant expenditure. If we looked at half of that, perhaps one more additional geologist could be deployed or a mines inspector could be hired to check some dubious claim staking, and there could be some important work done which I think needs to be done.

I am quite confident that the deputy minister is doing good work. However, in terms of accounting I think it would just make it a clearer item to identify that the deputy minister is actually shared between two departments and not as the Estimates book may indicate, a full-time position in Energy and Mines, that indeed that position is half-time. I understand that the minister has addressed this with senior staff and has decided to leave it in this book. We just choose to disagree on how that should be accounted for, and I just put my comments on the record so that there is clarity in that that one position is actually, in theory, supposed to be 50-50 between the two departments, and I would just like to make that point.

Mr. Newman: Because there is a new thought in what you have said, I will respond to your suggestion that it would be as simple as having the cost of the deputy minister's compensation between the two departments and that would then free up resources to hire somebody else in the Energy and Mines department. What it would do, because we operate holistically, would then deprive us of the very people that are working in Northern Affairs in trying to conclude the last of the Northern Flood Agreements, trying to deal with treaty land entitlement finalization and effectively addressing one of the main strategy challenges that we have and that is security of land tenure and access. So that is why it is just not a case of saving one. It, as you have used the expression in your opening remarks, would be robbing Peter to pay Paul. So that is my response to that.

Now I have the information about vacancies. There are three vacancies in Petroleum, two in Geological, one in Marketing, one in the Mines Branch and there are three secondments, one to Better Methods and two to Service First.

Ms. Mihychuk: What impact do these vacancies have on the budget? Their salaries are allocated

and the positions are vacant, and what impact does that have on Estimates in the ultimate functioning of the department?

* (1620)

Mr. Newman: The short answer is that the intention is to fill all of those positions in one way or another, meaning that, for example, the vacancy created by John Fox's elevation to an acting capacity replacing Bob will be filled by a term position until things sort themselves out. Another example is all of the other ones are in the process of being filled with permanent positions, and the Mines Branch position is well advanced in the hiring process. That is the mines inspector position. Similarly, the Geological Services vacancies are well advanced in the hiring process. There are actually interviews tomorrow.

Ms. Mihychuk: What plan does the minister have to comply with the government's stated goal of targeted reductions in the civil service? If I recall correctly, it was 5 percent. I may be wrong, but if the minister would remind me of the—I believe it was cited in the throne speech that the government plans to reduce the civil service. I would be very interested in how the minister is going to approach this goal, what sectors of the department are going to see the reductions, and how are we going to manage with even a smaller staffing component? Are any of these vacancies going to be part of that reduction?

Mr. Newman: I would want to check the throne speech to make sure I was exactly right, because it was a percentage which I think was different from the one you cited, and I think it was over a fairly long period of time. But we, as a directive and me as minister, have no directives, no guidelines that impact on our department at this time. So I would have no knowledge to share with you.

Ms. Mihychuk: The minister indicated, when he talked about the recruitment and selection of individuals, that the Mines position was the one inspector. Is the minister indicating that his intention is to hire one mines inspector or is he increasing it to two, which I was led to believe would be the situation?

Mr. Newman: We are in the process of hiring the one. We have a contractual arrangement with a contractor to perform inspection services. Whether or not the position would actually be filled or whether it would be a contracted-out kind of situation has not been finally determined, but it is being worked out by administration.

Ms. Mihychuk: Well, would it be reasonable for the minister to review the staffing components of the branches, with the goal of perhaps looking at modern trends or pressures as we promote more exploration. We are also encouraging more and more prospecting, which I applaud. Now, given the situation in southeast Manitoba, I do have serious concerns about the staffing levels in the sector of inspection. Given that we have vacancies in the department, perhaps not traditionally in slotted branches, may be an opportunity to look at some reassignments of those positions without affecting individuals who have the position itself.

I would urge the minister, through my comments, we are quite serious, having Barry Jahn, who was the former claims inspector, living in The Pas, who I hear did a very, very good job, was just overwhelmed with the amount of work and responsibility that one individual had, including the responsibility of all quarry inspections for northern Manitoba—I just find it very difficult to understand how we would make a commitment to looking at one position, and urge the minister to take this opportunity of having several vacancies to perhaps recommit or re-evaluate his position or the department's position and ensure that indeed we are going to solve this problem and get on a more stable footing. That is going to require additional supports. It was very difficult to get Barry Jahn, when he was our claims inspector, to come down and check mining claims down around Sarto or Bissett. It is a long way to go. Transportation is an issue. Timing is an issue.

I urge the minister to look back historically when Manitoba indeed had two mines inspectors. Even then, perhaps there was some argument that that was not sufficient. Would the minister consider reviewing the staffing components of the branches in the department, given today's situation overall? I am not just

talking about this one specific incident of the claim staking, but the priorities may be different now than they were years ago.

* (1630)

Mr. Newman: My deputy minister has the responsibility and is directed to make sure that we have the right balance of inspectors, claims inspectors, and to ensure that the standard of claim staking is generally acceptable to the industry. When I use the term "balance," I mean it is both having inspector involvement and having a responsibility which is induced and ensures a higher degree of self-responsibility by claims inspectors. That is the area which you and I have discussed in Question Period over two or three different days.

I can assure you that, again, the direction I have given is that I want to send out a strong message to the industry that claim-staking offences will not be committed with impunity and that there will be an accountability for it. That is why we are waiting for the Justice department's opinion and guidance in that respect. But that is certainly the direction.

To the extent that the deputy minister is satisfied that that kind of creative tension will bring about results without having legal inspectors, if you will, doing the work. That, we believe, is the better way to go because the philosophy which is governing these kinds of decisions is that we do not want to be unnecessarily watchdogs to ensure compliance with the law, which is what we are talking about. We would rather create a climate where people do not risk breaking the law. So the recent example—I have given a very clear direction that I want a very strong message sent out to the people involved in the claims staking industry generally that this is a very serious matter which should be dealt with very strongly.

Ms. Mihychuk: Just an administrative issue. I hope the minister continues to allow this type of back-and-forth discussion about fairly wide ranging—I know that we are a little bit off. We could probably discuss claims inspectors under the Mines Branch and probably go there in more detail but just as general topics come up, we have, in the past as well, been fairly open to that,

and I appreciate his co-operation in that sort of range of discussion.

One of the major initiatives that the government undertook last year was desktop management. Can the minister indicate the cost of that program, the total cost? I know that it has been itemized under various branches. What is the cost of that program and the general feedback from staff members who use this new approach to technology? Are they satisfied with the service? I understand that there have been numerous problems. Have those problems been rectified? Is this, overall, something that has been an advantage or has it been a disadvantage to the Department of Energy and Mines?

Mr. Newman: First, dealing with cost, the number of units involved is 144. The cost for the fiscal year is \$362,200. The feedback from two different kinds of perspectives, one from labour savings, is that it frees up the time on several basis of the people that are involved so the desktop kind of time consumption is replaced by capacity to do other things in relation to the computers at their disposal and a very rough evaluation at this time, which is simply anecdotal, not measured, I am advised would free up at least a staff year.

With respect to the quality, I am advised because of the greater capacity of these computers that it just allows more to be done with them, so there is a quality advantage and a time-saving advantage that has been discerned so far, and just from a point of view as a result of both of those things, a good feeling about them.

Ms. Mihychuk: Well, I would like to ask the minister if he has done any globetrotting and what conferences he had the opportunity to attend, and I do not mean that in a negative way. [interjection] Being a globetrotter is mostly to mining conventions, I am sure, and primarily in Canada. But I am interested in knowing where the minister has been and what the plans are for the upcoming year.

* (1640)

Mr. Newman: I will first respond where I have been, and I do not think you are terribly

interested in my trips within the province, but in the outside-the-province trips, April 23 and 24 I was in Toronto for a Ministers of Energy and Environment meeting; July 10 to 15 I was in Calgary for the Energy and Mines Ministers Conference; October 17 to 21 I was in Halifax for the Ministers of Energy and Environment Ministers Conference; March 3 to 5 I was in—the reason I hesitated there, I was wondering why on my trip to the new Nunavut I managed to get there and back from March 3 through 5 on \$250 and discovered the department's presence was so advantageous that it was done at the expense of another department of government. That was the Nunavut trade mission, which I might say was a fascinating second trade mission experience for me in that area in relation to both hydro and mining and what that can do. It was a great opportunity, because we went immediately north of here to Rankin Inlet and to Coral Harbour on Southhampton Island and also to Iqaluit. So it was a very good exercise. March 12 to 18 I was in Toronto for the Prospectors and Developers Association meeting with Team Manitoba, and that is the total of my globetrotting for this past fiscal year.

In terms of the future, this fiscal year to come, just as last year it will be done strategically so that my presence maximizes the value to the advancement of the industry and the communities who have an interest in the advancement of mining and attracting mining investment. We are intending to expand the Team Manitoba concept because it was such a success. What guidance we get as to what would be a strategically advantageous thing to do as a Team Manitoba will guide us as to where we would go. At the moment I do know that, in the other area of climate change and the energy side, there is a variety of different things, which I am not sure if I should get into at this time, but whatever again is going to advance the interests of Manitoba's capacity to opportunities to export hydro power and to avoid negatives of reciprocal, negative reciprocity, and to advance ethanol, all of those kinds of things, will dictate again where we would direct our energies. I see myself as effectively the leader of that Team Manitoba, and I am the one that can open the doors, and that will be the primary influence, whether it is petroleum and energy, whether it is mines, whether is hydro.

Many cases, when we go on these trips, it involves all of them because we deal with them holistically. For example, when you go up North to Nunavut, we are building a good will relationship there. So we are investing in that relationship building, and we have achieved that in large measure because of our desire to look at potential land line to the Kivalliq region north of us and also looking at transportation connection, both of which would be enormous benefits to mining development there which then can be a benefit to our mining suppliers here and transportation industry and everything else. So that is how we approach it, and I do not at the moment have any specifics. I have no exotic trips, unfortunately, in mind for the next fiscal year.

Ms. Mihychuk: Can the minister indicate at this time if he has a vision for what he would like to do if the opportunity opened itself in the next year? What are the challenges and what accomplishments does he hope to promote or achieve during the next year as the leader of the department and his ability, as he says, to open doors? He talked about Team Manitoba. I think that was a good idea; it was successful and encouraged continued work in that sector. I look forward to hearing more about what the minister has as a vision for the future in terms of the mines industry and the mineral sector.

I am very interested also in the energy component, but perhaps we could talk about that when we get into the energy sector. I am sort of open to that, but I am tending to focus right now on the mineral industry because of the very serious challenges that it is facing right now. So I would be very interested in hearing what initiatives the minister is proposing or hoping to bring forward.

Mr. Newman: I am going to put this in the context of what is a holistic vision for all of the areas within my responsibility. It is really a way of thinking that goes to the year 2025. Whether it is dealing with the aboriginal population of the province, whether it is dealing with Energy and Mines, or whether it is dealing with hydro, the vision involves that sort of period of time. It is no coincidence that that coincides with the planned time period for the eradication of our accumulated debt in the province, which was a

30-year plan in 1995. So that is the kind of time parameters which any vision that I had responsibility for articulating has in mind.

The way that I test out any vision that I have, which I regard as tentative until the department as a whole and its leadership test the vision, is we do that through our business planning processes. The business-planning process for Energy and Mines is taking place next week, beginning next week, Monday and Tuesday. The way that I have become involved over the period that I have been minister in the two different departments has been to participate with an articulation of my tentative vision in a facilitated kind of environment with staff of the department. After articulating, I leave and give them a chance to develop a vision, bearing in mind that kind of idea, but in no way do I impose it. Then they hammer out what they think is effectively the plan for the year within the context of a longer-term kind of mission.

* (1650)

As I indicated in my introductory remarks, when I spoke to the mission of the department to foster investment in the sustainable development of our energy, mineral and petroleum resources; promote the efficient use of energy; strive to create the best social, economic and environmental conditions by stimulating investment in our mining, petroleum and energy resources to the benefit of Manitobans, as well as our aim to become the most energy efficient province in Canada, those grow out of last year's business plan and the mission that they developed.

The strategic plan and the five points of it, which again I dealt with at some length in the introductory remarks, have been modified, have been refined in this process as well. The piece that we are adding, which I am very determined to see come into fruition in the very near future, is the aboriginal mining protocol, as we have called it, because that will be a significant way of addressing the land access and tenure issues and may open up a lot of doors for potential exploration.

But, again, because we are taking a holistic approach, it is very important that the mining industry and hydro and even our modest oil-

patch industry respect a socioeconomic objective of the province through our departments to achieve a higher level of participation by our disadvantaged citizens, who at the moment happen to be primarily aboriginal people. So there is a great and earnest effort through a long-term education strategy, a long-term health strategy, a long-term training strategy, a long-term employment equity strategy, to improve the negative statistics afflicting our aboriginal people to the provincial average.

From my vantage point, that is part of my vision for every one of those component parts of my areas of responsibility, and to the extent we can in win-win ways shared by not just civil servants, not just elected people but with miners, unions and business people who have to make a buck, we want to move forward with those objectives. The whole approach, as I have indicated in the introduction, is we find win-win ways to achieve those kinds of targets over that 25-year period.

Ms. Mihychuk: Can the minister tell us if he has had the opportunity to visit some of the field sites that I recommended that he do? Has he had an opportunity to go underground in an active mining operation or have you had an opportunity to visit a geological field crew in the summer, which I think would be very enlightening to anyone who has not had that experience? From my personal experience, I think a short-term visit is better than a long-time visit, but it is an eye opener to go and understand how the mineral industry works and where it all starts from, and that is right there in the field. So I would be very interested to know if the minister has had an opportunity to put on some boots and go out into the bush?

An Honourable Member: Darren has to take us along.

Ms. Mihychuk: Oh, and Darren took us along.

Mr. Newman: I have been underground in an active mining operation in Manitoba, and I have not yet had the great pleasure of being out in the field with explorationists, but I listen very carefully to all of the stories that I hear back from them. I read quite widely, but I have not yet indulged myself in enjoying that particular

aspect of the mining industry yet. But if it rose high up in my priority list, I would jump at the chance to do it because then I would be able to justify it to the taxpayers as a productive use of my time, but at the moment I have not been able to do that.

Ms. Mihychuk: I am prepared to move on to the individual branches and get on with things.

The Acting Chairperson (Mr. Helwer): Okay, we were on item 23.2. (a) Marketing. Is that where we were?

An Honourable Member: No.

The Acting Chairperson (Mr. Helwer): 23.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$275,900—pass; (2) Other Expenditures \$74,800 for a subtotal (b) of \$350,700—pass.

23.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$810,100.

Ms. Mihychuk: I would like to ask a question on the staffing ratio in this component. I see that what looks as if an individual or a position has moved from Administrative Support into the Professional/ Technical area, because we have had the same total number of positions; however, it goes from three to four at the Professional/Technical level.

Can the minister enlighten us as to why we need additional professional or technical support in the Financial and Administrative Services?

Mr. Newman: The explanation for that is that the position formerly held by the director of Administrative Services, which was manager of Financial Services, was not filled. That was Craig Halwachs's position. Through some—he says juggling around—reorganization, a function dealing with business planning and the development of the annual report were addressed by personnel, whom you describe as technical people. One person filled those responsibilities.

* (1700)

Ms. Mihychuk: I always try to, when I look at systems, focus on the job that we need to do, and

it always concerns when I see a significant increase in administration costs. I guess at a time when we are looking at needs, our basic needs are, I think, outlined as the minister said: more support, more field programs, more reports.

How is it that the minister can justify increasing Administrative Services by what looks like over \$180,000 at a time when perhaps more field personnel could be employed? I think priorities must be reviewed and ensure that, although business plans and those types of services may be necessary, I question it, given that we are moving to more and more supports in terms of administration. There are better methods, other systems programs, desktop management.

Would one not expect that the supports on Administrative Services would actually become less? Here we see a substantial increase in administration, and I will be looking into the department to see if this could not perhaps have been better employed by providing more service to industry and to the people of Manitoba.

Mr. Newman: The spirit of what you say I do not disagree with. As we move forward with better methods and find ways that we can reduce administrative costs, that will be done. The primary differential here is the creation of the ADM and administrative support positions within the department which again, when looked at holistically between all of the departments, means that there is an ADM now in the Energy and Mines area and an ADM in the Northern Affairs area both reporting to the deputy minister with the director of Native Affairs Secretariat reporting directly to the deputy minister as well.

So we now have a senior management kind of organization which is designed to overcome some of the new challenges that are being faced in fulfilling the kinds of missions or visions which I articulated. So the structure has changed, and we expect over time, through that new structure and better methods, we will be able to achieve administrative savings progressively over time.

Ms. Mihychuk: If we look at Schedule 8 which provides a good summary of the department, we

have administrative costs of a million dollars and the budget estimate of \$7.6 or \$7.7 million. I think under anyone's estimate that seems to be swayed a little heavy on administration. If I recall correctly, in Education administrative costs were reduced to about 4 percent or 5 percent. I will be reviewing each branch as to their level of supports, because what we are dealing with here are highly trained, highly professional individuals who—if anybody can self-regulate, it is those professionals who are working for the people of Manitoba and, I would argue, require some administrative support. But in terms of managerial, I will be evaluating or critiquing or asking serious questions about the number of managers there are in a department, again with the view that let us get down to basics. Let us talk about what Energy and Mines is supposed to be doing, and are we putting our money in where it really matters? How is it that it seems so out of skew with \$1 million spent on administration in a fairly small department which only has a budget of \$7.7 million?

Mr. Newman: In response to your question, there are some points that I will make. The first is that the total departmental budget for Energy and Mines is, for the fiscal year to come, \$14,630,000, not \$7 million.

The second point is the deputy minister and assistant deputy minister are challenged to have a very efficient, well-managed organization without any fat in it. I entirely agree with you that the most important part of the operation is in terms of necessary results, at the moment is in the kinds of field work and the kinds of knowledge work that has to be done by technical people. In a modern-managed organization, there should be a lot of devolution of self-responsibility, so that is the general direction.

The other point I make is when you look at the departments which I have a responsibility for, you cannot measure them by the budgets in terms of their responsibility. I have addressed the very question you have raised in my own mind, and I think of it in the context of being a department responsible for a corporation, Manitoba Hydro, which has over \$7 billion worth of assets and in itself thousands of employees, approaching 4,000 employees, has a debt responsibility over \$5 billion and is one of

the greatest earned potential business developers and climate change or addressing climate change issue agents by far that we have in the province.

The other area which involves a tremendous amount of responsibility but it is not reflected in dollars is the Native Affairs Secretariat which is the advocacy liaison and co-ordination group for aboriginal matters within the government. We have resisted any temptation to build our budget, but we have taken on a huge responsibility for strategic change within government and have led the long-term plan to 2025 throughout all departments of government in ways that address the challenges of aboriginal people in the province.

* (1710)

The other aspect which grows out of responsibility for mining, hydro in the North, and aboriginal people is the enormous challenge which has occupied a huge amount of time of our ADM in Northern Affairs, Jeff Polakoff, has occupied a huge amount of time of the deputy minister, relates to the treaty land entitlement negotiations which is a huge project with many implications, the Northern Flood Agreement, huge implications, that is involving over a million acres of land and involves multimillion dollars worth of resources. It involves massive social change, socioeconomic change with the province, so put in the context of those kinds of responsibilities which are massive, I believe we operate in a very lean way. But we absolutely maximize the use of the deputy and assistant deputy ministers who are hands-on people in conducting these tasks, and even senior management play a far greater role in a hands-on way than in many other departments of the government. So I make, having thought this through, no apologies for it at all, and if anything, have grave concerns that we might not have the necessary capacities to do this up to the standard which I aspire to for the holistic challenges of my responsibilities in government.

Ms. Mihychuk: I guess just to clarify the record, I was looking at Schedule 8 which was salaries, so if we included the operating, it would be my understanding that the budget is \$9.5 million plus the industry grant program which would bring it up to \$14 million. Is that correct?

So we are still looking at an administrative cost of approximately 10 percent, and like I say, I will be watching the administrative component, because sometimes it is very easy in systems to have administration grow, and we tend to lose focus. Having been very involved with education, and we had a series of significant cuts, it was clear that that was an area that we had to focus on first. You must look at priorities, and that was to provide service to children in that case, and in this one I believe service to industry and those involved in energy and mines, so I would still suggest that it seems a little weighty and needs to be monitored cautiously.

Mr. Newman: Because I feel strongly enough, I do not want you to go away with that view. You are entitled to hold it, but I am going to share more information with you, because if the worst possible thing happened and you were to be elected and came in and had a misunderstanding, I would feel that I was neglectful of my responsibility if I did not properly prepare you to do the job that I am trying to do.

But in the way that we are organized, I serve as a minister on the Economic Development Board, I serve as a minister on the Human Services Committee of cabinet, I serve as a minister on the Sustainable Development Committee of cabinet, I serve on the Round Table for Sustainable Development, I serve on the PLUC committee and then all of those kinds—and I am responsible along with six other ministers for the Children and Youth Secretariat. And the people that report to me, my deputy, the assistant deputies and the senior management all have responsibilities for not only Hydro and the Community Economic Development Fund in ways that I need some support, and I might say a very modest amount of support relative to the obligations. I extend them virtually to their limits to meet the challenges within government of these kinds of issues that cross departmental boundaries, and if you just think of the Department of Energy and Mines as specialist business departments, then you apply a management formula as to what percentage should be management, it just does not recognize the big picture, holistic role that is played by, as I say, the component parts of my responsibilities in government, which include Energy and Mines.

Energy and Mines is seen as a solution to far bigger issues than just the exploration and production of mineral wealth in the province. It is a means to practise sustainable development. It is a means to provide for the socioeconomic, improved future of aboriginal people. It is part of developing a healthier community. It is part of developing a better educated community. It is part of developing more self-reliant communities in the North. So I have no apologies to make for the positions or the amounts paid to the deputies, assistant deputies and the senior management people in my areas of responsibility. As I say, I think they are extended to their limits. Garry Barnes might very well be an example of the kind of conscientious people that we have who perform these functions in ways that I believe are an example to the whole civil service.

Ms. Mihychuk: Actually, in 23.1.(b), we were speaking of the minister's senior staff. That is the line item that includes the deputy minister. Does that also include the ADM?

Mr. Newman: The ADM is included as part of Financial and Administrative Services.

Ms. Mihychuk: Can the minister indicate who his staff members are in item 21.1.(b)? We have the deputy minister and his whole position in the line item. Then there is Professional and Technical Support. Could the minister indicate who that is? What special assistants are included in this line item, and who are they?

* (1720)

Mr. Newman: The staff on the Energy and Mines payroll include 50 percent of my compensation: special assistant Jodi Turner; appointment secretary Darlene Hoffman; correspondent secretary Barb Robson; deputy minister Oliver Boulette; and appointment secretary to the deputy minister Linda Gibson. That is it.

Ms. Mihychuk: Thank you for that information. I think that it reflects the minister's priorities, and I am not here to criticize. It is interesting how ministers prioritize their areas, and this minister has put emphasis on northern affairs and native services, and it is reflected by his staff. I think that is an honourable thing and

an important one, but one concern is that in the special assistants in the minister's office, again it just seems to leave a vacancy where previous ministers have had a special assistant from the mineral industry or from the mining community that could provide that kind of information for him. I am assuming he relies on the department and gets that sort of assistance, as he said previously, but I do appreciate the minister's putting on the record who is in the office. I think it is important to know who is working for the minister and appreciate that.

Mr. David Faursschou, Acting Chairperson, in the Chair

Mr. Newman: I must comment because you have made two statements that I do not agree with. One is suggesting that I put priority on Northern Affairs over Energy and Mines. As I have said repeatedly, I have a holistic approach, and that is an inaccurate comment for you to make. The second comment I take issue with relates to the absence of a technical person as a special assistant. I had a geologist as a special assistant, who has gone back to the industry, for my first year or so as a minister. I now have a person who is not a geologist whose concentration is on energy and mines and hydro and CEDF matters. That person, I can say without hesitation, plays as much of a quality role at least as the predecessor.

I learned that the expertise that is most relevant and useful in my position comes from members of the civil service with different experience and different expertise through my executive committee as I receive whatever I need in terms of briefings but very significantly from my many friends, acquaintances and respected people in the industry who never hesitate, when asked, to provide their views either through the MELC committee process. That is the industry liaison process through representation on the Mining Association through a person I have a great respect for, Ed Huebert, who is very knowledgeable and I have regular contact with. He never hesitates to phone me, and I never hesitate to phone him. The people in the industry, whether they are suppliers, whether they are CEOs, whether it is the senior person in Inco, the senior person at

Hudson Bay Mining and Smelting, the senior person in any one of the exploration companies or any other mining operating companies, I have simply an open-door policy. I have no hesitation phoning them if I want guidance. I would either do it through senior management or through an ADM or a deputy, and if I want to do it directly, I do not hesitate to do it directly.

I also would not hesitate to pick up the phone and speak to the president of the steelworkers' union in Thompson to get that perspective. I think that approach is far better than having someone in the office as a special assistant to pretend to provide that kind of guidance under the label of being a technical person in mining. But if that person has the trust and confidence of those people to relay information to me when I am not available in confidential ways, has the intellect and the integrity to do that job well and knows the system of government, knows the organization of the industry, knows the people in the industry, that is what I look for. So I am very happy with the quality of the people I have, and in a considered judgment I am glad I made the decision that I did to hire the kind of person that I did to fulfill that function.

Ms. Mihychuk: Can the minister explain under line 23.1.(c), Financial and Administrative Services, the Managerial has four positions and four positions and 1998-99 it was 186,000 and this year we are looking at 286.9. Is that where the salary for Garry Barnes is included?

Mr. Newman: Yes.

Ms. Mihychuk: Thank you. The other question I have is under Administrative Support. We see that line which had 7.5 positions drop to 6.5, yet the budget item increases by \$53,000. Can the minister enlighten us as to why we have fewer staff and so much more for salaries?

Mr. Newman: I am advised: because of general salary increases, merit increases and reclassifications that resulted in higher compensation costs.

Ms. Mihychuk: The minister commented in his response to one of my other questions that he

would feel free to phone anybody in the mineral sector, and I am curious to find out how many times the minister has picked up the phone and talked to the president of the steelworkers.

* (1730)

Mr. Newman: He phoned me, then wrote a letter to me, and as a result of that I met with him in his office in Thompson when I was up there for another conference. That was the restoration of the relationship which went back to my days as a labour lawyer. I bump into him at a number of different events where we have personal conversations, whether it is at a mining-related event or sometimes when he is with his wife at a political event, and we have just a very open dialoguing relationship. He feels free to approach me, and I feel free to approach him on issues.

Mr. Edward Helwer, Acting Chairperson, in the Chair

I think I had one telephone conversation with him that I initiated relating to the meeting that we had, and he then came to my office with the president of Inco. We had a lengthy meeting about the future of Inco, and that would be my best recollection of the communicative contact that I have had in person and by telephone with Mr. Desjarlais.

Ms. Mihychuk: Well, I do not have any problem with that. I think it is a good thing to meet with all sectors, including labour and management. I am pleased that there has been communication with the workers who are trying to work co-operatively I think in Thompson's case and in Flin Flon and workers have given up considerable to ensure that those communities survive. Given the minister's history in another role, I think it is important to reach out to both sectors, and I am pleased with that. I do not have really any more questions under Admin Services.

The Acting Chairperson (Mr. Helwer): Item 23.1. Administration and Finance (c) Financial and Administrative Services (1) Salaries and Employee Benefits \$810,100-pass; (2) Other

Expenditures \$175,200—pass. For a subtotal of \$985,300—pass.

23.2. Energy and Mineral Resources (a)
Marketing (1) Salaries and Employee Benefits.

Ms. Mihychuk: I do have a couple of questions in this area. This is one area that I would like the minister to perhaps give us an overview of his vision of this branch. There are three managers for eight professionals, eight and a half, and six administrative support. Now these people, if I know this branch, are professionals as well, and I am wondering if this might be a little top-heavy.

Why do we need so many managers for such a small branch?

Mr. Newman: The three managers are Jim Crone, who will be joining us at the table here, having returned from Thompson, manager of Client Services and manager of Business Development.

You ask why do we have management status for those three positions. The manager of Client Services, Monique Lavergne, has promotions co-ordinator, graphics technician, website co-ordinator—although that position is vacant—a couple of library technicians, desktop publishing assistant, and info distribution clerk reporting through her to the director, Jim Crone. The manager of Business Development has the Business Development officer, media relations, convention co-ordinator, Business Development officer, and information Business Development officer support person reporting through him to Jim Crone. The accounts clerk, MEAP co-ordinator and MEAP assistant all report to Jim Crone. He also has administrative secretaries. So that is seen to be an efficient and effective way of operating that particular clustering of functions.

Ms. Mihychuk: How many Business Development officers—these are individuals who actually assist industry in developing deposits and sort of moving things along. I believe that there were two or three individuals. Is it my understanding that there is a supervisor for those two or three individuals?

*(1740)

Mr. Newman: Again, consistent with the way I said our managers work, our manager of Business Development is a hands-on development officer as well. There are two other ones, Lyle Skinner and Gary Ostry. But I have quite a personal knowledge of what these fellows do because I have travelled with them in their Business Development officer roles, been at many, many conferences and functions with them when they relate to the industry people. They effectively have a whole host of clients. I think I used in my opening remarks something like 500 clients, and they effectively are the liaison officers with government. So I know that if Gary Ostry is trying to develop a relationship with a potential explorationist in Vancouver to attract investment in Manitoba, he will be out there in the office of the owner or chair of the board of that company or the geologist from that company trying to sell Manitoba as a place to invest.

Similarly, he will be up in Cambridge Bay at a mining symposium with me and other staff members, trying to develop relationships with the mining people there. He will be relating to the Department of Education when you get a complaint from one of his clients who is a mining operator in the Bissett area, saying, you know, we are concerned about the quality of education in the area, or he will be relating to the Minister of Highways and Transportation as his counterpart in that department when there are problems with transportation for employees or transporting a product on our highway system.

So, although they perform a customer service, they function and virtually do whatever it takes to help induce investment in the province and an effective environment for conducting mining operations in the province, and they educate the public at large. They are very active participants in the development of our Mines and Minerals Convention, our highlight of the year, and one of those persons who is the primary organizer of that event, the media relations and convention co-ordinator, that is all about relating to the industry in North America and the world through Manitoba, so it is a very, very busy group of people that play very important functions.

Ms. Mihychuk: Can the minister tell us who the new business development manager is and what that individual's background and credentials are?

Mr. Newman: The new individual is the Manager of Business Development, Rick Halas. His background was with the energy industry, and in particular, Centra Gas. His discipline academically was economics and his work experience, which is very relevant here, is business development kinds of experience.

Ms. Mihychuk: Is the minister concerned that, given that the two individuals this one new person supervises are both very experienced, knowledgeable individuals. Is the minister concerned about morale in the Marketing Branch?

Mr. Newman: I am concerned about morale anywhere in the department. If morale is not positive and people are not excited by the mission and very strong and loyal members of a team working towards an objective, I am concerned. I have had no concerns expressed to me directly or indirectly about this, and if there were concerns, it should not reach me unless the concerns have not been addressed by the director Jim Crone. If he does not have a team that is functioning in harmony in those excited ways that I talked about, his job is to make sure they do. If he does not, then he is accountable to his boss, and ultimately if it comes up the line and I hear that there are problems within the department that people are not addressing so that we have an excited, loyal team, then redressive action should be taken.

Ms. Mihychuk: Were the two individuals who this business manager supervises given the opportunity to apply for that position?

Mr. Newman: I am advised yes.

Ms. Mihychuk: Can the minister tell us if those individuals did apply, and is it true that one of those senior members will be leaving the department soon?

Mr. Newman: My information is that Lyle Skinner did not apply, and my advice is that his intention is to retire in the near future at the

appropriate time for him, and Gary Ostry, I understand, did apply for the job—I have just been advised of that—and Rick Halas was awarded the job.

Ms. Mihychuk: Why would the minister consider it necessary to have a manager over two individuals who are so professional, and does he not consider this to be top heavy? These individuals are basically managing a clientele that is also professionals, and they have worked independently in other sectors. I just would like to understand why we need another management position over two individuals who are professionals already, without sending a message that somehow there needs to be more control or there is even more bureaucracy. Over the past year we have now developed this new manager, and I would like to understand why the department felt that was necessary.

Mr. Newman: The role expected of the person holding that job title is to provide leadership and focus for that grouping of BDOs and the media relations and convention co-ordinators, so as I indicated, you have four positions reporting to the manager of Business Development. The other point I had already made is that this is a hands-on working manager, so the old-fashioned way of thinking of a manager is somewhat misleading, given this person plays like Lyle and Gary do, a business development officer function with assigned clientele.

Ms. Mihychuk: This is a branch that the government has created that has grown, I think, consistently over the years. We look at a budget item now of \$1.3 million, so that is a substantial budget allocation. It is over half of what petroleum and energy, that whole branch, is. The expenditures here, I think, must be questioned and reviewed—\$1.3 million in this sector. I would ask the minister if there has been a review of the effectiveness of the Marketing Branch and whether this is still a priority for this government?

* (1750)

Mr. Newman: The people who are responsible to me for ensuring that we have efficient and effective departments have assured me this marketing area is not only valuable but increasingly valuable and necessary. The increasingly com-

petitive world, all seeking the investment dollar in mining and energy, with the low prices and the challenges being faced by industry out there, they have really sharpened their pencils. They have really become far more difficult to attract to any particular jurisdiction, and loyalties to a jurisdiction do not mean a whole bunch. We are, through the marketing area, in very determined ways, trying to make sure that we are the most desirable place to invest in mining in the country, if not the world.

I, from my vantage point, have not had concerns about the performance of marketing because the results have been so demonstrably good. I rely on the kinds of articles which I read in different media, and I can assure you I do not rely on any of the articles that are written in the northern newspapers by the honourable member for Flin Flon (Mr. Jennissen), the honourable member for St. James (Ms. Mihychuk) or the honourable member for Thompson (Mr. Ashton), because they do a disservice to marketing. We have to spend an enormous amount of effort to try and overcome the negative publicity which is put out in newspapers in the North under the guise of being releases from the members opposite.

I have to spend time responding to this dissemination of negative information about mining exploration. I have to have letters to the editor written to clarify inaccurate information in these kinds of articles repeatedly. So the Marketing Branch has to not only overcome the negative history of the New Democratic Party, the official opposition party, when they were in government and what they have done to create a negative image for the province of Manitoba for mining, but day after day the Marketing Branch has to deal with the dissemination of negative and inaccurate information in news releases to the North, which are there for crass political purposes and nothing more.

The more that is done, the more need we have for people in the Marketing Branch to disseminate facts and disseminate the positive things about the environment here. You say, well, the official opposition has an obligation to be a critic. I think they have an obligation to disseminate the truth and constructively improve things but not to do what is done in many of

these articles I read again and again in the newspapers of the North.

Having said that, I always have comfort when I read the articles put together by a journalist, Bill Redekop, about Manitoba: A Friendly Place to Mine. He writes a very meaningful article which is trying to educate the public, or someone writes about the facts about treaty land entitlement or the facts about the Northern Flood Agreement. Then I love the media that, again usually from out of province, comes up and celebrates and recognizes a good-looking guy when he sees one, and this does not do justice. This is the shrinking. This is a miniature of a photograph that was in the—but the headline is Mining: A Top Priority for Manitoba, and it goes on to say: Newman, along with the rest of the Manitoba government, is making Manitoba an example of how good provincial government is supposed to work.

That is marketing. That is the kind of dissemination of information, and you know what? This publication, people pay for this. They paid in the U.K. over a pound; they paid in the USA \$2.10; in Canada, \$2.95 to see that mining is a top-priority for Manitoba and to read this is a place to invest and explore and do mining.

The Team Manitoba approach, we had an evaluation done because the Marketing department, having gone into this new venture, always wants to make sure that things or time is being utilized well, so we have evaluations of our Mines and Minerals Convention, and we learn and improve it every year. We evaluate the Team Manitoba participation at the Prospectors & Developers Conference, and so we get feedback from the mayors and their measure of what is accomplished there by the Marketing Branch.

What were your impressions of the PDAC? Very good, a very worthwhile event, completely positive. It allowed us an opportunity to promote our province and communities to companies from around the world. I strongly recommend we go every year. What do you feel the goals of Team Manitoba were? Market to mining and investment companies in a unified effort the benefits and advantages of investing in

Manitoba, to provide direct contact between government community representatives and the mining industry, and so on and so on.

What were your overall impressions of the minister's breakfast? Was it effective and why? Excellent, well done, very impressed, really enjoyed the minister's breakfast, he made a powerful speech, presentations were very good, spoke to many senior ambassadors, allowed time for the Team Manitoba? How do you feel you

directly benefited from participating, direct distribution of information on our communities?

The Acting Chairperson (Mr. Helwer): I will interrupt the proceedings. The hour being 6 p.m., committee rise. Call in the Speaker.

IN SESSION

The Acting Speaker (Mr. Helwer): The hour being 6 p.m., this House adjourns and stands adjourned until 1:30 p.m. Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 10, 1999

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