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of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIB
ASHTON, Steve	Thompson	ND
BARRETT, Becky	Wellington	ND
CARR, James	Crescentwood	LIB
CARSTAIRS, Sharon	River Heights	LIB
CERILLI, Marianne	Radisson	ND
CHEEMA, Guizar	The Maples	LIB
CHOMIAK, Dave	Kildonan	ND
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	ND
DOER, Gary	Concordia	ND
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DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
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ERNST, Jim, Hon.	Charleswood	PC
EVANS, Ciif	Interlake	ND
EVANS, Leonard S.	Brandon East	ND
FILMON, Gary, Hon.	Tuxedo	PC
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HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	ND
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PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	ND
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
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STORIE, Jerry	Flin Flon	ND
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	ND
WOWCHUK, Rosann	Swan River	ND

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, July 23, 1991

The House met at 9 a.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—FAMILY SERVICES

Mr. Deputy Chairman: Order, please. When this committee last was in session we were dealing with item 1. (b) Executive Support: \$379,300, but the minister was allowing a different line of questioning. The honourable minister, I believe, was answering a question.

Mr. Harold Gilleshammer (Minister of Family Services): Yes, I think when last we met, there was an unanswered question that there was some agreement that we would come back to this morning. The member, I believe, was asking about the barriers that were in place that might have impeded good service delivery. I think the agreement was that we would come back to that this morning and sort of flesh out an answer to that query.

I am pleased to be able to address that at this time and give an answer to that. I think that I have talked in the past, and I would mention again, that the question of jurisdiction was a barrier to quality service. Any time that you are working with six separate bureaucracies, I think it is inevitable that there will be some issues surrounding the question of jurisdiction.

I would cite cases where, as families move from one area of the city to another, case files, for instance, did not necessarily follow the family and often these cases of jurisdiction involved the family moving but a few blocks. As a result, there was a lack of continuity of service and that is an issue that I think can be resolved by the new agency.

I have mentioned the specific family and the inquest in St. Boniface. I would urge the member to look at the information that came out of the inquest where there were numerous and many service providers who worked on that case. The information that comes forward would indicate that there was a lack of a co-ordinated approach, a lack of sharing of information, a lack of timely updating of files. The issue was not one of a lack of service

providers, but rather a lack of co-ordination. We feel that the one agency can address this, that the new agency will not have those barriers, those walls, those impediments to service that I think were there with the six agencies.

As well, I think we will be in a position with one board and one administrative structure, to provide the service without the artificial barriers of the jurisdictions of the boundaries of the old agencies.

As well, there were six varied interpretations of the mandate. This is something that was brought to my attention by the executive directors, but more specifically by boards. I recall meeting with the old board of Winnipeg South, where there was, I believe, a degree of consternation about interpretation of mandate and a lack of clarity in the minds of board members regarding that mandate. Now, with the approach we have taken, that no longer exists. I am pleased that the member for Wellington agrees.

* (0905)

The new board can work on the issue of quality service. Recipients and taxpayers and citizens can take some comfort in the understanding that the service provided, the mandate interpretation will be a uniform one across the city. Again, for the member's clarification, I fully understand that some of the needs and some of the issues in the core area of the city are unlike cases which will surface in some of the suburban areas. The question of mandate, I think, is one we can put behind us. As the new board meets and discusses mandate, we will know that barrier of the varied interpretations will no longer be there.

Also, when you are working with six separate bureaucracies, you have interpretation on how best to provide service. I know the member likes to talk about standardized service. What I like to talk about is standards in service, that regardless where a child or family lives in the city, they have access to a standard of care.

In summary then, we have kept what did work, that is, a community-based system of delivering service, but under one central administration. We believe there will be a city-wide approach to larger

effective prevention and recruitment and training of foster families. That is one of the issues I referenced last night, along with others, where those who were intimately involved in the system also acknowledged that there were things that could be centralized.

In finalizing my comments on this question of the barriers and the answer to it, again I come back to service. I have talked over the last month about improving service and the need to improve service and some of the reforms we are bringing forward. I guess I am a little concerned that I have not heard comment from the critics on the level of service and the improvement of service. I know that members of the opposition like to talk about process and the volunteers. I have heard what they have to say, and I have constantly said that we are doing this to enhance the service provided in all areas of the city. I do not know whether critics felt that the level of service that was available before was satisfactory, whether they want to talk about service issues, but I did see and I continue to see the need to make service improvements. Through this co-ordinated centralized approach, we can remove some of those barriers which were an impediment to service.

I would be very interested in the many hours that we have left to debate the Estimates to have some input from people like the member for Inkster (Mr. Lamoureux) and the critic for the Liberal Party and my friend from Wellington, because I would like to hear their thoughts on service and ways in which it can be enhanced or whether, in fact, they felt there was no need to deal with service issues.

So I think I will stop there and move to the next question.

Ms. Becky Barrett (Wellington): Mr. Deputy Chair, I would on one level like nothing more than to enter into a dialogue on the whole issue of service and questions of service and standards of service. However, there is not enough time in the Estimates process. I am not at all sure that it is the appropriate venue for that discussion, but I would certainly be open to a further discussing of these issues with the minister and his government.

I will say, generally speaking, that there has not been a single person who is involved directly or indirectly with the Child and Family Services division of the Department of Family Services who has not agreed that there are major problems in the system. Where we disagree, as I have stated before, is in

the causes of those problems and the potential solutions to those problems. Far from not having spoken about the level of service and improving service, I would suggest to the minister that both critics and certainly people who have been involved in the system have made numerous suggestions and comments and attempted to discuss in a collegial fashion those very issues.

* (0910)

I would suggest to the minister that the whole process that he undertook, or at least we thought he was undertaking with the agencies in setting up the service and funding agreements, was precisely designed to address those issues, to understand the concerns that were being seen by the agencies themselves and the concerns that were being seen by the government in attempting to come to some sort of common ground. Clearly, that process failed. Again, I would suggest it failed because it was—for at least one partner in the process. The partner with the most power had no vested interest in it succeeding and, in fact, had a vested interest in it not succeeding.

A couple of comments I would like to make. First of all, the minister keeps talking about the comments made in the newspaper by the then head of the Child and Family Services agency group and the association of the agencies. I would suggest to the minister that the background to that comment and others that have been made and the individual so quoted by the minister was the same individual who very adamantly refused to accept a position on the board of the new superagency precisely because she felt that it was not the way to go.

There has never been any disagreement on the part of this critic, nor I believe on the part of the critic for the Liberal Party, although he would have to address that himself, that there were some areas of service, some areas that could not have been dealt with from a central location. Certainly information sharing is one of those areas. Should an information system come to pass in the agency, and it has been a problem for a good long time, over several governments and at least two, if not more, types of agencies in the system, hopefully that will make a difference.

I would suggest, and others have suggested, however, that issue that the minister has talked about at great length as being a barrier to service delivery could very easily have been implemented

in a decentralized, six-agency system. One of the things about computers and computer systems and information systems such as the one that is being discussed about being implemented in this new superagency is that it can be effectively used in a decentralized system. So there is no need to centrally locate the entire administration of one agency in order to implement an improved information system.

Other issues that the minister has talked about as being barriers to service—again I have stated before—barriers that could have, had there been a will on the part of the government, overcome through discussion and work with the decentralized agencies.

The interpretation of the mandate, the lack of clarity re the mandate that the minister talks about as a problem—we have had this discussion before as well—I do not see that as necessarily a problem. I see that as an understanding on the part of the various agencies of the differences in their communities and in the differences that their boards and their communities, as represented by their grassroots, volunteer-driven, community-based boards, as a strength.

* (0915)

I know the minister disagrees with me on this, and I think we will have to probably, at least in the short run, agree to disagree on this, and I think that only time is going to tell what the actual outcome of the restructuring is in this and other areas.

I think that many of the problems that the minister has talked about as being addressed by the restructuring will prove to be far more intractable than he anticipates at this point, because I firmly believe that one of the main problems with the system, however it is delivered, is a lack of resources. By merely changing the superstructure, the underlying root causes of much of the dislocations that have been experienced by the system will not be addressed but, again, that is something I believe that we will at this point agree to disagree on and will see as time unfolds.

I have one question I would like to ask the minister. Again, going back to the issue that I attempted to deal with last night, not very successfully, about the process that was undertaken culminating in the weekend of June 24—restructuring. I would like to ask this one last

question and maybe get at this whole process issue from a different manner.

The minister has stated time and time again actually since he made the announcement and certainly in the Estimates that he believes that this reorganization and this restructuring and this superagency is a step in the right direction. If you believe that this is the case, and clearly you must have believed that this was the case when you started working on this restructuring months and months and months ago, why did you not communicate this new plan, this new vision, this new world order if you will, to the agencies and the people who are most directly involved in the delivering of these services? Why did you bring this superagency into being over a weekend, without any advance notice, with virtually no consultation with the people most directly involved?

It again appears to be a contradiction when you are stating that this is such a positive thing that will have such good results, and it was born out of stealth and deception and lack of all of the things that you say you are very in favour of. Why that dichotomy?

Mr. Gillehammer: I guess I take some exception to the terminology used by the critic. I am sure that maybe she would reflect on that and maybe want to withdraw those comments.

* (0920)

Again, I am interested in the issue of service, and the member indicates that we all agree on the causes of the service problems with the agency. I do not think she has sort of rounded that out to give an understanding of what those causes were. She hinted that it was underfunding. This is the only solution that we have heard from the opposition, that if only there was more money, things would be better.

I consistently heard from executive directors and boards and others who interact with the previous service delivery that we had a system that was not working and that we needed to address some of those service issues. Again, I say there seems to be a reluctance to acknowledge the service deficiencies in the delivery of service to vulnerable children and families. That was the motivation in announcing the reforms that we did, including the restructuring of the administration. Again, I repeat that we felt that what worked in the system was a decentralized delivery system which has been left

in place. The same offices and people are there in the field, and service is carried on as usual at the field level.

The member, and I quote, indicated that government had a vested interest in the agencies not succeeding. I cannot think of a more damaging comment and impugning of motive to government. I want to assure the honourable member that we see the provision of service to children and families as being vital, and the enhancement of that service is the singular motivation in making a change to the administrative structure. I assure her that we continue to seek ways in which we can improve the service delivered to the children and families of the city of Winnipeg and the regions served by the new agency.

The member talked about the information system and said, should it come to pass. I gathered from the words the critic used that she is suggesting that we have no interest in an automated system, and I want to assure her that it will come to pass. We have dedicated the financial resources and the human resources and have had staff, as recently as two weeks ago, looking at an automated system elsewhere in Canada, and we will be bringing on line an automated system which, I think, will go a long way towards providing that instant communication that is necessary in the 1990s.

I cannot recall the exact words of the inquest report regarding that family in St. Boniface, but I recall the sense of it was that in this day and age that it was just incredible that agencies had not automated and that information could be shared with the service providers who were involved in trying to help this family. While that is not the singular cause of the failure of the system in that case, it was certainly a major contributing factor.

The member wants to talk about process, and again I would assure her that in the time that I have been minister, I have made every effort to meet with the community, the people responsible for service delivery, and the collateral agencies, the treatment centres, and individuals who interact with the social safety network in the province, people in Health and Justice and Education. I do not recall anybody saying to me that this was a system that works and works well. Instead, we listened to criticisms from within the system, issues brought forward by executive directors, and issues voiced by boards of directors around the mandate piece, and we heard of the frustrations voiced by people who wanted to

work with the system because the children and families that are served by the system also are being served by other entities within the fabric of the city. No one said that this was a system that was working and eventually this government, after working with the agencies for a period in excess of three years, and my working within this ministry for a period of time, eventually a conclusion was made that we can resolve some of these issues by changing the administrative structure that existed.

* (0925)

Again, I would repeat that we kept what was deemed to be working, that being the decentralized service delivery, and we changed what we felt was an impediment to the delivery of service, that being the administrative structure that was in place. As a result of the creation of one board and one management team, we think we can deal with the issues that were part of the problem of delivering quality service. We will put in place, along with the other reforms that I have mentioned, the child advocate, the family fund, the automated system, and the high-risk indicators. We think and believe very strongly, that we will have the ability to enhance the service delivery system.

I say to the member that it is, in my mind, more than just adding more dollars to the system, that there needed to be some structural reform, and the other reforms that we have mentioned and we believe—the member recognizes that it is going to be determined in the long run whether the new system is a better one and an improved one. I sense that she is indicating that it is going to take time to do that analysis, and I agree. I do not think you can make that decision in the short run, but I am sure if we are sitting here five years from now discussing the Estimates of the Department of Family Services, and if she is still the critic at that time, she will recognize the importance of this decision and praise the action taken by the government. I know that at that time, the analysis that is done will be a positive one.

Ms. Barrett: One comment and then I would like to ask a few questions on the other initiatives that were announced on June 24th. The minister stated that he listened to the concerns of the agencies and the people in the system. I would suggest that he—well, I am not even saying that he actually "listened to" because that presupposes something that I am not sure the minister actually did, but assuming the minister listened to the concerns

regarding the system, what the minister then did was he proceeded to implement changes that virtually no one in or out of the system thinks is a move in the right direction. The minister has not been able to give anybody studies or information that suggest, with very few exceptions, that this restructuring process is the way to go. The issue of problems in the system is not an issue of disagreement. There were, there always have been, there probably always will be problems in a system that is trying to help and deal with families and children in crisis, and hopefully sometimes trying to prevent those situations from occurring. There will always be problems within the system.

* (0930)

No problem, no disagreement in that regard at all, but virtually no one who works in or with or for children in this province feels that the way the minister has gone is the appropriate direction. However, we will be monitoring very closely, as I am sure the minister will be as well, the implications of this restructuring.

I would like to move on to a couple of the other areas that he announced in the restructuring, the first one the child advocate. The concept of a child advocate was a recommendation out of the Kimelman Report. However, one very important difference is seen in the establishment of the child advocate by this government as opposed to what the Kimelman Report recommended, which is that the child advocate in this restructuring reports directly to the minister, whereas Judge Kimelman recommended that it be established similar to the Ombudsman, which would have a very large degree of independence and would report, as the Ombudsman does, directly to the Legislative Assembly. I would like to ask the minister why that change from the Kimelman Report recommendation was undertaken?

Mr. Gillshammer: Mr. Deputy Chairman, I am pleased that the member sees the announcement of the child advocate as a positive step, as we do, that we have had a number of cases and many allegations brought forward in recent weeks to do with children who are in care.

(Mr. Jack Penner, Acting Chairman, in the Chair)

I think it is very fundamental that we are in a position where we can assure society, assure the agencies, assure the families that children who are in care are in the hands of people who have the best

interests of the child at heart and that we have every guarantee and every assurance that children in care are being cared for properly, that the planning and the management and the health of that child is being looked after in a very appropriate way.

Given so many of the concerns that have been raised, I think in the public interest we have to protect those children. In many cases we take children into care for their protection, and it is just absolutely unacceptable that if and while those children are in care, they are subject to further inappropriate treatment at the hands of those people who are mandated to give them the care and the treatment that they so desperately need. So we have accepted the concept that was recommended by Judge Kimelman a number of years ago. We are looking at the model that is used in Alberta and seeking other information on the position of a child advocate.

We hope in coming months to be able to flesh out that concept to the point where we can make an announcement and recruit someone to act in this capacity. I can tell you that there has been widespread support for the concept of a child advocate. The member is in support of that and is questioning whether the advocate should report to the minister or to the Legislative Assembly. We are structuring this so that the child advocate will report to the minister. When the advocate wants to bring forward specific information and specific cases to the minister and to the department, it can be acted on with a reasonable degree of urgency.

We have seen in our Legislature many groups that produce an annual report for the Legislature. If that is the concern of the member, we will find or at least consider finding a way in which we can do sort of an annual report and an update for members of the Legislature. I think it is important that if the child advocate is going to be in a position to advise that remedial action needs to be taken and taken immediately, the child and the system will be better served by the advocate reporting to the minister and allowing the corrective action or the remedial action to take place immediately.

I have discussed in recent weeks this initiative with the Ombudsman. As the member is no doubt aware, the Ombudsman office have investigative staff and the capacity to look into issues that are brought before the Ombudsman. So I think it is important that we do not duplicate what is already in place. In our meeting with the Ombudsman, it was

an area or an issue that he expressed. We will be working with the Ombudsman's office to ensure that we are not simply duplicating what is already there. The Ombudsman, as the member is aware, does provide the Legislature with an annual report which goes into some detail. We are going to put in place the child advocate as a separate creation from the Ombudsman's office and give the child advocate the capacity to move very quickly when it is deemed necessary to act in the best interests of the child.

Ms. Barrett: Mr. Acting Chair, I would suggest that the issue of expeditious action is not one that could not be handled by a truly independent advocate along the lines of the Ombudsman. I do not think that is the basic issue. I do think, from my own point of view, that the mere word "advocate" is an important concept. If you are truly going to advocate for children, for changes to the system, et cetera, you need a degree of independence from the system. You need an accountability to more than the political process, which is what reporting directly to the minister, by definition, entails.

You need to have a process in place whereby the advocate truly can advocate on behalf of children and say to the minister with a degree of independence that this process does not allow for—the system is not operating properly, this needs to be changed, that needs to be changed. I think that this is one of the issues that has been brought up, the whole concept of the way the current board is structured, as nine of the 13 board members will be Order-in-Council appointments directly from the minister and the government.

The independence that the decentralized agencies had which caused some tension between the agencies and the government of the day, no matter which government that was, needs to be protected, and it certainly is not being protected in the restructured board system. If you are going to have independence, it seems appropriate that the child advocate process is perhaps a safeguard, a check in balance, if you will, that this child advocate setup does not allow for because it too will report directly to the minister.

* (0940)

In both of the cases of the board and this child advocate, you are setting up a system whereby you are potentially stifling discussion, dissension, concerns and criticisms, because the people are reporting to and owe their positions directly to the

political process rather than having that degree of independence that true advocacy requires.

I just want to put on record that I believe the concerns the minister has raised about expeditious treatment of these situations and duplication of service are not the fundamental issues and could, should there be the will, have been handled by a truly independent child advocate established along the lines that Judge Kimelman recommended, and that this will not serve the best interests of the children of Manitoba.

Mr. Gilleshammer: I see us having a fundamental disagreement on the child advocate. The member talks about someone advocating for the needs of the system. What we envisage is someone advocating for the needs of the child, that it is the child that is in care that needs the protection and the safety net. While that child is in care, that child can have the comfort and the piece of mind that people who are working with the child have the best interests of that child at heart. There is someone the child can call on if they feel in any way threatened or endangered or abused.

I am mindful of a recent announcement of the Knowles Centre where they are in the process of producing a bill of rights to ensure that children who are in care at Knowles know they have some rights and some protection and an avenue to launch any concerns they have about the system.

Our fundamental disagreement, I believe, is that the member is looking for an advocate for the needs of the system, and what we envisage is somebody advocating for the needs of the child. We do think that there are times when action has to be taken with a fair degree of dispatch to remedy a threat, if you like, to the safety and well-being of that child. The child advocate we envisage is the person who can be put in place to do that.

The member strayed from the issue of the child advocate into the question of the board of the new agency. I can tell you that these people who have been appointed and others to be appointed and others to be elected are members of the community. They are members of the community; they live within the boundaries of the agency. We have hundreds of boards across the system made up of lay people, if you like, people who I have said before have both a head and a heart, who have the capacity to make decisions that have to be made at the board level. I am not sure where the member thinks these

people come from. They are citizens. They are members of the community who have been appointed to a board to make decisions, and they will do so independent of government. They are put in place to make the policy decisions that are required around the organization and the administration in the running of an agency. They are representatives of the community.

(Mr. Deputy Chairman in the Chair)

Part of the new restructuring will be advisory committees that are set up in areas of the city to garner the thoughts and the feelings of the citizens of that area. They will have the capacity to elect a board member and, through this vehicle of the community committees, will be able to provide input at the board level. I am not sure where her thinking is on this, but the board will have the capacity to receive information and advice from the community, and we think that the board structure will work in the best interests of the agency and of the children.

Ms. Barrett: When I was talking about the board, I was talking about not the individuals of the board but the appointment structure, and the reporting structure of the board as similar to the proposed child advocate.

The minister says that the board is independent of government. I would suggest to the minister that the boards of the six Child and Family Services agencies were independent of government and were a thorn in the side of this government and earlier government in some very constructive ways; because they were independent, because they were elected and responsible to the community, they reflected the will of the community.

The new board is not elected by the community. Nine out of the 13 new board members are not elected by the community. They are appointed by the government. They are by definition just because of the whole system. When you are a government appointee, you are not going to be able to be as independent of the system or the government as you are if you are elected by the community, just because no matter how good your motives and your intentions are, the government ultimately has the power to dis-appoint you.

An Honourable Member: Disappoint?

Ms. Barrett: To take away your appointment. To rescind the Order-in-Council. That structural difference is going to make a very important difference in the kind of advocacy that will be

undertaken on behalf of the system and the children. I just think that the whole issue of independence is one that is a very important one in this whole restructuring.

* (0950)

I think part of the problem the minister found with the previous boards was that they were independent. They were causing the government a great deal of discomfort, and so the minister chose this restructuring as a way to get away from that ability of the independent boards to act as gadflies, to give advice that the government may not want to hear because it is uncomfortable, but may be necessary advice. I think the whole issue of independence is one that is central to this entire restructuring.

I would like to ask about two more elements of the press release and the announcement. Number one, the Family Fund is very general in the press release: consolidate existing dollars committed for prevention and family support work, controlled by the provincial government, target projects and programs that offer effective prevention to families at risk.

I have several questions and maybe the minister can respond to the series. How many existing dollars are going to be under the Family Fund? What administrative costs are attached to this Family Fund? What are the terms of reference, the guidelines, that the projects and programs will have to come under in order to access that funding? What is the process whereby these projects and programs are funded?

Mr. Gillehammer: Mr. Deputy Chair, this is existing dollars in the system—and I believe the figure we have been using is \$3 million to \$4 million—that is apart from the pure protection of children. It is money that is in the system that has been accessed by some of the agencies in the area of prevention. Some of the agencies who have been involved are Family Services of Winnipeg Incorporated, the Health Sciences Centre, Child Protection, Rossbrook House, the Villa Rosa, the Salvation Army Lindenview Residence, the Native Women's Transition Centre and others. I think the member is aware that there are other groups and agencies who are also asking for support. Many times the critics are saying, can government not take over this initiative that was once funded by the city, or can government help with this initiative that

was funded by the federal government, or a specific program? This is going to be dollars that are targeted for prevention, and we are working on the terms of reference and on the process at this time.

We would hope that in the fall we can, as we get ready for the next budget year—because as the member is aware, the dollars in this year's budget are already allocated, but we think we need to take a new approach to the whole area of prevention and give us the flexibility to recognize some new initiatives and to have some resources available to be able to fund some new ideas. So I cannot give the member a lot more detail than that, but I would hope by the late fall—and as we prepare for next year's budget we will be able to take a look at those dollars that are in the system.

Ms. Barrett: Mr. Deputy Chair, so for clarification, there is \$3 million to \$4 million. Some of the agencies that the minister listed are currently recipients of Family Services grants. Family Services Winnipeg Inc., Health Sciences Centre, Child Protection, the Salvation Army, among others are currently receiving money from the Department of Family Services. Now, is this \$3 million to \$4 million—for example, I am trying to get the process here. The Health Sciences Centre, Child Protection Centre for this fiscal year is receiving \$784,300 from the Child and Family Services Division. When this family fund comes into effect, let us say for purposes of discussion, in the next fiscal year, say it does not get off the ground till the next fiscal year, would a portion of that \$784,300, or whatever the decision is made, be taken away from the global fund to that centre to be put into the fund, to the family fund? Would some of this money then—would you say that the Health Sciences Centre would have to compete with other agencies for this fund? How is this \$3 million to \$4 million going to come out of the money that is already allocated to these agencies?

Mr. Gillieshammer: I do not want the member to think that we are going to withdraw the funding. I am saying that we want to consolidate the money that we are funding for prevention and separate it from the work the agency does on what I call "pure protection." I think we need to consolidate that money and focus on the existing grants to family support agencies and give us an opportunity to look at what we do in the area of prevention.

You know, we cannot get into the area of next year's budget at this time, and we have talked about that before, that we are still in the process of an

exhaustive and extensive review of the Estimates of this year's budget, and following this we are going to, in the latter months of this year, be looking at the budget for the next fiscal year.

I think maybe if I suggest to her that the prevention dollars were allocated on a rather ad hoc basis, and we need as a department to look and to focus on those dollars and to see how they can be best used and best co-ordinated for the preventative services that are offered in the city.

I just mentioned a few of the grants, and I do not want the member to get on the phone and say, do you know what the minister said? He is going to withdraw funding. That is not our intention.

I think we want to take a look at the dollars that are being spent on prevention and to have the capacity to look at some new initiatives. In a department this large, with \$571 million being spent, we want to identify dollars that perhaps could be used on some new initiatives in the prevention area.

Ms. Barrett: Mr. Deputy Chairman, I do not want to do anything other than understand the process, so perhaps what I can do is see if I understand the process by talking hypothetically.

(Bells ringing)

An Honourable Member: Oh, a formal vote.

Mr. Deputy Chairman: They are just calling them in the House. Go and see if it is a formal vote; we will continue on.

* (1000)

Ms. Barrett: We will continue? I do not want to lose a second.

Mr. Deputy Chairman: We will continue until I find out what is going on.

Ms. Barrett: Okay. Let us assume agency X which currently gets a grant of \$500,000. The process would be that the department would look at the half a million dollars and say \$250,000 of those dollars are currently going to prevention programs and \$250,000 are currently going to protection programs. So what we are going to do is look at the programs that are currently being funded for agency X under prevention and put them on a second line in the budget so that you—is it sort of an administrative, a budgetary exercise as well as a programmatic exercise?

Is that the process that you are going to go through the agencies and say, these are their programs that are currently being funded that are

prevention and we are going to put that into a different subcategory? You talk about a family fund, so I am trying to find out where that—if the money is coming from existing resources, then it has to be coming from somewhere and I am trying to get the process whereby it is transferred from other areas into this fund and then who can access this money.

Mr. Gilleshammer: Mr. Deputy Chairman, the money we put into the system is not just the money that goes to the Child and Family Services agencies. We wanted to establish and highlight the other monies that are spent on prevention. We want to review the services to ensure that we are meeting the needs of children and families that we serve.

We are going to review and refocus the money we spend on prevention and be able to have, as we plan the budget process, not only internally a better understanding of the prevention dollars, but to review the types of programs that are being offered and have an opportunity, hopefully—and we cannot say with any degree of certainty what level of new funding will be available in the coming budget.

As you know, and we have said before, the revenue this past year has been flat. Even though we were able to increase funding for this department by 6.9 percent, we do get locked into programs and funding year after year. Sometimes the ability to fund new programs is rather limited. We think the whole area of prevention, which many have given some degree of lip service to, needs to have some more clarity to it, so we can provide those scarce dollars, those limited dollars in the best possible way and put forth prevention programs that we have some degree of comfort are working and are doing the job they are intended to do.

We have talked about the area of prevention before being rather nebulous in terms of how you evaluate the success. I think it is important that, if we are spending millions of dollars on prevention, we have some understanding of where that money is going. If by co-ordination and refocusing those dollars, we can encompass new programs, and, if we have the ability to add dollars in that area in the coming budget, we have to be able to have some assurance that money is targeted to prevention programs that in fact are working.

I read with interest in the paper this morning, and I am sure the member did too, some comments by the federal government on core area. There is truly a myriad of programs that under Core Area Initiative

have been started. I think a lot of them are preventative in nature. I have had the opportunity to visit Rossbrook House and get a better understanding of the services and the programs that they offer in the inner city. The critics and others are constantly saying, well, here is a good program that somebody else has started. Why do you not fund it? Here is another program that its funding is going to no longer exist because the Core Area Initiative is coming to an end.

I think it is important that we have some understanding of what programs are offered. I can tell you that I have recently met with the Winnipeg Foundation and the United Way, and they have the same concerns. They, too, are major funders for programs in the inner city. I got a good sense from those meetings with the United Way and Winnipeg Foundation that they are interested in working on a co-operative approach, so that we have some understanding of the funding they do and we have some understanding of their thinking.

I am pleased that that co-operative approach is there, and we intend to pursue further meetings with those two funders so that we move ahead with funding in a co-ordinated way so that some of these programs will be able to continue. At the same time, I think we have to be concerned about the evaluation of programs that are in existence. Any group who is accessing public money, I think, has to be open to public scrutiny and evaluation, so that we have some comfort that the programs that are in place are actually doing what they were intended to do.

Mr. Reg Alcock (Osborne): Mr. Deputy Chairman, perhaps we can pick up on some of the discussions that have taken place around the funding. I understand the minister has indicated that this family fund is some \$3 million to \$4 million and that it is separate from the protection work done by agencies. Am I to assume then that it does not involve funds that are currently under the control of the new agency?

* (1010)

Mr. Gilleshammer: That is correct. We are talking about money that is currently in the system that is allocated to a variety of other groups, and I listed some of them earlier. I would hope, as we plan for next year's budget, we can look at where that money is being spent. Even if there is no increase in funding in that area, we would hope to be able to analyze dollars that are going into prevention. If this

department can access more or larger increases in the amounts that are given to Family Services, perhaps we can enhance that and provide even further dollars for prevention.

Mr. Alcock: Then given—maybe I am making an assumption here, I am just asking for clarification that that \$3 million to \$4 million would be coming out of the line that is listed on page 93 of the supplementary as Other External Agencies, which is currently listed at \$6,902,600, and that in this year some \$3 million to \$4 million is going to be set aside into what is now euphemistically known as the family fund?

Mr. Gilleshammer: If you will just give us a minute, we will check the page that the member is referencing.

Yes, that is the line that is shown on page 93 of the supplementary Estimates under Other External Agencies. The grants that are given to external agencies—we want to do some consolidation of the existing grants and look at the programs that are being offered and, if possible, in future budgets, be able to enhance the prevention work that is being done. These are dollars that are currently in the system that are apart from the work done on the pure protection issues.

Mr. Alcock: The minister's use of the words "in future budgets," does that mean that this family fund will not be established in '91-92?

Mr. Gilleshammer: The budget for this year and the dollars for this year are already committed. We have committed to agencies that we fund, in most cases to have those grants remain at last year's levels. I say that with the knowledge that in many areas of government, grants have had to be looked at with some degree of scrutiny, and there are areas where grants have been reduced or eliminated. In Family Services our grants by and large have remained at last year's levels. They are committed and we are looking to the future when we talk about this initiative.

Mr. Alcock: So, in a future year, basically half of the funding currently available to these agencies will now be in question.

Mr. Gilleshammer: No, that is not correct.

Mr. Alcock: If the minister has withdrawn from the other external agencies' lines on \$3 million to \$4 million that will be made available for certain projects, presumably that these agencies will be able to apply back for, they are not going to have the

same certainty in their funding base that they currently have.

Mr. Gilleshammer: Yes, I think we covered this ground a few minutes ago. I indicated to the critic from the official opposition that we are not withdrawing those funds. We are going to work with the agencies that we provide funding for in a co-ordinated fashion to target and focus our prevention dollars in the best way we possibly can. Again I say to the member that we are not withdrawing funding. We want to take a co-ordinated approach to the area of prevention and the many groups that access funds from this department. Again we cannot presuppose at this time what the next budget will bring, but our hope is that we can provide enhanced preventative services for the children and families in the city of Winnipeg.

Mr. Alcock: Like every other announcement to date, this is simply a name without any substance to it. You are not going to produce any change in the existing system. You are taking money out of a line, but it is not going to produce any instability in the funding that those agencies currently receive. It strikes me that the minister has been smoking something he should not have been.

I would like to ask him a specific question though—

Point of Order

Mr. Deputy Chairman: Order, please. I would like to remind the honourable member that we should choose our words very carefully. We are getting very close to the questionable. Thank you.

Mr. Alcock: Thank you, Mr. Deputy Chairman. I appreciate your admonition. I can assure the Deputy Chairman I am deeply into the questionable.

Mr. Deputy Chairman: Order, please. I would ask the honourable member to retract those types of statements from the record.

Mr. Alcock: Thank you, Mr. Deputy Chairman. I would do so.

Mr. Deputy Chairman: Thank you.

* * *

Mr. Alcock: The minister has been unable to identify the cost of the interim administration or the new administration that has been put in place to manage this new agency. He is unable to identify the source and funding for the family fund, and now

I would ask him one other thing. How much is this child protector's office going to cost?

Mr. Gilleshammer: Mr. Deputy Chairperson, the honourable member, who has just arrived, begins the day with some personal attacks. I would remind him of his words yesterday when he indicated to the Assembly that he did not like to see politics involved in this noble mission we have of providing services to children and families. Then he immediately launches into the politics by launching into personal attacks. If the member is truly interested in the issues, I would urge him to stick to questions on the issues, and I would hope to refrain from making personal attacks on him.

I can assure you that decisions made by this ministry and this government were taken with very serious and sober contemplation of providing a better service for the vulnerable children and families that exist in the city of Winnipeg. We have announced a restructuring. We discussed last night the costs of that and said very clearly that when we launched into this, that this was an estimate of some of the initial start-up costs.

* (1020)

We indicated that there were some variables involved in that and we estimated that to be in the neighbourhood of \$300,000 to \$400,000. We knew that there would be some legal costs. We knew that there were other start-up costs. We knew that there may be costs with individuals who did not want to work in the system. I have since said that the costs are probably going to be lower and that we would find those funds from within the department and the start-up costs would not be part of the costs of the new agency.

In relation to the family fund, we have said that government at the provincial level funds a number of organizations apart from the main agency that does the pure protection work, that they do a certain amount of prevention. We believe that we need to refocus and consolidate that fund and to take a look at the work we do on prevention. We think that by co-ordinating that, we can provide better programming and better preventative services. I have also indicated I have had recent meetings with The Winnipeg Foundation and the United Way who are very interested in working with government to examine the programs we currently fund and they currently fund, to examine some of the organizations who do not have the security of

funding because they have been funded by the municipal level of government or the federal level of government.

As we know, some of that funding is about to expire. We are constantly being asked by organizations and by the critics here assembled to provide more funding for those particular organizations and agencies. We cannot possibly accede to the funding of groups that have been funded by other levels of government. We have committed to working with The Winnipeg Foundation and the United Way to have a more co-ordinated approach to the vulnerable families in the inner city.

There is a high degree of co-operation between government and the United Way and The Winnipeg Foundation in our initial meetings. I think we see some common goals that we want to work with them on to provide additional dollars, if we can, for preventative work in the city of Winnipeg.

Mr. Alcock: I believe, Mr. Deputy Chairperson, the question was: What is the cost of the child protector's office?

Mr. Gilleshammer: We spent some time earlier today talking about the child advocate. We indicated at that time that we are currently working on the details of the child advocate. We would estimate that probably three staff years would be involved and an approximate cost of \$250,000.

Mr. Alcock: Is it still the minister's intention to have this child advocate report to the minister?

Mr. Gilleshammer: Yes, again we just covered that a few minutes ago. The intention is for the child advocate to report to the minister.

Mr. Alcock: I just have a couple of questions on the investigation that was done recently of the Knowles Centre.

I understand the recommendations from the report were given to Knowles, and they have been given till the 15th of August to respond. Is that correct?

Mr. Gilleshammer: That is correct.

Mr. Alcock: Why was Knowles not given the contents of the report?

Mr. Gilleshammer: The external review was done by a group of five individuals. They did give a copy of the review to the centre. I think the member is aware that under The Child and Family Services Act there is confidential information regarding children

which we are not allowed to make public. There are a lot of personal comments and personal information involved there, and the Knowles Centre, I believe, was comfortable with the manner in which that external review was handled and the information that they received.

Mr. Alcock: Well, I can tell the minister the Knowles Centre is having some questions about how they implement recommendations when they do not have a sense of what they are based on.

Mr. Gilleshammer: Well, we have in the directorate worked with the Knowles Centre. I am not sure where the member is getting his information, but I have met with the board and we have talked about the review. We have talked about some of the issues involved. To my knowledge, we have not had that concern raised in my office by the board.

Now, I know that they have many, many difficult issues that they are struggling with, and the board has been very, very co-operative. They have expressed their concern about their institution, and the directorate has agreed to meet at any time with the board to discuss the details. I acknowledge that they have difficult decisions to make. I am impressed with their sincerity in having an institution which is accredited, look at some of the allegations that have been brought forth and, in the long term, make the changes that they feel they have to make.

If the board is having some difficulties, they have not expressed that to my office. I believe they are well aware that the directorate is available to meet with them at any time to discuss those details.

Mr. Alcock: So then it is the minister's understanding that Knowles both has a copy of the report and has no concerns about the knowledge they require to properly implement the recommendations.

Mr. Gilleshammer: Yes, the full board has received the report. They do not have all of the background and detail of the interviews that were conducted, but they do have a copy of the report that was presented to me. The directorate staff have been available to the Knowles board and again, they, I believe, are aware of the fact that we will work co-operatively with them to help them sort through their decision making.

Mr. Alcock: Prior to the takeover of the six agencies, the different agencies had different policies about whether or not they were going to

continue to refer children to Knowles until such time as Knowles had made a decision as to the recommendations that were contained in that report.

Now given that that action is not expected until the 15th of August and given that prior to the takeover there were some agencies that had sufficient concerns based on the information that they had that they were not willing to place children at Knowles until they had responded to the report, what is the policy of the new agency? Are they today placing children at Knowles or have they suspended placements of children at Knowles until they get the response from Knowles, which is expected on the 15th of August at the earliest?

* (1030)

Mr. Gilleshammer: The member is quite correct. The old agencies did have a varied response to the situation at Knowles and sometimes a contradictory response. They expressed their concerns with the allegations that were surfacing and some of the executive directors, I think, were more involved with the information surrounding the allegations on Knowles.

I am not aware that any of the agencies withdrew their children from the Knowles Treatment Centre at that time but they publicly, in the newspapers, expressed their concern. The safety of those children was a concern of everyone. We asked the children at Knowles to talk directly to the social workers who were involved in their placement at Knowles. We asked the Winnipeg Police to give us some assurance that those children were safe. We asked any other service providers to check on those children. The Knowles board had the same concern that they wanted to be sure that the children placed at Knowles were, in fact, not being inappropriately cared for. While the executive directors were making comment about Knowles, some of them continued to refer children. Most continued to leave their children in care there and others backed away from referring new cases to Knowles. There was a varied response to the Knowles situation.

The member has asked about the new agency. My understanding is the executive director has expressed an interest in reviewing the report and is in the process of making recommendations to the board. He, in public, in print has indicated that he would review any of the allegations that had surfaced recently and I think acted in much the same

way as some of the former directors from his comments in the paper, asking about those children in care, and was dealing with his board and with the Knowles board over this situation.

Mr. Alcock: My question is simply, what is the current policy? One of two possibilities, either the new board of the new agency has reversed the policy decision of at least two of the former agencies who said they would not place at Knowles until they received some assurances and some indication of how Knowles was going to respond, or he has reversed the policy of those agencies which said that they were going to place at Knowles regardless of the outcome of the report. All I am asking for is, what is the current policy? We know Knowles is going to respond on the 15th of August. Between now and the 15th of August, is the new agency referring placements to Knowles or is it not?

Mr. Gilleshammer: Our best information at this time is that the agency has continued to place children there. I would ask staff to clarify that with the new agency. The executive director has expressed his reservations. The agency has been in operation for a matter of weeks, and we will seek to clarify the policy that is in place at this time. Again, the previous agencies reviewed with their social workers the placements that were there to ensure children were safe. The Winnipeg police and the Knowles board did likewise. We spoke earlier about the Knowles board bringing forth a bill of rights to add another layer of comfort to be sure that the children in care were aware that if there was anything untoward, that they had an opportunity and an option to bring their concerns forward in another form.

Mr. Alcock: So at least two of the agencies that were closest to the allegations, that had the most information about the circumstances at Knowles, had decided not to place there. Is the minister now telling me that the new agency is continuing to place there?

Mr. Gilleshammer: I said very clearly that we would check with the board and the director to see if they had the opportunity to formulate a policy and when we get the information, I would be happy to pass it on to the member. I would repeat that all the children at Knowles have been reviewed by the social workers to ensure that the children feel safe.

The member indicates that some of the old agencies were closer to Knowles than others. Well,

there was divided opinion on whether they would place or whether they would not place. I would point out to him that to my knowledge none of the agencies withdrew their children. The concerns that have been expressed in these allegations, the review that was done lead us to believe that there were serious problems in the 1980s. The board has been given some direction, and by August 15 they will report back with some of the changes they have made.

I have spoken with the lawyer for Knowles on a number of occasions, and he has indicated to me that the board is involved in very difficult and serious decision making and nobody is taking lightly the major decisions that the board is wrestling with. They still have in the neighbourhood of three weeks to comply with that recommendation. Again, I would say to the member that the department is ready and willing to meet with the board at any opportunity to assist them in their decision making.

Mr. Alcock: There certainly was some variance in the placement policy among the various agencies. It is interesting to note that the agencies that had the cases that were involved that were closest to the issue chose not to continue to place at Knowles, so I will be anxious to hear what the policy of this new agency is and whether or not they have overturned that decision that was made by the former agencies.

We talked a bit last night about the administration of the new agency and the former six executive directors, two of whom had resigned prior to the takeover, three of whom have come back into the employ of the new agency, leaving one that, as I understand, to date there is yet to be a decision made about. Can the minister tell us what the status is of that sixth person?

Mr. Gilleshammer: I am informed that we have three resignations of former executive directors, and three of them are going to be involved with the new agency in some capacity.

Mr. Alcock: So then it is the minister's information that the executive director of Northwest Child and Family Services has submitted his resignation.

Mr. Gilleshammer: That, of course, is a personnel matter between the individuals involved and the board and the executive director. I will endeavour to confirm that in the next short while, and I could provide that information for the member. I understand and think from department staff that there were—and perhaps it has not been finalized.

I would defer, I suppose, to the board and the CEO to make comment on that.

* (1040)

I know the former director of NEW FACESS had indicated, and I believe had resigned. I saw that in print. The former executive director for Winnipeg South sent me a note some weeks ago indicating he had resigned to take a position in Ontario. I guess those are the two resignations that I can truly confirm.

Mr. Alcock: I asked the minister at the start of Estimates for the grants list. I am wondering whether or not he is able to table it now.

Mr. Gilleshammer: I am sorry, Mr. Deputy Chairman, we do not have that available today at this point. We worked here last night until after one o'clock, and most of us were back here at nine o'clock this morning. We have not had time to deal with some of the requests that were made at last evening's meeting. We will endeavour to get that information for the member.

Mr. Alcock: So such information is not prepared prior to doing a budget?

Mr. Gilleshammer: We have a lot of information available that is in various forms. We can endeavour to get that for the member as soon as possible.

Mr. Alcock: The minister in this department—this department provides services to a wide range of agencies. Child and Family Support through its various budget lines under Maintenance of Children and External Agencies funds a wide number of agencies. I am wondering if in the last year the directorate has been approached with some concerns about financial inappropriateness in the management of the Manitoba Foster Parents Association.

Mr. Gilleshammer: I met with the foster family association about two weeks ago, and they did not raise the issue. I am told that the executive has not brought to our attention any concerns. The directorate is aware that some people have expressed some concerns, and I think there are some changes have taken place with the foster family association, but we have not had any official concern raised or expression of concern made to my office or to the directorate.

(Mr. Gerry McAlpine, Acting Chairman, in the Chair)

Mr. Alcock: Just to clarify that, and that is fine. So the department has never been approached by representatives of the association expressing concern?

Mr. Gilleshammer: Basically, no. There again have been rumours and allegations that circulate, but the executive and the board of the foster family association has not brought that forward to either the directorate or to the minister.

Mr. Alcock: As we look at the coming fiscal year, and I recognize we are talking about the '91-92 budget figure, but there already is some discussion of the '92-93 framework for the Estimates within government and also within the agency. At a meeting recently of the finance officers or administrative officers of the new agency, there was a statement made by the—I am not certain what the name of the position is, but the chief administrative officer of the new administration that next year's budget for the new agency would be less than this year's budget, that there would be a bigger cutback expected, citing continuing difficult times provincially.

Can the minister share with us what information has been provided to the agency that would lead them to this conclusion?

Mr. Gilleshammer: I say with some confidence that no information of that nature has been communicated to the agency. We have not yet begun to get into serious preparations of next year's budget. We are still involved in this comprehensive review of the current budget. It is my hope that in the fall of this year that we will spend time in September, October, November looking at the department and starting to prepare and asking the department to come forward with recommendations and ideas in preparation for next year's budget. That process really has not begun yet. In clear answer to the member's first question, we have not said anything of that sort to the new agency.

Mr. Alcock: Perhaps they are simply speculating based on the comments of the Minister of Finance (Mr. Manness) that he has been talking about the overall economic picture of the province.

I would like to move on then to another area that has more to do with the administration of the department in general. I note that the Deputy Minister of Family Services is heading a process that is involved in this review of the actions of former staff or current staff in the department—Mr.

Gajadharsingh. I would like to understand a little bit of the role of the deputy minister in that process.

* (1050)

Mr. Gilleshammer: Mr. Acting Chairman, the deputy minister has requested the Civil Service Commission to do an investigation and that is underway.

Mr. Alcock: Is it simply the Civil Service Commission that is doing the investigation or is it a committee comprised of Civil Service Commission staff and others?

Mr. Gilleshammer: The investigation is done by the Civil Service Commission.

Mr. Alcock: They will be reporting in their normal course through the Civil Service Commissioner as opposed to through the Deputy Minister of Family Services?

Mr. Gilleshammer: Their report will come to the deputy minister.

Mr. Alcock: Other than requesting such a review, which may have been appropriate given the fact that the person in question worked for this department at one time, other than requesting the review, the department and the administration of the department is playing no role in the review?

Mr. Gilleshammer: That review that is being done by the Civil Service Commission is ongoing and we will await its results.

Mr. Alcock: One of the questions that has been raised as a result of all this discussion has been the extent to which people are placed in the Civil Service as opposed to excluded positions without competition. Has any of that occurred in this department?

Mr. Gilleshammer: Mr. Acting Chairman, the recent allegations are being investigated by the Civil Service Commission but the staffing in the department has followed normal staffing guidelines.

Mr. Alcock: Well, then let me ask the question this way. Since this minister was appointed as the minister of this department, have there been any staff hired in what are commonly referred to as Civil Service positions, as opposed to the minister's personal and political staff, that have not been subject to full Civil Service bulletining and boards?

Mr. Gilleshammer: The normal practices of staffing have been followed within the department, and there are occasions when people are appointed on an acting basis as has been practice in the past.

Mr. Alcock: Are there cases where people have been appointed directly to positions not on an acting basis?

Mr. Gilleshammer: I am informed that there sometimes are waivers of competition, and certain criteria have to be met. I would reference the decentralization initiative and some of the people on the redeployment list.

Mr. Alcock: I wonder if the minister could provide me with a list now of those people who have been appointed to Civil Service positions where the competition has been officially waived or otherwise circumvented.

Mr. Gilleshammer: I would say to the member that nothing has been circumvented, that the practices are audited by the Civil Service Commission. We will endeavour to get a list for the member and will do so as expeditiously as possible.

Mr. Alcock: Perhaps while the minister is having such a list prepared, he could tell me how many positions since he became minister have been filled in this manner?

Mr. Gilleshammer: We will try to get that information for the honourable member and provide that for him in due course.

Mr. Alcock: I note that, back in the Child and Family Support budget for a brief moment under Group Homes, there is an increase from \$6.8 million to \$7.3 million. Can the minister tell us what that increase is based on?

Mr. Gilleshammer: We are jumping around here, and I am just not sure we have got the information that the member is asking about, but there is a residential care increase. I am told the third-year cost of the MGEA parity would be responsible for that, if we are talking about the same line.

Mr. Alcock: We are, indeed, jumping around just given the somewhat limited time. Perhaps I can ask some questions about the Native Agencies line, just to alert the minister to the line I am looking at. It is in the supplement; it is on page 93 again. It is 6.(b)(3). It is the detailing of 6.(b)(3), so it is Native Agencies.

We discussed this the last time we were in Estimates about whether or not the Native agencies were going to become a part of what has become known as the structured care continuum or they were going to implement that within their agencies. The minister assured us at that time that the Native

agencies were fully supportive and had not raised any concerns with him. The Native agencies subsequently, in writing, raised a series of concerns and said they were not prepared to be a part of the structured care continuum.

I am interested, though, in the relationship between Ottawa and the department and the Native agencies on the funding of services to the agencies given the recent discussions and the series of statements in the House by the minister about the funding support provided to Native agencies in this province. Perhaps the minister could just clarify for us the existing policy.

* (1100)

Mr. Gilleshammer: Mr. Acting Chairman, we have had a number of meetings with the Native leadership regarding the Native agencies. I have said very clearly, on a number of occasions, that we have a lot of work to do in the area of the Native agencies and the concerns they raised.

I first met with them last fall in Dauphin, and they presented me with a list of concerns that they wanted to work with government on. We have had subsequent meetings with Native leadership on Native child welfare issues, and the most recent one was held last week where part of the discussion centered around, at one point of the meeting, the structured care continuum. Yes, the Native agencies do raise concerns about the structured care continuum, and I dare say it is an issue that requires further discussions with all of the agencies and people concerned with foster care.

Specifically with the Native community, I believe there was a sincere desire on their behalf to try and understand what was meant by the structured care continuum. They did take the opportunity to explain some of the child-rearing practices that Native families believe in with the extended family and the care that does take place with Native fostering.

So we have agreed to work further on that, because I think there was quite a misunderstanding on the part of the Native agencies and groups as to the intent and the meaning of the structured care continuum. I think that there is some basic agreement on the beginning of understanding that, but I readily admit that we have more work to do in that area.

Now, the member also asks about federal funding and cost sharing with the feds. The federal government has withdrawn \$4 million from the Child

and Family Service program as it relates to Native children. They are also threatening to withdraw some \$12 million to \$16 million that was flowing for social assistance. So the first piece has, in a very heavy-handed and arbitrary way, been announced and has been proceeded with. We have stated our objections publicly to that. We have met with the Native agencies and I did meet with the Minister of Northern and Native Affairs, the Honourable Tom Siddon, in the spring to voice our concerns. I have since written him two letters very clearly objecting to this and objecting to the understanding we had at that meeting.

I think part of our concern is that there were suggestions that that money was going to flow in a different manner to do with the provision of service. There was a vague hint that maybe that money would also flow to different provinces to address Native issues in other provinces. So we have not changed our position that we do not intend to negotiate away the historical and, I think, legal obligations of the federal government to child welfare. The minister has not responded to my letters and we will continue to attempt to have that money reinstated.

Mr. Alcock: Well, then the \$4 million that the minister says has been withdrawn, was that withdrawn from the monies that are normally recoverable by Manitoba from Canada? Or was that withdrawn directly from the budgets of the Native agencies?

Mr. Gilleshammer: No. It is withdrawn from the amount recoverable from Canada.

Mr. Alcock: So in 6.(b) where we see an amount recoverable from Canada—\$45,190,700—is that after it has been formally withdrawn or does that include the \$4 million?

Mr. Gilleshammer: Yes. The withdrawal is not reflected in this year's revenue because we did not learn of this until the very, very last minute.

Mr. Alcock: So then the revenue for this department is overstated by \$4 million, subject to the dispute? I mean, I am not saying that is right or wrong. I am just wanting to be clear about that.

Mr. Gilleshammer: That is correct.

Mr. Alcock: I am going to ask one final question and let the member for Wellington (Ms. Barrett)—I know she has some more on this particular area.

The policy on structured care—I am interested in the minister's comment about the need to review that. I am hopeful that reflects a desire to terminate any further development of this noxious policy. I am pleased that he has met with the Native agencies and has heard some of their concerns, and I trust he has reviewed the concerns in the non-Native agencies. I would just like to get clear in my mind what the current status is in foster care in the non-Native agencies.

In the Native agencies the minister has accepted the concerns raised by the administration and the chiefs and councils, et cetera, and is prepared to put this on the back burner. What is the current policy with the non-Native agencies? Are they being forced to implement this destructive policy, or are they being allowed the luxury of review and of looking for a more appropriate way to serve children?

Mr. Gilleshammer: Mr. Acting Chairman, I met in the last couple of weeks with the executive director and some of the board members of the Manitoba Foster Family Association where we did talk about the agreement that was reached some two years ago and the understanding of that agreement as it relates to basic rates and the special rates. We have clarified some of the issues related to the basic rate and the special rate. We will continue to consult with all the agencies and the MFFA.

I think there is a recognition that there has to be some form of structure, and we are continuing to work on the structured care continuum with the Manitoba Foster Family Association. There is a recognition that there are children with basic needs and there are children with special needs, and there has to be an understanding of the application of the various levels of foster family funding.

* (1110)

We simply cannot have one area of the city with everybody at a basic rate and another area with everybody at a Level III or IV rate, so we are continuing to work with the Foster Family Association on the structured care continuum to work out an understanding and a solution to the foster family funding agreement. We agreed at that time to flow the retroactive money on the basic rate and had offered to meet with them immediately. They have asked us to postpone that for a short period of time but are anxious to meet some time in August to finalize the basic rate. There is an

understanding that there is an offset, that as the basic rate increases, the special rate will come down, and there is an agreement that there will be some offsetting as the basic rate increases to the third level of that agreement. We will work with the Foster Family Association to further our understanding and the application and implementation of a form of the structured care continuum and the finalization of that agreement.

Ms. Barrett: I would like to briefly add my serious concerns to those expressed by the member for Osborne (Mr. Alcock) regarding the structured care continuum and the horrendous impact that is going to have on the care of children in this province. The whole series of policies that have been instituted by this government since it attained its majority, are going to have unbelievable long-term and short-term impacts on service provision in all areas of the government. The structured care continuum is another example of that.

I have a couple of questions for the minister on the restructuring of the Family Services agencies. In the press release and in other comments that have been stated, the minister has talked about, in particular, dealing with the unions. The six individual Child and Family Services agencies had a range of staff negotiations. Not all them are unionized, although Child and Family Services, Eastern, requested certification immediately upon finding out about the restructuring. Two unions currently provide service to the staff of the new agency, the Manitoba Government Employees' Association and the Canadian Union of Public Employees. Can the minister tell us what plans he has for dealing with those two unions which have, I would imagine, quite different plans and policies in place, and how the minister intends to deal with this situation?

Mr. Gilleshammer: I do not know, Mr. Acting Chairman, what the reference was to the press release. I do not recall making comment but the staff, I am sure, will be able to deal with the board and the CEO on that issue. I do not intend to be involved, nor do I think I should be involved.

I would like to go back to the structured care continuum that the member made comments about. I think it would be interesting because your comments are very negative about the structured care continuum. If you could be more specific about what it is that you take objection to with the

structured care continuum and give us some detail on that, I would be very interested in that.

Ms. Barrett: Yes, I would be glad to go into a great deal of detail with the minister, but I think the Estimates process—given the small amount of time that we have left to deal with the issues facing the entire department, this is not the appropriate time to be able to give the issue the amount of discussion and full airing of concerns that is required, but I would be glad to sit down with the minister and talk to him at great length about it.

I would just say, very generally speaking, that my understanding about the structured care continuum and the concerns that have been expressed regarding the structured care continuum is that it is a system being put in place to make the bottom line happy, not the services to children.

The families who are providing care to children in this system, who will be affected by the structured care continuum, are very concerned that if it is implemented they will, in many cases—there are some cases that I know of, in particular, where families may be torn apart, if you will, where there are siblings currently living in the same foster family, who under the strict rules of the structured continuum, as I understand it, the foster family would not be able to care for all of the siblings because it would exceed the numbers of children at the high levels, the Levels III and IV that the structured care continuum allows for. That is one area.

Another area is that there is a great fear that the structured care continuum as suggested in its implementation, at least the last time I talked to people about it, would have the effect of lowering the classification of children, that there would be an impetus to classify children as Levels I and II rather than Levels III and IV.

Also another concern is the instrument itself, a copy of which I have seen or a document that I have seen, that is the test or the instrument whereby the level of care that families can give is determined, has some very serious flaws.

So those are some of the areas that I would be willing to discuss in more detail with the minister. Again, as I stated, I think this is an inappropriate time to get into much of that in detail. Again, I will state that the information that I have and the concerns that I have are not concerns that there may have been changes in the system, in the proposal, since I last spoke with people about the structured care

continuum. So I am not at all sure that my information is as up to date as it might be.

Mr. Gilleshammer: I see some level of agreement between us on this issue, because I think you would agree that we need to ensure consistent standards across the province. I think I hear you saying that there should be a certain consistency with special needs children, and I am sure we agree that the children should get the most appropriate foster care that they can. So I do not know whether we are that far apart on this. I would indicate, you referenced some specific cases that all existing cases would be grandfathered. So I would put your mind at rest that we would be ripping children away from a foster parent and a sibling, and that simply would not happen.

* (1120)

You know, I think that, and I admit it is a difficult task to evaluate a child and the needs of that child and evaluate the abilities of a foster home to present the appropriate service. It is not like taking a child's temperature where you get a very finite number. From the work the department has done it appears that probably the majority of children who come into care are normal kids who no longer are able to live with their parents for a variety of reasons.

Another group at Level II are very normal kids who perhaps there is some special need that they have, and then as you get up into other children with other needs you are looking at a minority. The difficulty here is the assessment of that, and we have to recognize that there is not a pure tool of assessment that everybody is going to agree on. It is sort of like evaluating staff, if you like; it becomes at times a little bit subjective no matter what tool you put in place. I can tell you from experience that some people would prefer just a blank page and do an evaluation; others want a checklist with 99 questions and five categories to evaluate it.

Recognizing that this type of measurement is not a precise science that we embark on, there is still a need to be able to evaluate the needs of the children so that they are placed in the most appropriate care. I know the member would question if children in one community were all Level I children and children in a neighbouring community were all Level IV children, something would be wrong because the communities in other ways would be similar.

We have to, I suppose, examine why that happens and how we can accommodate some of

the children in the first community with special needs and get them into a foster home that could address those special needs. By the same token, we would have to look at the children in the second community and say, why are they all high needs children and have we appropriately placed these individuals?

It is, again, an initiative we are going to continue with and work with the Foster Family Association. Our last meeting with them, I think, there was a good atmosphere there that laid some foundation where we can proceed to make some progress with this.

I am interested in your comments on the structured care continuum, and I do see some areas where we agree on consistent standards and appropriate placement. I know the assurance that existing cases would be grandfathered would give you some comfort.

Ms. Barrett: I certainly hope that when we read the Hansard of the minister's last response and particularly in his statements about the positive nature of the meetings he has had recently with the Foster Family Association, that we do not have a *deja vu* where we can look several months down the road and see the same outcome as has happened in the dealings between this minister and the Child and Family Services agencies.

I look forward to a more in-depth discussion with the minister in this regard, but I do think that at this point there are some concerns that need to be addressed in a more broadly based context than the Estimates process allows for.

I have a couple of questions on the specifics of the restructuring of the Child and Family Services agency. One is, I am wondering, if the minister can give us a time line for the move to four regions and, as well, when the community committees will be activated and the four community representatives will be elected to the board of the agency—or appointed, excuse me—elected and then appointed to the board of the agency.

Mr. Gilleshammer: Do you want me to wait so you can hear my answer?

Ms. Barrett: No. I can do two things at once.

Mr. Gilleshammer: Oh, I am sure you can. The initiative to work with the community committees is something the new board has been charged with, and it is a question that perhaps you could address to the executive director or the chair of the board.

My anticipation is they would be doing that work after the summer period is over and people are back from their holidays, where the board has a chance to set up those meetings and do the spadework that is required. I anticipate in the fall that the process the member articulated will take place.

I would go back to her other comments on the meetings with the Foster Family Association. I know that any time you enter into negotiations and discussions there is not going to be unanimity of thought on every issue. I was just reporting on our last meeting and said that I thought it was a productive one and that we reached some understanding. I look forward to future meetings with the Foster Family Association because I think they are the backbone of the system and a very valuable component part in the service that is provided for these vulnerable children and families in Manitoba.

There may be disagreements down the road, but I would hope that we can proceed to work with the best interests of children in mind and work together on that.

Ms. Barrett: Another question to the minister deals with the costs associated with the new board, the government-appointed board. Can the minister share with us the estimated costs attached to paying the per diems that the new Child and Family Services board will be eligible for?

Mr. Gilleshammer: We estimated that the full-year costs of that would be in the neighbourhood of \$75,000.

Ms. Barrett: Can the minister break that down?

Mr. Gilleshammer: I believe that we did announce the honorarium that was paid on a half-day and full-day basis. It is an estimate of the time that board members would be spending on board meetings, but there would have to be appropriate documentation and a process put in place to flow that money, so I can say it is an estimation. We can provide some further detail if you want, but that was the estimate that the department came forward with on this particular issue.

Ms. Barrett: Yes. I would like a breakdown. I understand that it is approximate, but I also think it is important for us to know what—because there is a dollar figure attached and there are to each half-day meeting, et cetera, that there is a—if we had the breakdown, we could identify the kind of time commitment that is reimbursable or that the board

would have the honorarium paid for. Just that basic time commitment, so I would appreciate an approximate breakdown of that.

* (1130)

The other thing is, can the minister explain where this \$75,000 is—what appropriation line, what budget item, is this going to come out of? Is this going to come out of the just under \$42 million that the agency is going to have available?

Mr. Gilleshammer: The long-term plan would be that it would come out of the agency.

Ms. Barrett: And in the short term?

Mr. Gilleshammer: Well, it initially is part of the start-up costs that we have talked about before.

Ms. Barrett: So the \$75,000 approximately or a prorated portion of that is part of the somewhat less than \$300,000 start-up costs?

Mr. Gilleshammer: Yes, it will be part of the start-up costs in that we are into a partial year, but when we get into a full year, it will be the responsibility of the agency.

Ms. Barrett: Yes, and we will, undoubtedly, be able to have an opportunity to discuss that in next year's Estimates.

A further piece of information I do not recall—and I do not have the Order-in-Council with me—are the board members of the agency appointed for a term of office or is it at pleasure?

Mr. Gilleshammer: It is a term appointment. We have some regulations and detail that we do not have with us, but it is a term. The anticipation is that there would be—perhaps, we have it here. Maybe we could move on, and we will provide that information, but it is a definite term.

Ms. Barrett: Yes, and I appreciate that. If you could also ascertain if the terms are staggered, or if it is two or three years for the entire board and they are all appointed or reappointed at the same time. I would appreciate that as well.

Mr. Gilleshammer: Mr. Acting Chairman, we will provide you with a copy of the bylaws which has that information.

Ms. Barrett: Thank you. I appreciate that very much. I understand that it is a detail and I am not specifically—I understand that you probably do not have that right at your fingertips at this point in time, but I do think it is important to have as good an understanding of the structure that the board will be

operating under and the authority that the government has over those people. I appreciate the offer of the bylaws to be sent to both critics as soon as they can possibly be made available.

I will not take any more time in this area. I, of course, have many more questions and concerns, but I would like to move on to the income security area at this point, if that is acceptable.

Mr. Gilleshammer: Mr. Acting Chairman, is that in agreement with the other critic, too, that we do not have to recall the staff for Family Services?

Ms. Barrett: Yes, Mr. Acting Chair, the critic for the second opposition party has completed his questions in this area as well.

Mr. Gilleshammer: Mr. Acting Chairman, I think we are prepared at this time to move into the Social Allowances area. Joining us at the table is Doug Sexsmith from that branch of the department.

Ms. Barrett: If the minister will let me have a second here, on page 59 of the Supplementary Estimates, Subappropriation No. IX 3.(b) Income Maintenance Programs, there appears to be a whole range of information missing that is provided in other areas and was provided last year, i.e., the Salaries and the Other Expenditures, or have I just not got that information in my book?

Mr. Gilleshammer: Part of the restructuring within the department—have you found it?

Ms. Barrett: No, this is last time. Mr. Acting Chairman, I was just showing the minister the page of information from the last year's Estimates in comparison to the much smaller amount of information this time, and I am wondering if the minister can explain that difference.

* (1140)

Mr. Gilleshammer: Yes, I can explain that for you. Part of the restructuring of the department, and I think the member and I have probably talked about that before where the field operations that existed in a number of departments were consolidated. I think the information that the member is seeking is on page 63 of the supplemental Estimates booklet, so that we had field operations existing in three different areas and we have pulled that together to sort of unify those groups of people and the information is just presented on a different page.

Ms. Barrett: Mr. Acting Chair, I would like to ask, then, going back to a comparison of the objectives in the Central Directorate—a comparison from last

year's Estimates and this year's Estimates—there is a phrase that is left out of this year's objective that was present in last year's objective. I would like to ask the minister about the leaving out of that phrase. I will read it. It is at the end of the objective. Last year the objective said: "... and that programs are adapted to changing circumstances and priorities." That phrase is left out of this year's objectives. I am wondering if the minister can explain that.

Mr. Gilleshammer: Mr. Acting Chairman, I do not think there is any particular reason for that. We fully subscribe to the thought that government, as a whole, and this department in particular, and more specifically social allowances, do have to adapt to changing times and circumstances. I do not think there was anything you need read into that.

Probably staff would not want to just Xerox last year's comments and reproduce them again, so there will be some changes from time to time. Certainly with the social allowances recipients and the attempts by government to provide support and training, we are very much aware that the 1990s are going to be a time of change, and we would hope that we have the capacity to adapt to the change, to meet the needs of the citizens we serve and to bring forward the information that is necessary to serve those people. I can assure you that staff are very much aware that there is a changing world out there.

Ms. Barrett: There are many cases in the Estimates book where objectives and goals and expected results and activities are the same from year to year, which is a perfectly legitimate thing to have happen, so I am not suggesting that staff should not put the same information in if that is legitimate. I will say that it was interesting to me, though, when you connect the elimination of that phrase from the objectives and you add to it the fact that under Activity Identification there are two new phrases put into the new Activity Identification, the juxtaposition is interesting, and I will, for the record, state that the new Activity Identification phrases are "investigative support, overpayment recovery."

When I read the two things, an elimination of "changing circumstances," which I certainly think is the situation in our province today with a massive increase in the needs of the population and the lack of any concomitant job creation strategy on the part of the government, if you eliminate that phrase about programs adapting to circumstances and you add in the phrase, overpayment recovery, and investigative support, it does lend itself to a certain

narrowing of vision if you like. I would just like to ask the minister if that is what was meant by this or is there some other reason for this?

Mr. Gilleshammer: I think it is reflective of what the department or the directorate does and what the legislation and the public demands. I am sort of interested if the member would give her views on overpayment recovery. This is a very large part of the total budget of government. I believe just over 50 percent of the \$571 million that this department spends is on social allowances.

Unfortunately, there are times where there is overpayment. Usually it is not a clerical or a bookkeeping error, it is perhaps that information has been somewhat tardy in coming forward about changed circumstances of recipients, and as a result there is overpayment. The responsibility of the branch then is to recover that. Now, I suppose the option is simply to write it off, and I would be interested to find out where the member and her party stand on that, because overpayment recovery is part of the activities of the branch.

There is, with the type of money we are talking about, the \$250 million or \$260-some million dollars which is just a very substantial sum of money, a certain amount of investigation that has to take place to give government and the public and critics some comfort that the administration of social allowances is being well taken care of. If the member is saying that we should not investigate and not try to recover overpayments, I would be interested in hearing her say that.

Ms. Barrett: I was commenting on the inclusion for this year that had not been included in the previous year, at least last year, those two items. No, I am not suggesting that you not include those, but I was merely making the comment that when you include those and take out the objective of flexibility and understanding of changing circumstances, it carried a message to me. I appreciate the minister clarifying that and certainly hope that is the intent of the objective and activity identification comment, a portion of this division.

I have some specific questions about this division, and I ask for the minister's and the staff's indulgence if I go from one specific spot to another. I have been asked by one of my colleagues to ask about social assistance staff and a couple of questions in that regard. One of them is, can the minister tell us today or can he get the information, which may be more

logical to ask at this time, how many of the social assistance staff speak Cree and how many speak Saulteaux?

In the same area, how many aboriginal people are employed as receptionists or on the switchboard, i.e., the immediate "gatekeeper" functions that the public sees at the beginning of their process in the social assistance field?

Mr. Gilleshammer: Well, Mr. Acting Chairman, I know the member realizes and recognizes that we do not have that information at our fingertips, but we will attempt to get that.

I might just take the opportunity though to point out to her that there is a difference in the functioning of the provincial social allowance offices with the municipal.

I have found from my discussions with the department and a meeting I had with a number of recipients just across the street from the Legislature here—I guess it was in the spring—where we talked about the feelings of social allowance recipients and the way they felt about themselves and the way they dealt with bureaucracy, it came through to me very clearly that for many of these people the bureaucrats they deal with are at the municipal level because there is, I think, a compulsion there to be involved on a twice-monthly basis, and that they received their actual cash money from these offices.

Often there is not a distinction made in the minds of the recipient as to whether they are at a municipal office or a provincial office. The outcome of that was that at the provincial level we probably had far less contact with the long-term recipients of social allowance than the city does with the contact that they have with the recipients who are deemed to be employable.

* (1150)

It is just an interesting sidelight that I know the member would be interested in. There were a lot of different, I suppose, ramifications to that in the manner in which recipients felt about receiving their allowances. I think that staff at both the municipal and the provincial level from time to time have something to gain by talking in an informal session with recipients in just the manner in which we do business.

Back to the original question, we will endeavour to get that information for the member and she can provide it to one of her colleagues or more as she sees fit.

Ms. Barrett: I appreciate the minister's agreeing to provide that information.

I have a couple of other questions in the same area. I assume very likely the minister will not have the information today, but I would appreciate him getting it to us as quickly as possible. Does he have any information on the numbers of aboriginal people in management positions? I understand that is a very broad term, and perhaps that is not the accurate way—maybe I should rephrase it. Can the minister provide us with a listing of affirmative action groups and their participation rate in the various staffing components of the department?

(Mr. Deputy Chairman in the Chair)

Mr. Gilleshammer: We do have some information that I think I can give you in a few minutes here. It may not be the exact detail that the member is looking for, but it does give you some statistics on the Department of Family Services as to the number of staff we have and information that we have on them. The 1990-91 year, and this was as of March 23, 1991, we had a total employment list of 1,920. The break-out of that number: the number of women employed in that number is 68.3 percent, the number of Natives is 4.4 percent, the physically disabled was 2.7 percent, and the visible minority is 2.6 percent. This is the information from the self-declared target group representation.

Ms. Barrett: Mr. Deputy Chair, I wonder if it is possible at some point to get the breakout of those positions within the division of income security. I am not suggesting—this is not an immediate request, but I do think it would be interesting to have that information particularly since this is the division of the department that has a very high percentage of the people who access the services of the department are found in this division, and a high proportion of those are women, aboriginals and disabled. So I think it would be interesting to see how this part of the department reflects that, but I am not asking for that right now at all.

One final question. I am wondering if the minister can provide at some point with the number of graduates of the Winnipeg Education Centre program that have been hired or are currently employed by the department.

Mr. Gilleshammer: We do not have that information readily available, and I suppose we would have to go into personnel files and see what we could provide. I am not sure whether the

graduation status of employees is something that is readily available, but we will make our best effort to provide you with some information.

Ms. Barrett: Thank you, I appreciate that. In the Estimates process of last year, we talked about the willingness of the government to get feedback and to consult with users of the system, particularly income maintenance part of that system. With particular respect to the physically disabled and the agencies such as the Manitoba Anti-Poverty Organization and the Social Assistance Coalition of Manitoba and the minister stated that he would make the commitment to meet with and to meet not only a regular basis but also with these organization and these groups of people in the planning process for the budget for this year.

I am wondering if the minister was able to carry through on that commitment, what kind of input he has had in his determination and deliberations regarding the income maintenance portion of this department.

Mr. Gilleshammer: Mr. Deputy Chairman, just give me one minute.

Thank you, Mr. Deputy Chairman. I have met with the Manitoba Anti-Poverty Organization and the social allowances group; in fact, I think I last met Ms. Martin and Mr. McQueen on budget day. We have talked on a number of occasions. We have also met with the Social Planning Council, and I have met with Mr. Northcott of Winnipeg Harvest as well. All of these groups have been in my office at some point in the last year. Staff have also met with representatives of these groups.

I know that I spoke, for instance, with Mr. Northcott a couple of weeks ago. We have an upcoming meeting with the Social Planning Council and that, as time permits, meetings do take place with people who either represent the recipients or speak for the recipients of social allowances.

I am cognizant of the fact that the disabled who receive social allowances, while there are some special needs areas that are addressed, it is an area perhaps where other jurisdictions make a greater distinction between the basic social allowance and the special needs recipient.

* (1200)

So we do from time to time and staff does from time to time meet with these groups, and I think they have every opportunity to present their information to the department and to the minister.

Ms. Barrett: I would like to ask the minister if he would feel that the meetings with these various groups were set up with the express purpose of asking for their input into the budget-making process, or is it more to hear their concerns? What were their terms of reference of the meetings? I am getting at, do you think these groups feel that they have actually had an impact on the budget-making process particularly of this division?

Mr. Gilleshammer: I find it difficult to answer that question about how these people feel about their ability to impact on the budget. I guess I would say that in reference to any ordinary Manitoban. As they meet with various departments of government, whether it be in Agriculture or Highways or Health or Family Services, I am sure that the individual would go away feeling that government is a very, very large undertaking and with the many and varied departments and that their ability to impact on budget decisions would be limited. So I say that not only in reference to the individuals I have met from the groups we have referenced but to anyone.

I know as one of 12,000 educators in the public school system in Manitoba when I perhaps took the time to write to government or through my organization that I felt that probably I had a limited impact. I do say that being a member of an organization that speaks for a particular community probably is a better avenue for citizens to make their point. We have certainly met and listened to these groups and, for the most part, the meetings were as a result of a request for a meeting on the part of that particular group. Often the agenda was set by that particular group, and we followed that agenda. I can tell you, it is instructive to the minister to hear first-hand from groups like SACOM and the Manitoba Anti-Poverty Organization and the Social Planning Council their thoughts and their, in some cases, first-hand knowledge of the issues out there.

I know that the Premier (Mr. Filmon) has often spoken about open government and the ability for ordinary Manitobans to meet with government and to put forth their ideas, and we have tried in the Department of Family Services to be as accessible as possible and to meet with as many and as varied groups as possible to hear their concerns. Again, if you are asking whether an individual would go away saying, golly, I really had a big impact on the budget, I probably would say, no, but you may be better advised to make that inquiry of those individuals. I

think all of the groups we meet and all of the individuals that come forward are listened to.

Ultimately in the system we have, government is responsible for making budget decisions, and it is a very complex process that takes a considerable amount of time in finalizing. I know last year opposition critics did an inordinate amount of speculation and put on the record or in the media ideas they had heard about this program or that program was going to be enhanced, or other programs were going to be done away with, and did create quite a good deal of anxiety in the community that probably was not very good for a lot of individuals. I caution them that probably that is not a good process to embark on. We will continue to meet with individuals and groups and hear what they have to say about the budgetary process.

Ms. Barrett: Mr. Deputy Chair, I am wondering in light of the increase of \$30 million in the budget for social assistance recipients this year—and we have discussed in the House on numerous occasions the reasons for this unfortunate increase—if the minister can tell us what impact that has had on the number of staff that will be administering this increase and the anticipated increase in caseload for each individual counsellor.

Mr. Gilleshammer: The staff complement has not changed, and the individual caseload, I think, we probably have to do some research on. Just further to that, the counsellors have a caseload of about 250 and financial workers a caseload of about 400.

Ms. Barrett: Mr. Deputy Chairman, from the Estimates of last fall the increase per in cases from '89-90 was 231 to 240, and now there is an additional 10 cases per counsellor. So that is a substantial increase in cases. I do not have last year's figures to compare caseloads of the financial workers, if that could be provided?

Mr. Gilleshammer: I am told it was about 395.

Ms. Barrett: I think it is interesting that over the last two years there has been almost a 10 percent increase in caseload for counsellors and another significant increase in the caseload for financial workers. I am wondering, does the minister assume that quality care, quality counselling can be given to these individuals and these families when the caseloads have increased by this amount over the last two years and what the justification is for not increasing staffing at least to partially recognize the major uptake in the program?

Mr. Gilleshammer: I am interested that the member is pursuing this line, because there does appear to be a little bit of an increase in caseloads for the financial workers and the counsellors. The advice I have from the managers of the department is that they feel that caseloads are still within manageable levels. It is something that is part of their work to manage the department that they will have to monitor on an ongoing basis, and I am sure that if they reach a point where they feel additional staff are required they will bring forward that request.

* (1210)

Ms. Barrett: Are there any studies or is there any information available, generally speaking, as to what an optimum number of cases per counsellor would be, either in Manitoba or across the country?

Mr. Gilleshammer: Yes, I earlier referenced for the member that caseloads between the province and the municipality are different. The clientele is different and to some degree the workload is different. The same analogy applies between other provincial jurisdictions where there are different administrative structures and different manners in which the departments come into interfacing with individuals who access the system. So it is difficult to compare, and I am not aware of any studies that are done, but rely on the evaluation of those who manage this area of the department, and their analysis is that caseloads are still within manageable levels. I would think that it is something that they have to monitor and if they require additional staff would have to make that request.

Ms. Barrett: I will not carry on with that, just to say that I think the minister should look very seriously at that problem.

I would like to ask a question about the CareerStart program in light of the fact that the government has, by giving the Income Security division \$30 million in additional funding which, as I have stated before, appears to be not only a recognition of the current economic climate, as given to us by the federal Conservative government, but also a recognition of the lack of any kind of positive job creation strategy on the part of the provincial Conservative government.

That comment aside, in light of that, the minister has chosen to cut the CareerStart program by almost half, thereby not only eliminating job opportunities for several thousand young people but

also eliminating the possibility of services being provided to the agencies that have accessed that program in the past to a very successful degree. I am wondering if the minister can justify the actions of cutting the CareerStart program by the amount that he has done in light of the fiscal realities facing the province.

Mr. Gilleshammer: I am pleased to hear the member talk about the fiscal reality, and I guess the reality is that before we spend \$1 on Family Services, Health or Education, the Minister of Finance (Mr. Manness) cuts a cheque for \$550 million of interest payments on the long-term debt that has been run up in this province, mostly in the period of 1981 to early 1988. That is a reality that we face.

The other reality is that the taxpayer of this province has said, do not raise personal income taxes. We have not done so, and yet we are faced with the ongoing tax burdens that were put in place by the previous government.

Another reality is that we do not choose to enter into a large, large deficit as some neighbouring province has done. Whereby the incredible sum of almost \$10 billion over and above the income of that province is going to be spent, and in the long run saddle that province with the type of long-term debt which is going to cripple future governments as they endeavour to maintain programs and embark on new programs.

So, when the member talks about realities, I know that she would like to reflect on those realities and see the limitations which we have when we try to maintain programming.

I am pleased that we have been able to maintain the CareerStart program, and I would point out to her—and I am sure she is aware—that this is a summer program only. We maintained it at lower levels than the previous year, yet in the applications for CareerStart grants I think the majority—let me say that most of the applicants were able to access one CareerStart position. We were able to accommodate them. In some cases, they were able to access a second CareerStart position, but there is no question that we did not have a lot of businesses or agencies or others accessing three CareerStart positions. So we were able to provide some help to the organizations and businesses out there in the form of the CareerStart program. Our budget for CareerStart is in excess of \$3 million for

these summer programs. As well, we have continued the programming for social allowance recipients; we have the Single Parent Job Access Program and the Gateway program.

I know the member talked on a number of occasions about the Human Resource Opportunity Centres and the Human Resource Opportunity Programs and we have been able to maintain those in the historical locations where we find them. I know that speaking with individuals in those communities and people who work in those programs, they have been very pleased that we have been able to maintain them. A lot of the job programming and training has continued.

The member has talked about a job creation strategy and I believe she is making reference to previous programs created by a previous government which were probably most accurately described as make-work programs whereby there was no long-term job creation, and we are now saddled with the debt that was left as a legacy of those programs and is part of the long-term provincial debt that impairs our ability to fund programs and create new programs.

If the member is asking us to follow the Ontario model and create a larger deficit, surely the member would see that this would impair this government's ability next year, and future years, into the 1990s and beyond to provide the basic programming that people require. So we reap today the situation created by the debt that was created in the 1980s, and our belief is that the Manitoba taxpayer is not prepared to have a staggering increase in taxes, nor do they want us to further increase the deficit.

Ms. Barrett: I would like to ask one more brief question in this area and then take five minutes to pass through some of the items that we have gone through, if that is agreeable to the minister and the committee.

The question is concerning the GST rebate cheques which the minister has stated on several occasions are not being considered as income by the Income Security division. However, it is my understanding, and I would like clarification on this, that the goods and services tax rebate, which my understanding was to help alleviate some of the additional tax on additional items, to help social assistance recipients, low income Manitobans to be able to cushion some of the additional costs associated with the institution of the goods and

services tax, my understanding is that many, if not all, income security workers are telling the social allowance recipients that they should use their GST rebate prior to requesting special needs.

I have indications of at least two cases where social assistance recipients were told to use their goods and services rebate tax to buy a bed, to use it before they came before their worker for a special needs request. It would seem that flies in the face of the understanding of what the goods and services rebate was designed to do. I am wondering if the minister can clarify that.

Mr. Gilleshammer: Well, if there are specific cases, we can deal with them on a case-by-case basis, but individuals are expected to use the resources they have to be able to access the things that they need, and the special needs money is there for special needs when their other money has expired or has been spent. If they have resources to purchase goods and services then they may well be advised to use that. The special needs will be dealt with on a case-by-case basis.

Mr. Deputy Chairman: It is the usual practice that lines and resolutions are passed in sequential order. However, I am ascertaining whether there is leave to deal with the lines and resolutions pertaining to Administration and Finance, Item 1, excluding minister's salary, Item 2. Registration and Licensing Services, Item 4. Child Day Care, Item 6.(a) and (b) Child and Family Services, as questions have already been addressed in these areas. Is there leave of the committee to deal with these lines and resolutions?

* (1220)

An Honourable Member: Leave.

Mr. Deputy Chairman: Leave? Agreed? Is that the will of the committee? Agreed?

Item 1.(b) Executive Support: (1) Salaries \$379,300—pass; (2) Other Expenditures \$88,300—pass.

Item 1.(c) Policy and Planning: (1) Salaries \$993,200—pass; (2) Other Expenditures \$259,500—pass.

Item 1.(d) Communications: (1) Salaries \$168,700—pass; (2) Other Expenditures \$60,300—pass.

Item 1.(e) Internal Audit: (1) Salaries \$285,100—pass; (2) Other Expenditures \$17,200—pass.

Item 1.(f) Agency Relations Bureau: (1) Salaries \$236,400—pass; (2) Other Expenditures \$17,500—pass.

Item 1.(g) Management Services: (1) Financial and Administrative Services \$2,243,500—pass; (2) Program Budgeting and Reporting \$330,300—pass; (3) Human Resource Services \$915,200—pass; (4) Information Systems \$893,200—pass.

Item 1.(h) Social Services Advisory Committee: (1) Salaries \$98,200—pass; (2) Other Expenditures \$127,000—pass.

Item 2. Registration and Licensing Services (a) Vital Statistics: (1) Salaries \$888,900—pass; (2) Other Expenditures \$246,200—pass.

Item 2.(b) Residential Care Licensing: (1) Salaries \$304,500—pass; (2) Other Expenditures \$28,700—pass.

Resolution 44: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,468,300 for Family Services for the fiscal year ending the 31st day of March, 1992—pass.

Item 4. Child Day Care (a) Salaries \$1,744,100—pass.

Item 4.(b) Other Expenditures \$434,700—pass.

Item 4.(c) Financial Assistance and Grants \$41,717,200—pass.

Resolution 46: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,896,000 for Family Services (Child Day Care) for the fiscal year ending the 31st day of March, 1992—pass.

Item 6.(a) Child and Family Services (a) Administration: (1) Salaries \$216,000—pass; (2) Other Expenditures \$23,000—pass.

Item 6.(b) Child and Family Support: (1) Salaries \$1,874,400—pass; (2) Other Expenditures \$2,566,900—pass; (3) Maintenance of Children and External Agencies \$88,505,200—pass.

Committee rise.

SUPPLY—HIGHWAYS AND TRANSPORTATION

Madam Chairman (Louise Dacquay): Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Highways and Transportation.

Would the minister's staff please enter the Chamber.

We are on item 5, page 96 in the Estimates book. Item 5, Transportation Policy and Research (a) Salaries.

Mr. John Plohman (Dauphin): Madam Chair, I wonder if the minister had agreement with the critics to have some flexibility on what areas were being dealt with. I realize that last evening the minister probably dealt with most of the construction program. Is there going to be another opportunity to talk about some highways projects, the bridge program and the roads to municipalities as well as grant-in-aid?

Hon. Albert Driedger (Minister of Highways and Transportation): Madam Chairperson, I want to indicate that we had pretty extensive discussion on the transference of the 2,000 kilometres and on the bridge program. We have not dealt with grant-in-aid. However, I want to indicate to the member for Dauphin that we have not touched the Capital Program which basically can cover these aspects of it.

Under Capital Program we have grant-in-aid, we have Provincial Roads, the Rural Municipal Bridge Assistance Program, so if the member wants, he can ask questions then.

Mr. Plohman: Madam Chair, I will wait until we get to that point, then the minister will have staff dealing with those issues at that point.

Madam Chairman: Item 5.(a) Salaries \$574,100.

Mr. Daryl Reid (Transcona): Madam Chairperson, I take it that we are on Section 5.(a)?

Madam Chairman: Yes, page 96.

Mr. Reid: There are several areas in here that I would like to put questions to the minister about.

In this area, there is also a significant reduction in the numbers of staff years, showing six staff years less. Can the minister give me an indication on whether or not these areas are vacancies that exist in his department, or are these people who have been laid off?

Mr. Driedger: Madam Chairperson, I was just trying to get organized a little bit here. I wonder if the member would be prepared to just repeat his question. Would you repeat the question? I was not quite ready.

Mr. Reid: The question I had for the minister was, the section on Transportation Policy and Research

is showing six staff years less. Can the minister give me an indication on whether or not these are vacancies that existed within this area of his department, or whether or not people were actually laid off from this particular section?

Mr. Driedger: Madam Chairperson, of those six positions, there were three vacancies, two were retirements and one was a position that was moved really, where the individual quit actually. That accounts for the six.

Incidentally, Madam Chairperson, it was asked yesterday in terms of the positions that had been affected within my department—I have a copy here of all the positions that are affected. If I maybe could give each one of the critics a copy of these which indicates the positions, as I indicated yesterday. It has gone through the whole department where we have deleted certain positions, and we have a copy there that shows exactly where they have been affected and where they are from.

Mr. Reid: I thank the minister for this information. I believe there has been a change in the minister's staff here and maybe he could introduce, if he would, to make me aware of who the staff are.

Mr. Driedger: Madam Chairperson, I had introduced Bill Dyck yesterday, but I have Dennis Schaefer here who is head of my Transportation Policy and Research. I want to indicate, especially to the member for Dauphin (Mr. Plohman), that Jim Wallace has not been with the department for awhile because of health and has terminated with the government. Wes Graham also retired who was in the acting position for awhile.

We have done some restructuring in the Department of Policy and Research, and Dennis Schaefer is the individual who is now carrying the responsibility. I am very pleased to have him on staff, a very dedicated individual. -(interjection)- Well, just like the minister, yes. I want to repeat again, I am very pleased to have Dennis on staff. He has been with the department 21 years, so we have somebody who knows all the workings and requirements in that area.

* (1010)

Mr. Reid: Madam Chairperson, can the minister give me any indication on whether there has been a change in the policy here as far as the positions? Is Mr. Schaefer the acting director or has there been a change in the title and the responsibilities for this department?

Mr. Driedger: Madam Chairperson, Jim Wallace was the executive director, and Mr. Schaefer is acting in the position as director.

Mr. Reid: Since there is a six-staff-years reduction in this area, could the minister give me an indication, being that this is a very, very important section of his department in its dealings with transportation issues and how they affect the province of Manitoba, on what functions and duties these six fewer staffpersons performed and how his department is going to be able to formulate policy for the province of Manitoba?

Mr. Driedger: Madam Chairperson, I want to indicate that we have done some restructuring in that department, and some of the staffpeople that basically are not there at the present time were involved with some of the subagreements with the federal government that were in process. Because we do not have those agreements, we had more flexibility so we reorganized the whole department.

We still feel very confident that with the staff we have there, that they can do a very capable job in terms of making sure that we are on top of the very important transportation issues, whether it is rail, whether it is air, or any aspect of the policy that the government requires.

Aside from that, I probably have to indicate that I have confidence in Mr. Schaefer who is very dedicated and probably does the work of maybe two or three other people at the present time, the way he is applying himself.

Mr. Reid: The minister talks about very capable staff in his department, and I do not doubt that for moment. In my dealings with members of his staff from this section of the department, they have been more than co-operative in all the dealings I have had with them.

I have been very pleased to have had the opportunity to discuss matters with them on several occasions, but an individual is only capable of doing so much work, and if you keep piling the work upon them, then, of course, the efficiency of these individuals is going to drop.

It is my understanding that in past programs that were in place, and I think the minister was referring to the ERDA agreements, we had staff who were dealing with that. Can the minister give us an indication on how many staffpersons were involved in dealing with the ERDA agreements?

Mr. Driedger: Madam Chairperson, maybe I should have been more specific in terms of when I said we reorganized. Certainly, the responsibilities in this department were moved into other areas. The handivan service went to Rural Development out of my department completely, and the southern airport assistance was moved within the department to be under John Hosang. We moved it in there.

We did some restructuring within the department, so that the impact, really, in terms of the work that I require, and my department, as minister for research and policy, is not affected to that extent. I have to indicate that I probably would be the first individual who would become aware of not having the information available, and certainly, that is not the case. I feel relatively comfortable in terms of how we are set up right now, that we are on top of the issues and that I can get the information that I require.

Mr. Reid: I would like to ask the minister the question again, Madam Chairperson. How many people were in his department under Transportation Policy and Research who were involved in the ERDA agreements?

Mr. Driedger: Madam Chairperson, at one time there were five individuals involved with the subagreements, and they are not in place anymore. I want to repeat again that I feel confident that we have enough and capable staff to take and provide the information that is required, whether it is under the trucking industry, anything to do with the transportation industry.

Mr. Reid: So the minister has indicated that they have removed the handivan transit and the airports from under his department's jurisdiction?

Mr. Driedger: No, Madam Chairperson, I want to correct that. The handivan aspect has been moved to Rural Development. The airports aspect of it has been moved in my department to another section. That is under, as I indicated before, Airports and the Marine division which used to be under this area here.

Also, I have to indicate that the lead minister for Churchill right now is the Minister of Rural Development (Mr. Downey), and that also has transferred some responsibility to some degree to Rural Development.

Mr. Reid: In the front of the Supplementary Estimates and the main Estimates booklet, it talks about transfer of functions to Rural Development,

\$513,900. Is that the handivan's cost or are there other areas that have been transferred from the minister's department to Rural Development?

Mr. Driedger: Madam Chairperson, the only thing that has been transferred has been the handivan program which has been transferred to the Rural Development department.

Mr. Reid: If I might ask the minister, is his department still responsible for the rail line and the Port of Churchill? Does that still come under his department?

Mr. Driedger: Yes. What happened is, during some of the complex and difficult aspects of Churchill, we had set up a committee of cabinet which involved four or five different ministers. The decision was made by the government that the lead role would be played by the Minister of Rural Development, because there are so many aspects of the Churchill end of it.

I still have responsibility for anything to do with the transportation end of it, with Churchill, the rail line, the port, and as I have indicated in questions in this House, that is still my responsibility. However, the co-ordination of all the activity regarding Churchill is in the Department of Rural Development.

Mr. Reid: Just picking up where the minister has made comment on transportation up to the Port of Churchill, can he tell me what discussions he has had with the federal minister responsible for transportation on how the Bayline route is going to be impacted? Have there been any in-depth discussions take place concerning the future of this rail line?

Mr. Driedger: Madam Chairperson, I think I gave some indication yesterday, but I will repeat again that in my tenure in this position, I am dealing with minister No. 3 at the federal level. I thought the federal ministers had a reasonable understanding in terms of how Manitoba felt about Churchill, both Benoit Bouchard as well as Mr. Lewis, and when Mr. Corbeil got to be the minister—I tabled a copy of the letter I had sent to him and, as I indicated, I think it was probably one of the strongest letters that I have sent to a federal counterpart in terms of the concerns that we had about Churchill.

I want to indicate, as I did yesterday, that I will be meeting with the federal minister next week. We were just confirming some time this morning exactly when I will be meeting with him. He is coming to Winnipeg, and I have a list of the top priorities that I

will be discussing with him, and Churchill is certainly one of the top priorities that I will be discussing with him.

* (1020)

Mr. Reid: Well, the whole question of the bayline is a very important issue to the province, and it is no secret that the CEO of VIA and the CEO of CN Rail, which are one and the same person, has said and been on record as saying many times that there is no need to have continuity of remote and isolated service protection for those routes in the provinces.

I think it is very important that the minister in his discussions with the federal minister indicates that our position in Manitoba should be that those routes should be protected, and at service levels should be not reduced but indeed enhanced so that those communities continue to thrive and grow. We have not seen that commitment from the federal government, nor from the railways that are operating on these routes, and I think the minister should raise this matter with the federal minister.

There have been many discussions—and I know I have asked questions to the minister previously on this—about the investment that has been made as far as the earlier agreements are concerned, and I believe \$93 million was the previous agreement. What steps has this minister taken to try and bring about a new agreement with the federal government to indeed bring more investment forward? What type of a commitment has his government here in this province put forward to indicate our sincere position? Have we put any kind of funding offer forward?

Mr. Driedger: Madam Chairperson, let me first of all indicate that the dedication of this government and myself regarding Churchill and development in the North I think has not changed at all even from the previous minister, because staff has always been very, very strong in this regard and certainly my feeling is very much the same as previously. Politically, I think there has been no change in the position that this government has versus the previous government in terms of our commitment to retaining the activities for the northern communities, especially Churchill, and I can indicate that is an ongoing commitment.

In some cases, you speak the words and say that you know we have a dedication, but other times you have a real gut support for that, and I can indicate to the member that I, as the previous minister—and

I know that he was very dedicated to that as well, and I have that dedication to do everything possible in terms of trying to maintain or enhance development in the North, as well as Churchill.

In terms of the negotiations with the federal government, we have been trying to see whether we could enter into new agreements. We have not been successful at all; in fact, the federal government has not even met the full commitments that were made under the previous agreement in terms of the—what did we call that?—the airport, and the air terminal building. When the agreement, the time finally ran out and they still had not met their commitment, the federal government claimed that they had to put it as one of their top priorities. To this day we have not seen that realized, and I intend to again raise that issue with the federal minister when I meet with him.

Mr. Reid: Madam Chairperson, it is important that we can agree on what would be best after consultations with the community and the people in Churchill and the people in the communities along the Bayline. Unless we put forward some indication that we are willing to make a financial commitment to the continued operation and improvements of this line to the North, the federal government is not going to take our intentions seriously.

We can put as many words on the record or we can send as many letters as we want to, but unless we are willing to make a serious commitment financially, they are not going to take us seriously. That is why I asked the minister, since the previous federal government, which was the Liberal government, had struck an agreement with this province, and at that time their commitment was some \$38 million, was part of the early agreement, and the province made a commitment here of \$55 million for a total of \$93 million.

I do not see any kind of resources on the line here, no financial resources being injected into this system to continue with the improvements for this, to go into the second phase of development under this proposed program. With the minister making his comments here, there is no long-term commitment. Once the federal government decides that they are never going to make any improvements to this line, the province is left holding the bag on this matter and that will be the end of the issue. The people in these communities will be the ones who are suffering. That is why I think this minister has to come forward with some kind of a

financial commitment to improve the line to these communities.

Can the minister give me an indication on the commitment that the federal government has reneged on as far as the facilities upgrade in the community of Churchill? The minister was talking about the airport facilities, including the hangar. What type of funds are we looking at that would be required that the federal government did not provide?

Mr. Driedger: Madam Chairperson, I want to indicate to the member and suggest to him that he be very cautious when he indicates that there should be financial commitment by this provincial government because that, I believe, is all the federal government and a lot of the CN would really want, is for us to start making financial commitments because we have financial commitments to the various departments right now.

If the member has taken the time and if he talked to his colleague sitting beside him there in terms of what has transpired over the many years when we had a population of 7,000 people at Churchill at one time—we are down to 700—and basically it was all federal commitment at that time. Gradually, the federal government has withdrawn, not during my time, but long before, they started withdrawing their activities to Churchill and, as a result, we are in the position where we are right now.

All we would basically need is to start putting money and show a commitment somewhere along the line financially, other than what we are doing right now which is supporting the complex to the tune of \$1 million a year, the infrastructure in the community. Even through Highways, we have a commitment in terms of doing the roads to the airport, et cetera.

There are all kinds of commitments, but if we start talking in terms of the rail line and start talking—even the potential of the province accepting the responsibility financially would be irresponsible because that is all we would need to do and then they would offload on us. They would like to do it today.

I want to encourage the member that we both stay on the same side with this issue and not give the opportunity for the federal government—even this conversation already makes me nervous by the fact that somebody might even be thinking along those

lines. I feel that is all the federal government would basically need to start doing—dumping more.

I want to encourage the member that I am prepared to work with all members of this Legislature to make sure the federal government who has the major responsibility in Churchill live up to it. I do not want to get on to that track necessarily.

Mr. Reid: There are many areas where the province can make investments to improve the transportation to these different communities in the north of our province. It is not necessarily into the roadbed infrastructure of the railways or into the rolling stock equipment. I would not, for a moment, think that we should in that sense be subsidizing the railways or allowing the federal government to get out or shirk their responsibilities and duties to continue to provide services to the people in the north of our province.

They have an obligation to continue the, I like to call it pushing back the frontiers of our province and our country, to ensure that these people have the necessary services provided to them. The federal government has not in any way that I can see assisted us in this matter and has left it to become a provincial responsibility.

The railways, themselves, by the statements that Ron Lawless has made, and I know, I have had meetings with him since 1985 with CN senior management. They told me to my face that if they could, they would sell that line for a dollar. They would not hesitate for a moment to do it. That would leave, from what I can see, the residents in the north part of our province, including the community of Churchill, with no alternative transportation means because that line, I am sure, would be abandoned.

That is why I think we have to bring and put forward continual pressure upon the federal minister and the federal government to have them live up to their responsibilities. I do not see anything other than letters taking place, being exchanged, indicating our position. I am sure they know full well what our position is, and that I do not believe has changed over a number of years. That is why I indicate, we have to be prepared to make some sort of a financial commitment, as we had in the first phase of the agreement, to show our sincerity in this matter, and there are many areas where we can make that commitment to.

* (1030)

The railway, of course, is compensated through the grain transportation agreements for maintaining the operations on the north line. I believe the section that they are compensated for is the Herchmer subdivision, and there are many programs that had been contemplated. Could the minister give me some kind of an indication on what plans are in place? Do we have any programs that have been considered to indicate what the cost would be for upgrading those lines and what type of work would be required?

Mr. Driedger: Madam Chairperson, one of the difficulties that I have had is that the figures that CN basically uses and the figures that we use, there is some differential in there. I have been using the round figure of a hundred million dollars which would be required to establish cryo-anchors, as well as the widening of the railbed, et cetera, the stabilization of the line.

I also have major concerns that D-Day or decision day is coming somewhere along the line in terms of ongoing commitment. Either the federal government and CN are going to take and enhance the line, because under the previous agreement the Boxcar Rehabilitation Program, which was a pretty expensive program—and I have my doubts, in retrospect, whether that was the best route to go, that possibly we should have pushed forward and tried to get the special cars that we were developing.

Now what is happening, Madam Chairperson, is that the boxcar fleet is being depleted and depreciated to the point where we will probably have, under the circumstances, barely enough cars to have a good movement through that this year, and I expect that next year we will have to look at different means of getting the grain down there because CN is using this and saying, well, the cars are depreciating and not capable of hauling grain. I have continually pushed and said, though I am not an engineer and cannot qualify this I suppose, but we are using the hopper cars to Limestone right at the present time.

I personally feel that the line, the Herchmer line from Gillam to Churchill, by and large, is a better line really than the one coming down where you have the variations in the permafrost, so I feel that basically we should be able to use the hopper cars right now. I feel that, if we did some work on the line, the commitment was there that, by and large, we could use the hopper cars to Churchill in terms of

grain movement, and ultimately, I think that has to happen.

I am just informed by my staff here that CN had a hopper car all the way to Churchill on their work train. So I have put forward various suggestions. They tell me that with the hopper cars—my argument is, so if they oscillate too much because you fill them to the top, maybe do not fill them all the way to the top, but that they could use them, or they could split the trains to have a box in between to take away the oscillating effect, which the engineers tell me, the CN engineers tell me, is where the danger comes. When CN officials really get down to the basics, they have to admit that they think they could probably run hopper cars down there.

All we basically need—and this is the frustration that I have—is that commitment. If they wanted to do it, we could do it. I mean, we have derailments taking place as we had in St. Lazare. It is an ongoing thing all over the country where we have derailments. I think that we should try this, and certainly I think there is enough merit that we could be able to start running hopper cars to Churchill. Ultimately, that decision is a crucial one, whether they will take and run hopper cars to Churchill, in my view, because the boxcars are going to be deleted within two years, the way I expect that they are operating. They pull so many off and say they are not capable any more, so I think that we have to look at an alternative, develop a car that is going to be capable of running the line.

When I talked very seriously with CN in person, they said, well, it is no different than on your highways. If I allow heavier loading on a road that does not have the ability to carry that kind of weight, then you will destroy your line. I have difficulty with that. I feel that the roadbed is such that, with a little bit of work, we should be able to run heavier loads and run the hopper cars down there, because we are doing it right now, as I indicated, to Gillam. We are running hopper cars down there right now.

Basically what is required, and this is what I have been pushing for, I think the government, irrespective of this government or the previous government, have been pushing for a long-term commitment that we are going to keep that port viable, and that is what it is all about. There has to be that determination by the federal government to do that.

Mr. Reid: Madam Chairperson, I agree with the minister when he says that the railways should be using the hopper cars. There was also—and I remembered this because I was employed in the shops at the time when we built the articulated car. It is my understanding that that particular car had a lower centre of gravity which allowed it to be more stable on the line.

The shops in the previous government, in conjunction with the federal government, had an agreement to rehabilitate the boxcars to allow them to continue in service for a longer period of time. Now the minister indicates they are coming close to the end of their life span.

We have to make a decision here, and we have to force the federal government to make a decision on whether or not we are going to go with the articulated cars which have a lower centre of gravity and will be more stable on that line that the railway says is so unstable, or we have to go with the cylindrical hoppers that we presently have in use, or the American-style hoppers. Those are the choices.

We have to have some kind of a commitment, and if it is the roadbed and the permafrost problem, this government should be prepared to make some kind of an investment into stabilizing that roadbed itself. That would remove the excuse that the railways have that it is too unstable to use the hopper cars on that line.

We have choices here that can be made if we are willing to make the commitment, but we have not seen that commitment being made yet. I know the federal government has a responsibility, and that is where they can come into play to have the railways construct the cars, the articulated hopper cars that have a greater capacity and a greater ability to handle traffic on unstable rail lines.

We are moving into a situation here, too, where the province of Saskatchewan is not that far off from an election. The province of Saskatchewan is an agricultural province, and they ship grains to market too, and they have expressed, as we have seen on several occasions in the last seven or eight months, at least some support for the continuation of the Port of Churchill. We have not seen that type of commitment in the past, and maybe now is the time for this minister and his government to put pressures on the province of Saskatchewan and the government of Saskatchewan, to make a financial

commitment toward the continued operation of this line and the port.

Has the minister made any communications, opened any lines of communication with his counterpart in the province of Saskatchewan to determine whether or not they are prepared to make this type of a commitment?

Mr. Driedger: Madam Chairperson, my first comment is going to be to caution the member to be very careful about how he talks about commitment because, I repeat again, that if we start talking about making financial commitment to anything along the line where there is federal responsibility, they will pick that up and ram it down our throats.

I want to indicate that both Alberta and Saskatchewan basically withdrew their funding for the Port of Churchill Development Board, and, as a result, for a couple of years the province carried it totally by itself. I want to indicate now that, yes, I have been in communication many times with the present Minister of Highways and Transportation from Saskatchewan, Sherwin Petersen, who has indicated verbally at Vegreville when the Hudson Bay Route Association meeting was there, he came out as strongly as I have ever heard any minister from another province talk in support of Churchill.

I also have copies of a letter that the Saskatchewan minister sent to the federal minister indicating and requesting that a million tonnes should be shipped every year through the Port of Churchill, and this is something that we have not had from those two provinces.

I want to indicate, and the member probably realizes it, that actually most of the grain that goes through the Port of Churchill comes from Saskatchewan and part of Alberta, and that only a portion of it basically comes from Manitoba.

As I indicated yesterday, most of the municipalities in the three provinces have sent letters of support within the last year to myself and to the federal minister indicating their support for the continuation and operations and enhancement of the Port of Churchill. We are doing what I think we can in terms of putting the pressure on the federal government, but I want to again caution the member to be very careful about starting to talk about us making a financial commitment to this, because I think the responsibility is a federal responsibility, and I am not going to let them off the hook. If they want to start talking deal, we will talk deal; but I am

not going to run out there with a cheque in my hand and say, well, listen, you know, we will put some in if you put some in. It is their responsibility, and I will hold them to that.

Mr. Reid: The minister has indicated he is going to hold the federal government to their word on this matter, and I think it is important that he does continue to put pressure on them. Then again, if we continue to wait and we keep tossing letters back and forth through the mail and we keep verbally abusing the federal government for their lack of commitment on this line, then once these two years have passed and this boxcar fleet has deteriorated to a position where it is no longer safe to use or economic to use, then we have taken no positive steps to put in place any programs to substitute for that boxcar program.

* (1040)

With the railways' intransigent position on this matter and the positions that they have taken in the past and the federal government willing to make any sort of a commitment, then we are going to see ourselves being in a very, very awkward position in a very short period of time. That is why I am saying we have made commitments in the past by the \$55 million that we have committed. It is not like there has not been any partnership in the past where the provinces played an active role. We could continue to strike as we have in many other areas to play a partnership role and encourage the federal government to become involved by putting our money forward and say let us sit down and talk about this, what are you willing to do? We cannot just sit back and wait.

The ERDA agreements that took place, there was I believe \$111 million, from the federal government towards transportation. The province had committed 26, and those agreements have now expired. The work is expired on them, they ended in 1990. So we had no progress on that. We have had no progress on the articulated hopper car fleet to replace the aging boxcar fleet. We have no work on the rail line. We have had no work on the port to get grain shipped there. Are we just going to let the North of this province die? Are all these people who are in these communities now going to have move back into the southern portions of the province and will abandon the North? The positions and the actions that we are taking now are indicating that to me, and I had seen no substantial changes in that direction.

That is why I am saying to the minister, we have to bring forward a financial commitment. CN has been saying that it is going to cost \$100 million

Mr. Driedger: . . . say 160.

Mr. Reid: \$160 million now. So the figure has jumped. I have never, never seen any evidence to support the claims that they are making. I have in discussions with railway people who are involved in areas of CN rail lines in this province. It is my understanding that their financial commitment, their financial investment into maintaining that rail line to the North is very, very minimal. Considering that the railway itself, CN Rail, gets compensated I believe \$17.9 million per year for continued operation of the Prince Rupert and Herchmer subdivisions, based on the figures that I have seen, they do not even come close to making that kind of an investment to improve and upgrade that line.

I ask the minister here now, does he have any facts or any information that the railway has supplied him to support the claims of \$160 million? How much is CN actually being compensated for the continued operation of their equipment on the Herchmer subdivision? Because the full \$17.9 million is not going into the Herchmer, I can assure him that.

Mr. Driedger: Madam Chairperson, the member talks about a partnership with the federal government, and I want to indicate to him a partnership is like a marriage. You need two to make it work or to make something happen; if one partner does not want to make it work, it does not happen, and that is the situation we are in with the federal government. I will not walk down there I indicate again.

I want to caution him, I do not like the trend that he is talking about me going cheque in hand to the federal government and say, we will put in money if you will do something about it, because that is all they would need. He indicated, and knows as well as his colleague there, and I maybe should ask him to check with the colleague sitting beside him in terms of how he views that this process should take place. Because for me to go there, you know start talking about we will make a financial commitment if you will, I think we are too close to a very serious decision in terms of what can happen to that line.

So I want to caution the member that I do not like this line of discussion that we are having in terms of saying, well, make a financial commitment and then

maybe the feds are going play. That is not the way I perceive it. I mean our experience with the federal government is too negative to date to be able to go into that kind of a discussion with them.

The member has asked me whether we can verify some of the facts in terms of the costs, that his view—and we can debate whether his view about what should happen to the line, or mine. I am not an engineer; I am not qualified to make that decision. I rely on staff basically and people who have the ability to make a decision as to what is involved, but staff indicates that the cryo-anchors, the bank widening, new bridges and trestles—some of those trestles and bridges that we have out there, and there are a lot of them, are deteriorating to the point either they get maintained, replaced, or whatever happens.

These are all the things that have to be considered in the costs of what is going to happen there, so I cannot—we use a rough figure of \$100 million, \$110 million; CN is using something like 160. In fact at one stage of the game I think they were talking even as high as \$200, \$300 million dollars. If they can push that price up high enough, what it is going to take to replace all this and keep this line viable, in terms of just operational—I mean then ultimately they will say, well, for \$300 million it is not worth it, and shut it down.

I think that our figures are much more realistic in the terms of \$100 million, and I will tell you something, as I indicated in my letter to the federal minister, when you consider the kind of money that the federal government has spent on transportation projects, justifiably. For example, when we have the line through B.C., the big tunnel that we have, the amount of money that was put into there. When we are talking of the potential line between Montreal and Toronto, I believe it is, the high speed rail, to the tune of \$6 billion. When we look at what they have done with the St. Lawrence Seaway, when we look at the deal that they cut with Newfoundland when they took the railway away from there and gave them \$800 million.

I mean there are many examples of where the federal government has put that financial commitment into something if they believe in it. Our problem is to make sure that they have the commitment. We can nickel and dime this thing all we want, unless there is going to be that commitment by the federal government. I mean, we can never support that line as a province. I mean,

there is no way. We are letting the feds off the hook, and I do not want the member to necessarily promote the idea saying, well, listen, there is no financial commitment from this province to do it, because that is not the way this deal is going to work with the federal government. I can assure him of that.

Mr. Reid: Well, I know this government and the members on the benches opposite have said, throw money at the problem, and that is not the thought that I am trying to put forward here. What we are looking at is making an investment in the people of the province of Manitoba. By the actions that have taken place in the past, where we invested \$55 million on behalf of the province as part of a cost-sharing arrangement, we were in a partnership. We sat down, we talked about this, and we decided what actions and what programs we were going to put in place. We made an investment into the province of Manitoba. By putting forward our monies, we encouraged the federal government to do the same thing. We actually embarrassed them into taking a position on this and making investment because that is their responsibility, to spread the monies throughout the provinces of Canada, not just into the core area, like the minister indicated a few moments ago with the high-speed rail line.

We could have an agreement, sit down and at least start to talk about it, open the doors to the process and find out exactly what the costs are. We have the resources to do that and to make an offer, to make an investment. We could talk in the range of the railways putting \$30 million, because they are compensated year by year; the federal government could make a commitment, say \$30 million. That is \$60 million, and the Provinces of Saskatchewan and Manitoba could also make an investment of \$20 million over that period of time. That would be \$100 million.

* (1050)

We could create employment opportunities in our shops, either in Weston or in CN in Transcona, where we could manufacture the equipment that would be necessary to operate on that line. We have the technology that is available to us. All we have to have is the political will and the commitment on this government's and on the federal government's part. We have to bring in the province of Saskatchewan as well. I do not see any of that taking place in this province. In other words, unless

we put our money where our mouth is, we are never going to be taken seriously on this matter.

The minister indicated in his letter to the federal minister of transport that they are actively working to upgrade the Churchill Rocket Range and there would be an investment as high as \$150 million. If we are looking at making that kind of an investment into the community of Churchill, and it says here that it could create another 150 to 300 permanent jobs, with that type of an investment into there, what type of an encouragement in there would there be for anyone to come and establish in that area outside of government if the rail line is not going to be there? That is what I am trying to tell the minister here and indicate to him, that if we put the money forward in a small portion to indicate our sincerity on this matter, we are going to force the federal government to take a stand on this. We have not got much time left on this matter.

If the government, which is now studying—and there are cabinet documents in circulation, so I have been informed, indicating the position on what is going to happen with that remote protected route, as far as passenger service is concerned. If that is released this fall, it may be a lot sooner than we think, and our time could be running out very quickly. So we have to take a stand now, and we have to put our position forward in a much stronger fashion. If the minister, because the budgets are set now for this year and we are going through the process, does not see that there are monies available in this budget year, at least put forward a proposal for the next budget year to show that we are sincere and we want to move forward with this program.

There have been many positions that have been put forward, some of them very discouraging and some of them very positive. The Pas Port of Churchill Promotion Committee, of course, has done extensive studies on the continued operation of the Port of Churchill. In fact, they have come to the point now of going down into the United States to contact the governors of the states in grain-producing territories to find if there is a political will there to export grain through the Port of Churchill.

It is going to be a very embarrassing situation for this country and this province if the U.S. decides to export through the Port of Churchill, and the country of Canada will not even export its own grain through that port. I can see if that situation does come to pass, there are going to be a lot of questions that

are going to be asked, and there are going to be a lot of embarrassed people in government.

The minister has not given me an indication on what cost, what dollar value, CN has compensated for the operation of the Herchmer subdivision. I want to know the split on that.

Mr. Driedger: Madam Chairperson, I can appreciate some of the member's comments, and he is going through the same process that basically I went through with the member for Dauphin (Mr. Plohman) when I got to be minister, when he gave me an education in terms of what should be happening in Churchill and all the initiatives that were taken. I suppose the tables have turned around now, and I am going through that process with the official critic.

I ask him to, you know, do not live in a dream world. When he talks of getting a commitment from Saskatchewan, we could not even get them to have a \$30,000 commitment on the Port of Churchill Development Board. Now we are talking of millions of dollars. The best thing that we finally accomplished is that we have them verbally onside supporting the Port of Churchill and that grain should move through there.

When he talks of the various initiatives, we have files this thick already when Jim Wallace was there who was a very, very dedicated individual for the Port of Churchill, who made contacts with every aspect of it from the European countries and Russia in terms of shipping through there. There is such a realm of history that is involved. If the member has time, we can go through these initiatives, one by one really. There are many, many of them that have been looked at in terms of moving liquor through the Port of Churchill, cars coming through the Port of Churchill, like everything under the sun, having the Sydney grain shuttle service from out of Churchill. There are initiatives—we have books of them already.

Until there is going to be a real commitment by the federal government to get involved with some of these things they really feel they want to support, then things are going to happen.

The initiatives that we are doing are, well, not nickel and diming, but, for example, the rocket range aspect of it is something that my colleague the Minister of Industry, Trade and Tourism (Mr. Stefanson) is working with very strongly. There are things that are happening, all initiated here, but there

is a realm of these initiatives that we have been working with and continue to work with.

We can go through that whole process. Like I say, I had the privilege when I got to be minister where the member for Dauphin (Mr. Plohman) who had been the minister before me, we went through the same process with Churchill where he educated me basically as minister, and I can do that for the member as well in terms of trying to find out all the things that have taken place.

I would rather offer the member that if he wants to sometime avail himself, I would make arrangements for him to meet with Mr. Schaefer here, and just go through all the things that have happened, the history of Churchill, for the last 15 years. Then he would say, well, and why has this not worked? I mean, we are throwing suggestions out here. Everything that can possibly be done, aside from me running with a pay cheque, which I will not do at this stage of the game, everything has been tried to make sure that Churchill continues to be a supply area for the North, and that we keep it viable.

It is a shame, and I have said this facetiously very often, if this Port of Churchill was in Quebec it would be a thriving metropolis, but because it is in Manitoba and we do not have the dedication of the federal government for it, that is why we are having the difficulty. I know all the problems that are related to it, and I can indicate to the member again my dedication to try and do everything possible to make sure that that port is viable, that it keeps on operating, because for the future, I think, it will play a major role in what is happening in this country and in this province.

Mr. Reid: It seems that we are willing to put \$102 million or \$106 million into our Capital Highways Program, but we are not willing to make any kind of an investment into any other areas of the transportation industries in this province. We cannot rely solely on making this type of capital investment into highways. We have to put the money into the areas where it best suits the needs of all of the people of the province, not just the southern portions of the province where most of the highways are built now.

We have to have that type of investment, and I will continue to press the minister on this matter, but he has not answered my questions, two of them. What type of an investment has the federal government

reneged on as far as dollar value to the airport facilities and hangar facilities at Churchill, and what type of dollar value is the CN paid for the continued operation of the Herchmer subdivision?

Mr. Driedger: The last remarks that the member started from, I think are totally irresponsible for him to indicate that we are spending \$102 million out of that budget, that we should be able to channel a bunch of money into this. This is a completely different category. If the member wants to look at the history of the spending of Highways within the province, that I think is an irresponsible statement. Transportation is a major, major portion of the problems. We talked about that at length yesterday. For us to start cutting out of Highways programs to put into that, which is a federal obligation, I will not accept that for one second.

I want to indicate to the member that the commitment for the federal government on the airport terminal and airport is \$2.8 million, which they have not met. He has asked me to run with a cheque in hand to the federal government when they have not even met their obligations yet. I think I would be regarded as a fool if I did that, until they finally meet their obligations of the last agreement. I am not going to start negotiating with a cheque in my hand with them, until they have fulfilled the agreements they have had in the past and have reneged on.

Also, the member asked about how much CN is getting under the Western Grain Transportation Act. I have from 1984-85 on. That year they got \$11 million; the next year \$10 million; in '86 \$18 million, \$17 million; '88-89 \$1.5 million, \$8.8 million and \$12.4 million is the money that the CN has received under the Western Grain Transportation Act.

Mr. Reid: May I ask the minister could he repeat for me the last two years figures, please?

Mr. Driedger: Madam Chairperson, I will do better than that. I will give him a copy of the subsidies that have been paid. I will have one run off and then give it to him.

Mr. Reid: I thank the minister for providing the list. I would be interested in seeing that, because my information indicates that CN has made a very minimal commitment, as I have indicated many times, to maintenance of this line considering the amount of dollars they receive for continued operation of this line. In other words, they are taking this money and they are pocketing it and putting it

into other areas of their operations—outside of this province no doubt.

The minister talks about the federal government's, I believe it was \$2.8 million that they have reneged on and not paid to this province for the airport operations and hangar operations at Churchill. What actions has this minister's department taken—and I am talking legal action now, if necessary—to ensure that these binding contracts are lived up to?

Mr. Driedger: Madam Chairperson, when the agreement terminated, there was still that commitment from the federal government that they would build that new terminal up there. They still claim that it is on their high priority list, except it has not happened.

I continue to take and press him for that. I will again next week when I meet with the federal minister. In terms of court action, I think that is something that—the federal government does not want to play ball with the province in terms of the Port of Churchill or the Churchill community.

We can take them to court till—I better watch what I say—forever and we will not gain anything. We have to, in my view, try and encourage, to try and work as closely as we can, keep pressing as we are doing now. I am doing everything that I and my staff can rationalize in terms of what we are doing to make this commitment come forward.

I cannot force them. If the province was the one that was making the decision, that is fine. The members have asked me many times over the years, you know, why do you not force the federal government, why do you not force the Wheat Board, why do you not force CN? We are not in a position to force. We are in a position to lobby, to try and negotiate and try and make things happen. Certainly I am not, as a province, the government of the day, we are not in a position to force anybody. We have seen that with our relationship with the federal government in terms of the fire assistance that we had.

* (1100)

You negotiate and work at these things, and ultimately you hope you come out a winner. I can indicate that I will continue to do that.

Mr. Reid: That is my exact point, Madam Chairperson. You have to sit down and negotiate these items. I am glad the minister mentioned that.

The discussion that the minister has raised here about payment for fire fighting in this province that this federal government—until just recently—reneged on paying was only a verbal commitment by the Prime Minister.

The other agreements, my understanding is, are in writing. Unless you are willing to play hardball with this government and at least initiate the court action they are not going to take you seriously. Once you initiate that you have shown them that you are serious and you are going to continue through with that if necessary. If you sit back and wait, then the statute of limitations is going to come into play here, and that is going to be the end of it.

You have to be willing to play hardball with them if they are not willing to live up to their written commitments. That is why I am pressing the minister here for him to take that action, to force the federal government to live up to the agreements that they have signed. If they were signed in good faith then they should be willing to live up to them.

The western Grain Transportation Agency, of course, is doing an efficiency study now. In looking at the document and reading through it on several readings, it is very obvious that they do not have a very strong position on the continued operation of the Port of Churchill. That is unfortunate for a federal government agency to take that position, considering that the government itself has not indicated—at least not yet to this point in public discussion—their lack of commitment to Churchill, although it is very obvious by the lack of dollar commitment that they do not have a long-term view for the Port of Churchill.

(Mr. Ben Sveinson, Acting Chairman, in the Chair)

What is the minister's position and what position has his department taken with respect to branch line abandonment in the province of Manitoba? This is part of the efficiency study, and I want to know what position the minister's department has taken.

Mr. Driedger: Mr. Acting Chairman, the position this government has is no different than the position that was put forward by the previous administration who, together with the four western provinces, put forward a position continually in terms of rail line abandonment. We continue to press in that direction, and have the same results as the previous administration which is zilcho. The federal government has refused to listen and accept the

suggestions of the four western provinces in terms of rail line abandonment.

I have to indicate that my colleague the Minister of Agriculture (Mr. Findlay) and the people he is working with have pushed forward strongly all the time indicating that in the event where abandonment is taking place and rationalization is taking place, there has to be up-front cost—you know, some compensation to the municipalities, to the producers and to the province, because when you abandon lines, basically that traffic moves onto the road system, and ultimately municipalities and governments have to pay for that.

Our position has not changed at all from the previous administration in terms of how we feel about rail line abandonment. These discussions are going on. I have to indicate that the Minister of Agriculture is very supportive of that position. We both, either one of us individually or both together, continually put that position forward as strongly as we can.

Mr. Reid: Mr. Acting Chairperson, I believe during the Estimates debate the Minister of Agriculture (Mr. Findlay) indicated that the producers would be compensated. Granted, the producers have a stake in this, and their costs will indeed rise if they are forced to haul their product further distances before they are able to take it to market.

There are also costs that are going to be incurred by the municipalities and the people in the province of Manitoba. I want to know whether or not this minister has continued to take a position. What is his position for compensation with the rail line abandonment in this province? Are we still asking for compensation for the different municipalities and for the province itself?

Mr. Driedger: Mr. Acting Chairman, I indicated before what the position is. We are pressing the federal government that when there is rail line abandonment taking place, there has to be compensation to the producers, to the municipalities and the provincial government, because we are ultimately bearing the cost.

I want to indicate, as I did yesterday, in terms of our transference and offload of 2,000 kilometres to the municipalities, at least we have a \$6.1 million compensation package which is in keeping with the position that we have put forward all the time. That is what we expect from the federal government.

I want to indicate, the federal government has agreed to look at refinements to the rail abandonment process which is the first encouraging sign we have. I will not hang my hat on that in terms of expecting any major results, but at least we are having some kind of movement towards looking at some refinements, as I indicate, which is very vague.

Mr. Reid: Has the minister put forward his position to the federal government, since this is obviously very important to the province of Manitoba? If this branch line abandonment continues as it is proposed to do and that, I might add, at an accelerated pace, looking at the WGTA document, it is going to put extra pressure on this province in a very short period of time.

What type of a commitment has the federal government given to the minister that they are willing to recognize the added responsibilities and costs that the province and the municipalities are going to have to incur, not only just the producers but the rest of the province is going to have to incur? What is the federal government willing to undertake as far as compensation for the province?

Mr. Driedger: Mr. Acting Chairman, the member has asked, have we put our position forward? I want to indicate to him, many, many times, as the previous administration did, as well. We keep putting it forward all the time. To date, we have no commitment from the federal government.

* (1110)

Mr. Reid: This is starting to sound like a broken record. Every time we talk about an issue, whether it be transportation, whether it be the port, whether it be compensation for the rail line abandonment, we have no commitment from the federal government.

That is why I am indicating to the minister here that we have to take a hard position. We cannot just sit back and let them walk roughshod over us like they are doing. Unless we are willing to take legal action to reinforce the agreements that we have, they are going to continue to do that. It is the political pressure that will be brought to bear that will reap some rewards for us in the goals that we are trying to achieve.

We cannot just sit back on our hands and take a well, we will wait and see attitude. That is never going to work, not particularly with this federal government anyway. God knows, it is only two years and hopefully less till the next federal election.

He is obviously going to place an extra cost on the province, this rail line abandonment. Does the minister, in his department in Policy and Research, have any indication of the number of miles or kilometres of branch lines that are going to be abandoned and the extra costs that are going to be incurred by the province of Manitoba as a result of this abandonment?

Mr. Driedger: Mr. Acting Chairman, I find it interesting when the members says, you know, you cannot sit on your hands. We have perceived it, in terms of putting our position forward, as strongly and with every means that we know possible just like the previous administration.

It is easy enough for him to stand there and say, well, take some action, do not just sit there and do nothing about it. Let him talk to his colleague beside him and find out what kind of results he has had. I know the member for Dauphin (Mr. Plohman) used to say, let us all get in a plane and fly down there; we will charge the hill and we will make everybody pay attention—a dream world. I mean, you negotiate as he did, the best that he can, put the position forward. Let the member not get too carried away about sitting on their hands and nothing happening.

I want to indicate, in terms of rail lines to be abandoned, in my last conversation with CN they indicated that their abandonment plans are minimal for the future, and because they have abandoned most of them, that they are really concerned with—they have one or two lines, I believe. I am much more concerned about the CP abandonment at this stage of the game.

The information I have here, the latest information, rail lines in Manitoba most likely to be abandoned will be 491.8 miles and then there is another possible 273 miles for a potential total of 765 miles. Like, this is sort of based on the type of track and the type of traffic that is on there and these are our figures basically that we are using.

Mr. Acting Chairman, I have copies here of density of rail lines and status of Manitoba's rail lines as of December 31, 1990, and if they want, I will table this for the member. I only have one copy of each. Could I have a copy run up so both critics get one? I will table that and then the member can have a look at that information. That is the most recent information we have. Hang on.

The Acting Chairman (Mr. Sveinson): Item 5.(a).

Mr. Reid: I believe we have a representative operating on behalf of the province of Manitoba in Ottawa, Mr. Blackwood, I believe is his name. What type of efforts has he made on behalf of the province of Manitoba and the people in Manitoba to put forward our position on transportation issues? Has this minister made any contact with this person and what type of lobbying have we done with the federal government in this regard?

Mr. Driedger: We believe that Mr. Blackwood, who is our contact in Ottawa, is doing everything that we could really expect of him, I suppose. Any activity that takes place from my department to the federal government, we take and copy him and let him know what is going on and he lobbies on behalf of my department, other departments, in terms of the positions that we put forward. The contact is there and we use him as much as we can.

Mr. Reid: What success has this representative of ours had in Ottawa putting forward our position? Does the minister have anything to report to us in this regard?

Mr. Driedger: Mr. Acting Chairman, the moment I strike any success with the federal government I will be here in this House making a ministerial announcement and ask everybody to cheer with me.

Mr. Reid: I had to get that on the record, because even though I have not been here that long, I have several colleagues with whom I work who have, and we have not seen any successes from this representative, this so-called lobbyist that we have in Ottawa, acting supposedly on the behalf of the people of Manitoba, and unless we see some results very soon, I would say we are throwing our money away in this regard. Maybe that is one of the areas we can look at saving some money because this person has not been successful. Maybe we could look back at eliminating that position in Ottawa.

One of the issues that I raised with the minister in the House here was the CP Rail train traffic diversion around the province of Manitoba. Of course, that puts Manitoba in an awkward position, where we do not have the revenues being generated in this province, and we do not have the employment opportunities for the people in this province.

The minister indicated that he, in his department, in conjunction with the Minister of Finance (Mr. Manness) and the Finance department, were going to be looking at ways of resolving this matter. What

progress can the minister report on this issue right now so that we can bring this train traffic back into the province?

Mr. Driedger: Mr. Acting Chairman, from time to time if these debates take long enough somebody leads with their chin, and the member just did that because it was the previous administration that put on the heavy taxes, the second highest in the country, on fuel for locomotives in Canada. That is the issue. We have not raised any taxes for them; it was done by the previous administration. He should think about these things a little bit before he starts criticizing and saying, what have you done?

We have not increased any. It was the previous administration that created the problem to some degree. When we talk of the routing of CP via the States in terms of some of their movement, that debate we have had here in the House during Question Period, as well, and we have that in public to some degree. CP indicates that they bought the Soo Line in the States. It is 100 miles shorter. It is cheaper for them.

Part of the problem that has actually been created by the previous administration, in terms of how they felt they could tax the fuel on the locomotives, we are trying to sit down with them and say, listen, we feel they have a moral obligation. They have an obligation to this country and to this province, and we will try and make sure that they adhere to that and try and encourage them as much as we can. Statements that were made by the member at one time, saying, well we gave them all this land at one time, CP for example, is there no obligation? Well, I went back to staff—it was gullible to the suggestions. Some of you even said, well, what basically can we do, or what are our options?

If you want to go into a 100-year history in terms of how this whole thing evolved and stuff of that nature, you know, we are flogging a dead horse if you think that we are going to start saying to them, well, you have to give us back because we gave you. I mean, that is not where we are at at this stage of the game. I think what we are trying to do, together with the Minister of Finance (Mr. Manness), is to create the environment, to some degree, to be competitive.

I realize that both CP and CN have to rationalize to some degree, and I am not defending them. I am not here to defend the railways, but our rail lines under decentralization in the States, they are more

competitive, they have gone through the process that basically our rail lines are going through right now. I have to be very honest. I do not expect what we have seen today is the end of it. There will be more rationalization taking place, both with CN and CP, and all we can basically do, in my view, is to try and work with them, to try and encourage them, and to make sure that we get the best deal that we can.

If we talk about CN, for example, Manitoba plays a major role with the railways in Canada. Percentagewise, and I looked at the figures—I do not even know where I have them now, I will try and get them for the member. In terms of rationalization from the time that CN, I believe—in 1982 we had 7,678 employees. This is only CN. We are down to 5,700 in the province. In Canada there was 67,000. It is down to 32,000. In '82 we had 11.4 percent of the employment of CN. Right now it is 17.8.

We are working and encouraging—and we have the main repair shop of CN is in Winnipeg. Moncton got shut down. We have fared, in spite of the negative things that happen from time to time, like the other day when they closed the real estate office, but we have held our own and we will continue to press to hold our own in terms of the employment factor and the impact economically on Manitoba.

* (1120)

Mr. Reid: Mr. Acting Chairperson, I take it by that answer then that we have skated all around this question, and that the government has had three years. I did not want to get into the political aspect of it, but now that the minister has opened the door there, I guess I will step through. We have the three years for this government to take actions, if that was their intent, to reduce taxes to the railways for their fuel taxes. They have not taken those steps, so you cannot blame the previous administration for that.

The Province of Saskatchewan has increased the taxes on motor fuels under a Conservative government. The federal government is having the same problem with the trucking industry and the fuel taxes there, and the truckers are complaining about that. They have not taken the steps, and they have had six or seven years to take action there. So you cannot blame the previous administrations when you have the responsibility and have had it for three years and could have taken those actions.

The minister still has not answered the question on what programs or what changes that he and the Minister of Finance (Mr. Manness) are putting in

place to resolve this matter. To me, the important issue here is the employment for the people in the province of Manitoba. I want to know what changes, what programs, or what policies that he and the Minister of Finance are working on to have CP come back into this province, to create those jobs by running the trains through this province again.

(Madam Chairman in the Chair)

Mr. Driedger: Madam Chairperson, we cannot change the geography. If it is shorter and cheaper to route it through the States because they own the land there, I cannot change that.

I just want to indicate to the member that—he is asking, what are we doing specifically? I can indicate to him I am not going to throw money at the situation to try and resolve that. We are trying to work with them, and one thing we have not done is increased taxes further. Part of the whole process that we have gone through in this budgetary process is that this government refused to raise the taxes to try and create an economic environment so that we have people wanting to come here and invest their money, people like CN and CP, that they want to stay here, that we create something that is going to be conducive to keep their investment here and keep employment here.

The member is correct; I agree with him that job creation—jobs are a very important thing, but taxing the heck out of people is not going to create more jobs. That is why we will stabilize things. We still have to take and provide all kinds of functions. As I have indicated many times in my comments, Health, Education, Family Services are the priorities of this government; we have not cut them. That is why my department and others have had to suffer some repercussions, have to rationalize our operations to some degree to make sure that we do that; but one of the reasons why we do all that is because we do not want to raise taxes. We want to have an environment here that is going to make it conducive for them to do business here in this province.

Mr. Reid: Madam Chairperson, I take it by that answer then that there have been no actions taken on the part of the Minister of Transportation (Mr. Driedger) and the Minister of Finance (Mr. Manness) to resolve this issue, and that CP Rail will continue to operate trains around the province of Manitoba,

eliminating jobs in this province and eliminating revenue for the province.

There is no action being taken by—indicated in the minister's answer -(interjection)- What action have you taken? It was a simple question. You indicated it would take a number of weeks to have this matter resolved, and we have seen no progress. If there has been progress, you should have something to report back to the House at this time. That is why I asked the questions.

The safety of the railways the minister spoke about a few moments ago, and the railway operations and how we have to be able to compete with the American line south of the border. Well, I have some experience and some knowledge about how the U.S. rail lines operate south of the border too. Their safety records have not been that great; they have cut back in many areas; and their debt-to-equity ratios are not that great in comparison to the Canadian railways. So they are in no better position; in fact, their employees in a lot of cases are earning less. Their standard of working conditions are poorer than the Canadian conditions are. So we do not have to compete in that sense with the Americans. I do not want to compete with the Americans in that sense. I think we have to have higher standards here in this province, in this country.

We had a recent accident in St. Lazare where dangerous commodities were involved. I indicated to the minister that I would bring to his attention in a letter, the practices as I know them to be as they take place in the province of Manitoba with inspections of rolling stock equipment. I will bring to the minister's attention, the practices, in a written form, so that he will, hopefully, pass them on to the federal minister so that we can bring about some changes in procedure for inspection, because as these trains are moving these dangerous commodities, we are placing at risk the communities they travel through. I will undertake to provide that for the minister if he assures me that he will, in turn, communicate that with the federal minister and put pressure upon them to bring about some changes.

The announcement last week, where there were 18 jobs to the Finance minister's, Mazankowski's home territory. This is not the first time that we have seen jobs from the province of Manitoba go out that way. It has been a long-time rumour and it is becoming much more strong in the fact that CN Rail is going to be in a position to move their shop

operations to the province of Alberta. It is my understanding that there were consultants during the Meech Lake process who were hired to undertake a study to relocate those shops to the province of Alberta as one of the trade-offs. We are still working on verifying that rumour to see whether that is actual, but if that is, it is a very scary situation that we would have been facing in this province, considering that we had some 2,000 to 2,500 people employed at that one complex.

What steps is the minister taking in his department to ensure that we do not continue to lose any more jobs to the province of Alberta or to anywhere else in Canada from our railway industries? What are we doing to protect and enhance those job opportunities in the province of Manitoba?

Mr. Driedger: Madam Chairperson, I hope the member is not just rambling on here to try and make some kind of an impression, because I would suggest he maybe get his head out of the sand in some of these cases. He talks about the safety of CN, and I want to indicate to him that CN won an international safety award for their safety activities in operations across the world. I mean, when he says that they are sliding and slipping in terms of their safety operations, I do not know how they got the award then, but they won the prize for being the most safety conscious in taking those kind of precautions.

The member is also indicating, what am I doing to stop the slide of rail people leaving the province? I indicated before, and I will repeat, and put it on the record again, that in 1982, we had 7,678 people working for CN. We have now, in 1991, 5,700. On the national basis, there were 67,000 at one stage of the game. We are down to 32,000 now. Our percentage of employment with CN in Manitoba in 1982 was 11.4 percent, and we are up at 17.8 percent now. The member is asking, what are we doing to stop this slide? Ultimately, Madam Chairperson, if I can continue to hold that kind of a slide and come up with a bigger percentage than anybody else in the country, then I am very proud of what we have done.

Mr. Reid: I guess if the minister expects the previous NDP government to eat the flack for the fuel taxes that are imposed upon the railways, then we should be able to reap the benefits and the rewards for the continued improvement in the stats of the position of employment in the province as

well. He cannot take credit for one, and pawn off the responsibility on the other.

The ratio has changed, there is no doubt, and the railways have decreased their employment levels in the province and in the country. We have to have some consultation taking place with the railways to ensure that more of these jobs are not transferred, because these jobs that are being done can be done just as easily in the province of Manitoba, looking at the technology that is available, as they can be done in Alberta, and there is no reason why they cannot remain in the province of Manitoba and employ people here. There is no reason why they have to be transferred to Alberta.

* (1130)

An Honourable Member: Political.

Mr. Reid: That is exactly what it is. It is political.

The University of Manitoba Transport Institute received grants and was doing some research on behalf of the provincial government. Can the minister indicate for me what the grant was for last year, what type of research was undertaken, what the grant will be for this year and the type of research that will be undertaken on behalf of the Province of Manitoba done by the University of Manitoba Transport Research Institute?

Mr. Driedger: Madam Chairperson, let me first of all indicate the member is talking about jobs again and getting a commitment from the railways to stay here. I want to indicate to him that CN has made multimillion-dollar investments in upgrading and improving the Transcona shops in the recent years. It does not make sense that they would take and spend that kind of money and then start moving out—(interjection)—No, no, Madam Chairperson, the man is wind and rabbit tracks in terms of his comments when it comes to those kind of things.

I indicated before, and if he wants, I will read it into the record again, the status of what has happened with CN here in this province in the last year, so we are making progress in that regard.

Getting back to the transport institute, I want to indicate to the member that over a period of time, the federal government played a very heavy role in terms of the construction of it at that time. The provincial government made a 50-50 commitment. We were paying them \$300,000 a year as a grant and encouraged them that they should try to be self-sufficient over a period of time in terms of the projects they could undertake for the private sector,

other organizations, Crown corporations, et cetera. This particular year our grant is going to be in the area of \$100,000, and it is going to be projects specific in terms of what they do for us.

We have two projects, I believe, that we have identified and asked them to take. The two projects that we have requested them to undertake, there is one on the materials base and the other one is in the database. So these are two specific projects that we have asked them to undertake to the tune of \$100,000. So we are not unconditionally giving them the grant anymore of \$300,000 as we did in the past.

Mr. Reid: The minister indicated that it was project specific. Does he have a list of the projects that are—

Mr. Driedger: I just gave them to you, two of them.

Mr. Reid: Sorry, I missed it. I was reading my notes. Could the minister repeat what the projects are for me so I have an indication, please?

Mr. Driedger: Madam Chairperson, I will repeat. One has to do with materials research and one has to do with improving the database. Actually, there is another little one to do with the seniors transportation that is involved as well.

Mr. Reid: Can the minister give me an indication on when the university gets notified of its grants? There is some concern there that they must wait much longer into their financial year before they get notified and they are kind of left hanging out on a limb. I know the minister has indicated to me that he is trying to encourage the university to seek out new investors to invest into the research institute.

Does he have as well as that information also any kind of information to indicate other investors that would be involved in the transport research institute?

Mr. Driedger: Madam Chairperson, in previous years, we gave them a \$300,000 grant up front. At the present time, it is a fee-for-service basis, and when they have completed the project, then they get paid. So that situation has changed.

Mr. Reid: We had—and I know I have raised this matter with the minister before—a five-year research funding agreement with the federal government, and I believe it was CN Rail that was doing some investment into the university.

Have any efforts been put forward to encourage the federal government to continue its participation

in the transport institute and to make an investment in there to do research into transportation issues?

Mr. Driedger: Madam Chairperson, we have a very capable person by the name of Otto Lang who is running the institute. I do not think that it is a responsibility of myself to try and look for them to find projects. I think that is something that he is very capable of doing, and I know that they are pursuing this not only with CN, with other Crown corps, federal, provincial, as well as with the private sector in terms of making sure that they—and I have to indicate that the transport institute that we have in Winnipeg here, I am very proud of it. I think it is something that is unique, and I think that they can provide a lot of service. I think there is a lot to be gained by having it here. I think that now that we do not just give them an unqualified grant that they are going to be pursuing these things much more aggressively than they have till now.

Mr. Reid: If the minister has any background information to explain the specific projects, I would be interested in seeing that type of information just for educational purposes for myself and the critic for the Liberal Party as well, I believe, would be interested in that.

There are meetings that are due to take place, I believe, starting today in Regina on the issue of open skies. Does the minister's department have any people from his department participating in the discussions and/or are any people sitting in as observers?

Mr. Driedger: In my opening remarks yesterday, I indicated that I have a representative by the name of Rolly Savoie, who is attending all these meetings and is also attending the one in Saskatchewan. I had hoped that I could have attended as well, having had an invitation to participate. The activities of the House that we are involved in right now have obviously taken care of that, but the member has the information, the position that we put forward as a province, and I have Mr. Savoie very capably attending these meetings and keeping me updated as to what is happening and the progress that is being made.

Mr. Reid: Can the minister give me an indication of the level of employment in the area of transportation in general in the province of Manitoba and can he give me an indication of the number of jobs directly involved in the airline industry in the province of

Manitoba? If he has it broken down by airlines, I would appreciate that as well.

* (1140)

Mr. Driedger: Madam Chairperson, I have figures here under the Manitoba Transportation Action Plan to the Year 2,000, and then we have a Table (e)(6), Employment and Transport Services in Manitoba. In 1983, this is to do with air, highway, railway, urban, highway maintenance and other. We had a total of 29,100, and we, in 1989, have 28,500 people employed in this area, and the target for the year 2000 is 28,800. That is as close as I can give it, and these are figures that have been compiled by somebody else, not ourselves.

Mr. Reid: That appears to be a ways off from the figure that was given last year, and I believe in reviewing the Hansard, it indicated that the 1990 level of employment in provincial transportation was some 37,000. It was indicated to be 7.5 percent of the total provincial employment. Maybe the minister can comment on that if he has information available.

Mr. Driedger: Madam Chairperson, under Table (e)(7), Employment and Transport Equipment Manufacturing, which probably could have been included in there, where we have a figure of an additional 7,000 in transportation and equipment manufacturing. That probably could explain the difference there, and there are all kinds of employment and related services to this thing, so we could play with figures whichever way he wants. By and large, I want to re-emphasize that transportation to Manitoba is very, very important. We are an exporter of transportation services, and I am promoting and doing everything possible and encourage members as well to try and promote this kind of a concept in the province for job creation.

Mr. Reid: I agree with the minister on that. Transportation is very important to the province of Manitoba. That is one of the strengths that we have here. That is why in most of my comments last night and again today, I have tried to stress that with the minister that we have to do everything in our powers to protect and enhance and improve the employment opportunities.

I asked a question of the minister about the employment in the airline industry. Does he have that information? Are there tables that are available?

Mr. Driedger: Madam Chairperson, in 1983, in the air industry we had 3,000 employees. In 1989, we had 3,600 employees.

Mr. Reid: It is obvious by the figures that the minister is referring to that these are old figures. They are some two to three years old. Do we have any recent statistics that would give us an indication on what the employment levels are in the province?

Mr. Driedger: Madam Chairperson, we are using Stats Canada figures here, by and large, and they are usually about two years behind. We can try and dig this out. I do not know how important this is. I will try and get staff to see whether we can get updated figures somewhere along the line.

Mr. Reid: The reason I ask for the figures, Madam Chairperson, is that if there are changes in the employment levels, it can indicate a trend in the different sectors of the transportation industries. That is why I am interested to know what these figures are. If the minister could at some time in the near future provide that, I would appreciate it.

Airports, of course, are very important to the province. Are there any plans to upgrade any of the facilities through the province, including the northern airports which are very important to these communities considering that a lot of them are in isolated situations?

Mr. Driedger: Madam Chairperson, actually I wish the member would have maybe raised that question yesterday when John Hosang was here who is the director responsible for that. As the member is aware, the federal government is responsible for the international airports, a certain number within the province. Then municipalities have their responsibility for their own airports where we just give a marginal grant to them based on the kind of airport they have. Then, of course, the province is responsible for the airports to northern and isolated communities.

That is an area where we have ongoing challenges in terms of trying to improve the airports, because as the fliers, the companies that service these communities, improve their planes, there is ongoing pressure to try and improve the runways. I think it is a worthwhile project, and we try and do that on an ongoing basis.

Mr. Reid: Have there been any discussions between the provincial and federal governments, considering that the federal government has not lived up to their commitment on the airport at

Churchill, to talk about changing the jurisdiction for the airport from federal to provincial?

Mr. Driedger: The federal government has been promoting the idea of provinces taking over certain responsibilities with international airports. I know there is a group here in Winnipeg that has been looking at it and undertaking a study. The process is in place in Calgary, Edmonton, I think Vancouver, and Hamilton. The group that has been working with it here in the city, by and large, is trying to gather information in terms of whether it is economical to do that.

The first very preliminary information indicates that probably it would not be viable to do that. This, of course, is something that the city would have to deal with, but I want to indicate that, with the airport, we have tremendous potential here with what we have right now. We can expand dramatically compared to other cities the services that we can provide here.

I am very pleased that just the other day that we announced UPS made this their hub for parcel distribution, within North America really. It is going to be a major boost. We are talking potentially 500 jobs; we are talking of two 727s landing on a daily basis. -(interjection)- I am told that we will have as many as four a day landing here, and we are very pleased with that. I think it indicates the view that the private sector has towards the kind of airport that we have here as well as the location where we are located, that they can hub out of here.

Mr. Reid: I agree that the announcement with UPS's decision to locate into Winnipeg is welcome news, if these jobs are permanent jobs and not just part-time jobs, as I heard on the news announcement on the radio on the way in here this morning. There is some concern for UPS's position that they are taking in this country.

The airport I was talking about was the Churchill airport, and whether or not there has been any discussions to have the province take over responsibility for it versus—the minister indicates no, so we will leave that question as it is. The federal government still remains responsible for the airport at Churchill.

The UPS decision to locate in Winnipeg, of course, hinged on Winnipeg International Airport's ability to continue a 24-hour-a-day operation. If that airport was impacted in any way that forced it to reduce its hours of operation, of course, UPS would

have to reconsider their decision, and with that would go the jobs that they hypothetically plan on bringing to the province.

What efforts does this minister have, what plans does he have in place to bring about restrictions on development that would encroach upon the noise zones that are surrounding the airport that would be directly in line with the airport runways? Does he have any plans to bring forward any bills in the next session that would limit the development in these very sensitive zones?

Mr. Driedger: I suppose the member brings that question up to put it on the record, because he is one, along with some of his colleagues who are getting up on a daily basis with petitions about The Pines issue, so I think he knows full well the history behind this.

I want to indicate that I am very pleased that from the time that the issue arose with The Pines that I, at that time, put forward the position very strongly on behalf of my department and the government in terms of protecting the airstrip and airport here in Winnipeg, and I think we accomplished that. The fact that The Pines project is or is not going ahead, regardless of it, gave the issue to highlight the concern that we had. This basically had served well. We have the Minister of, then of Urban Affairs, now of Housing, has indicated that very strong position that we have put forward to the City of Winnipeg in terms of their development plan that they are supposed to make sure that all the development around the airport is going to be controlled.

If they will not include that in their plan, the minister has indicated, my colleague has indicated that we will then come forward with legislation. We do not think it will be necessary because of the publicity it has received. I do not think there is a problem with that, but I once again want to repeat the fact that we took that particular issue and brought it forward has actually enhanced the position of the airport in that there will not be encroaching development that is going to be detrimental to the airport in the future.

* (1150)

Mr. Reid: I hope that the minister's department has undertaken studies because there are other jurisdictions in the country, namely the province of Alberta, cities there that have brought in legislation that would restrict the type of developments from

encroaching upon sensitive areas surrounding airports. From all information that we have received, they have been successful in ensuring that the continued operation of the airport is maintained and that these developments do not encroach upon the airport. I think that we would have to take that action in this province here if the city does not do it voluntarily, and I hope the minister would put pressure upon his cabinet colleagues, and if not them, do it himself to bring forward this type of legislation.

Is there an indication on when we would expect the City of Winnipeg to put this into their policy? Have they given any indication to the government or to this minister?

Mr. Driedger: Madam Chairperson, it is in the process right now. As I indicated before, I will give that undertaking that if the City of Winnipeg in their planning does not deal with it properly, then we are prepared to deal with it as government.

Mr. Neil Gaudry (St. Boniface): I look at the time, it is going pretty fast. Regarding Note No. 1 on page 77, the minister says program realignment. Precisely what program realignment has taken place in that department?

Mr. Driedger: Maybe the member did not catch that, but I had explained that we had moved the handivan program out of my department, that we had taken the airport and realigned it into a different department within my department, and the . . . program we moved over to Rural Development out of the department. The airport, the overall responsibility of Churchill, I made these comments before in terms of how we had done it.

Mr. Gaudry: Regarding the motor Transport Institute, its funding has received a substantial funding cut, 54 percent. Why?

Mr. Driedger: Madam Chairperson, I hope I understood the question correctly. The member is asking me why there is a reduction from \$300,000 to \$100,000. It was never the intention of the government of the day to continually keep on giving an unqualified grant to the institute. We have encouraged them over the years that they should try and get projects from the private sector, from Crown corporations and other industries. This year we indicated to them that we would not be giving them the \$300,000 grant, but we would be giving them \$100,000 to projects specific—you know, we would give them \$100,000, and they would have to do

certain work for us, and that is basically what has happened.

Mr. Gaudry: Also, I understand that the institute has been retained to do extensive research on the motor vehicle act. Is this to form the basis of a major overhaul of the legislation?

Mr. Driedger: I want to correct the member. At least for my department, they are not doing a major review of the motor vehicle act. The institute is assisting the Motor Transport Board in terms of assessing the impact of granting additional authority for the trucking industry on the public interest.

Madam Chairman: Item 5.(a) Salaries \$574,100.

Mr. Reid: Just one question. I have one area that I want to talk about. It is truck transportation. Do we have any policy research that is taking place dealing with the truck transportation industry, and would this be the appropriate area to talk about the financial conditions of the industry itself in a general way?

Mr. Driedger: I have no difficulty. We can talk about it here. It will possibly more appropriate under the Motor Transport Board, which, by and large, is the vehicle within my department that has been working with the concerns and problems within the trucking industry. As I indicated in my remarks yesterday, the chairman of the Motor Transport Board has been chairman of a committee from across Canada that has been meeting. They have met with the owner-operators and came forward with a report but not specific recommendations. I had a look at the preliminary report and indicated that I personally would feel more comfortable if we had a recommendation coming out of it as well.

I think the member is well aware, as many other people are, that the owner-operators across the country are having a really difficult time. The competition from the American trucking industry, as we deregulate, is having a potential impact on them. This is something that this government and the previous administration raised initially when the memorandum of understanding was signed in terms of deregulation, that all these things should be taken into consideration, the potential impact on owner-operators. Some of the things we predicted at that time have actually come to pass.

Many of the things that affect the owner-operators, by and large, are federal issues in terms of depreciation, in terms of taxation, et cetera and including fuels costs. I think these things are

well known. I just want to indicate that our position with the trucking people, by and large, has been relatively acceptable. We are very supportive of their concerns. It is for that reason we have had no disruptions in Manitoba, because we work very closely with the Manitoba Trucking Association.

Mr. Reid: When I make these comments about deregulation, I do not mean it from a political perspective here, because there were different political parties that were involved in the deregulation of the industry itself. Some were forced into it and some were leading the charge.

Deregulation has had a very serious impact upon the trucking industry and transportation in general in this country. What studies have we undertaken in this province, since we have several of the national truck transportation companies headquartered here, to determine the impact on the truck transportation industry in this province?

Mr. Driedger: Madam Chairperson, let me first of all indicate that we have nine of the 13 national carriers headquartered in Winnipeg, which is dramatic. It is for that reason that we have been very selfish to retain the transportation hub of the country, if you could call it that, to enhance that. We have been continually working with the Manitoba Trucking Association and with the operators in terms of trying to enhance as much as we can, within reason, the economic plight they are in.

The Trucking Association, we have not done any specific studies as such other than the committee which the chairman of the Motor Transport Board was chairing and where they got information from all across the country from operators, from private sector, from users—everybody had input into the matter. Based on that, that report is going to be coming forward. As I indicated yesterday, the Council of Ministers of Transportation is meeting in Winnipeg in September, and I expect that report will be tabled at that time.

Mr. Reid: I believe when the deregulation was being discussed, the commitment was, from this province—and we had strived to achieve that before we would agree to sign—is that we would increase the number of inspectors inspecting the equipment, the trailers and the tractors operating on our highways, but at the same time we would undertake, before the expiry of this five-year transitional phase-in period, a study to determine the impact on this province. That is why I asked the minister

whether or not we have undertaken these studies and if we plan on undertaking them before this transition period, this five-year period expires.

* (1200)

Mr. Driedger: Madam Chairperson, at the time when the Memorandum of Understanding was signed on trucking deregulation, part of that agreement also indicates that prior to the end of the five-year legislation, which the federal government has, the federal government will undertake a review of the—the federal government will be doing that. They will be doing a review. It is a federal act that basically deals with deregulation of the trucking industry.

As far as the safety aspect of it is concerned, in conjunction with the Memorandum of Understanding that was signed, the National Safety Code was developed as well. The rationale for that was that when deregulation took place in the States they did not have this. As a result you ended up having, under deregulation, all kinds of unsafe trucking units on the road. Having learned a lesson from that, the National Safety Code was brought on stream in stages.

The safety aspect of it is something that is under Dan Coyle, the registrar who will be dealing with it a little later, if he wants to ask specific questions in terms of how it applies.

Mr. Reid: Madam Chairperson, one question is dealing with grants. Did the minister give us an indication or a breakdown on these grants for the value of \$60,900? Do we have a breakdown on who these grants are being awarded to?

Mr. Driedger: Those grants reflect the grants we give to the southern municipal airports based on anywhere from \$1,200 to \$2,400 per airport.

Mr. Reid: I have just a brief comment before I let this section pass. I hope, when the federal government undertakes to do an evaluation and a study on the impact of deregulation on the trucking industry, that this provincial government puts forward a representative to sit in on those studies. Since we have nine of the 13 companies headquartered here, we have a vested interest in that. I think we should have someone sit in on that to ensure that our interests are protected and, at least, a rosy picture is not painted, if that is not the case. We have seen evidence of that happening in the past, and I would not want that to occur again. I hope we would have a person on that board.

Mr. Driedger: Madam Chairperson, we will be filing a submission, and we will be working very closely with the Manitoba Trucking Association on that.

Madam Chairman: Item 5. Transportation Policy and Research (a) Salaries \$574,100—pass; (b) Other Expenditures \$336,500—pass.

Resolution 78: RESOLVED that there be granted to Her Majesty a sum not exceeding \$910,600 for Highways and Transportation, Transportation Policy and Research, for the fiscal year ending the 31st day of March, 1992—pass.

Item 6. Driver and Vehicle Licensing (a) Management Services.

Mr. Reid: Madam Chairperson, I believe there are some changes in the Management Services here. I am not sure whether or not we could combine the areas Licensing and Management Services, but I will ask the questions. If they are more appropriate under the next section, the minister can indicate to me.

Since there has been a change in the employment level in this area and under the Professional/Technical heading, we have a decrease of one staff person. Was that a vacancy that existed?

Mr. Driedger: Madam Chairperson, we have an increase of one and a half positions, on one position really, one and a half positions, in this department. By and large, this has taken place because of the photo licensing where we have not had an increase in terms of employment, and we have had some decreases in other areas within this department.

Mr. Reid: Could the minister give me an indication on why we have decreased in some areas and what that area is? I can understand why we would have to have additional staff to administer the photo licensing program, but I need to know why the Professional/Technical people have been reduced and where they have been reduced.

Mr. Driedger: Madam Chairperson, first of all, through this department there are personnel changes and most of it is in various categories related to the photo licensing program. If there are changes in there, by and large, that is what it will be relating to. In this particular case, we had a communications SY in the department of Driver and Vehicle Licensing and that position has been deleted.

I have to indicate that throughout the other aspects of it, in this section here, we have some increases and some decreases and it is all related to photo licensing, because we do not just have one area where we have them. It is all inter-related to some degree.

Mr. Reid: Can the minister give me an indication of whether or not this person who was in communications has been absorbed into some other area of the department?

Mr. Driedger: Madam Chairperson, I am informed by my registrar that he has been absorbed within the department.

Mr. Reid: Can the minister give me an indication on the number of part-time positions and the number of full-time positions that would be involved in the photo licensing program? He does not have to supply it here today, but if he has that information available, I would appreciate that some time in the near future.

As well, can the minister give me an indication on the number of licensed drivers in the province of Manitoba?

Mr. Driedger: Madam Chairperson, related to the photo licensing project, we have 31 term employees who are going to be employed for a period of two years. Once the program has been implemented, there is going to be a reduction in those positions and the employees who have been hired on in that category realize it as well. We have approximately 670,000 registered drivers in the province.

Mr. Reid: Can the minister give me an indication on the total projected cost of the photo licensing program and the projected cost income from the fees?

Mr. Driedger: Madam Chairperson, the approximate costs spread over four years is somewhat in the area of a little over \$11 million, and we charge an extra \$4 per photo licence taken to offset the cost, and that revenue pretty well does a wash-out in four years time.

Mr. Reid: Once this program is ongoing and all of the photo licences have been done for the driving public in Manitoba, what type of revenue does the minister anticipate this is going to generate either for his department or for the government?

Mr. Driedger: Madam Chairperson, first of all, I do not think we have ever looked at it in terms of revenue generated for the future. My concern has

been to implement a very, very popular program for a period of four years. In the event that the government of the day at that time, in four years time, once the program is totally implemented, we have to review or deal with the people who are supplying the cameras at the present time. A total review will have to be done in terms of what the situation is, what our costs are going to be, the employment factor, all of these things are going to be reviewed at the end of four years. If the member is still in his seat there at that time, and I am still here, I am prepared to debate that further with him at that time.

Mr. Reid: It is obvious that, looking at the \$4 fee and the 670,000 drivers in the province, there are going to be substantial revenues generated after the costs are paid down, and that this will, in turn, result in some revenues for the province. I know that there was some media attention paid to this issue last January and it was—

* (1210)

Mr. Driedger: We do not own the equipment.

Mr. Reid: I realize that. There are obviously other considerations as far as equipment is concerned.

I received some correspondence from people throughout the province concerned about the hours of operation of the branches, that people would have to go down to a branch, and that they could not make it down on their lunch hour like, I believe, the minister's department had intended or after work hours. What changes in the branch hours have taken place to allow these people who maybe work shift work to attend? Have Saturday hours been added—say, Saturday morning hours? Has this taken place only in the city of Winnipeg or are there changes in the hours throughout the province of Manitoba?

Mr. Driedger: Madam Chairperson, in bringing forward this photo licensing program, we also need some substantial changes for better service within the city. We have six locations where people can go for their photo ID. We now have three locations where people can go and do their driver licences, and they are strategically placed throughout the city. I think we have a much improved service for the people, and more and more people are getting used to fact that we have suboffices throughout the city.

Unlike most government offices, our five offices, by and large, are open till five o'clock, and the office at 1075 Portage is open until six. I must indicate,

because people were complaining and saying, well, they could not get down, et cetera. We have been tracking this very closely and find out that by and large most people, the majority of the people who come and do the photo licensing, make their application before lunch or shortly after lunch, but at the tail end of the day there are very few who basically come in.

We have a pamphlet out that indicates that the hours at 1075 are until six o'clock. We will be operating that for awhile and if we do not get improved attendance over a period of time—we will give it a fair shot—then we might reduce that again, because we have to do jockeying with our staff to accommodate that. By requests that were made, we are looking at it to see whether it is still warranted after awhile. If it is, we will keep it until six o'clock, but if it does not show any better results than we have right now, then we might take and cut it back to five o'clock again.

Mr. Reid: I raise these concerns because of the letters that I have received. I recognize that by far the majority of people will be able to make it down during what would be considered the normal office hours, but not all of our population is working the 8 to 4 or 9 to 5 day, and there are situations there where shift-work people may or may not be able to go to these offices. That is why I have asked the minister in private discussions and again now to look seriously at providing these extra hours for the people who could not attend during the normal business hours.

He may be correct in saying, obviously from the information that he has available, that not a lot of people have raised this matter, nor do they attend in the evenings, but that does not say that there will not be some who will not be in that position where they are forced to do that because of their special circumstances.

The rural operations, too, are of a concern, because I believe where we do not have Department of Motor Vehicles branches in the different communities through the province, and these drivers in the rural areas have to have the same photos taken, what opportunities do they have to have the photos taken and who gets awarded a contract? Is the contract tendered out to the different agents in the province? What are the criteria and what are the policies that the government has for dealing with the rural areas in the photo licensing program?

Mr. Driedger: Madam Chairperson, one of the more difficult decisions that we had to make when we brought this program forward was who was going to get the cameras, because there is no way that we could afford to have cameras in every Autopac agency in the rural areas. So finally the decision was made that we would take and establish cameras in communities that have driver testing at the present time. I have to indicate to the members that this created some concern because certain areas do not have driver testing at the Autopac agencies, and as a result they did not get a camera.

We will be reviewing this by the end of this year. In fact my registrar has been very busy working on this in terms of seeing that we might have to make some changes in there. We have to be sensitive to the fact that if you change criteria, you know, again there are going to be people who are going to be disenfranchised by it.

I want to indicate also that we have 18 cameras in Winnipeg for 65 percent of the population of the province, and we have 103 cameras in the rural area for 35 percent of the population. We have a good distribution. I have to indicate to the member now that we are six months into the program already. We have had nothing but basically comments with the odd exception about the camera placement. Like I say, we are reviewing that.

Mr. Reid: I do not think the minister has given me any indication on the selection process. How do we go through the process of determining which of the agents have the photo licensing take place in their establishments?—because obviously that is going to attract more business to their establishment.

Mr. Driedger: Madam Chairperson, as I indicated, we have set up cameras in communities where we do driver testing. That was the criteria, No. 1. What we did was we gave every Autopac agent in that community a photo camera. That is the area we will have to be reviewing, because we have some communities that have as many as four cameras. When we look at how many renewals we have, I think there is some inequity in there. That is the part we are reviewing, because we have places like Portage where we have one location and that is ours, this government, in our government office. We have other areas where, in a smaller community we have as many as four. We are just looking at possible changes that we can maybe make and make some adjustments.

Mr. Reid: Can the minister give me an indication on the grants, who the grants are awarded to? It is my understanding that the defensive driving group, the Manitoba Safety Council, Canada Safety Council and the Society of Manitobans with Disabilities receive grants. I refer to that because there were Orders-in-Council that were issued. That still leaves an amount of some \$30,000 to \$35,000 that is unspoken for. I would like to know who these extra amounts go to.

Mr. Driedger: Madam Chairperson, the Manitoba Safety Council is another one of those, the Traffic Injury Research Council—I will make a list with the figures attached to it and make it available to both critics. I do not have all the pertinent information. We will try and have it outlined so it covers that.

Madam Chairman: Item 6. Driver and Vehicle Licensing (a) Management Services: (1) Salaries \$2,428,800—pass; (2) Other Expenditures \$2,616,200—pass.

Item 6.(b) Licensing: (1) Salaries.

Mr. Reid: It is obvious that there are a large number of staff year increases in this area, nearly eight staff years. The minister has given me an indication on the number of term positions that are involved here. I believe the staff years under this section would be part of those term positions.

Mr. Driedger: All of them.

* (1220)

Mr. Reid: Okay. I have a question, and this deals more with a constituency-related matter. It is to do with licensing of persons who operate school buses.

There was an issue in my constituency of Transcona where an individual was operating and had some difficulties with the licensing, having come from another jurisdiction, I believe. I think that was the case. I would have to refer to my notes on that.

Can the minister give an indication on the procedures that are in place in the Licensing division to ensure that when someone comes to operate, particularly our school buses where our children are very vulnerable, that those people are eligible and have received training to operate these particular vehicles? What type of safety programs or procedures are in place?

Mr. Driedger: Madam Chairperson, what I will do is I will have the registrar, Mr. Coyle, make arrangements to meet with the member to take and go through this in depth so he has a better

understanding or a good understanding of exactly how the process works.

Mr. Reid: I appreciate that opportunity, and I will contact the minister or the registrar to make arrangements to discuss this issue, because it was very important to the many residents whose children were travelling on these buses.

Can the minister explain under Other Expenditures the term, Other, for \$125,200?

Mr. Driedger: Madam Chairperson, there is \$1.2 million strictly for photo ID cards.

Mr. Reid: I understand that, but there is also a section below it that indicates, Other, \$125,200. What would be covered under that? Is it sundry expenses, mailing costs? Page 83, Other, under Photo ID Cards.

As well, maybe the minister can give me an indication on the Managerial salaries. There appears to be a rather large increase in the managerial salary levels of over 8 percent, nearly 9 percent which translates into a \$5,000 salary increase. Can the minister give me any indication or justification for that particular salary increase?

Mr. Driedger: Madam Chairperson, the Other Operating expenses related to office furniture related to the photo ID operations and some stationery and things of that nature.

Mr. Reid: I did ask one other question in conjunction with that to try and tie it all together about the managerial salary increase, \$5,000—nearly some 9 percent. Can the minister give me some indication on why there is a \$5,000 increase in the salary for the managerial person?

Mr. Driedger: Madam Chairperson, I am told that is the merit increase for the Director of Licensing.

Mr. Reid: Madam Chairperson, I wished I would have had the opportunity to receive that type of merit increase in my employment through my working career. I do not think I have ever received a merit increase of 9 percent.

Mr. Driedger: Madam Chairperson, I am informed by staff that that is only part of it. We do not have the other detail in terms of that. We will get that for the member, okay? It is not just totally a merit increase in there. I am told it could be three or four things in there. I will get the details for the members.

Mr. Gaudry: Madam Chairperson, according to Regulation 412/87 R, a farmer who holds a class 5 licence may operate a class 3 motor vehicle which

may be equipped with an air brake system for the purpose of test driving. This means that any farmer may drive a vehicle with more than two axles, including those that may have air brakes, despite being completely unqualified to do so. There is not even a simple provision to have a qualified driver in attendance.

Would the minister care to explain who has lobbied for this and why Manitobans can now expect unqualified and entirely inexperienced drivers making some attempt to direct a dump truck down a narrow country road?

Mr. Driedger: Madam Chairperson, I thought I had explained that to some degree, because the member is referring to part of the bill that we passed. We made some provision in there. The dealers have asked for this, and it is only for the dealers to do a demonstration for somebody, let us say farmers by and large that want to buy a unit. It is not that they drive on their own without having the qualification for that.

Mr. Reid: The Licensing Division, I believe, keeps statistics on drivers who have had suspended licences. Can the minister give me an indication on the number of suspended licences we would have and the number of drivers who would apply for working permits or any other conditions, and how many are accepted and how many are denied?

Mr. Driedger: Madam Chairperson, at any given time we have approximately 25,000 drivers suspended and that keeps changing as they come back on stream and more can fall off. We have approximately 3,000 per year that make application to the Licence Suspension Appeal Board for working permits.

Mr. Reid: Are work permits the only reason that conditional licences would be issued to the individuals or are there other circumstances that may come into play that would be given consideration?

Mr. Driedger: Madam Chairperson, the Licence Suspension Appeal Board deals only with applications where individuals are suspended, by and large, for drinking cases or speeding. However, the registrar also has the power to suspend for medical reasons, which he does from time to time based on the reports that come in from doctors.

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

There was some information that was brought to my attention recently by one of my colleagues, and I believe that driver's licensing testing, oral and written, is available in 18 languages, I believe is the number. One of the concerns is that since there is a very large Ukrainian population in the province of Manitoba that there was no consideration given to this group of people.

What consideration has the minister's department undertaken to allow our Ukrainian people to receive their oral and written testing in their language?

Mr. Driedger: Madam Chairperson, one of the reasons why we have not that many languages is so that people can better understand what the laws are, by and large, for driving. Most of the baseline languages, Ukrainian, French—most of them understand English.

However, I am very pleased to indicate that the registrar's department has been very considerate. Where we have older people who maybe do not understand the language well, we will give them an oral test in the language of their choice. I have had a few cases where basically inspectors went out, a Ukrainian case specifically here in southeast Manitoba, and the registrar's staff went out and gave him an oral test in Ukrainian. So we try to accommodate. If there is a problem along the line, the registrar will adjust and provide that kind of service. I am very pleased with that.

Mr. Reid: Madam Chairperson, there are signs posted on the entrances to our province that indicate that the use of radar warning devices is illegal, and yet we still see in this province establishments able to sell these particular devices. Is there not some kind of a conflict that takes place here? We prohibit the use, but we still allow the sale? What is the policy of the government on this issue?

* (1230)

Mr. Driedger: Madam Chairperson, from my department end of it, it is illegal to use radar detectors. As far as the legislation is concerned, I assume that my colleague, the Minister of Co-operative, Consumer and Corporate Affairs (Mrs. McIntosh) would have to look at possibly dealing with that end of it. I do not intend to.

Mr. Reid: I hope the minister would make some representation, and I will talk to his colleague as well about it, because I have had a couple of people over the last two or three weeks phone me on that matter.

I find it strange that we would allow the sale, but prohibit the use.

An Honourable Member: Have you got one on your car?

Mr. Reid: No, I do not. I have never used one. I try to remain within the laws of the province and the country.

The M.E.R.I.T. program that we see advertised in the paper—I believe this would be the appropriate area to ask questions on it. It has been advertised in the local newspapers. They do for consultation work—former police officers—for driving offences or driving related matters, they would go and represent interested people, or people who would be interested in having them provide expertise where there are charges. Can the minister give me an indication on how this has impacted on his operation, the Department of Motor Vehicles? Are there any difficulties that are being encountered as a result of this M.E.R.I.T. program?

Madam Chairman: Order, please. The hour being 12.30 p.m., what is the will of the committee? Committee to continue to finish Item 6.(b).

Mr. Driedger: Madam Chairperson, the company that the member is referring to is a private legal firm and basically they are offering a service to try and get people to improve their driving habits so that they can represent them, in cases where they have had difficulty with their merits. So it is private organization which has no impact on what we do whatsoever.

Mr. Reid: I understand it is a private organization, and they do represent people in driving-related matters or offences. I am just wondering if it has had any impact on a number of appeals that the minister's department of Motor Vehicles would have to deal with on any restrictions to driving privileges.

Mr. Driedger: Madam Chairperson, my registrar tells me we have no way of knowing or finding out because we do not know who their clients are. There has not been any difference today that say we can establish in terms of our applications.

Mr. Gaudry: Madam Chairperson, I know it is quite a few years now they have removed front licence plate. In the last six months to eight months, I have had a couple of calls from people stating that they would like to see again front licence plate because

they say that it allows them to check the licence number from the front if there is an accident or something or if this is a run-away vehicle. Could the minister say why they have been removed and if there is any intentions of doing anything further?

Mr. Driedger: Madam Chairperson, let me first of all indicate to the member, I personally support the idea of having two licence plates. Some of the stuff that has been hanging in some of the front of the cars is quite interesting, but I think it does not necessarily lead to safe driving habits. However, that is my personal view on the matter.

The reason why it was removed is because under a reissuance of dual plates would be—just to issue new licences would cost between \$3 million and \$6 million, depending on the type of plate, and cost is the big factor in terms of why they were removed in this province as well as other provinces.

I personally and along with school bus drivers and the legal authorities would by and large prefer to see two plates again.

Mr. Reid: One last question. Can the minister explain page 82? The last paragraph indicates dealer bond claims. I am unfamiliar with that term. Can he give me some explanation for that, please?

Mr. Driedger: Madam Chairperson, we have a person on staff who basically does inspections with dealer inspections, salesmen inspections, other matters that relate to the Compliance aspect within the department. So we have an individual who goes out and does these inspections. Those that affect the department in terms of—this inspector also makes sure that from time to time people get swindled and maybe not dealt with properly and that is his responsibility to check these things out, and make sure these things do not happen.

Madam Chairman: 6.(b) Licensing: (1) Salaries \$1,637,900—pass; 6.(b)(2) Other Expenditures \$2,175,500—pass.

Item 6.(b) having been completed, committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being after 10 p.m., July 22, this House is adjourned and stands adjourned until 1:30 p.m. Tuesday, July 23.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, July 23, 1991

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