



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 26, 2001

The House met at 10 a.m.

PRAYERS

Introduction of Guests

Mr. Speaker: Prior to Orders of the Day, I would like to draw the attention of all honourable members to the gallery where we have with us today from Linden Christian School 18 Grade 11 students under the direction of Mr. Mark Glor. This school is located in the constituency of the honourable Member for Fort Whyte (Mr. Loewen).

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

ORDERS OF THE DAY

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Advanced Education (Ms. McGifford), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

LABOUR AND IMMIGRATION

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Labour and Immigration. Does the honourable Minister of Labour and Immigration have an opening statement?

Hon. Becky Barrett (Minister of Labour and Immigration): Yes, Mr. Chair, I do.

Mr. Chairperson: Please proceed.

Ms. Barrett: Mr. Chair, it is my privilege to present the Expenditure Estimates of the Department of Labour and Immigration for the fiscal year 2001-2002. I want to begin by acknowledging the recent change of the department's name. The addition of "Immigration" reflects the importance of immigration and multiculturalism in respect to our Government's policies and priorities.

I would also like to commend the entire staff of the Department of Labour and Immigration. The dedication and hard work of approximately 300 staff members enables the department to provide effective valuable services to the citizens of Manitoba. I wish to thank them for their continuing efforts and commitment. As a department, we believe in employment equity and are making progress in the hiring of workers from various target groups, with the ultimate goal of having the department reflect the diversity that is Manitoba.

As an operating principle, the department is committed to working co-operatively with business, labour, government and other community stakeholders and to facilitating consultation and consensus building among the parties.

I would like to present an overview of the Budget figures and any changes that have been made from last year. The 2001-2002 total budget request for the Department of Labour and Immigration is \$24,734,400. This request represents an increase of 5.6 percent from the adjusted vote of the previous year. This increase largely reflects increased funding in two areas: Workplace Safety and Health and immigration and multiculturalism initiatives.

The Department of Labour and Immigration recovers a significant proportion of its annual expenditures through its various sources of revenue, and for 2001-2002, a revenue recovery of

about 61 percent of the departmental budget is projected.

External Advisory Committees: I would like to acknowledge the significant contributions made by members of all the department's external advisory committees, such as the Advisory Council on Workplace Safety and Health, the Manitoba Pension Commission and the Labour Management Review Committee. These individuals have contributed their valuable time and efforts to providing expert advice and assistance on important policy matters.

Last year, ministers of Labour from all jurisdictions in Canada met in Winnipeg. During this meeting, the federal and all provincial ministers confirmed their commitment to promoting the balance between work and family life. Research indicates that when employers recognize that their employees need to balance family and work responsibilities, a number of spin-off benefits can occur. It was decided that progress in this area would best be achieved through the co-operative efforts of workplace partners and governments. We are optimistic that, in conjunction with our workplace partners, we will be able to move ahead to promote a healthy balance between work and family life.

As an initial step, an interjurisdictional committee with representation from the federal government, Saskatchewan, Alberta, Manitoba and Nova Scotia, was formed to research the issue, and is expected to report to ministers within the next few months. The committee has been looking into existing and relevant policies, initiatives and practices, that promote a balance between work life and family life. Current provisions in the public and private sectors for leave due to family reasons, vacation, work arrangements, employment protection provisions and other activities in support of work-life balance will also be examined.

* (10:10)

In the past few months, we have taken important steps to address the issue of minimum wage policy. First, we implemented the second stage of the November 1998 recommendation by the chair of the Minimum Wage Board, Mr. Jack McJanet, to raise the provincial minimum wage

to \$6.25 per hour from \$6, effective April 1 of this year. We felt it was important to implement the outstanding recommendation of the Chair that followed from extensive public consultations in 1998. We also continue with the practice of giving employers at least four months advance notice of the adjustment. The minimum wage increase to \$6.25 per hour represents a 4% change and does not affect Manitoba's provincial ranking. Manitoba remains in sixth place behind British Columbia, Yukon, Nunavut, Québec, Ontario and the Northwest Territories.

Our Government believes that the minimum wage needs to be reviewed on a more regular basis than was the case previously, and we are committed to review the wage annually. We need better predictability and stability with the minimum wage. Neither employers nor employees are served well by reviews that are done on a haphazard basis or by a minimum wage that is out of touch with current economic and labour market conditions. This was a feeling in a view that was expressed by virtually every group that we met with prior to our minimum wage announcement.

New appointments to the Minimum Wage Board and a public review of the provincial minimum wage level were announced in March. The board, consisting of a chair and equal number of employee and employer representatives, has been asked to report to me by the end of September. The board has been instructed to provide feedback on several related issues, including tip differentials, minimum wage for trainees, exclusion of certain workers from the minimum wage, and tying the minimum wage to an economic indicator.

I understand that the Minimum Wage Board has already embarked on a public consultation process that includes written submissions and possible public hearings in locations across the province where a sufficient level of interest is demonstrated. It is my understanding to date that we will be having Minimum Wage Board hearings in Winnipeg and Brandon, at least, and very likely Thompson as well.

I am confident that the board will be sensitive to both the needs of employees and

employers in conducting this review and will consider the importance of balancing the needs of workers and the ability of Manitoba's economy to remain competitive in the national and global marketplaces. I look forward to receiving the board's findings and recommendations.

There have been several recent legislative regulatory developments that I would like to comment on. The first is parental leave. I was very pleased to be able to introduce and enact amendments to the Employment Standards Code last December for purposes of extending the period of parental leave and lowering the employment requirements to qualify for maternity and parental leave, and I would like to take this opportunity to thank the Official Opposition for their work in ensuring that we were able to enact these amendments in an expeditious fashion so that all families in Manitoba could take advantage of those new regulations.

To enable Manitoba workers to take full advantage of the federal government's revised and improved employment insurance benefits, the code was amended to provide for 37 weeks instead of 17 weeks of parental leave. This additional period of leave is available to both biological and adoptive parents and allows either or both parents the opportunity to spend more quality time with their newborn or adoptive children.

In the case of a natural mother, the maximum period of leave was increased to 54 weeks, consisting of 17 weeks of maternity leave and 37 weeks of parental leave. In addition, the qualifying for maternity and parental leave was reduced from 12 months to 7 months of employment with an employer. This provides for greater consistency with legislation in other jurisdictions and will result in more employees being eligible for leave.

These changes, I believe, will prove to be very beneficial for parents and for children in the earliest and most formative stages of their lives.

The second change was to the construction industry safety regulation regarding scaffolding. I am also pleased to note that the construction safety regulation was amended for the purpose of enhancing worker as well as public safety in

the utilization of scaffolds when performing work. These changes resulted from a comprehensive review and examination of existing requirements following the collapse of a scaffold system several years ago at the Health Sciences Centre complex. It was just very fortunate that no one was seriously injured or killed in that collapse.

The amendments were based on recommendations made by the Advisory Council on Workplace Safety and Health and were supported by various construction associations, workers group and professional engineers. Again, this is an example of where we were able to work with various stakeholders to bring something in that will enhance and increase the public and worker safety.

Generally the changes require that enclosing scaffolding built to a height in excess of 7.5 metres instead of 15 metres be erected in accordance with the design of a professional engineer. As well, employers are now required to have a scaffold inspected and improved by a professional engineer after it is erected and prior to its being used by workers. These changes, I am confident, will provide for safer working conditions for employees who work on scaffolding systems.

The third area is the Operation of Mines regulation. I am also pleased to indicate that a number of changes were made to the Operation of Mines regulation to adopt procedures and requirements that would enhance the safety and health of workers employed a mine sites. In general terms, the amendments relate to the use of lifelines and fall arresting devices, safety factors for devices used for attaching shaft ropes to conveyances, the approval of braking systems that are installed or altered on vehicles used underground, the use of remote controlled equipment and standards relating to the use of diesel fuel in underground mines.

These changes were developed and recommended by a committee composed of employer and employee representatives in the mining industry and were unanimously supported by the Advisory Council on Workplace Safety and Health, which is also a representative body appointed under The Workplace Safety and

Health Act to advise the minister on Workplace Safety and Health matters. It includes a number of representatives from various industries as well as labour.

The Operation of Mines regulation is monitored and reviewed on an ongoing basis with a view to ensuring that it is up-to-date and provides optimum protection for workers. We also supported two International Labour Organization conventions. Recently Manitoba has indicated support to the federal government for ratification of these two significant ILO conventions, one on the elimination of the worst forms of child labour and the other on forced labour. These conventions are ILO core labour standards which have been identified as fundamental to the rights of human beings at work.

The first one on child labour called the convention on the elimination of the worst forms of child labour, Convention 182, requires countries to take immediate and effective measures to prohibit and eliminate the worst forms of child labour. Canada ratified Convention 182 in June of last year with the unanimous support of all Canadian provinces and territories. Support for this convention was a positive step toward protecting vulnerable children from exploitation around the world.

The second convention, Convention 29 on forced labour, requires the suppression of forced or compulsory labour, which is defined: all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

In March of this year, Manitoba indicated support for ratification of this convention. This ratification will clearly demonstrate Canada's and Manitoba's strong support for measures to eradicate forced labour that will ensure that fundamental worker rights are protected around the globe.

Our Government is dedicated to providing public services in a timely, responsive manner and an efficient way. That involves improving our information and communication systems to the public so that we can serve them better. I would like to highlight two areas where my department is doing this. The first is the French

Language Services area. The department is completing a multi-year French Language Services implementation plan as part of a provincial-wide initiative. This plan outlines practical ways to improve client delivery of service by increasing the number of designated staff positions, public information materials and public promotion campaigns. In order to ensure that French services are provided where requested, the department is providing cost-shared funding for an information specialist position for the St. Boniface bilingual government service centre, which is scheduled to open this September.

I would like to also mention the important role of information technology within my department in helping to provide more responsive and efficient services to the public. Technology has become pervasive in much of our lives. We find it in our homes and workplaces. Our children quickly adapt to it and learn it in schools. It is a growing presence around the globe.

People have come to expect improved services and faster responses to their needs. In meeting this challenge, we successfully updated our computer systems to avoid the year 2000 problem. We improved our Internet presence and the information available. We continue to provide better tools for our employees. We maintained and upgraded our physical technology assets, and we worked to better secure and protect the information that we have been entrusted with as a department.

* (10:20)

My department will continue to improve on our use of technology as we seek new and innovative ways to deliver services to our citizens and to improve communications with all Manitobans.

I would now like to spend a little bit of time talking about our program overview and to provide summary highlights of some important developments in the program areas of the department. First, the Workplace Safety and Health Division. The mandate of Workplace Safety and Health is to prevent workplace

injuries and illnesses. It is also responsible for ensuring public safety through inspections of elevators, boilers, gas and electrical equipment.

All injuries are preventable. That is the key principle that guides our initiatives. Through Workplace Safety and Health Division, our Government is taking firm steps to make Manitoba workplaces safer and healthier. The eight safety and health officers we hired last year are completing their extensive training, and they are starting to work, actually effective next week.

One will be deployed in Thompson and seven in Winnipeg, focussing on the health care, manufacturing and construction sectors. There is another one of these new people actually working in Flin Flon. It is not a new position, but it is a position where that person is moving to Winnipeg, this new health and safety officer will be replacing that individual in Flin Flon.

For the upcoming fiscal year, we will be adding six new staff to Workplace Safety and Health with associated salary and operating costs of \$510,000, two safety and health officers, two agronomists, a legal liaison with the Justice Department and a safety engineer. These positions will result in increased field activities, improved technical and administrative support.

A new Advisory Council on Workplace Safety and Health has been appointed. The new council will consider, examine and review a number of crucial workplace issues. These will include violence in the workplace, safety and health enforcement, safety concerns among youth workers, safety in the farming community and threshold limit values, which are guidelines to limit exposure to health hazards.

The council will also be looking at regulations concerning safety and health committees and ergonomics. We have made considerable progress in making workplaces safer. We are moving towards a zero tolerance culture for any injury on the job. The message is clear. Our society and government will not tolerate acts of negligence that compromise the safety of our workers. For example, the largest-ever fines for violations of Workplace Safety and Health regulations were recently handed out to two companies. One firm was fined \$27,000 for failing to provide workers with proper

instruction, training and supervision while working on electrical equipment. A construction company was fined \$75,000 for failing to provide a guard rail for an elevated work platform.

In another example of our progress, safety audits and focussed inspections were conducted on 47 firms with the worst time loss injury records in the province followed up with regulatory enforcement. As a result, injuries in these 47 firms were reduced by more than 10 percent over a three-year period between 1998 and 2000.

We will continue our focussed effort this year. Workplace Safety and Health Division in partnership with the Workers Compensation Board has put forward a set of eight strategic objectives for its three-year injury-reduction plan. At the top of the list is the target to lower the time loss injury rate by one percentage point or about 3000 injuries over a three-year period. This will reduce the WCB's annual compensation costs by about \$25 million.

Workplace Safety and Health, in conjunction with the WCB, is also developing initiatives to prevent workplace injuries to young workers under 25 years of age. Finally, we would be taking action against violence in the workplace. Our division held several public meetings with Manitoba's home care workers to discuss the situation and to lay groundwork for developing a focussed strategy for injury prevention. The strategy calls for training initiatives, a working-alone plan and a violence prevention plan.

The Citizenship and Multiculturalism division was renamed in this past year to Immigration and Multiculturalism, which reflects our Government's more focussed mandate on immigration. For the coming fiscal year we have increased funding to Immigration and Multiculturalism by \$505,000. This increase reflects the addition of 7.5 new staff years, 6.5 for Immigration and 1 for Multiculturalism.

Manitoba needs more skilled workers, and immigration will continue to be used to meet our province's economic and labour market needs. Our long-term goal is to double present immi-

gration levels up to 8000 or higher annually. I am proud to announce the strong success we have already achieved. Last year, 4584 immigrants chose to come to Manitoba, an increase of 24 percent from the previous year.

Also, last year we had a substantial increase in the number of skilled workers recruited through the Provincial Nominee Program; 1088 persons were nominated to the province, an increase of 160 percent from 1999. We have expanded the Provincial Nominee Program to also focus on self-employed and entrepreneurial immigrants who wish to establish their business in Manitoba. While the immigration of skilled workers is important to the provincial economy, we also strongly support immigration policies of family reunification and the protection and settlement of refugees and displaced persons. In 2000, 1017 refugees arrived in Manitoba, which was an increase of nearly 32 percent over the previous year. We will continue to work with our volunteer community of private sponsors toward integrating newcomers into our province.

The Immigration Promotion and Recruitment Branch continues to be extremely successful in promoting Manitoba as an excellent immigration destination. In partnership with the federal government, the private sector and a variety of community groups, the Provincial Nominee Program provides us with a direct means to select skilled workers and business persons to fill Manitoba's emerging labour markets and to contribute to the province's overall economic growth.

Last year, promotion recruitment staff travelled to a number of foreign destinations to promote the advantages and opportunities in Manitoba in settling families, finding employment and contributing to the vibrant diversity of our communities. The addition of three FTEs in 2001-2002 will provide additional support for promotion, assessment and selection activities.

Settlement and Labour Market Services assists the settlement and integration of immigrants in the province and enhances their ability to contribute and participate in Manitoba's labour market. The branch works closely with stakeholders to co-ordinate services, including orientation, employment services, lan-

guage and translation, wellness and credentials recognition, to help immigrants successfully integrate into our society. An increase of \$140,200 in funding for settlement services and adult language training will ensure that we maintain a proactive response to the continued growth and diversity of needs of our newcomer population.

The Adult Language Training Branch develops and delivers English language training to new immigrants. It also co-ordinates and provides funding support to community-based language training programs for women with child care responsibilities and for seniors. Workplace language training is also delivered with additional dollars matched by employers. We propose to add staff for Adult Language Training in response to a growing need for language assessment and placement services.

The multiculturalism component of my department communicates and consults with ethnocultural community organizations, individuals, government departments and agencies. It is my pleasure to announce that, as a result of consultations with a number of ethno-cultural and community groups, we will be establishing a new ethnocultural organization known as the Manitoba Ethnocultural Advisory and Advocacy Council, short form MEAAC. The critic will remember his time as a part of the old Manitoba Intercultural Council, and this is our proud reconfiguring the concept of an advisory and advocacy group to the Government of Manitoba. I am pleased to say that this is the beginning of a completion of a commitment we made in the last two provincial elections.

The new council will have an advisory and advocacy role in identifying priorities and recommendations for action to our Government on issues of importance to the multicultural community. The council will be assisted by the Multiculturalism Secretariat. An additional staff year has been added to this program to respond to the additional staff load.

Over the past year, the Employment Standards Division has increased its focus on education and on ensuring that employers and employees are aware of their mutual rights and obligations in the workplace. As a result, the number of claims presented to Employment

Standards and the number of general inquiry calls increased, yet the average time to resolve claims was reduced through the expansion of an early claim resolution service, which exceeded its projected goals in the past fiscal year.

I am pleased to report that the Employment Standards poster campaign to educate employers and employees in the restaurant and hospitality industry about employment standards laws was completed in partnership with the Manitoba Restaurant Association. Beginning in February, information posters printed in English, French and Mandarin-Chinese were distributed to about 3000 restaurants and hospitality establishments in the province. The poster campaign is an indication of our commitment to ensure that young workers, who often find their first jobs in this industry, are aware of their rights and obligations under Employment Standards laws. It is also a demonstration of how good information and understanding on both sides can improve working relationships by eliminating misconception about basic entitlements and responsibilities of management and staff.

Also this year, a partnership has been established between Employment Standards and the Apprenticeship branch of the Department of Education to educate apprentices in 54 trades about rights and entitlements under Employment Standards laws. Over the next few months, information portfolios will be distributed to about 2000 apprentices in the construction industry. The remaining 53 trades will receive the portfolios as the awareness program progresses.

The labour adjustment unit continues to assist workers, employers and single-industry communities in mitigating the effects of downsizing in an industry through joint consultative labour management adjustment committees. There are currently 11 of these committees affecting about 4000 workers. The unit has a completed worker adjustment handbook for workers participating on workforce adjustment committees. It showcases technological advances and modern job search tools such as Web sites for resumes, job interview techniques, labour market information, and government employment and retraining

programs. A French version of this handbook is also available.

* (10:30)

In addition the unit is involved in the interdepartmental working group to develop a community adjustment handbook which will outline or describe ways for local stakeholders to mitigate the impact of economic downturns. The handbook will contain tools for mobilizing community leaders, conducting impact assessments, identifying opportunities and conducting residential community and business surveys.

The Worker Advisor Office provides advice and assistance to clients in regard to workers compensation issues. Approximately 500 clients were assisted this past year, and an additional 275 clients received assistance through the early intervention program to empower them to seek resolution of their workers compensation issues on their own.

This past year the Worker Advisor Office in partnership with other branches completed a community outreach project that educated communities about safety and health rights and responsibilities in the workplace. The project also informed communities about services offered by the Worker Advisor Office and Workplace Safety and Health Division. Information sessions were held for groups, and individual requests for information were referred to the appropriate agency for assistance.

The Worker Advisor Office also began an awareness campaign within the medical community. Information sheets regarding worker rights under workers compensation laws as well as services available through the Worker Advisor Office were mailed to medical practitioners and physiotherapists.

The Manitoba Labour Board is an independent quasi-judicial body that helps resolve a wide range of labour-related issues in a fair and equitable manner. The board consists of an equal number of representatives from labour and management. The board recently engaged the services of a full-time vice-chairperson position to assist in dealing with an ever-increasing number of complex matters before it.

I would like to acknowledge the dedicated work of the chair, vice-chairs and members of the board for the challenging and important responsibilities they fulfil.

Conciliation and Mediation Services Branch plays a vital role in helping to resolve impasses in collective bargaining and labour-management disputes. I would like to mention some statistics about conciliation from our 2000-2001 year. My department was active in 213 joint application grievance mediation files with a settlement ratio of 83 percent. We were also involved in 38 expedited mediation files with a settlement ratio of 98 percent. We had 174 conciliation files last year. There were 10 strikes or lockouts and a settlement ratio of 91 percent. We assisted the parties in bargaining and established a relationship in 24 first collective agreements, and 2 bargaining units used the interest-based negotiation format. We continue to improve and upgrade the database, and we partnered with the federal conciliation mediation services in putting on an interest-based negotiations training session.

The Manitoba Pension Commission safeguards employees' rights to benefits promised under employment pension plans. This fall the Manitoba Pension Commission looks forward to hosting the 61st meeting of the Canadian Association of Pension Supervisory Authorities which is the national association representing pension regulators in Canada.

The Office of the Fire Commissioner in conjunction with the Manitoba Association of Native Firefighters signed a memorandum of understanding with the various Manitoba tribal councils. This is the first step that will lead to the OFC providing fire and emergency training to First Nations communities at a level equivalent to that currently provided to municipalities. This initiative demonstrates our commitment to work with Aboriginal communities.

With regard to fire and emergency services, the OFC, through the Manitoba Emergency Services College located in Brandon, doubled its intake of students applying for the public fire protection program. This program trains recruits for careers in fire and emergency response departments.

The OFC hosted the 15th annual Emergency Services Conference where over 600 emergency response personnel attended a three-day hands-on training conference unique to Canada. The OFC has also been approved to co-ordinate provincial resources to lost person search and rescues. The OFC in partnership with the RCMP was instrumental in the search for Marcus McKay last year. In addition the OFC signed a MOU with the RCMP to work together towards eradicating clandestine methamphetamine laboratories.

Finally with regard to community safety, another important priority for our government: The OFC participates as a key partner in the Winnipeg arson strike task force which has proved to be a deterrent to those intentionally setting fires. This partnership has resulted in a decrease of arson-related fires and an increase of arrests and conviction.

This concludes my opening statements, Mr. Chair. I look forward to questions by members that will contribute to a meaningful discussion of the Department of Labour and Immigration's 2001-2002 program Estimates.

Mr. Chairperson: We thank the Minister of Labour and Immigration for those comments. Does the Official Opposition critic, the honourable Member for Springfield, have any opening comments?

Mr. Ron Schuler (Springfield): First of all, I would like to welcome the minister back. It has been a year since we have had the opportunity to sit like this, and I am sure she will enjoy the six to eight weeks that we will spend together again this year. Certainly last year was a very interesting time for myself. It was the first time as a critic sitting at the table and having a chance to look at the various estimates. Certainly I do not have the years of experience of the minister, and I still have quite a few questions on how the process works. I will be working with her on that. I certainly have a lot of questions on the financial side. I certainly would like to thank the minister for some of her comments. She touched on some key issues. On the parental leave, it shows when good legislation is brought forward and co-operation takes place. Certainly, it was an issue where Manitobans benefited. Certainly, I

know my office got phone calls where people were saying: Is this coming into effect; when is it coming into effect?

* (10:40)

I have mentioned to the minister in meetings that we had, and I certainly mentioned in the House that probably the best thing you can do is focus on the beginning years of childhood development. I think that in years gone by, that was not the case. I think a lot more effort and resource was put at the top end because that is where the feeling was that a lot of the learning takes place, whereas I think we are finding out more and more that it is the beginning years, it is the early years that really make an impact on a child's life.

I know certainly when I was on a school board, we talked about early intervention programs. They are extremely effective because if a child does not learn how to read at an early age, how do you expect that child to proceed on to the middle years and then, of course, Senior 1 to 4? So early intervention I think is very important.

Certainly for parents who choose—it is not an obligated thing—whether it be one or the other, to spend that year at home, I think it is very important. I think it speaks well to the province and to the nation that this is a step we have taken. I have always believed in this, and I think it was a very good move on behalf of this Legislature.

Certainly as we move through the Estimates, I will have some questions in the different areas that the minister touched on. I do want to go and touch on a few issues that happened last year, as the minister had. I do not share the minister's enthusiasm or optimism in some of the areas. I even go back to when we started Estimates, when we began last year. Certainly the minister was unco-operative in a lot of areas. We asked a lot of questions and the information was not given. I think the quote "in the fullness of time" came forward often. The minister was cagey in some respect.

Certainly we as an opposition were aware that at that time the minister was planning on

some substantial legislation. We had some feeling that it would probably be bad legislation. How bad it was going to be, certainly we had no idea that it would be as bad as the likes of Bill 44. What really concerns us is that leading up to Bill 44, there had been a spin put out there, and I guess every new government will do that. They will try to set the tone of their Government.

In fact, the minister's own Leader had the Manitoba Century Summit which he heralded as this great opportunity for the sheep, for the lamb to sit in the same pen with the lion. It was going to be harmony and peace. I think that was the beginning of the betrayal that probably on both sides people felt that the Government was not forthcoming. They were not being forthright in what was being planned, and, again, as I mentioned, clearly we knew something was coming. Nobody on any side had any idea that it was going to be as severe as it was. I guess that is probably why the reaction was so severe.

I would like to just quote a few things for the minister to sort of indicate to her where I am coming from and where we are coming from, why we feel that this was such a poor bill, that it was very untimely. I would like to go back to the Premier's (Mr. Doer) ministerial statement on the Century Summit of March 15. I quote him as saying: The Summit was an opportunity for key players in the economy to sit down together and to help give shape to a common economic vision, a vision for a better province and a brighter future, a vision that we can all support and buy into.

Within a very short time, that was literally in ruins. That whole euphoria was shattered. Probably like never before had the hopes been raised in the business community and probably amongst working men and women that this was going to be a non-traditional left-of-centre government, that this was going to be an NDP unlike NDP governments of the past, that they were actually going to try to work with business and labour, as the previous government had done. A vision that we can all support and buy into was certainly not what we saw during the Bill 44 debate.

The press release goes on to say: Strategic partnerships were discussed with respect to three

topics—workforce development, expanding investment and a new economy.

I have said this on a lot of occasions in this House that when it comes to spend, when it comes to eloquent words, certainly this Government is tops. I do not think the previous government was nearly as good at spinning something out there, and it sounds great. Partnerships were discussed with respect to workforce development, expanding investment and the new economy, because what it indicated, or what people thought it indicated, was that this was a Government that was going to go to either the third option or was going to look at a different way of doing politics. Again, none of that, none of that was reflected in the minister's bill that came after this summit.

I go on and quote: Planning has already begun on the required strategic enhancements. The upcoming Budget is the first step in this process. We intend to continue dialoguing with Manitobans on these strategies as well as keeping all Manitobans informed on our progress. I wonder if the Premier (Mr. Doer) in the back of his mind was thinking that Bill 44 was going to be that progress that he was trying to put forward in his press release.

He goes on to say: In conclusion, I would like to express my thanks to all of those who participated in the Manitoba Century Summit. I give the Government credit. Other than the humble servant of the people of Springfield, a lot of individuals were invited. However, somehow either Canada Post lost my invitation or maybe, just maybe, I was not invited, though I am sure all of us are shocked here. I would have loved to have had been there and participated. I think it was a great opportunity.

It goes on to say in the press release: Your spirit of co-operation and your ideas will serve us well as we confront the challenges of the global economy. This is where the sense of betrayal comes in is that people who attended this conference, the groups that attended that were invited, the very groups that I will be referencing in short order, who felt that this was going to be a Tony Blair, third-option kind of a government. This is where the betrayal comes in. Nowhere during this conference was labour

legislation discussed. In fact, at one point in time the Premier said no new labour legislation is being planned. That was wrong. That was not the case.

The Government talks here about the global economy, and I think that is just so rich, because here they talk about the global economy and about all these kinds of things and off trots half of their NDP youth to go and do exactly the opposite and protest and march against and do whatever at the Summit of the Americas in Québec City, going totally against the global economy. Here again is the leader of a party, the Premier of our province, preaching one direction and his party going in an absolutely different direction. The mixed messages. I guess in the beginning people thought that it was the Premier that was leading. Clearly, he was not. Did the Premier not know that Bill 44 was forthcoming? Did the Premier not know that his party is clearly not in agreement with the global economy?

I think that this was the bedrock, this was the foundation of where the business community felt that they had been misled by the Government. They felt that the Government had in effect used them. This conference was heralded as being an ability for a left of centre political party to try to cross the divide and deal with business. Not its strength, given, that is probably not its strength, but the strength of the NDP would be to bring the labour movement onside to work with the business community. It was a very good opportunity for this Government to do positive things for the province and instead it was frittered away, it was squandered with Bill 44, where—I will be going into it shortly—a lot of political capital, where a lot of good will that a new government has coming in was absolutely squandered.

The minister talked about the poor relationships between labour and management of the previous government. Whoa, minister. Talk about bringing down a hailstorm. Talk about dividing the two communities, which a minister is basically supposed to keep together. It was the Manitoba Century Summit, it was how our Premier (Mr. Doer) misled the business community to believe that there was going to be something different, that this was going to be a

different kind of a government, this was going to be a different Premier, and, yes, this was going to be a different kind of a minister. Clearly, it was not the case.

So why was the minister unco-operative? Why was the minister edgy and cagey and all the little cutesy "in the fullness of time" and a lot of answers were not forthcoming? We had an indication. We sort of knew where something was forthcoming, but clearly the minister should have been—cagey. I give her credit. Obviously you could not have given any indication that this kind of draconian, this kind of anti-worker, anti-democracy, anti-employer, and pro-violence bill was going to come forward.

The Estimates were basically a sham. We asked questions of where the direction of the department was going, because I think that is very fair. Monies are being spent, are spent on a department, and we wanted to know where their direction was going to be. Here was the Manitoba Century Summit. Was it going to be this Department of Labour's, this minister's goal, to actually bring those two groups together? Was it to try to bring a different level of understanding between two, basically, adversaries and try to foster something different? Clearly not something that happened. What we ended up with was an anti-worker, anti-democratic, anti-employer, and definitely a pro-violence bill. Certainly this member had a very long summer. It was a very taxing summer. I would like to bring to the attention some things that did come out, and I would like to reference an article in the *Winnipeg Free Press* July 26: Labour law changes roll back workers' democratic rights, written by yours truly.

* (10:50)

The NDP held an economic conference this spring entitled the Century Summit which brought together government, business and labour groups. Once again, there was no talk of major changes to the province's labour laws. Mr. Chairperson, I have to say again, as the Premier (Mr. Doer) went through the province and spoke about all kinds of partnerships, nowhere was Bill 44 mentioned until we actually saw the bill presented. I can remember that date clearly. The absolute shock of a group of business leaders

that were standing in the lobby of the Manitoba Legislature, they absolutely could not believe what this Government had brought in. I think stunned was the response. I can understand why the minister was going to bring this bill in late. It was brought very late into the session. I believe this Government felt that the new Opposition was not going to be on its feet and certainly not able to challenge the Government on this bill. I think they were counting on a very dry, hot summer, perhaps, that it would become intolerable and the Opposition would just lay down in acquiesce and give in to the Government on this bill.

I do not believe the Government ever, ever expected the kind of response it was going to get, but standing in the lobby of the Manitoba Legislature, the absolute shock from, not just the very pro-business groups, but the Winnipeg Chamber of Commerce, which has taken a more even-keel approach, the Manitoba Business Council has taken more of an even-keel approach, the absolute horror of these groups of what this Government had done. There is an article out of the *Free Press* of July 7: BIZ leaders call labour law changes pretty scary stuff. Labour Minister Becky Barrett said the Government sought a balance between labour and employers. Something, she said, was lost during the decade-long rule by the Tories. Business leaders quickly denounced the bill. This is pretty scary stuff says one business leader. It is a regressive step, says another one. It went on and on. I think in the beginning it took a while to even get the business groups on side because nobody really believed that the Government would have gone that far in a draconian bill to the extent that the minister did.

On July 7, in the *Winnipeg Sun*, we have got: New law attack on business, union building now easier. It is Dave Angus, President of the Winnipeg Chamber of Commerce, not a radical individual. I think he is a fairly even keel. I would probably say he is more than likely liberal, if he is anything. He has been, I think, a very good spokesperson, and what does he say? How can you argue against a democratic process of a secret ballot vote? Well, this Government, this minister and certainly this Premier (Mr. Doer) did. They felt that, for some reason, you had to strip workers of that right. The article, and

I quote: It is important to assure that collective bargaining in Manitoba is conducted in a balanced way, something we agree with, that is productive and fair to employees and the community at large. The employers, says our current minister, and again, here is the spin. Clearly there is one thing they say; they talk about balance. They talked about being fair to all groups. Then they just absolutely hammer, and what is interesting about this particular bill is they hammered not just business, but they also hammered the rights of workers. They hammered even on the union side, and I know, during the whole committee process, they trotted out the big wheels of the union movement, but there were a lot of workers who organized on the ground floor who said: The nice thing about the secret ballot is it gave you that moral authority. After that, there was no question. The workers had voted. The workers had spoken, and that was the end of it. The other system, it just always leaves a bitter taste, always leaves a sour taste in the mouth of people because how was it done, what kind of means were used? Then starts the whisper campaign, did you know they used these tactics, and they used those tactics? Probably a lot of it not even being accurate, but the secret ballot gave it that legitimization. It was not just one individual. In fact, there was a radio show that was very telling. The minister was on that particular show. She did not really get a resounding, overwhelming group of people calling in supporting her. There was a union organizer called in and said exactly that, said what they liked about the secret ballot is it gave the union then the moral authority to proceed. It took away all questions. I think it was a very poor move on behalf of this Government. I think it was certainly a poor move for the province.

In an editorial on July 8, the editorial page of the *Winnipeg Sun* writes: Labour law, however, should not be written, or in this case unwritten, to please labour or management. It should be written for workers and here, too, it fails.

The voices got louder. In this particular case I do not think there are very many quarters where the minister or this Government had any support. I go on. There was an editorial page of July 8: Doer, a former president of the Manitoba Government Employees Union, has laid to rest

any hope that he is prepared to shed his union ties in favour of a more balanced approach to government.

Contrary to how many times this minister and this Government went on and on about balance this, balance that, the opposite was the case. Here it is not just the Opposition saying it, it is not just the business groups, it is also the media groups.

Doer's plan is not done anywhere in Canada, and it flies in the face of fair collective bargaining. It goes on to say: We believe Doer is going down a dangerous path. Between his Pawley-style high-tax regime and his pro-union labour laws, he is poised to drive the Manitoba economy into the ground. Those are not our words, those are editorialists in the province.

There is an article from July 8 in the *Winnipeg Sun* that goes on to say: If people were under the impression they elected a left of centre Conservative government last fall with Gary Doer replacing Gary Filmon, it is pretty clear they were mistaken. It is very clear we have a traditional pro-union socialist government. Again, this is what was coming out.

The minister then proceeded with the bill into the House and tried to paint this picture that the LMRC had been 100 percent on her side; they were fully in support. I think this is where the most damaging part came, that the very people she was trying to rely on to support her in this poor cause were the same people who were indicating to her that what she was saying was not actually the case.

I read an article from July 13: The Opposition released a confidential report yesterday by the Labour Management Review Committee. The committee was asked to consider 11 proposals. However, the controversial alternative dispute mechanism was not listed among them. The committee never had a chance to discuss the proposal. The minister then first went from unanimous to her new political term "partial consensus." She certainly coined a new term for all of us. What it says is that you could have one person agreeing with you and you just say: well, we have partial consensus, because certainly she did not have a very strong agreement at the

LMRC for what she was planning, and certainly not on her alternative dispute mechanism. Later on, I believe, that is the one part of the bill that gave the minister the most grief, a poorly designed part of the legislation, very poor. The minister got caught up in it during committee and afterwards trying to explain some of the stuff that she thought it was supposed to do.

I think it was when the minister went out and tried to spin that there was this great support for what she was doing that the clear cracks, the clear divisions we saw later on, started to come to the forefront. In fact, the very groups that are supposed to sit together and hammer out these agreements and come to some kind of consensus representing a wide variety of groups, that was not the case. We saw that by letters that were sent to the minister and such.

There was an article on July 13 where it says, the minister said: The alternative resolution mechanism proposal was outlined in a separate document and given to the committee for discussion, but admitted the group could not agree on it either. Then she goes on to spin: This legislation is a balanced approach. First of all, she tried to spin that everybody had agreed to it, that they agreed to all elements. Then she had to get up in the House and say—actually, I will not even try. The minister can go into that one. She had just an incredible spin that she put together on that one. It was really unfortunate because a bill this serious, a bill that was going to change the fundamentals, the dynamics of the way we do labour-management negotiations, at that point in time the minister should have had the courage to have withdrawn the bill and allowed more debate, allowed for it to have been put through the proper channels in a proper way.

* (11:00)

There is an editorial from July 14. It talks about the chaperone, that it would be the Labour Management Review Committee which made 11 proposals to be considered in the drafting of the new Manitoba labour law, and, say the Tories: Glaringly absent in those proposals is the contentious alternative resolution mechanism, which permits either management or a union to bring a strike or lockout to binding arbitration after 60 days off the job. The Labour

Management Review Committee, I think that is very well put, is supposed to be the chaperone. It is supposed to be sort of a board that looks at it, that gives a lot of thought.

We find out later on that a lot of time was not given to the LMRC. They did not have the opportunity to really go through a lot of the issues. In fact, a lot of the issues were decided on and then this very sensitive, very divisive issue was brought forward after discussions had been made. From individuals who have worked on the LMRC, it really flies in the face of what they do there and what the attempt is that they are trying to do.

There is another article from July 16: Doer stumbles with business. There is a quote here from a business group, and they say: The pro-labour legislation will all but drive capital investments out of the province. I think these are statements that are not made lightly and should not be taken lightly. Yes, there has been some investment, and certainly that is what we would like to see. We want to see the Province proceed. However, we have seen a lot of projects that are slowly sliding off of the political agenda. You know, the Schneider's plant, which the Government just seems to all of a sudden forget about. There are a lot of other proposals that were coming forward that have slowed down, that will slowly slip off the table and will be heard from no more. This bill, amongst other things, the heavy taxation load that Manitoba carries will also be part of it, but this bill certainly was the first stake that the Government put into the sand.

There was an article about July 20 that talks about: Labour bill irks business. The business community has to be heard on this issue because it has a dramatic effect on us, Winnipeg Chamber of Commerce President Dave Angus said yesterday. The whole effort is focussed on getting them to take a second look, he said. There is no advantage to creating an environment that is not conducive to growth. Again, this is what Minister of Labour (Ms. Barrett) and her department—that is why we spend the kind of money we do on the department. We spend money so that we see harmony, that we see the Province proceed in a proper fashion. In fact, the minister, in her first speech last year to this committee, talked about these kinds of things

which she was going to do, talked about the need to deal with the acrimonious debates that tend to occur between labour and management. Clearly that was not the case.

There is an article out of the *National Post* which says: Manitoba labour leader Rob Hilliard, whose union central staff appear to have drafted Bill 44, downplays it as a small step in the right direction, even though the bill short-circuits union democracy on the secret ballot clause and cuts off the allegedly sacred collective bargaining process. Then what we saw was, even on the labour side, that not even labour was particularly pleased with the bill. Clearly they would have liked to have seen more.

So I would like to comment to the minister and ask her: Does she believe that Bill 44 was worth the kind of divisions that happened in the province? We spend a lot of taxpayers' dollars on the Department of Labour. Is that money well spent, in light of the kind of damage that was wrought upon our community between labour and management? Was it worth it for this Government? After the debate, the Premier (Mr. Doer)—I will be getting to that later—indicated it was not, but that would be my question. That would be the end of my statement for now, Mr. Chairman.

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

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

Before we do that, we invite the minister's staff to join us at the table, and we ask that the minister introduce her staff present. Minister, please introduce your staff.

Ms. Barrett: Yes, I would like to introduce the Deputy Minister of Labour and Immigration, Tom Farrell, and the Assistant Deputy Minister of Labour/Management Services Division, Mr. Jim Nykoluk.

Mr. Chairperson: We thank the minister. We will now proceed to line 1. Executive (b) Executive Support (1) Salaries and Employee Benefits \$521,300, on page 122 of the Main Estimates book. Shall the item pass?

Mr. Schuler: Mr. Chairman, I would like to put a few comments on the record in regard to the Budget, and then I would like to close off with a question. Again, it deals with the kind of expenditures that have taken place over the last year, and then we are talking now about the monies that are supposed to be expended this year. I want to start by asking a question. I will ask it at the end of my comments. The Department of Labour is there; that is supposed to work for both sides. The Department of Labour is supposed to bring harmony to the province. The minister is supposed to be seen as an impartial minister, and yet Bill 44, I believe, was not that. I would like to ask the minister, and I am going to make a few comments first, and then I would like to ask her the question if she feels that this is where the department should be heading.

I would like to quote out of a newspaper clipping on July 22 during the whole debate on Bill 44. This is out of the *Winnipeg Free Press*, an editorial which says: Back down, Mr. Doer. National business pages have noted that Today's NDP is a lot like yesterday's NDP, the friend of big labour, defender of closed shops rather than open markets.

It goes on to say: Mr. Doer is the Premier of all Manitobans, but it is not clear that he listens to Manitobans who are not members of unions.

The *Winnipeg Free Press* goes on to say, and something that I mentioned earlier, and it comes out of the *Winnipeg Free Press* of July 23: There is a real sense of betrayal in the business community, Kelly said, adding his group is still finalizing what tack to take.

It was not until, by the end of July, that we saw the Government starting to soften its labour standard, and in a *Free Press* article, we read about: NDP softens labour stand. Minister opens door to change after business launches war on bill.

* (11:10)

It goes on to say: Yesterday a confidential memo was produced. Memo sent to the minister by the province's Labour Management Review Committee that showed management groups were worried about some of the labour changes.

Again, it goes back to the Estimates we are taking about. Is that really where we should be going with the province? Is that really where we should be going with this Department of Labour? The Department of Labour certainly has a direct impact on a lot of departments within the Government, and this bill, in particular, had a big impact on the way Government was going to interact with the employers, with the groups, with the businesses, that helped to drive this economy.

In the *Winnipeg Free Press*, an editorial on July 26 said, speaking about the minister: She could have expected a bad reaction across the country, where investors and business leaders have been anxiously watching Today's NDP to see whether it would keep the province open for business.

It goes on to say: Nor would she have acted without the advice of the Labour Management Review Committee formed to vet labour legislation. One would have thought she would have given that process a lot more time. It goes on to say that the Premier, he apparently thought everyone would agree it is a good idea to strip workers of their democratic right, to reject unionization by secret ballot and to encourage unions to launch foolish strikes, secure in the knowledge that arbitration would save them from mistakes. This is the *Winnipeg Free Press* I am quoting from. These are not this humble servant's words. In fact, it is from the *Winnipeg Free Press*.

It goes on to say that the Premier should instruct the minister that, once those complaints have been received, the legislation be shelved until the next session of the Legislature, and that is something we were calling for. Failing a positive outcome from the public education effort, he should instruct her, the Premier should instruct the minister to let the matter drop, and that is from the *Winnipeg Free Press*. On July

28, the *Winnipeg Free Press* went on to say, and it quotes one of the professors from the I. H. Asper School of Business: This absolutely has the potential to seriously derail perhaps the best economy we have had in 25 years, said John McCallum, a Finance Professor at the University of Manitoba's I. H. Asper School of Business. He goes on to say: Arbitration settlements are typically more generous than through the collective bargaining process. Sorry, that was Mr. Kelly.

George Fraser of the Manitoba Home Builders' Association is quoted as saying: They got their agenda through in advance of business. On July 29, we have *The Winnipeg Sun* reporting: If they want to make it impossible to do business in this province, then that is their prerogative.

That was one of the business leaders. He goes on to say: I think that they should be very careful that they do not drive business out of the province.

We then saw the whole debate, and again I bring the question back to the minister. Is that her role? Is that the role of her department? Is that why the public spends so much money to see this kind of divisive behaviour? Now, we saw what was coming out of the business community. Then, all of a sudden, we saw the ante upped by the labour groups, and, of course, that would sort of be a natural. It would be a natural that the business groups would also then get involved into the debate.

There is quote in the July 29 *Winnipeg Sun* article that says, and it is from Paul Moist, President of CUPE Local 500: It borders on hysterical. It is pretty ideological. There is not a lot of fact behind them at all. That was one of the beginning shots. Again, the minister sat on the sidelines, allowed this fight to take place, allowed the divisions to take place, and it was really most unfortunate for it. Then we have Rob Hilliard who jumped into the fray, and clearly he was going to defend his interests, and the minister sitting on the sidelines allowing this all to unfold, the Government allowing these divisions. We spend a good chunk of money on the department. We pay a lot of taxpayers' dollars for a department that is supposed to

mitigate these kinds of things. Instead, the minister allowed them to take place, periodically taking out the jerry-can, throwing a bit of fire onto the whole thing.

Here is a quote from Rob Hilliard: This is the lunatic fringe of the business community, referring to the coalition that had decided to step to the plate and deal with the Government on this particular issue, and of course dealing with all the various business groups, the Winnipeg Chamber of Commerce, the Manitoba Chamber of Commerce, the Business Council and on and on. This is now how shrill the debate was starting to get, and where was the minister? Where was the department? Where was the taxpayers' paid department that was supposed to step in and take care of this? None of it was taking place. This kind of attack against each other, this kind of divisiveness was allowed to take place and nothing was being done, the Premier wanting not to get his hands dirty on this and the minister not seeming able to deal with the issue in a proper fashion without trying to slow this down.

And here we had an article in the *Winnipeg Free Press* of August 11: Business coalition, crazy people. Attack on proposed labour law hysterical. That is the headline. Frankly, these ads come from the lunatic fringe, said Hilliard. They are nuts, they are crazy people. This is an ad campaign that is nothing short of an ideological, hysterical response to nothing. The minister sat on the sidelines and allowed this to continue.

Peter Woolford, spokesman for the Retail Council of Canada, then responded: We are very concerned that this presents a reckless and very radical jump into the unknown.

There is Roy Eyjolfason of Seagram Canada from Gimli: The collective bargaining process is working. Why alter it?

The debate got hotter and hotter. We saw that the ads were being run, more and more people were getting involved in this. Certainly when we got to committee it was just a disgrace how this so-called minister's bill to bring balance and harmony, the kind of damage it did.

We then went into the hearings. The presentations came forward, one of them, Larry McIntosh, president of Peak of the Market, great company. I have heard the minister's Government praise Peak of the Market for the great stuff that is done. They said in a written statement that business opportunities will be lost that we will not even know about. Businesses who do not move here do not tell us they are not coming, he said, because of the legislation, and we warned the minister about it.

Then to add insult to injury the minister and her colleagues decided to shut down the committee meetings instead of allowing at least one more opportunity where perhaps we could have listened to all sides, given them a fair opportunity. Maybe we could have had people vent a little bit, brought them together and try to come up with some compromise. What did the Minister of Labour do, the minister who wants to bring harmony to this province, the minister who wants to see that the kind of strikes, the kind of acrimony is reduced? Instead she just stands there with her jerry-can, pours more gasoline onto the fire and calls closure. They shut down the committee. At that point in time clearly you had a government on the run, you had a government in disarray, and they wanted to crush freedom of speech. The minister and her colleagues proudly stood up, decided to shut it down because really at that point in time it was the most politically expedient thing to do.

The right thing to have done would have been to pull the bill and allowed the whole situation to cool down and maybe allowed the groups to have got together to have discussed it, to have come up with something a little bit more harmonious. What does our minister do with her department? What does the minister do, the one who is supposed to be the arbitrator? Does she intervene and try to cool things off? No, she brings in closure. We sat till the most unbelievable hours of the morning. Clearly we could have had the committee go till midnight and allowed more groups to present, we could have scheduled them in, done the reasonable thing but no, that was not the case.

In the *Winnipeg Sun* there is an article: Bill 44 called serious disincentive to doing business. Letters deluge NDP government. Bill 44 is a

serious disincentive to doing business in Manitoba and will have the effect of discouraging further investment in the province, wrote Wal-Mart Canada CEO Dave Ferguson in a recent letter to Labour Minister Becky Barrett. Then again, this is not the servant to the people from Springfield, the critic of Labour. This is not the member from Springfield making these statements. These are individuals who have a stake in the province. These are individuals who invest in the province. These are individuals who employ a lot of people in the province.

Again I ask the minister, where was she? We are going through Estimates. We talk about a lot of public money. There is a reason why the public agrees to us spending money in particular on the Department of Labour, on the deputy minister, great individual. Why did the minister not instruct the deputy minister to try to find some kind of cooling-off mechanism at this point in time? *[interjection]* It is the minister's job. The minister is absolutely right, and the minister was not capable of doing it. The Premier was not capable of doing it, and the issue heated up and heated up and got worse and worse until we received a letter. We received it later on in August, August 8, and it went to the Premier and the honourable minister. It comes from all people, Art DeFehr, and what is so unbelievable about this, having known the family for many, many years—and I know the honourable Member for Rossmere (Mr. Schellenberg) as well. I mean he sat at the table and broke bread with the president of Palliser, Art DeFehr, at the North Kildonan M.B. Church fundraising dinner. They sat together. Of course at that point in time Bill 44 had not been introduced, or I am sure Mr. DeFehr would have had a few things to say to the honourable Member for Rossmere, who has a lot of the individuals who are employed by this company.

* (11:20)

As I have said before to this minister, the DeFehr family is not a political family. At no point in time have they indicated to myself or anybody else that they are supporters of my party, certainly not made that indication to myself. In the past their tradition has been to stay out of politics. I do not believe they have been big contributors to political parties. They do a lot work in the community. They are great

supporters of community projects. They have the DeFehr Foundation, and they tend to shy away from politics.

Again, we are talking about the Department of Labour, where clearly, clearly a lot of money that comes from business goes to it; it comes out of the common fund. Instead what does the minister do? Allows this kind of soul searching to take place on behalf of the employers of this province. I would like to quote from the letter.

Just for a point of clarification, Mr. Chairman, when we read a letter during committee, are we allowed to quote the names or do we have to give the position?

Mr. Chairperson: You can table the letter.

Mr. Schuler: The letter has already been tabled. It is a matter of record for the House.

Mr. Chairperson: When you quote a letter, you have to not use the person's name but give the person's constituency, or the portfolio. Okay.

Mr. Schuler: And that is even for committee?

Mr. Chairperson: Yes.

Mr. Schuler: Okay. Thank you. I think I have not been doing that. I will make sure that I do that from here on in.

The letter is directed to the Premier and to the Minister of Labour (Ms. Barrett). I think it is very telling and deserves to be mentioned:

I would like to express my deep concern with regard to the proposed changes to labour law in Manitoba. Regardless of your intentions, as the largest private employer in Manitoba and the largest non-union employer, we are very clearly a prime target of this legislation. As a company and as a family, we have always been supportive of the democratic process for the prosperity of our province and the community and concerned in a very personal way about the security, welfare and job satisfaction of our employees.

I am personally saddened in that this legislation will undoubtedly cause us to act in a

manner that is designed to protect our business and to ensure alternatives, actions that may not be to the benefit of the province, the community or potential Manitoba employees.

Current labour law is already unbalanced in that unions are permitted to use any means, including intimidation and disinformation, to gain signatures. Yet the company is at risk simply by communicating with its employees in a manner that an external party can deem to have crossed some imaginary line. The proposed changes amplify that problem. We lived with this disparity, partially comforted by the fact that the employee had a second opportunity to vote where there was no personal intimidation.

For the minister, I will quote that again: We lived with this disparity, partially comforted by the fact that the employee had a second opportunity to vote where there was no personal intimidation. We accept the right of employees to unionize but find the removal of the democratic right to a secret ballot totally unacceptable, and will govern our future actions based on that view of the balance or imbalance in the law.

Palliser has never had a union vote in any of its business units, although there have been external efforts to unionize. With 3700 employees in the province, our company represents a great business opportunity for a union. Union fees would be between \$1.5 million to \$2 million per year. There are tremendous incentives to manufacture less in Canada and use lower-cost production facilities in other countries. I personally take the view that providing a secure and meaningful job is a service to the community and to the individual. We deliberately seek to employ refugees—and I am sure this is important to the minister—immigrants and the marginalized, not to pay lower wages but to provide opportunity as a measure of gratitude for the opportunities afforded our own families as they entered Canada. These people may be the unfortunate victims of your supposed well-intentioned policy.

It will not address the issues regarding the various features of Bill 44 since others have critiqued them eloquently. As Premier, you have the opportunity to provide leadership in a matter

of policy and legislation on behalf of all citizens. If this legislation is really required and will benefit the province and the majority of its citizens then the introduction and passage in a hurry and during the summer is not evidence of leadership or conviction. I add my voice to others and request that you set this legislation aside to determine if it can withstand a serious analysis and critique.

Nevertheless, you are in a position of power and authority to make your own decision about legislation, and I am in a position to make decisions about Palliser, investment policy and employment. This letter is written to prevent any false illusions regarding the future. I trust you will remember the middle word in the name of your party. Manitoba is a tough place with limited natural assets. All we have is our people, and that includes our entrepreneurs. Do not put our future at risk for the wrong reasons.

Sincerely, Art DeFehr, President of Palliser Furniture.

Again, the minister, with all the king's horses and all the king's men, the minister and her whole department did not foresee this kind of a division in the community, had no idea that this kind of thing might take place, had no idea the kind of shambles that were left, that that is what we would have by the time the bill went through.

The Winnipeg Sun writes: DeFehr warns NDP, and it goes on to say: We now have an example of a business that is saying this affects their investment in the province.

We asked the Government, we asked this minister, we asked time and time again: Who asked for this bill? Which business came to you? Who was it that wanted this bill? Who said: For us to invest a \$100 million in the province, \$20 million in the province, we need this legislation? Who called for it is the question we were asking of the minister, the minister who is responsible for seeing that there is labour harmony in the province, exactly what we are talking about, the Estimates, the spending of money on a department that is supposed to do certain things in the province, not create division, not to create these kinds of harsh and strong letters.

I ask the minister: Was it worth it? Was that really worth going through all of that? Was there not an opportunity somewhere to have said maybe we should do the right thing, step in and do a cooling-off period, to not allow it to just step itself up further and further and further? Was the minister not prepared to do the right thing and step in and allow a cooling-off period? I suggest to the minister that it is most unfortunate that she allowed it to get to this point.

*(11:30)

I understand my time has run off? I have nine minutes.

I would also like to point out to the committee on this particular bill, and I mentioned during the last Estimates period, I mean, clearly we have a minister, Master of Arts, I believe—Master of Social Work. I stand corrected. The minister is well educated. She has been in this House, well versed on the rules, knows exactly how things are to proceed. What was so telling is after the minister had shut down democracy for the second time by putting closure on the committee, the next morning we met to finish up on the bill and the minister produced what was called the settlement of a collective agreement alternative dispute mechanism.

It is a chart, and I remember clearly, I am sure the minister remembers this particular chart. The minister tried to then explain to the committee how the chart worked. It was actually painful for members opposite, because no matter how hard she tried to explain it, she just did not quite seem to be able to explain it, and it could have been that we had been up for a lot of nights late. That is reasonable.

But I think it does not speak to the minister, and I have said this before, I believe it speaks to the bill. After all of the divisions and after everything that the bill supposedly does or does not do, the bill was a poor bill. It was poorly written. It leaves an awful lot of ambiguity. Where does it begin? Where does it end? How does the flowchart work? The minister could not even explain that.

I move on. The minister then was in a media scrum, and, of all things, the minister then starts to contradict her own legislation. Again, I do not believe that is a reflection on the minister. I would never state something like that. I believe it is a reflection on the poor legislation.

I quote from November 11, *The Winnipeg Sun*: The minister said it would be unfair for one side in a labour dispute to be forced into an arbitrated settlement against its will, a statement that is contrary to the NDP's position throughout the entire debate over Bill 44.

It is just so telling, because if you go to the July 22 *Winnipeg Free Press*, the minister talks about promoting solutions, and this is an article written by the minister. It was written by her. It is in the *Winnipeg Free Press* July 22, page A15: The law should encourage the practice of collective bargaining and the settlement of disputes. So she felt that at that time that this mechanism was the right way to go, it was the correct way to go. She is quoted on July 17 in the *Winnipeg Free Press* that the Labour Minister describes the challenge as moderate adjustments that will help introduce more balance to the system. The minister says the Government is striving to build more positive industrial relations in the province by encouraging investment while at the same time helping ensure Manitoba workers are treated fairly.

Then she is quoted in an article November 11 as saying: It would be unfair for one side in a labour dispute to be forced into an arbitrated settlement against its will, a statement that is contrary to her position previously quoted from July 17 and other articles.

Clearly the minister was not even quite apprised of the kind of effects that this bill would have. She was having difficulty with her own bill. The media quote goes on to say, quote: In order to go to binding arbitration, both sides would have to agree to it, Barrett, the minister, told reporters. Binding arbitration is binding, and in order for that to work, both sides have to agree that they will go to binding arbitration. It would be unfair, she says, if only one side agreed to binding arbitration and the other side did not. The minister, with all the king's horses

and all the king's men, could not even figure out Bill 44.

The taxpayer spends a lot of money on the Department of Labour. The taxpayer puts a lot in for the minister, for her staff, for advisors, communications people. Goodness knows how much is in here, and the minister puts forward, her Government put forward, a bill that she contradicts herself within months of it having been acrimoniously put through, shutting down democracy twice. Why are we spending all this money, minister? For division? For the minister not even to have it straight—and it is a complicated bill. I remember right from the start the minister trying to explain this flow chart. I have looked over it. My goodness. If the minister does not understand, who is supposed to get it?

Minister, I believe the taxpayers and certainly we in the Opposition question why we spent the kind of money—in fact there was a cost overrun from the original Estimates. Now we are looking at a substantial increase again. Why are we doing that, minister, when we have nothing but division? We have the employers, one after another after another coming forward and saying: What is the department doing? What is the minister doing? Where is the impartiality? Where is the balance when the minister talks about balance one moment, talks about not being fair the next moment? The minister in fact is the best critic of Bill 44. When the twilight of it all is over, it is the minister that ended up being the best critic of this bill. In fact, the *Winnipeg Sun* quoted your humble servant in which it says: it is nice to see that, after a little bit more than a year in government, they finally come to look at things our way, said the Tory Labour critic.

Minister, I think, before we actually go into line by line, the people of Manitoba do have a right to have an answer to know what is going on. The minister came in and promised harmony. The lion and the lamb were going to eat grass on the field. It was going to be wonderful, unlike we had ever seen ever before in the history of this province. There was going to be harmony. I hardly call what I have just laid out for this committee harmony, minister, hardly, and the bill that the minister could not even get right in a media scrum. Minister, the question is: Was that

worth it, spending all that money, all that political capital? Was Bill 44 really worth it?

Mr. Chairperson: I thank the Member for Springfield, but I would just like to remind everyone that comments should be directed to the Chair, not to the minister.

Mr. Schuler: Your humble servant has only been here about 18 months. Do you know what? If you would just even point that out as we are going along, I will remember to learn these rules. You are absolutely right. I am supposed to speak through you. Even with addressing articles and that, I will try to make sure I stick by the rules. I appreciate that comment.

Mr. Chairperson: I thank the Member for Springfield.

Ms. Barrett: I would like to make a couple of comments on the member's statements, the first one being that, at the very end of his comments, he said before we get into line by line. I want to suggest that I would like to comment on some of the things he said in his very extensive comments, but I do think it is critical that we move forward and talk about the Department of Labour and the Estimates before us. I debated whether I would even respond to some of the stuff that the member talked about because it was about things that happened almost a year ago. I would like to respond, but I also do not want this to get into just a rehash of what went on last year. I think it is critically important that we discuss the Estimates of the Department of Labour for this coming-up year.

Another thing I would like to say is that the member is inaccurate in his comments about the amount of money we spend on the Department of Labour in trying, I understand, to put that kind of money into the discussion and the debate about Bill 44. The only role of the Department of Labour staff that is in this Estimates book that we are discussing here, the whole issue around Bill 44, from its very beginnings to the conclusion of it, was to provide information to the minister, to the Government and assist in the drafting of the legislation. That is the appropriate role of a department in dealing with any legislation.

So I could make a comment that the entire discussion that the member engaged in, his entire statement, was inappropriate in the sense that it is a political discussion and not a discussion of the role of the department itself. So I want to make that very clear that, from the deputy minister on down, the role that the department played in Bill 44 was providing information to the Government, to myself and to the Cabinet, and to the Caucus and to the Government as a whole, not in any way, shape or form dealing with a political process that was underway.

* (11:40)

The member started his comments with the discussion about the Century Summit and he used words like "betrayal", that what happened after the Century Summit was a betrayal of the comments and the kind of process that was undertaken in the Century Summit. I would like to say that I thought the Century Summit, and I think everybody who participated thought, it was an excellent beginning.

My response in the beginning to that is that, as far as, and again some of the quotes that the member was using from the business community is that subsequent to Bill 44, I have had several series of meetings and consultations with a number of representatives of the business community. People who were not pleased with Bill 44, no question about it.

Including, but not limited to the CFIB, the Manitoba Restaurant Association, both Chamber of Commerce groups, the Manitoba Chamber of Commerce and the Winnipeg Chamber of Commerce, the Retail Council of Canada and the Manitoba Business Council—and I may have left some groups out—but I had good consultations and discussions about general issues and, in particular, the minimum wage issues and the employment standards changes to the parental leave.

While we agreed to disagree over Bill 44, content and process with these groups, we have been able to, I think, establish a very positive consultative relationship since then. That has been the actual comments that have been made by these groups to myself.

The member spoke about confronting the challenges of the global economy and what he thinks is a disconnect between the Premier's (Mr. Doer) comments at the Century Summit and some of the statements that have been made in the context of the Summit of the Americas, which was just held.

No one denies the reality of the global economy. I think where people disagree and legitimately can disagree is how you deal with the global economy, how you ensure that transnational corporations, some of whom are larger and have bigger assets than small countries, do not take over the agenda completely. How do you ensure that there still is a role for governments which are the only publicly elected, popularly elected, in democracies at any rate, organizations? How do you ensure that there remains, and one of my favourite words, a balance in that concept?

We are in a very critical period of time globally, which has impacts, not only for the global economy, the global social order, the global everything, but has effects on our lives here in Manitoba. That is not to say that we do not recognize and acknowledge the existence and the reality of the global economy.

The member talked about bringing the two groups together, business and labour. I think the reality is that it does not matter which party is in government in the province of Manitoba or anywhere; there will always be differences of view and differences of opinion between business organizations, business groups, business leaders, and labour. That is by nature the situation.

There is not, I think the member is inaccurate or is not being realistic when he thinks that there is any way to have unanimity on everything between business and labour. What you need to do is you need to try and ensure that the dialogue is transparent, that the dialogue is open and frank and that you do not destroy relationships on either side after you have completed the process when it comes to legislation. I would suggest that that is the case that happened after Bill 44; that the relationship between the Government and the business community has not been destroyed.

My own example that I have shared with the member about the relationships that I have had and the open dialogue that has taken place between myself and various business groups. Very good comments and actually some changes that have been made in our looking at the, for example, the changes to the employment standards legislation relating to parental leave, and the EI harmonization.

So I think that we have done a good job. I know other ministers can share their stories of the ability they have had to relate with the business community as well as to the labour community.

Specifically, and as a corollary to that, the issues around the LMRC and Bill 44. Yes, there were process issues, and I have reflected on them and have taken into account for future discussions, the process issues that were raised by LMRC.

The concept of consensus when it is dealing with MLRC is a concept that again, when you are dealing with an organization or a group such as MLRC that is reflective of both the business community and the labour community, is that you are likely not to get consensus on every issue. You do not get consensus on the minimum wage board, you do not get consensus, sometimes you do not get consensus on the labour board—universal, unanimity consensus. You have to have a consensus on the labour board for there to be a ruling, because it is a three-party panel that deals with things. But there are views that are expressed. As far as consensus, when it comes to LMRC dealing with legislation, which is contentious, labour legislation is almost always, by its definition, contentious, because it deals with—in labour legislation—sorry, I want to narrow the focus—labour legislation, when it deals with The Labour Relations Act. That is the one I am talking about here, Labour Relations Act, which deals with the relationship between employers and employees in a union setting. So, The Labour Relations Act, I want to remind the member, only relates to approximately one-third of the workforce in Manitoba. That is the workforce that is, or is attempting to be, or has been unionized. You are not going to get consensus on everything when you are

discussing labour legislation, just by its very definition.

The LMRC did offer consensus on a number of the elements that were in Bill 44. The LMRC, in discussing Bill 26, which was the last Labour Relations Act amendments in 1996-97, that LMRC, my understanding is, although I was not in government at the time, there was virtually no consensus out of LMRC when that former bill came forward. So, that Bill 44 process, when it comes the LMRC consensus, has followed the same thing that others have.

This did not change the fundamentals of labour relations, as I have said in the House and in discussions about this. Bill 44 virtually, in every instance, went back to pre-'96-only legislation that was in place. The alternate dispute resolution mechanism, yes, was a change reflective of very successful first-contract legislation.

I would like to say, in the context of the committee hearings, that the process that was undertaken in dealing with Bill 44, about the continuation or not continuation of the committees—as a matter of fact, I think the bill was virtually identical to the process that was undertaken in the committee hearings on Bill 26 in 1996-97, when the former government was in place, with one change, I believe. I have to be corrected on this. I believe that actually the people who were on the list and had not spoken and went down to the bottom were actually phoned more often than they were in 1997.

I am not talking about right or wrong. I want the member to know that. I am just saying that the member is inaccurate if he makes the comments, which he made, that we were draconian, that we were undemocratic in our processes. If we were draconian and undemocratic in our processes in Bill 44, the former government, the party that the member represents, when it was in government, was just as undemocratic and draconian. So, you can talk about the process itself, but it is not just our Government that has undertaken it. For Bill 26, there were 160 presenters on the list. In the year 2000, for Bill 44, there were 154 presenters on the list, so very similar kinds of processes there.

A couple of other things, just in response to the member's comments. I do not know if the member received a copy of this letter, but it was a letter sent to his Leader on December 21 of last year in response to his questions in the House with the Premier over the binding arbitration provisions in Bill 44. I will paraphrase: enclosed, a copy of the overview of the changes. It is two pages of general overview and then the infamous flow-chart. The letter is about a page and a half. I am more than happy to give the member a copy of it if he has not received it. I start off by saying, because he was not Leader at the time we discussed Bill 44, he was probably not up to speed on all of the aspects of that legislation.

* (11:50)

Then I talk about the media scrum that the member referenced in some of his comments. At the end of the scrum, and here I am quoting, Tom Brodbeck, the person from *The Winnipeg Sun*, raised the issue of binding arbitration. I did state, as was quoted in the paper, that binding arbitration could not be imposed in labour disputes unless both the employer and the union agree.

The element that appears to be missing in discussing this issue is that I was referring to the beginning of the process. If you go to the schematic, it is the A and B on the left side, where, after the Labour Board has determined that the alternate dispute mechanism options can take place, then the employer and union decide on the settlement process. So it is after either side makes reference to the Labour Board saying: We have been out for 60 days; we have had conciliations not working; we want to go to the labour board; we have got to get this thing off square one. Then the labour board makes the determination: Yes, you are right; you have bargained in good faith; you can go ahead, using the mechanism and the good offices of the labour board wherever possible.

Then, which is at the beginning of the process, both sides have to agree on what they want to do, the process they want in order for binding arbitration to take place, to be the option chosen, both sides have to agree, because it is binding. If one side, either the employer's or the employee's side says, no, we do not want

binding arbitration, then binding arbitration does not take place. Then it goes into the whole Labour Board process. This is not easy, but what happened in the scrum is that I was very aware of the schematic. I did not have a copy of it with me because this, by the way, was the question tacked on to the end of a scrum which was on a totally different issue, so I was not prepared with the schematic in the scrum, but I was referencing the beginning of the process up there in the left hand side, (a) or (b). You cannot have that binding arbitration without both sides, and Mr. Brodbeck, I believe, was talking about a different part of the process. We had a disagreement, not a disagreement but we had a difference of where we were talking about it in the process.

Going back to the letter, once the beginning has happened, then the two sides have two options. They can jointly agree to arbitration or they can have the Labour Board become involved. As is the case whenever arbitration is selected, both sides must agree to use the arbitration option and must agree on the arbitrator within 10 days.

As you can see from the schematic, the arbitrator shall then settle all outstanding issues and the arbitrator's ruling is final and binding. It would be unfair if only one side was able to choose the arbitration alternative referred to in this process. If both sides cannot agree to an arbitrator or they choose not to use an arbitrator, which is that they can both agree not to have an arbitrator, then it goes to the Labour Board process.

My letter goes on to say what I have just said to the member, that I believe there was a misunderstanding between myself and Mr. Brodbeck, not that either one was right or wrong, but that we were talking about different parts of this schematic. That is the letter that I sent to the member's leader. I have not received a response, so I am under the assumption that the leader recognized the fact that this was a genuine misinterpretation on the part of the reporter of what I was saying. I am not meaning to have negative aspersions cast on the reporter but just that if we had a chance, not in the scrum context, to sit down, I think we would have understood that that was a misinterpretation of one side and the other.

A couple of other things, and I will try and conclude my response before the noon hour so we can actually, when we come back again, start on the actual Estimates.

I would just like to give you some statistics. Instead of all but driving capital investment out of the province, which was a quote by the member whether his own or from a newspaper article, in 2000 our growth rate was 3.5 percent. The unemployment rate was 4.9 percent, the lowest it has been in 25 years and overall lowest in Canada. Youth unemployment rate, lowest in the country at under 10 percent. Employment rose by 2.2 percent for the strongest annual increase in 15 years. Employment grew by 11 700 and the number of jobs continue to grow in the first two months of this year. Average weekly earnings increased by 3.5 percent, the strongest increase in a decade and stronger than the 2.3% increase for Canada as a whole.

Last year, 2000, personal disposable income on average rose by 5.6 percent, the strongest annual growth in 11 years. That is the kind of money that the members opposite are talking about people having in their pockets, 5.6 percent. For the first time since the mid-'80s more Manitobans are staying than leaving, and actually people are coming back from other parts of the country to Winnipeg and Manitoba. Never mind the strength that we have actual and potential with hydro.

Finally, the member spoke in his comments about Bill 44, how this was going to devastate the labour climate in the province. In 2000 there were 10 work stoppages involving just under 1500 workers and in 2000 it was loss of 88 working days per thousand workers which was down from 188 working days lost per thousand workers in 1999. We ranked sixth lowest in terms of days lost per workers across the province. Over the last 10 years, 1996 was the most significant year for work stoppages activity in Manitoba, with over 235 000 days lost to strikes and lockouts, and that was the year, I believe, of Bill 26, which was the labour legislation brought in by the former government. So I would suggest to the member a couple of things: one, as a result of Bill 44 we have not lost ground, and I would like to say another

thing that is arguable, I guess, that I think labour legislation, Labour Relations Act legislation—

Mr. Chairperson: Order, please. The time being 12 noon, I am interrupting proceedings. The Committee of Supply will resume sitting this afternoon following the conclusion of Routine Proceedings. Thank you.

INDUSTRY, TRADE AND MINES

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

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Yes, I do. It is my pleasure to speak to you today on behalf of the Department of Industry, Trade and Mines. Over the past year, we have continued to build on our recent successes and are actively engaged in meeting the demands of the future. We would like to talk to you about some of the advances we made in the last year in Manitoba, some of the exciting developments in store for our department and a number of areas that we will be working on in the near future.

The Manitoba economy has continued to prosper in the year 2000, as it did in 1999. Our real provincial GDP grew by 3.5 percent in 2000, up from 2.6 percent in 1999. I am pleased to report that total employment in Manitoba reached an all-time high of 554 400 persons in the year 2000, up 11 700 jobs from 1999. Our overall job growth rate last year was 2.2 percent, our best performance since 1986 when 12 900 new jobs were created, and the annual growth rate for that year was 2.7 percent.

Our employment rate, the number of Manitobans working as a percent of the population 15 years and over, averaged 64.6 percent, the second highest in the country and an all-time high for us here in Manitoba.

Full-time jobs provided for our employment gains in the year 2000. Manitoba's economy created 13 000 full-time positions last year,

about two and a half times as many as our gain of 5300 in 1999.

If there is any doubt as to the quality of the jobs created, we have added 6300 new manufacturing jobs in the year 2000, three and a half times the 1800 created in 1999.

Our employment growth rate for the year was 3 percent, the biggest increase in nearly a quarter of a century. Statistics Canada only began producing estimates of full-time employment for the provinces back in 1976. Our unemployment rate last year was the lowest of any province and the lowest for Manitoba since 1976, when the rate averaged 4.6 percent. Manitoba's unemployment rate for youth, ages 15 to 24, averaged 9.3 percent last year, the lowest in the country and our best performance since 1977, when the rate was also 9.3 percent. Last year's performance was substantially better than the 10.1% youth unemployment rate in 1999 or the 10.4% rate recorded in 1998.

The strong economic growth of 2000 was supported by a net gain of 752 persons from all types of migration last year, following a gain of 1272 persons in 1999. This still marks the first period of sustained migration gains for the province since the years 1981 through '85. A total of 4591 immigrants entered Manitoba in 2000, the largest influx since 1993.

*(10:10)

In November 2000, we introduced the Provincial Nominee Program for business. Building on the success of a two-year-old Provincial Nominee Program, the business program is aimed at attracting people from around the world to establish small- and medium-sized businesses in Manitoba. To date, we have received nearly 50 applications representing potential investments of \$20 million and the creation or maintenance of 300 jobs in such areas as electronics production, metal fabrication and building products.

Strong growth in labour income was an important part of Manitoba's growth story last year. Personal disposable income rose by 5.6 percent in current dollar terms, more than twice the 1999 gain of 2.4 percent, our biggest

increase in 11 years. Business investment grew by 8.9 percent in 2000, mostly from spending on machinery and equipment and from increased non-residential construction investments.

The increase in business investment in the Manitoba economy is reflected in a number of ongoing success stories. Examples such as J. R. Simplot Company's new potato processing plant near Portage la Prairie will see an initial company investment of \$120 million. The plant will be the first potato plant in Canada to use an environmentally friendly bio-gas recovery and re-use system which will significantly reduce gas emissions from the facility. The facility will result in the creation of over 230 direct jobs in the first phase.

In Winnipeg, Palliser Furniture Limited will complete a \$20-million five-year expansion project in 2002. Palliser currently employs 3800 in Manitoba and is the largest furniture manufacturer in Canada. Colour-Ad Packaging Inc. is investing \$6.6 million in a new advanced packaging facility, creating over 50 jobs. The expansion plans by Warehouse One include an investment of \$8 million and 60 jobs.

Four Manitoba firms have made the annual list of the 50 best-managed private companies for 2000 in Canada in a survey conducted by Arthur Andersen. National Leasing Group won for the third year. Canad Inns and WGI Westman Group are second-time winners, and Kortex Computer Centre made the list for the first time.

Five Winnipeg-based companies—Cargill Canada, Palliser Furniture Limited, Cangene Corporation, Wardrop Engineering, Great-West Life Assurance Company—were named to a list of Canada's top 100 employers. These firms employ a total of more than 10 000 people here in Manitoba and around the world.

The mining sector also continues to contribute strongly to Manitoba's economic growth, particularly in the North. The mining sector contributes nearly \$1 billion in mineral production to our local economy and directly employs over 4000 workers, most of whom reside in the North, and directly contributes to another 13 000 jobs in the province. It provides

wages that are twice the provincial average and has been responsible for the development of much of northern Manitoba infrastructure.

Commodities that have formed the backbone of Manitoba's mineral industry such as copper, zinc, nickel and gold have struggled over the past year. Demand and prices for all these commodities have decreased dramatically since the summer of last year, resulting in scaled back exploration and operations at Hudson Bay's Flin Flon operations. On a brighter note, the new mine development is moving forward at the new Triple Seven mine in Flin Flon, and Hudson Bay will be celebrating the official opening of Chisel North mine in Snow Lake on June 1 of this year.

Depressed gold prices have also affected operations at Harmony Gold's Bissett mine, although New Britannia Mine in Snow Lake is weathering the storm well. With production costs of approximately \$200 per ounce at Snow Lake, they are well positioned to continue production well into the future.

Not all mineral commodities are suffering a downturn in today's markets. Record demand and prices for commodities such as platinum, palladium, titanium, tantalum, diamonds has fuelled exploration for these non-traditional commodities in Manitoba. Most notable is the diamond rush currently taking place in the northeastern part of the province.

Unprecedented levels of exploration for tantalum are taking place in southeastern Manitoba, home to Canada's only producing tantalum mine at TANCO. Increased exploration for platinum group elements is taking place across the province.

I am delighted to indicate that the Petroleum Branch has joined the department from the Department of Conservation. The petroleum sector has seen enhanced levels of activities and profitability related to high oil and gas prices over the past year. From January 1 to April 16, 2001, 23 wells have been drilled, compared to 6 for the same period in 2000. Direct revenue collected from the oil and gas industry exceeded estimates for the fiscal year 2000-2001 by \$1.5 million. I am also pleased to announce that we

have made amendments to the Manitoba Drilling Incentive Program that will encourage additional oil and gas production and exploration in Manitoba's oil patch in southwestern Manitoba.

We are working diligently to sustain and improve Manitoba's position as one of the best mining investment locations in the world. We continue to provide high-quality geoscience information that is vital for informed decision making, not just for exploration investment, but also for all aspects of land-use planning related to agriculture, natural hazards and environmental concerns.

Last year's increase in funding for the geological survey has resulted in increased geological support for the communities of Lynn Lake and Leaf Rapids, who are facing serious issues related to mine closure. I am pleased to announce today that the provincial funding of approximately \$300,000 over the next two years will be more than matched by federal government contributions of \$429,000 for work in this area, bringing the committed federal-provincial expenditures to a total of approximately \$729,000 over the next two years for geological work in the Lynn Lake-Leaf Rapids region.

Geoscience funding in the Flin Flon area has also been enhanced by federal funds totalling approximately \$438,000 over the next two years. We have also kept our commitment to take on the responsibility of dealing with the matter of orphaned mine sites. This past year our Government committed funding of \$1.2 million over four years to address issues related to public safety at several of our most hazardous sites. We have committed another \$1 million over four years through the Department of Conservation to assess the environmental and health risks associated with these sites. I am also proud to announce that Manitoba will host the first national multi-stakeholder workshop to address issues related to orphaned mines in Canada to be held here in Winnipeg in June of this year.

Last year we raised the issue of fraudulent claim staking as a concern to the mining and exploration sector. We are pleased to announce that over the past year we have doubled the

number of claims inspectors and have inspected a record number of claims in the past 12 months.

We are continuing our support for the Manitoba Mineral Exploration Assistance Program, which is designed to stimulate exploration in Manitoba. The unprecedented level of diamond exploration currently taking place in the province has been directly attributed by the industry to our own geological surveys as well as to the availability of MEAP funding. Given the current downturn in the metals market and the scarcity of investor funding for new exploration projects, it is now more important than ever that these department programs continue.

Last year I talked to you about an ongoing process of review that has been taking place with regard to information technology, economic development, and the role of our department in facilitating economic growth through the strategic investments in innovation, science and technology.

* (10:20)

This year I am pleased to announce that our department has been restructured to reflect these new priorities. Our department has created a new division called Manitoba Research, Innovation and Technology, RIT. Within this new division we have consolidated the management of our research, innovation and technology activities, reassigning staff from several areas within our department and government to resource this division: reassignments from Access Manitoba; Community Connections; Economic Innovation and Technology Council; and the Industrial Technology Centre; Industry Development Consulting Services Branch, Research and Economic Services, and the Telecommunications Policy Branch.

RIT will be a focus for policy development, knowledge-based industrial development and the co-ordination of innovative activities across Government. Its priorities over the next year are to develop an innovation strategy for Manitoba and develop an information technology strategy to provide a co-ordinated framework for governmental IT initiatives and the promotion and use of IT throughout Manitoba.

Already we have several new and exciting initiatives underway in the innovation and technology sectors. In March of 2000, in partnership with Industry Canada, we launched Community Connections, an extension of the Community Access Program, which supports the development of Internet access sites across Manitoba. This jointly funded \$11-million initiative supports the organization of community resource networks, hardware and software purchases, as well as technical support for the development of community Web sites and bulletin boards. Currently there are conditional agreements to bring Internet access to 440 sites in Manitoba by March 31, 2002.

Manitoba will soon have access to a new state-of-the-art Virtual Reality Research and Innovation Centre housed in the Industrial Technology Centre. This new \$1.5-million centre is jointly funded by the Manitoba and federal governments. This centre will enhance the attractiveness of the province as a leader in research training and development through the use of visualization technology to design new products.

Among our ongoing initiatives, the Manitoba Innovations Fund provides assistance to keep researchers in Manitoba and provides funding for research that enhances our economy and quality of life. Since 1998 the Manitoba Innovations Fund has provided over \$20.1 million to researchers for equipment and other research infrastructure. Among its many projects, the Manitoba Innovations Fund has supported Anthony Wright, a new researcher at the University of Manitoba, to establish a pain research facility, and has also provided support to Dr. John Wilkins and the Manitoba Centre for Proteomics to study the genetic origins of disease. In 2001 the Manitoba Innovations Fund will commit \$7 million to assist world-class scientific research and technology development.

With respect to the call centre industry in Manitoba, there is a great sense of confidence in terms of future growth as call centres make the transition to customer contact centres. To seize on these new opportunities, the Manitoba Call Centre Team will build upon the international reputation that it has created and launch Access

Manitoba as a site-selection service to attract higher-end job opportunities in the customer contact service sector. Increased salaries and better opportunities for Manitobans are just two of the benefits from this new focus. Access Manitoba will focus on opportunities in areas of health care, finance, and ICT, examples, hardware, software and the Internet.

It is notable I think that the Call Centre Team has recently been able to attract four customer contact centres to Manitoba, creating a total of 768 jobs, without any funding assistance from Government. Just a few weeks ago we opened a brand-new customer call centre, CUETS, and that is a support system for bank and credit cards, MasterCard. This is a very high-paying customer service centre representing an additional 35 jobs to our economy.

Mr. Doug Martindale, Acting Chairperson, in the Chair

The mature expansion of the customer contact industry in Manitoba holds benefits for rural Manitoba as well as Winnipeg. In speaking to the Budget, I indicated that the town of Dauphin has been very innovative and is conducting a labour study as one of the ways of attracting a customer contact centre to the Parkland region. We look forward with some anticipation to more good-news stories for rural communities with regard to these developments.

Manitoba Trade and Investment continues to be our lead agency for international business development through Manitoba Trade and Investment Corporation and has recently assumed responsibility for industrial development, manufacturing, processing and service industries. Trade expansion, foreign direct investment and industrial developments are key drivers of job creation. Manitoba Trade and Investment assists Manitoba businesses and entrepreneurs in increasing and diversifying their export activities. Through the International Trade Development Branch, Manitoba Trade concentrates on exporter training, market intelligence, and information, and the specific programming, including trade shows and missions, to facilitate a company's access to new markets and buyers.

Through our Industry Consulting Branch, business consultants provide sector expertise to businesses in manufacturing, processing and

service sectors in the areas of marketing, technology, business development and management. Existing infrastructure advantages are used to maximize economic opportunities and encourage the commercialization and use of new technologies to further strengthen and diversify Manitoba's industrial capabilities.

In 2000, exports continued to be a significant contributor to Manitoba's economy. Exports totalled \$8.68 billion, which represented an increase of 7.7 percent over 1999. The top four export destinations were the United States, Japan, Mexico and China. The U.S. market continued to be the predominant international market for Manitoba exporters with exports of \$6.87 billion. In 2000, Manitoba exporters in the U.S. continue to diversify to other U.S. regions beyond their traditional markets in the U.S. mid-west. Two regions, the southern and western states, each showed double-digit increase in exports.

In 2000, Manitoba's exports to non-U.S. markets increased, reflecting successful diversification by Manitoba exporters to other international markets. This is in keeping with Manitoba Trade's goal of promoting international market diversification to other foreign markets beyond the U.S. while still maintaining a strong presence in the important U.S. market. Manitoba Trade continues to work with small- and medium-sized Manitoba companies to evaluate their export capability and readiness and to assist them to enter foreign markets.

In 2000, Manitoba Trade provided export counselling to 150 companies in their U.S.-focussed export development activities. Many of these were first-time exporters with the U.S. market, generally the first international market for new exporters. In addition, Manitoba Trade, through its foreign representatives, worked with over 150 companies and provided market information and intelligence, product and service assessments, and logistical and meeting support to Manitoba companies active in their region. Manitoba companies are continuing to look for and successfully grasp new export activities.

Through Manitoba Trade's Investment Marketing Branch, we continue to reach target

markets around the world with a number of new and updated marketing tools. Among these are an expanded Web site marketing campaign and completion of new promotional materials that highlights Manitoba as the province with the advantages and energy, both literally and figuratively to succeed.

To spread the word more effectively about Manitoba's competitive advantages, Manitoba Trade is working with the communities seeking the support of many Manitoba leaders in business, health, education, research and culture to speak out about why Manitoba is such a great place to live and do business. Their testimonials are being incorporated into our promotional material. It is important that potential investors, whether individuals or international companies, are aware of the excellent advantages and opportunities in Manitoba. Manitoba Trade and Investment is developing potential investment opportunities for a public database that will be used to attract and retain private sector investment in the province. These opportunities are being developed with other provincial, federal and municipal governments, as well as the private sector, and will include Greenfield site investments, joint ventures, strategic alliances and equity injections into Manitoba companies. Manitoba trade and investment's membership in the International Development Research Council link it with corporate real estate executives, site selection consultants and economic development agencies across North America and around the world.

* (10:30)

Emphasis is also being focussed on utilizing the mineral and energy resources in the province to create value-added high-skilled opportunities with minimal environmental impact. Recent mineral investments include Alcan and TANCO. Construction is underway for Alcan's new facility, a \$50-million sodium chloride plant near Virden where initial production is expected to be 40 000 tonnes per year with the possibility of increasing capacity to 80 000 tonnes per year.

Last October, Cabot Corporation announced it would consolidate the manufacturing of its cesium products from Pennsylvania to Manitoba at the TANCO mine at Bernic Lake. The mine

has about two-thirds of the world's known reserves of pollucite, a mineral rich in cesium. The consolidation of cesium formate business at Bernic Lake will result in a plant expansion and additional employment.

Manitoba is in the very fortunate position that our abundant, renewable and low-cost hydroelectric power serves us well at home today and may become a major driver of our economy in the future. Industry, Trade and Mines works closely with Manitoba Hydro. It is promoting our power advantage to attract industrial investment. Not only are traditional energy intensive companies, such as those in metal smelting, chemical, specialty mineral and food processing sectors, being targeted but also companies that require more reliable power supplies, such as those in the computer, biotechnology and pharmaceutical sectors.

We have started to work with companies considering expansion or relocation from California, Alberta and Ontario and will also focus on the southeast and northeast United States in the near future. Evidence that power does make a difference comes from Simplot, Albchem, Nexen, all energy intensive companies that have recently recognized the Manitoba power advantage and are making major investments in this province.

Having the lowest published electricity rates in North America could also position Manitoba to become a leader in the production of hydrogen. With production from renewable resources such as wind, solar or hydroelectric facilities, hydrogen is considered to be one of the cleanest alternative fuels. It clearly presents one of the greatest potentials for commercial success. Its promise lies both as a stationary power source, that is fuel cells providing energy for commercial, institutional and residential buildings, and as a fuel source in the transportation sector.

The department is currently developing a hydrogen economic development strategy that will examine opportunities for Manitoba's participation in the hydrogen economy. In addition to production, local private sector expertise in refueling and onboard storage

technologies and in the transportation sector positions the province well.

In addition to the investment potential, Manitoba's power exports remain strong. The sale of surplus electricity to out-of-province markets helps keep Manitoba rates low. Small business continues to be the backbone of the Manitoba economy as this sector represents over 95 percent of businesses in Manitoba. The Canada-Manitoba Business Service Centre, a federal-provincial partnership, has recently completed its third year of successful operation, and it continues to expand its services. The centre recently established an e-business service centre which will contribute to the support, growth and development of e-business and e-commerce industry in Manitoba.

The E-Business Service Centre offers the information that small and medium-sized enterprises throughout Manitoba need to enable them to adopt e-commerce and e-business technologies within their businesses. The Canada/Manitoba Business Service Centre continues to increase their business services in rural areas, with 21 satellite offices throughout Manitoba. These satellite offices will make business information and resources more accessible to all entrepreneurs throughout Manitoba. The centre provides business development services for Aboriginal entrepreneurs, women business owners, youth, entrepreneurs in the cultural industries and entrepreneurs with disabilities. A co-operative development strategy which will focus on the promotion of co-operative model of ownership and providing access to education and training in respect to co-operatives is being developed, and we continue to assist groups and communities to develop viable, co-operative enterprises to meet the wide range of social and economic needs of Manitoba communities.

In closing, in outlining the progress that we have made in the previous year, I know that I might be accused of being overly optimistic with regard to the state of our economy. I think that sometimes when we reflect on the issues of the day we tend to neglect all the things that go right in our economy. Particularly, we have not been outspoken enough about our comparative successes, which are starting to gain national and

international recognition. There are issues to be sure, but I have chosen my time to focus on just a small sampling of the many success stories that may not have received the recognition, especially here in Manitoba.

In a report last year, Moody's Investor Service gave the Manitoba city the top ranking in the country in terms of economic diversity of its workforce. I quote: I would not have expected Winnipeg to be first, said Sally Gordon, the New York based senior analyst who wrote the report, but Winnipeg has to be all things to all people. It is serving more square miles than most cities. In other parts of the country, cities are more likely to become a centre for certain industries, she said. However, concentration of one industry may not always be a good thing.

In Manitoba we know that the diverse nature of our economy provides us with an advantage in meeting future challenges. We are committed to building on the solid foundations that have been established. I am pleased to present to you today an outline of our initiatives and the plans for the future, and I look forward to your questions as we proceed.

Mr. Chairperson: We thank the minister for those comments. Does the Official Opposition critic, the Member for Turtle Mountain, have any opening comments?

Mr. Mervin Tweed (Turtle Mountain): I am wondering if I might ask the minister, prior to my comments, with the Volunteer Award Dinner today at 11:30, I have a community that is being honoured and I am wondering if we might agree to adjourn at that time?

Ms. Mihychuk: Agreed.

Mr. Chairperson: That has been agreed to. Please proceed.

Mr. Tweed: I do want to thank the minister for her comments and supplying of some of the information in regard to the Department of Industry, Trade and Mines. Being in her second year in the job, I am sure she has come across several opportunities and ideas as to how to move Manitoba forward in the next few years. I do want to just comment on some of the things

that the minister spoke of in her earlier opening of the comments.

We are certainly pleased, no matter who you are as a Manitoban, to see that employment records are up to the highest levels. I think that is a statement of sound financial management for the past several years, and I think that it speaks well of the strong base that was perhaps set down in the years prior to the minister taking on this position. I have heard her speak in other forums and certainly I think she identifies that and recognizes it. We have always been very proud of the fact that Manitobans have made a commitment in the past several years to take on new challenges and face them with an attitude that no matter what happens, we can look them straight in the eye and make the best out of them, and move the province forward. Record levels of employment, recent growth in the last year—I think she quoted over 13 000, and we certainly recognize that.

*(10:40)

In communities across Manitoba one of the biggest issues that we have is finding enough experienced and qualified workers to meet the needs. We find that we have to reach outside of Manitoba in many cases to find these people or to at least try to find these people to fill these positions. I was speaking to a manufacturer yesterday in one of the communities I represent, and he is looking for six people right now with training and experience, and is now looking at the immigration process to perhaps fill those positions. I have always been a strong proponent of the immigration factor. I think one of the ways to make our province grow is through immigration, but also the services that they require and need are things that we as a province have to recognize and be able to identify and present to all newcomers to the province and offer them opportunity and hope.

The minister, in her opening comments, spoke of the 50 or 50-so applications to a program that would generate \$20 million in new investment. Again, we know in Manitoba—I think the Member for Fort Whyte (Mr. Loewen) has spoken several times—the fact that one of the best opportunities we see in Manitoba as the opportunity to grow is to do it from within. That

is to encourage our small businesses that currently exist in Manitoba to develop into large businesses. When they become large businesses, hopefully they keep their centre in the province and we benefit having those large businesses have their head offices. It is difficult for Manitoba—and I think it has been with the huge amount of growth in Ontario and Alberta—to compete, but compete we must. We must find ways of developing processes and opportunities for our local companies to become large companies and hopefully convince them to stay in the province.

The minister in her comments referenced a few of the major industries that will come to Manitoba or are hoping to come. It is not meant as a criticism; it is meant more just I think as a statement. Unfortunately we saw an announcement last year in regard to the Schneider's plant in Winnipeg. We think that is a huge loss for the province, the fact that they have changed their mind and have decided not to invest in our province.

There is a tremendous opportunity in the meat processing industry in this province. We have seen it now with the development and the establishment of Maple Leaf in Brandon and the discussion now that they are prepared or are looking at going to the second shift and coming from again a rural base. I think the benefit to all Manitobans is the fact that having that competition with another processing plant only creates more demand and only creates more opportunities not only for the raw producer but also an opportunity to market our grains in a different manner and to market processing, packaging and technology in the development of food into the province and also into the surrounding markets and around the world.

I think that I would have to say quite honestly that we were very disappointed that the Government, along with Schneider's, could not come to some sort of terms of agreement that would have convinced them to stay. I regret that we have missed a tremendous opportunity to have that happen. We caution that when those types of announcements are made that, and we said it I think in a press release at that time, that when you make an announcement of a huge project and undertaking like that, it is just so

incumbent of Government to get very involved in the negotiations and very involved in the discussions around what these companies, what attracted them to the province to make that type of an announcement and to build on the opportunities that they are offering and not, I think, as the comment was made by some people in the public, drop the ball on those types of issues.

Again, I understand that big business has a requirement that they are responsible to their shareholders. We just felt that it was a tremendously missed opportunity. I am sure the minister shares these feelings. It is something we all learn to deal with and we all learn or we improve our methods of negotiations and of understanding of the needs of these large companies.

The minister referenced J. R. Simplot. I think it is a tremendous announcement for the province. I think that this company has proven to the people of Manitoba that it is a responsible citizen, a corporate citizen. The announcement that they will come to Manitoba with a \$120-million expansion is good news. It is great news again for the producer, because the producer is going to have the opportunity to have a competition bidding on their products at the end of the day. We think that any type of competition that comes into this province has to benefit everyone, and we think it will.

We are disappointed that they have delayed the announcement by a year. Trying not to take a negative view, we just encouraged the Government and the minister in particular. We note that we have the Minister of Agriculture, encourage them both to take as big a role or an active role as they possibly can to encourage J. R. Simplot.

Quite often when companies make announcements, that is really when the hard negotiations begin. We would hate to see this opportunity missed, the people of Portage and surrounding areas. I represent a company in Carberry, and we have huge amounts of potato growers that were very happy with the opportunity to have another source to sell their product to. There has been some suggestion that the plant in Carberry is seeking or is looking to expand. That can only be good for Manitobans.

With the low rate of unemployment, it is a positive sign that things are good. All we are saying is that we encourage the Government to make sure to be available and accessible for these companies, to be a part of the negotiations and hopefully deliver the jobs that are promised by J. R. Simplot; Palliser Furniture, she referenced, again, another strong Manitoba company, a Manitoba company that has had the opportunity to develop in the province of Manitoba, thus retaining their headquarters in this province. It is quite amazing that Palliser is a company that is worldwide and is known worldwide. The fact, the very fact that they have their foundings and their base here in Manitoba gives us an opportunity to build on more opportunities.

* (10:50)

We talk about the diversity of opportunities in the province of Manitoba. I commend the minister for acknowledging publicly the fact that it does not happen overnight. The province does not wake up one day and say we are going to be the most diversified economy in Canada. It takes years and years of nurturing the industries and creating opportunities, and we hope the minister will recognize those and continue to develop them and continue to nurture the small companies in the province of Manitoba.

It is interesting, and again I say it with a smile on my face and perhaps some sarcasm, but I can remember in the five years having the opportunity to sit on the Government side and listening to the Opposition challenge us on the development of call centres in the province of Manitoba. I think many around the table often referred to them as the McJobs of the future and the low-paying jobs, and that the Province at that particular time was perhaps on the wrong path, and that we should be trying to go after the big fish that were out there. You know, perhaps some of their criticism was right. Maybe we should have gone after more big fish, but to build an industry, as I stated earlier, you have to start I think at a very small, manageable level, and then you build that opportunity. Again, I would say the minister's comments today are suggesting that the opportunities are out there to bring more qualified, higher trained, higher paid people into these positions. No longer are we an

outgoing type of call centre, but we are developing into the service centre and into the areas where people are accessing us for information and technology. Certainly in that sector I think that the opportunity and the job increases that have happened over the last few years continue to be there, and hopefully they will continue to grow in this province and create those opportunities.

We know that the Province has invested a huge amount of money in the last two years in education, with the mindset that by training these people in here we have to have opportunities for them. These are some of the first steps that these young graduates may have accessible to them to continue their careers and start living in Manitoba. I worry somewhat in the sense that when you spend large amounts of money training people, there has to be something at the other end for them and we have to be prepared to compete on not just a Canadian-wide basis any more but on a worldwide basis. We have to make sure that we balance the two in the sense of training young people and educating young people at a low cost, that we retain those young people because we are—I do not have any statistics, Mr. Chairman, but I am concerned. I know in my own communities I see so many young people not staying in Manitoba initially after graduating from high school or from university. I think that is the challenge of all governments. It is not just a Manitoba issue. It is a Saskatchewan issue. It is an issue across Canada. The fact is the economies that are growing the quickest are attracting those types of individuals, and I think that we have to position ourselves and our province to be ready for that influx of young professionals that are going to be out there in the very near future looking for work.

Information technology, the minister touched on it. We certainly, again, felt that it was a priority, and I am glad to see that it continues to be a priority for this Government. It seems to be the wave of the future. I met recently or in the last little while with some people in the manufacturing sector in the province, and one of the biggest concerns they had was that we need the information. We need the IT jobs in the province, but we also need the manufacturing jobs, the utilization of the raw

goods to create jobs and opportunity. I do not think we should totally overlook that. We have to find a balance between the two so that manufacturing companies continue to have the opportunities that they are seeking and that they need to be competitive in the market that is out there.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

The minister commented in her statements in regard to export markets, and again, I just want to remind the minister, if we look back again in the past, one of the biggest criticisms that the previous government took from members opposite was the fact that we were concentrating much of our economic improvement to the export of goods into the United States. I just encourage the minister. I know she mentioned the U.S.; we know it constitutes a huge amount of our export market. I think it is growing. I think it is becoming, I would say, year after year, in the last four or five years, it has continued to grow to be the dominant factor in our export markets.

I am not sure, but I think the minister—and I do not know if that was the particular order of volume—had mentioned Japan, Mexico and China as the three other markets that were our largest trading partners. I noted last year, in questioning of the minister, and I will ask her again this year—I am not sure of the right terminology, whether it is commissioner—but the trade representative in Japan at that time was no longer with the Province representing the province, and I am not sure today if they have filled that position or if they have not, but I think that it is important that those types of opportunities are continued to be explored. When you have a trading partner that is in the top four in the province, I am worried that not having a trade representative in that area, at my last understanding of it that there was not, that we should have someone there and someone that is working on behalf of all Manitobans.

I will not say a whole lot more. I will say that I think, in the minister's comments in the House, I know we laughed a bit about it, but she did talk of a recession. I mean, when you go on the record talking about a recession, and then, as the minister responsible for industry and trade

and mining in the province, I hear glowing reports. I would think that the recession that she is referring to is probably got the life of some of the issues that we see around the province. I know it is easy, and the minister commented, it is easy, when you are coming from Opposition or being in opposition, to be critical of all things, and you can confuse the public greatly by saying one thing to one group of people and another thing to others. I do not think we are in a recession in this province. I think we are seeing a slow-down, and I think that we have to be prepared to manage the economy in a slow-down. We hope that the Government recognizes that. I have said it before, and I will say it again. I think that the minister has been put in probably the toughest position in this Government because the balance between the thirst for spending has to be balanced by the ability to continue to raise revenue. We have some serious concerns with the U.S. economy slowing down at the rate that it is and our export dependency. It is going to be a tough thing to manage, and I think the minister is going to have to be strong and be tough with her colleagues who want to continue to solve issues and solve problems strictly with money, instead of sitting down and facing reality.

* (11:00)

As I said last year, we support the minister trying to develop new opportunities in the province. I mean, that is your job, but it is a balancing act. I hope that the minister has the support of some of her colleagues to at least balance out the desire of this Government to spend. People across the province have a concern about it. I think that the minister has to address that from within her department.

I do not know how much time I have left, but—*[interjection]* Okay, thank you. I do want to talk in optimistic terms. I think that Manitoba has to be optimistic. I think we have to continue to hope for the best turnaround in the American economy. I think that we have to manage against that in the sense that we have to be prepared. I think you always expect the best but prepare for the worst. I hope this Government is on that path.

I recently met with the mining industry in the province of Manitoba. Certainly as an organ-

ization and representing the mining industry, they were very pleased with what the minister has done. Not having the extensive background and knowledge that the minister has in this particular area, I think we have to trust the public as politicians, as public officials. I am not going to stand up and chastise the minister for anything that she is doing in mining. If the mining industry seems to be content and happy, I think that is positive. I think those are the relationships that are incumbent upon governments to develop. I think probably her understanding of that industry has helped develop a good relationship with the mining industry.

We are aware that mineral prices are low. Again, it is interesting that both the Ag Minister and the Industry Minister are suffering economically from depressed world prices. It is an issue that probably sitting down together they might be able to resolve both issues. If they can find some sort of solution to one, it may be applied in some manners to the other. We know that when world prices are depressed, it becomes a tough industry. We have to find other ways of developing opportunities and assisting. I do not think it is necessarily the Government's role to do it. I think it is the Government's role to help industries find these opportunities and find these new paths of opportunity and wealth.

The minister referred to the TANCO mine, and, again, there is a company that is seeking a new opportunity and a new direction. In our discussions the minister has certainly been accommodating and understanding of those issues. I will have some questions in mining, and some of my colleagues will have some questions. We are not here to slam the Government. I do not think that is necessarily the role of Opposition. I think the role is to point out some of the inequities that we see and that people are telling us about and not be openly critical without offering alternatives.

In closing, I would just like to say that I think that the sound foundations of economic wealth in this province have been laid. They do not happen overnight. It takes a long time. It takes a long time to get people to think, to change their attitude that we can do it, as opposed to we cannot do it or we need government to do it for us. I think that was

changed. It was changed by putting the onus back on the people to come forward with their ideas and with their developments, not coming from government down. I am concerned that that is changing a little bit. I caution that we do not let that mindset or that thinking of Manitobans get too far out of control.

I noticed that the Minister of Finance (Mr. Selinger) is in Ottawa to day to basically argue on behalf of the have-not provinces. I am worried that by just putting that statement out sends a different message again to Manitobans but also to the people that are looking at Manitoba, looking at investing and looking at bringing their capital to Manitoba. It may send a signal to them that they may take a second look or take a step back, and we cannot afford that. We cannot afford that in this competitive world, because while we are doing that or while companies are doing that someone else is coming in underneath of us and scooping the opportunities. I have a concern about that. I will continue to ask the minister to reassure Manitobans that this will not happen and that the attitudes of Manitobans will continue to be one of forward thinking and not reliant on the Government to lead direction but to share and co-operate with them in developing the best province. So with those few comments, we are prepared to move into some questions.

The Acting Chairperson (Mr. Nevakshonoff): We thank the critic for the Official Opposition for his opening remarks. Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

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

Ms. Mihychuk: We have with us Hugh Eliasson, Deputy Minister, and Craig Halwachs, the Director of Financial and Administration.

The Acting Chairperson (Mr. Nevakshonoff): Thank you, minister. The floor is now open for questions.

Mr. Tweed: If it is not in this area, I guess when with the Financial and Administration Services I presume I can ask questions in regard to employees and employment? Is that a fair question?

Ms. Mihychuk: I would like to be as co-operative as possible. We will look at broad ranging if you would like, but hopefully we can progress through the department like last year. I am open to being as flexible as possible. As long as the department is sort of available then we will try and make this as easy as possible for us.

Mr. Tweed: Just a question. If the minister's staff have to seek the information, I certainly am prepared to wait for that in a written form. One of the questions that we have is in the employment side. I am just wondering if the minister could tell us if there has been an increase in numbers of employment in the department in the last year?

* (11:10)

Ms. Mihychuk: There have been some significant changes in the department. EITC has line item staff positions that have now been brought into ITM. Petroleum has also been brought in. So, there have been some changes in there. As well, this year is the census and there are two term positions in that jurisdiction, or that responsibility, the bureau of statistics that are involved in ensuring that we count all Manitobans. I will just do a plug that for every citizen that we ultimately miss, it is going to cost us \$32,000, so I actively encourage every MLA to participate in getting everyone out.

Ultimately, the department looked at producing one full-time position, so with the two in the bureau of statistics, we end up with a net positive of one. It is quite complicated in the middle. If you want greater detail, we can provide it.

Mr. Tweed: EITC has been now broken down so that the positions are separate, I understand, in the department. Can I ask how many of those positions are?

Ms. Mihychuk: For the EITC, there were eight

positions, eight people. Two went to the Premier's council, and six joined RIT, Research Innovation and Technology.

Mr. Tweed: The Petroleum side, can she provide us with the numbers on that?

Ms. Mihychuk: For Petroleum, there were 21 individuals. They were in Conservation, and the whole branch has been moved over to ITM.

Mr. Tweed: Can I just ask then, if it is the whole branch, what the function of that branch would be?

Ms. Mihychuk: The issue with petroleum has been part of a long misnomer. Previously, the department was Energy and Mines on the geological side. Energy included both the conservation and alternative energy development as well as the Petroleum Branch, because it is a mineral resource that is used as an energy. A lot of its responsibility is the regulation and promotion of the oil and gas industry, which includes geologists, engineers, and the technical expertise that supports the industry. So it was, I think, logistically given that the geologists share professional consultations, and the library was shared; that it was a matter of logistics that petroleum be better synchronized with the Geological Survey Branch, than in Conservation.

Mr. Tweed: Would that then fall under Mineral Resources?

Ms. Mihychuk: Yes, that is correct.

Mr. Tweed: So then the total in the numbers under Mineral Resources would reflect the transfer of the entire Petroleum department?

Ms. Mihychuk: That is correct.

Mr. Tweed: The minister talked about the relationship between Petroleum and Mineral Resources. It was in Conservation before. Was that a request of the minister, to move that into it, to have it managed under the same umbrella?

Ms. Mihychuk: Well, the energy component of Energy and Mines got moved to Conservation. That was an amalgamation of these quite different sorts of responsibilities, of the

alternative energies and conservation component with the petroleum side. With the change of government and the change of departments and responsibilities, it was one of those units that got moved with that whole branch. Although on paper they got moved, in reality they stayed in the same location with geological services with the minerals branch on the Ellice facility. After review and consultation with industry, with the civil servants, it was deemed to be more effective and efficient to have the Petroleum Branch with ITM.

Mr. Tweed: Could the minister, of the 21, just advise us how many are involved in the regulatory side of it? I know she mentioned in her comments: Would that involve the inspections that she commented, and if she could just give us a number? Again, if that were not available immediately, I would certainly accept it in writing.

Ms. Mihychuk: This is, I know, of interest to the member from Turtle Mountain, as he has got a little bit of the oil patch within his riding. It is an important industry in southwestern Manitoba. We have a number of inspectors that monitor emissions, batteries and the industry in southwestern Manitoba. Those inspectors are based in southwestern Manitoba. We have seen some significant increase in the activity in southwestern Manitoba, which is a very good sign. We have just recently announced additional incentives to see if we can penetrate deeper pools, extend the life of existing wells and make them more efficient. It is a quite exciting opportunity.

The total number of employees has not changed from what was the situation in the past, so the staff complements that are located in the southwest are primarily regulatory and inspection personnel. However, those in Winnipeg are also involved with the issuance of permits and the collection of royalties.

We will provide the member with some information. We have two inspectors in Virden, and we have two inspectors in Waskada. We have engineering staff, and we have a computer specialist and some support staff as well.

* (11:20)

Mr. Tweed: I appreciate that. I was not really as concerned—I am concerned about Virden and Waskada, but I was just trying to define, do we have just four inspectors in the province, or have we increased the number since last year or the last couple of years?

Ms. Mihychuk: No, we have not increased the number of inspectors. We have four inspectors and feel that that is sufficient, and everything is going quite well with the sector. We also have inspectors that deal with the pit and quarry sector and with the mineral side as well.

Mr. Tweed: Without trying to get too technical, do these inspectors go out and inspect from the side of regulation, or are they looking for problems? What role do they play? Do they have enforcement abilities?

Ms. Mihychuk: The inspectors do have the authority to take action where there is a breach of regulation or environmental regulation. They have the ability to shut down an operation or a well. They are actively monitoring the situation, providing advice, hopefully to pre-empt any type of reaction like the closure of a well.

Mr. Tweed: I just advise the minister I am not seeking any dirt or anything, more of just an understanding of what they do. Have they had any instance in the last year or two years where they have had to bring forward any type of enforcement or regulation to bring a company or an organization back to the regulations or the rules?

Ms. Mihychuk: The administrator for the Petroleum Branch is not with us today, so if we could answer that question when Bob Dubreuil has joined us we would be glad to do that and provide the member with information.

Mr. Tweed: I thank the minister for that. We do not see it in legislation, but are there changes or anything happening in the mineral inspection side or the petroleum inspection side that is on the table or has changed in the last year? I am sure those can be done through regulation. I am just seeking more information.

Ms. Mihychuk: The only change is that we have doubled the number of inspectors on the minerals side, claims inspectors. There have

been no regulatory changes in terms of the inspection responsibilities.

Mr. Tweed: The increased activity, and I guess now, more specifically, probably to the minerals side, did you see a need to increase it, to double it, or was there a shortfall before, or where do we go?

Ms. Mihychuk: Historically the department had two claims inspectors for the minerals side. Then during the '90s there was the reduction of one position. Then there developed a number of staking appeals to the Mining Board. Some irregularity on claims staking was suggested, so the requirement for additional inspectors for claims was an issue that came to a head at about '98-'99 where a number of industry people were coming to Government and making it public that there was not sufficient inspection occurring. We were able to increase the number of claims inspectors from one, one claims inspector for the whole province, to two: One based in the south around the Bissett area where there is a considerable amount of claim staking, and the other based out of the Flin Flon-The Pas area to work with the claims that occur in the northern portion of the province.

Mr. Tweed: So if I was seeking to stake a claim I would be interacting with one or the other of these inspectors? Or does it happen after the fact?

Ms. Mihychuk: If you were a prospector, which I would be glad to provide the member with information as to how to do that, you would probably have an association with the Mines Branch, whether it is at The Pas office or here in Winnipeg. You may meet the claims inspector, but it is not a necessity and you would not get your claim—it is not an automatic inspection. Most of the work is done at random, or if there is a complaint from an adjoining claim or some irregularities noted. So you would not necessarily have an interaction with the claims inspector.

Mr. Tweed: Was the new inspector added, was he in Winnipeg or was he in the Pas?

Ms. Mihychuk: The new claims inspector is a woman and she is based out of the northern

office and I understand doing a fine job. Thank you.

Mr. Tweed: I should let the record show that "person" is probably the most preferred word. Are they the office in The Pas? Am I correct in assuming that?

Ms. Mihychuk: Actually we are extending the services of the mining recording office to include Flin Flon. So we are extending services so we will have three offices, Winnipeg, The Pas and Flin Flon, which will serve industry, we hope, better. The claims inspector is a resident of Flin Flon, so she will be based out of the Flin Flon office.

Mr. Tweed: Do they share an office with other groups or clusters of government services, or do they have their own?

Ms. Mihychuk: Both offices, and we do have presently two offices. Flin Flon houses at the present time two geologists and I think a support person, so this will increase the services and increase the positions by one. Both offices are housed in the provincial buildings at Flin Flon and The Pas.

The Acting Chairperson (Tom Nevakshonoff): Order, please. As was previously agreed in this section, the hour being 11:30, I am interrupting these proceedings. The Committee of Supply will resume sitting this afternoon, following the conclusion of routine proceedings.

JUSTICE

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Justice. Would the minister's staff please enter the Chamber.

* (10:10)

Mr. Chairperson: We are on page 114 of the Estimates book, Resolution 4.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$521,500. The

committee has agreed to having a general global discussion of the issues.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Chair, when we left off yesterday, there were two outstanding matters before the Chamber, one with regard to The Victims' Bill of Rights and the notification system plans and developments, and we want to respond to that one. I think there may be a misunderstanding or some wrong assumptions on the part of the critic in that regard, and we can assist explaining that.

We were dealing, of course, as well, with two particular positions, and we have been able to, as well, get more information which will be useful to the committee. Second of all, there were questions about the liaison between the department and Mr. McLaughlin in that matter, and we are certainly prepared to answer that one, but I understand we can return to that one when the critic so requests. I understand that there are other questions that we can pursue in the meantime.

Mr. Marcel Laurendeau (St. Norbert): Mr. Chair, I have just got a couple of questions and then I will defer the floor to the Member for Portage. If I am touching on an area that the critic has touched on already, the minister could just correct me. I will be satisfied, and I will read Hansard at the time when it is prepared.

On the administration side, has the minister's staff's salary internally been increased over last year?

Mr. Mackintosh: Yes, I guess this is the theme, I understand, going through the Estimates at an early time, and we undertook to the committee to get that information today. I did get some preliminary information this morning. We will, it looks like, have that information this afternoon because there were some questions still outstanding in terms of one particular classification.

Mr. Laurendeau: Mr. Chairperson, to bring the minister up to speed, within my constituency, I have got the St. Norbert Foundation, which I am sure the minister is aware of. At the St. Norbert Foundation, they have a number of clients whom

they get from the Remand Centre on a regular basis that they take out on bail. The Justice Department at this time does not fund any of those remand people that are going for services at the St. Norbert Foundation. It is required that these people receive the funding from Family Services rather than Justice. Would it not be more appropriate for Justice to be funding a program for the assistance of these people who are being taken out on bail and put into a facility that is helping them adjust or get back into society in the future, or is that something that we should be leaving in the hands of Family Services where they need those dollars in a drastic way and are taking and putting them into areas that probably Justice should be funding?

Mr. Mackintosh: Of course, the taxpayer is paying the cost regardless of the particular department, but the services that are being paid for have been viewed by Government as broader than simply supervision, which would be the particular mandate of Justice, but it goes beyond that. I might also add that, of course, individuals who are on bail are presumed innocent. They are innocent until proven guilty, so in that regard, in terms of having services outside of the Remand Centre, it was deemed appropriate that the funding source be the Department of Family Services and Housing. I understand this is a long-standing practice.

Mr. Laurendeau: The minister is correct. It is a long-standing practice. It was a practice when we were in government, but it does not mean I agreed with it then and it does not mean I agree with it now. What I am looking at here—

An Honourable Member: Especially now.

Mr. Laurendeau: I am trying to set the politics of it aside. I am trying to figure out what is the best mechanism that we should have in place. At this time some of these people would not get out on bail if it was not for the facilities that are being offered to them at the St. Norbert Foundation. They would be required to remain at the Remand Centre. All I am saying is, seeing as we are able to save those monies that the Remand Centre is not having to house these people because we have the facility that can handle them, would it not be beneficial for the

Department of Justice to be funding the program?

Mr. Mackintosh: It is probably difficult to assume that if a person was not at the St. Norbert Foundation they would be incarcerated at the Remand Centre. If not for the St. Norbert Foundation they may be at other facilities, for example, at Salvation Army, or they may be in other community programmings, or they may have different bail orders, different terms and conditions that they have to comply with.

I think, at the same time, having said that, the St. Norbert Foundation, in the view of the department, is conducting and is performing a very useful function for Manitobans. Indeed, I have met with the staff and I am aware of the programming there. They must be commended for the work that they do. Of course, the member should be proud to have that facility in his riding and having that kind of service delivered for individuals who are at risk and who need help.

I might add that the acting ADM of Corrections advises that there has not been to his knowledge any demands or indeed requests from St. Norbert Foundation recently or at any time in the recent past that we are aware of for Justice to take over the funding arrangements. It is our understanding that the arrangements between St. Norbert Foundation and Family Services have continued to the mutual satisfaction of the parties, but I am certainly willing to hear if there are arguments otherwise. We are always open of course to consider those issues.

Mr. Laurendeau: The minister is correct. There might not be any issues being brought up by the St. Norbert Foundation. I am using them as an example by the way. I just felt it was wrong going over some of the areas of funding for Family Services that some of these services were being funded by Family Services. I felt that it would be justified to have these types of things in the department that was actually responsible for these cases.

When a case is before the courts and the judge requires for a bail hearing that the victim has to go for treatments, I do not see how that would fall under the Department of Family Services' requirements. We might not be hearing any concerns being brought forward by the

foundation or the Salvation Army or the other institutions that are taking the care, but I have a concern when I see the needed dollars that are in Family Services being moved into the justice system. I know it is all the same taxpayers' dollars, but I would still like to see the dollars flowing from the proper departments for these reasons. I do not mean to tie it to the St. Norbert Behavioural Health Centre. They did change their name, by the way. It is now called the St. Norbert Behavioural Health Centre rather than the St. Norbert Foundation. It is just taking me a long time to get used to it. I am very proud of the work they do in our community. We have some halfway houses that are throughout our community. It is very hard for any community to accept it. At the very beginning we had some long, drawn-out debates about having this within the community, but it has turned out to be actually beneficial for the community as a whole in the sense of where some people have had the opportunity of working with them.

I thank the minister for his question. If he wants to respond to that, that is fine. Then I will have one further question, and that will be it.

* (10:20)

Mr. Mackintosh: I might also add that in addition to the family service-type services provided at that centre, there are also health-related and addiction issues that go beyond Justice-related matters. I think the pattern indicates that the most usual circumstance when an individual attends at the centre is when there have been arrangements made and offers made to the court by the counsel for the accused before the bail hearing.

I think I just want to conclude by saying that if there was to be any proposal that Justice assume funding of the per diems, or the other way that any contract would be paid for, it would have to be done in a very vigilant way, that while Family Services certainly always has cost pressures—and the member knows full well in his studies of child care, of all the things that need to be done, Justice as well is under very strict and challenging fiscal realities that we gladly accept. But this year's Estimates, for example, do reflect the need to very clearly prioritize which services and programs are

important to Manitobans. In particular we emphasize safety aspects, and that is no surprise, of course.

The other party in government, as well, recognizes that we have at this time in the province particular challenges compared to other jurisdictions in Canada with regard to public safety that have to be wrestled down. We also have the challenges, as I spoke about in my opening remarks, of the general salary increase, in particular, with correctional officers, and they deserve every nickel of that. We have the Sophonow inquiry, and those matters have to be taken into consideration all at once in a new fiscal year. We will certainly be careful and we will be diligent if there is such a request, but I understand the questioning of the member.

Mr. Laurendeau: I would like to thank the minister for his answer. I look forward to working with him on some of these matters. We have worked on a couple of matters in the past, and I am sure we will continue to work together on those issues.

I have one last question: Could the minister bring us up to speed on where he is at with the courthouses in Westman region? Are there still some closings? I understand there are some that are being reconsidered to not be closed, if you could just bring us up to date on that.

Mr. Mackintosh: First, I think the member may be aware of this but perhaps not, because I suspect that there are even members of the profession that may not recognize that there is a constitutional and legal division of responsibility in the justice system in one very important way. That is between the role of the Legislature in Government on the one hand and the Provincial Court's judiciary on the other. The Supreme Court is now on a path of clarifying what really constitutes independence of the judiciary, I think to the surprise of many, and that debate really started around the issue of compensation, but so be it, Mr. Chair. That is the first frontier of the marks of judicial independence, but it has been clear for some time, and without doubt, that it is the Provincial Court that has the responsibility and accountability, as well, I might add, for the scheduling of court sittings. It is a bit complicating then to explain that the Government

nonetheless appoints the court locations. In other words, the Government will decide whether particular towns and villages and cities in Manitoba should have courts or circuit courts, but within that context, the court and the Chief Judge, as the leader of the court, has the role to ensure the scheduling of the courts to ensure access by Manitobans to the justice system at the Provincial Court level.

The matter of courts in western Manitoba came to the fore in the last couple of weeks with the unfortunate illness of two of the three judges in Brandon. I understand that one of those judges will return to the bench in Brandon in early June. So I think we are talking about a five- or six-week period within which there may be one or two circuit courts in different communities. I might also add that compared to the dockets in Winnipeg the dockets in western Manitoba are certainly much shorter than in the city, which is a challenge for the city and for the courts in Winnipeg that is being met. We can deal with that if the members so wish.

Having said that then, I understand—and I go by the information that I am getting from the Chief Judge and her office and as well from public reports—that there was a plan announced by Associate Chief Judge Giesbrecht in Brandon which, as I understood it, essentially shut down the circuit courts for that period of several weeks in order to deal with this temporary issue. Then there was another plan that was proposed from the Chief Judge. That occurred I think it was last week.

It is my understanding that the matter has been concluded by the court in terms of putting in place a temporary plan. The Chief Judge came up with a plan to keep six of the eight circuit courts on a regular schedule, it appears. While the original plan was to transfer all circuit court appearances to Brandon, now there will continue to be court sittings in all of the communities except for Boissevain and Rossburn. Those court dates are slated for Killarney and Russell instead. So there is a sort of a sharing of docket for those two locations only.

I will see if I have any further information for the member here. I am just going from some

media notices from the Chief Judge's office. Even where the court sittings, the one circuit court for Boissevain and Rossburn is shared with Killarney and Russell, for the following circuit court it will reverse the other way so that the court will be held in Boissevain and Rossburn. That recognizes that there will not be any elimination, if you will, of court sittings for any period of time beyond a few weeks, it appears. I might also add, the trial dates, I am advised, are still available within two months in these locations. So for all intents and purposes, that is a very effective, very timely disposition of cases, and I think, given the information from the Chief Judge's office, that is the extent of what is available, but if the member has further questions we can relay those to the Chief Judge's office.

I might add that I was very keen to see a response from the Provincial Court to the public questioning of this issue, because if one has responsibility for an area of administration it is important that there be accountability and full explanation to the public. I am very pleased to see that has occurred, that the Chief Judge's office has been responsive and forthcoming and has engaged the media in explaining the revised plan. So hopefully this will work out. If we continue to hear of concerns, we will relay those to the proper authority, which is the court.

* (10:30)

Mr. Laurendeau: The minister brings up an interesting discussion when he brings up judicial independence. How far is judicial independence going to be carried on? As far as I understood, the law ended in this Chamber and this Chamber was the one who decided in the end what the law would be. Are we going to be moving to the point where the judicial system is not run—I guess it is not run by yourself anymore. You do not control any expenditures. You do not control anything to do with the courts anymore, if there is total judicial independence.

We are seeing that in other areas where we as lawmakers are finding certain areas of government that we do not seem to have control of. It concerns me when we look at some of the budgetary ramifications that are not only within this judicial independence but other areas of

government that seem to be becoming independent. Can the minister tell me what course of action there is for us as legislators to look at the abilities of some of this independence that we have created? We must have created it because we are the lawmakers.

Mr. Mackintosh: I think this is a difficult area to explain, for one thing, to others, including in this Chamber. I remember one time I recall the former Premier once saying in the Chamber, in the context of compensation, that judges were employees of the Government, which is quite extraordinary because they certainly are not. There are three arms of government, if you will. I do not mean the Government of the day, but there are three arms of governing. There is the administration, the Cabinet, and there is of course the Legislature, but there is the judicial arm, and in Manitoba that is the Provincial Court.

So over the last number of years there have been challenges to the way that government or the legislatures in particular have determined how much judges should be paid and what their benefits should be. It has gone all the way to the Supreme Court of Canada. I think almost all jurisdictions, all judicial arms in the provinces across Canada, have litigated this matter. As a result of the litigation going all the way to the Supreme Court of Canada, where, by the way, Manitoba was particularly chastised, as were the systems in place in some other jurisdictions, we now have a better understanding of how we are supposed to deal with compensation.

Now the member says, well, but we are the lawmaking body. That has to be in the context of something that has come along in the 1980s called the charter, and previously the Constitution of Canada, but now this Legislature is confined by the Constitution of Canada and the decision of the Supreme Court of Canada with regard to the independence of the court, as concluded that under the Constitution of Canada the legislatures can only do certain things. It can only deal with the court in certain ways. They have circumscribed the powers of government and the legislatures of Canada. This has been a consistent pattern all across the country. It is now recognized that the Legislature, for example, has to put in place an independent

body, a commission or a committee, in order to make recommendations as to what judges should be paid in each jurisdiction.

All the jurisdictions in Canada have moved in that way. The federal government, indeed, just released their compensation report. It is not the Government's report but the independent commission's report. I could advise the member that currently, in Manitoba, there is the Judicial Compensation Committee process already starting. It is starting now, and hearings will be held in the fall.

In coming into office, for example, I was faced with the challenge of legislation that predated the Supreme Court of Canada decision and, in many ways, does not appear to adequately reflect the direction that the Supreme Court is giving on this one. So it is likely that members will have to consider those issues in this Chamber because otherwise there are significant liabilities in terms of budgeting issues and all kinds of issues that emanate if compensation is not arrived at in a legal way.

I use the word "legal" now, recognizing that what we say in this Chamber may not be legal. There used to be a saying that the Legislature can do no wrong. They can call night day and they can call five o'clock six o'clock. We like to do that. We walk out of here with our chests puffed out, I suppose, maybe once in a while, but, quite frankly, we cannot do everything that we want to do.

Since the advent of the Charter, there has even been challenges to how the Legislature deals with media. I suspect there will be other challenges. Whether the ability of the Legislature to ensure parliamentary privilege in terms of our ability to defame individuals on the floor of the Chamber will withstand Charter scrutiny at some point in the future, I think it is something that is interesting. I do not know what will come of that. I may be ignorant of decisions already made in that regard.

Whether there might be Charter challenges to how we deal with particular legislation or resolutions in this Chamber is another issue. That came up during the Meech Lake debate when Speaker Rocan ruled on the member from

Rupertsland's notice of motion on the Constitution resolution was out of order for lack of notice. There was a concern that, if the proper procedures as laid out in the rules were not followed, perhaps the whole resolution and therefore perhaps the new Constitution could be deemed illegal by a court.

We are entering into a different era, and the good thing about it, though, is that it is becoming clarified. We are getting that assistance. It is up to the legislatures to pay attention to the Supreme Court of Canada. We have to respect the rule of law. Of anyone in society, we have to do that as legislators, and we, as well, have to respect the role of the court, Supreme Court, as it makes these decisions.

In the area of compensation, we are getting some clarification. The area of scheduling has never been subject to attack, and that has been accepted. Clearly the independence of the court, when making its decisions in particular cases, has clearly the hallmark of independence. I think that people thought that that was the extent of it at one time, not thinking that compensation and parking issues and issues of whether they can get computers and so on would be attacked.

The other question, though, is, and perhaps I am going on too long, but I am trying to answer the question because it is quite fascinating. The one link that clearly remains and must remain is that we fund the court. So I know, from time to time, the Legislature creates so-called independent parties, boards, agencies and commissions, and we have the boldness to say that they are independent. Of course, they rely on the revenues, the tax-collecting abilities of the Province and other revenue sources to maintain boards, agencies and commissions. There can rarely be true independence so long as the Government, through the Estimates process, is responsible and accountable for the funding.

So when it comes to the Provincial Court, that still remains an important matter. I hear different views. For example, Judge Giesbrecht appeared to be of the view that there was a shortage of judges in Manitoba. You hear that from time to time. The Chief Judge has not told me that, I can advise members, and I think I advised members in Question Period, but when

she did ask for a new judge position on coming into office we asked her to make a case and she did. So we added a new judge in the Provincial Court. We added on to the complement. So now there are 40 judges in Manitoba, full-time judges, the highest complement of full-time judges in the history of Manitoba.

I might add as well we expedited the request and the paperwork and approvals needed to move ahead with the appointment of four judges in just 18 months. So there remains that role, the responsiveness of government and the funding of government. As well, we do send to the court money for training. Can we tell judges to get trained in certain areas? I am advised clearly you cannot do that, but I can write a nice letter. I urge them to consider the advisability of training in certain areas. In fact, the letter most recently was to urge training in the area of victims, victim awareness, and as well in the area of domestic violence.

* (10:40)

I do not want to suggest for one minute that there is not training, because there is. There is very significant training. There remains the question as to how to encourage and ensure the attendance of judges at training and what emphasis there is on training.

I think in conclusion I will say that we are going through an interesting era. I think over the last decade we are starting to recognize that there has to be a new clarification of this relationship with the Provincial Court. That will continue. This Legislature will have to deal with the outcome of the Supreme Court of Canada decision that affects Manitoba and move on.

It is interesting at the same time that they are saying there must be an independent commission to recommend salary increases, that recommendation goes to a committee of the House and then to the Legislature for final approval. The courts have even said that it is not up to the Legislature, or the Legislature does not have the ability simply to say no to certain recommendations. They have to clearly have, not only well-stated reasons, but they must be supported by a certain rationale. That is a new era of challenge. The legislatures across this country are

dealing with that one. I would think that we have to as well. We have to do it right, so now we are getting some guidance as to what is right.

Mr. Laurendeau: I would like to thank the minister for the information. It is good information. It still concerns me when we look at this independence on how far we do not even know today that they can push it. The minister has answered it quite clearly. When the Chief Judge requested another judge be appointed, the minister said, well, you make your case and we will look at it, but I do not know if the minister had the authority to do that. I do not know of the judicial powers or the judicial independence could not have said to the Chief Judge you are going to appoint.

Are we moving in that area where they are actually going to be able to demand different things? They are now able to demand because of this that we cannot control salaries. We cannot control expenditures. What controls will the Government have over certain areas? It scares me when I think they could just turn around and say we want this or we want that and there is no ability to control that.

Mr. Mackintosh: It may be that that kind of question will be posed at some point in this country and be litigated, given the pattern over the last upward years, but I think the response of any government would be that the responsibility and accountability for spending our draws on the Consolidated Fund must remain with the provincial government. That will not extend into the areas though of compensation, where there is simply a requirement that goes beyond. What frontiers lie ahead, I am not sure, but I can also advise the member that there is currently pending a decision in Manitoba, a Queen's Bench challenge. The judges have sued the Province. This goes back a year or so, actually a couple of years at least. The arguments were heard a couple of months ago, and they have challenged the actions of this Legislature in turning down some of the recommendations that were made by the Judicial Compensation Committee to us as MLAs. One of them was with regard to pensions, one with regard to parking and the provision of legal costs for counsel of the Judges Association to make the case to the Judicial Compensation Committee.

It was the Government's view—I am not making a legal argument here; I am just reiterating what was stated in the court—that what was done there was proper, that the rationale and reasons were provided. But, you know, it is just fundamental as well that the Legislature made that decision. We did our job, and we will wait to see what the decision of Justice Wright will be as to whether we did that right or not. If we did not do it right, the issue will be coming back again, and we will have to do it right. So this is the continuing frontier. The member raises a very interesting matter.

Mr. Laurendeau: I would like to thank the minister. At this time I will pass the floor to my honourable colleague from Portage la Prairie.

Mr. David Fauschou (Portage la Prairie): At the outset I would just like to say to the minister that I have appreciated over the course of the last year having the opportunity to meet and to have frank discussions in regard to areas of concern in Portage la Prairie. I would like to begin with the most recent headline that was the topic of discussion, that being the Long Plain First Nation's policing contract.

We had the situation where there was a provincially supported arrangement with the Dakota Ojibway Police Service, and then, due to that particular unfortunate event, it evolved into a policing matter that went before the courts with the death of an individual. I understand this has now been resolved. Perhaps maybe for my benefit and perhaps for the benefit of the honourable Minister of Aboriginal Affairs (Mr. Robinson) in the Chamber here, could you perhaps give some of the detail of that resolution?

* (10:50)

Mr. Mackintosh: I am advised that when the Dakota Ojibway Police Service was not policing Long Plain that the DOPS budget was adjusted to reflect that. I also understand that arrangements are now underway for DOPS to return to policing in Long Plain and that recruits are now going through their necessary steps through, I understand, Brandon. It may be, although it is not certain at this time, that the police force of the Dakota Ojibway Police

Service will be back in Long Plain in September, but again that does depend on the recruiting process.

Mr. Faurschou: Mr. Chairman, I appreciate the update. I am pleased to see resolution to this. Yes, the budget, as the minister refers to for DOPS, was adjusted, however, only by minor amounts, due in part to the actual police officers leaving operational status and going to leave status for stress. So essentially remuneration was continued to the officers that were policing the Long Plain. So there was, in fact, a fair amount of monies that were being allocated for the policing services when the RCMP had to step in and DOPS still had the contract, yet was unable to provide the service. I am pleased to see this being addressed now and hopefully that DOPS can recruit officers who will be able to undertake the services that the Aboriginal community in Long Plain and other First Nations will be beneficiaries of.

Moving on to the next more recent headline, that being the women's correctional facility in Portage la Prairie. I might make the minister note that it is a rare occasion that there is not a judicial issue in the Portage *Daily Graphic*. It is a very significant interest of residents of Portage la Prairie. The correctional facility being actually operated by the Department of Justice, however, being maintained by the Government Services, I perused both sections of the Budget Estimates, and I am unable to see whether or not there has been allocations to address some of the known concerns and deficiencies regarding the 1906 facility which provides for corrections for female inmates in the province. So perhaps maybe the minister could bring me up to speed in that regard.

Mr. Mackintosh: I think there might have been an article in the *Graphic* in the last few days. I did an interview I think last week. I think that there is further media interest in that facility. We recognize that this facility was built at the turn of the century, and we accept that it is in need of either extensive upgrades or replacement. The facility is old. It is inadequate for the populations, in our view, and presents certainly safety and security challenges.

Having said that, I just want to say that we also have had over the last while and during the

time of the last Estimates, a temporary increase to the population at Headingley, because Remand accused were being housed at Portage rather than at the Remand Centre. That situation has now been dealt with and Portage is back to the stable, more traditional population levels.

We also have recognized that there has been an absence of adequate programming at Portage. Indeed, between 1996 and 2000, there was no new programming and there was a cessation of some programming, but now, I think, in November of 2000, three programs have been reinstated or are started up, dealing, for example, with substance abuse and adult literacy. In January of 2001, there were enhancements to the employment programmings and other programmings at the facility. So we have in total about six enhancements to programming since just November or December of 2000.

Having said that, getting back to the facility itself, we believe that there is no quick fix. After all, this is a long-standing challenge and issue, but we have to begin to look at the viable options as to how to proceed. There is no money in this year's Budget for any extensive upgrade or replacement certainly of Portage, but what there is unfolding and what began I think some time last year—I think the member and I had this discussion in Estimates last year—is an evaluation of some options in terms of replacement or upgrading. There were some initial communications back to my desk, but there were many outstanding questions, and those are now being pursued further in partnership if not the leadership of Government Services and Transportation. We have identified that there are cost estimates that are quite significant, not surprisingly anywhere from \$8 million to \$15 million, depending on the options.

I might add that there are other organizations that may have a role, and I believe do have a role, in the examination of options. One is the Assembly of Manitoba Chiefs, which has written to me expressing an interest in being involved in the review of options, at which I am more than pleased to respond in a positive way. Second of all, the federal government has indicated some interest in looking to see whether there might be a partnership arrangement that

can be entered into, so that female offenders sentenced to federal corrections, in other words, two years or more, may be able to be allowed to stay in Manitoba, rather than having to leave the jurisdiction, as is currently the case. So those discussions, while complicating the movement on this one, I think enrich the movement on it. In the meantime, I look forward to hearing further from the two departments, my department and Government Services and Transportation, what options and what costs are associated with the different options.

Mr. Faurshou: I thank the minister for his response, although disappointed in not knowing that the monies are in this year's Budget. I would like, perhaps, to ask the minister whether he has or his department has a time line in looking at these concerns which we were all quite aware of. If he could share with that.

I would preface this question by saying that residents of Portage la Prairie, those that are directly connected and those indirectly connected to the facility, really are not looking to the Government to bulldoze the facility and move things elsewhere. There is a significant willingness there to work with the Department of Government Services and with Justice to find resolution and improvements that all of us want.

I know there was that within that one article it was not too long ago that the Elizabeth Fry Society suggested that these facilities should not be in Portage la Prairie. They should be reconstructed in close proximity to Winnipeg, and they put forward an argument that really, upon examination, was felt lacking because the ongoing operations in Portage la Prairie are, I think, of benefit. That is certainly the want of the community. So with that I turn it back to the minister.

Mr. Mackintosh: With regard to time lines, the first aspect of the question, there is no firm conclusion because it does depend on what appears to be the best option. Clearly, if we were looking at upgrades, I would suspect that the time lines would be shorter. If we were looking at replacement, they would be longer. I would also encourage the member to address this issue to the Minister responsible for Transportation and Government Services, in addition to myself,

because the funding of either upgrade or replacement will have to be made in the context of the priorities determined by the departments of Government Services and Housing, and then as ultimately determined by the Government.

As the member knows, Justice has been a recent customer of the Department of Transportation and Government Services with regard to the new jail at Headingley, which was no small investment. Having said that, that should not say that would exclude any other Justice priorities. Indeed, it would not, but it may be a factor that would be taken into consideration as we move ahead. It may be worthwhile to pursue that further with the minister.

In terms of Portage la Prairie itself, any discussions about the location or relocation of the facility have not taken place, because we have not even got to the stage of determining whether we really should be looking at an upgrade or a replacement facility.

Mr. Faurshou: I am pleased to hear there are no ongoing discussions in that regard of moving the services elsewhere. However, what I would suggest to the minister within his deliberations of analyzing the needs and addressing the concerns is to involve the personnel of the Justice Department within the correctional facilities that I think are a wealth of information.

I will share with the minister one comment. If it were male members of Corrections there would be a lot louder complaining going on, but the ladies do not complain as much as maybe the male staff members. They are, in other words, sucking it up and getting the job done. So the ladies that are working there are indeed making the best effort to accomplish their tasks. In any event, I suggest that they be involved as well.

* (11:00)

In regard to the operations and the remand services that were being provided to the judicial system by the Portage women's correctional facility, is there further discussions as to enhancements of the court process, whereby transport of persons that are in a remand status are transported from Portage to the Law Courts facility here in Winnipeg simply for a minute or

two discussion at the bench, then another remand is announced, and the transport of that individual back to Portage la Prairie?

I am wondering whether there has been some discussions as to the use of technology, where in fact, if that is going to be the process, rather than transporting physically the individual, imaging and audio by way of telecommunications is the mode. I am wondering if the minister could comment in that regard.

Mr. Mackintosh: I could not agree more with the minister's remarks and concerns about the transportation of inmates. This is an area of particular concern to me and to the department right now. There are a lot of pressures on sheriffs, for example, and the courts. As well, there issues of public safety when individuals are being transported outside of a facility where there is not an absolute need for them to attend. I think that what has developed is a practice, an acceptance that, if there is a hearing, then the accused individual should be there whether or not there is to be a disposition.

I am generalizing. That is not always the case clearly, but I think what we have to do is put in place a way to guard against that. For example, I have heard anecdotes while visiting the Dauphin facility, where an inmate from Portage was transferred, was brought up by van from Portage to Dauphin, and there was a minute or two in the courtroom. One has to question whether that attendance was really necessary or not. That kind of system, I do not think, enhances the confidence of the public or the surefootedness of the justice system when we can divert the resources to other areas and guard against the threats of safety that I have talked about.

So, as a result, several months ago, the department has initiated an intensive study and review of options and is putting together an action plan which is unfolding, and parts of it have already begun, I understand. First of all, there is what is called the Custody Co-ordination Project, which is designed to ensure, where an accused is planned to be transported, that there is consultation with the defence and prosecution beforehand to ensure that attendance by the individual is actually needed at the hearing

because those kind of questions have not been part of the systems as it should have. We have a lot of confidence that this is going to make a significant difference, but there are many aspects to the action plan that are being considered.

The other important part is the increased use of video technology to ensure that, where appearances are needed, it can be through the use of the video technology. I think there is a great future here, although there are practices that have to be adjusted and sometimes that is not easy. This is a very human system. As well, we have to be conscious of the laws and the decisions of courts in terms of when individuals have to be present and so on. As well, individuals have rights to consult with their counsel, and does that have to be face to face, or can that be by some other way? So these are under very active consideration and intensive consideration that is being led by the ADM of Courts, Irene Hamilton, and involving a lot of individuals including members of the Provincial Court.

Mr. Faurschou: I appreciate the minister's response that they are actively looking at the use of technology and of court process to fully appreciate the demands on resources to have persons present for court appearances that could be very well addressed maybe through audio-visual technology where one is indeed still face to face, however not physically within the courtroom.

In regard to transport for persons to and from the Portage correctional facilities, the sheriff's department does retrieve and return individuals on remand status; however, it sometimes proves difficult in regard to personnel engaged in the service of breakfast or noon lunch where the general population is out in the cafeterias, service area, and requires supervision, and then does not allow the freeing up of staff to readmit those persons being returned to the facility by the sheriff's department. There have been delays with the sheriff's department's scheduling when the timing involves food services, for instance. I know that everyone who works at the facility is interested in making things work and do the best they possibly can in adjustment and to accommodate the demands of the sheriff's department.

Further to the operations of the facility, I am very pleased to hear of the programming. That is of a concern. I will say that the inmates of the Portage la Prairie women's correctional facility have shown a great deal of attention to the community. They do clean-up. They have been signed on to various areas of the Adopt-a-Highway program and serve in litter retrieval, as well as volunteering for non-profit organizations in their services, such as they, under supervision, of course, provided kitchen duty for non-profit organizations and fundraising activities when a meal was involved. So these are just a couple of small examples of ongoing participation within the community which, I would like to share with the minister, is very much appreciated by the community. Does the minister have any response to—okay, moving on to then the other correctional facility in Portage la Prairie, that being the Agassiz Youth Centre. I wonder whether the minister has any comment in regard to the ongoing operations of that. I had inquired recently of the hourly schedules and how individuals are occupied throughout the day within that facility, understanding the needs to address the reasons why individuals have been placed in that facility, whether it be by substance abuse, or whether they were lacking in the abilities that come with education that provide for themselves.

* (11:10)

I was very interested to see that there is a very long day, Mr. Chairman, involved with those young people that shows recognition for the need to develop themselves personally as well as education provided to them and also responsible to the facility, which in other words would be to society itself in regard to groundskeeping and perhaps not on the groundskeeping side of things but to kitchen duty, laundry duty, which reflect themselves.

I would specifically like to expand on that point. Asking the minister as to discussions or thought patterns towards skill development of young people at the Agassiz Youth Centre, where not only academically, specifically the skills of reading, writing and mathematics, but that of vocational instruction, where an individual once discharged from the Agassiz Youth Centre would have skills that would be

made use of in the job market and would provide the resources for that individual to sustain oneself.

Mr. Mackintosh: I am confident the member is aware of the positive peer culture program that is in place at Agassiz and has been quite highly recognized of course across correctional systems as being an innovative and effective way of dealing with the challenges that these youth posed.

In the course of the day at Agassiz, I have no doubt the member will also be aware of the importance of the school program there. There is a school there at Agassiz. I know the focus of the school program is on academics, given the nature of the inmate population and the age of the population.

In terms of other skill development and the use of time, there is work both in the kitchen and in the garden there. Finally, the programming there is also helpful in terms of developing the life skills of the residents.

Mr. Faursehou: To the minister, I would like to say that it does not matter how good you feel about yourself or how positive one has attitude towards one's future, unless you have the skills that will provide for yourself in today's society, i.e., a job, you are not going to be able to have the resources available to you that essentially will provide for a positive outlook.

I know I have gone right around in my description of a positive attitude, but I cannot stress enough the need for individuals to have a vocation thereby providing the ability to garner employment and sustain oneself through resources generated in an employ. I had previously spoken with the minister in regard to the expanding, not only just the kitchen and laundry, gardening skills that are presently being offered to those at the Agassiz Youth Centre, but in expanding the opportunities to include ongoing maintenance around the facility, whether individuals could be in fact grooming the Agassiz Youth facilities itself, whether it be grass cutting and trimming, whether in fact it would be to paint the fencing and other areas, whether or not it might even involve the changing of a light bulb, just overall

maintenance that one could say that, yes, I know which end of a light bulb to put in the socket or have the opportunity to say, yes, I can use a paintbrush and how to apply paint. It could very well be much more extensive than the minor, trivial examples that I give right at the present time, but it has to be a concept that has to be considered. That is the premise of my question: Is it in consideration?

Mr. Mackintosh: The priorities that have developed over some time in working with the residents at Agassiz in particular have clearly been to deal with the challenges of a basic education that is needed. They found that many if not most of the residents have a low attainment level of academic skills. In the area of reading and writing, literacy, for example, there are significant challenges that have to be addressed and can perhaps provide some good opportunity to get the attention of these individuals and provide some upgrading, recognizing, however, that the stay in our youth institutions, including Agassiz, is often no more than a few months. Sometimes you can measure this in days.

Given the low academic performance and the pattern of that of most of the residents, the emphasis on basics continues, as well as dealing with some of the underlying issues of substance abuse, as well as behavioural challenges. That is why anger management, for example, has been a focus.

The role of the education system at Agassiz has, therefore, really been based on what the department and the professionals there have concluded is able to provide some hope and opportunities by giving the grounding that is necessary to then move on to other kinds of skill developments.

* (11:20)

I would like to just add for the member, I had received an invitation from Agassiz to attend an open house in early June. I extend that invitation to the member. I recall going back sometime with the member, and we had had a discussion that if I went to the facility, I would let the member know. So what we will do is get the details to the member. Hopefully, he will be

able to arrange a schedule and be able to come for a little while at least, just to see the place, although it would not be an ordinary day there. Nonetheless, it would give him the opportunity to speak to individuals and see the lay of the land, if you will. As I recall, it is on a weekend.

Mr. Faurschou: I appreciate the minister's remarks in regard to the Family Day open house that they have annually there, and, yes, I would appreciate if the minister is attending, I would certainly like to be able to attend as well. It is an excellent day there, and most worthwhile.

In regard to the shortness of stays and understanding the challenges of education and wanting to make the best use of one time that we have with the young people that have been sentenced to the Agassiz Youth Centre, I recently visited the facility in Minot, North Dakota, operated by the Youth Jobs Corps. It is not a correctional facility, per se, but it is a residential program. Persons, once they have left the judicial system, are focussed on this particular program. They are released on the premise that they will be in attendance to the Youth Job Corps, so it is not operated by the judicial system, but most certainly they are focussed on it. Their attention is directed to it. Where that Youth Job Corps is, is the residential program, and there are significant house rules. One graduate, if I will say, through the program to various levels of—the word you want to use is freedom, where the different colours of your card allow for different privileges within the facility there, whether it would involve academics. Once into that program, the focus is most certainly on education. It involves not only the academic side, but the vocational side as well. The vocational side is under a sponsorship program, whether it is the Brotherhood of Carpenters or those persons in the Steelworkers.

It was a very interesting tour, and I had the benefit of a young lady that had been there for 18 months. She expressed to me the amount of difficulty she had as a young person prior to going to this facility, which involved numerous, numerous scrapes with the law, and how this particular facility had turned her around to a point where she was actively recruiting persons that are in trouble with the law to consider this facility, so that they would be able to garner

their academic and vocational education. So I know that nothing in this particular line is afforded to our province at the present time, but I wondered whether or not there has been any discussion within the judicial process—yes, you have a certain element of confinement or incarceration coming out of your legal infractions—and whether a facility such as this is under consideration or even from it, being familiar with it.

Mr. Darryl Reid , Acting Chairperson, in the Chair

Mr. Mackintosh: Just to note that the youth facility is a 12-month school in Portage and that can be very important when one analyses the effectiveness and potential of the programming there.

In terms of what North Dakota does, I myself would like to see what they are doing there, and I had heard some time ago—and I cannot recall if it was Minot or Bismarck—that the correctional facility there was basically referred to as a vocational school. Again, if I get that opportunity, I will also look to see what kind of a population they are dealing with in that state and how that might differ from Manitoba's resident population, because the programming here is certainly based on the Manitoba experience in terms of the cultural make-up and the academic make-up of the resident population.

The Aboriginal Justice Implementation Commission has, as part of its work, looked at the issue of young offenders. It has not emphasized the need so much for vocational training as other kinds of interventions, a broader range of interventions, particularly for Aboriginal offenders who are clearly over-represented in the facilities, including—I mean it is just a serious challenge at—Portage in terms of dealing with the need to better deal with this challenge of Aboriginal justice. They have looked though at other options with regard to community involvement, more culturally appropriate responses, including the need for mentors, whether, you know, elders and so on—that is, more local justice as a response.

Mr. Chairperson in the Chair

* (11:30)

Mr. Faurschou: Mr. Chairman, yes, in regard to involvement of First Nations with young people who have come into problems with the law, they do want to be very much more involved. Long Plain has expressed to me their desire to be involved with discussions where they can, in fact, bring young people back to their own First Nations reserve and essentially work with them on the premises, but also they are looking to be involved, as well, right at Agassiz. I know that there are a number of elders who do participate from Long Plain in all of this. Yes, it is a very complex problem that is not easily fixed, but I cannot stress enough that I believe it is very, very important that young people are schooled not only in academics but in a vocational trend as well. I also would like to encourage the minister, if he has an opportunity—in fact I brought back an informational package that maybe I will pass on to the minister with regard to the Minot facility, but each individual there is involved on both sides, the vocational and academic side, because they see the importance of education, being able to provide for themselves.

Community involvement, I do not know how active it is at the present time with the Agassiz Youth Centre. I know that they have had a project called the Garrioch Creek Project where the young people went out and essentially cleaned up an area or waterway and basically made into a park. They were very successful in the community. It is benefiting from that undertaking, but I am not aware of any projects under way right at the present time. I wanted to share with the minister that that is a success story.

Mr. Chairperson, in any event, I look forward to having the opportunity to see the minister in Portage la Prairie. I will leave the minister with a thought pattern that if the Government Services person-nel could work with some young people within the Agassiz Youth Centre to enhance their time in accomplishing all of their tasks ahead of them, they would be very, very appreciative of having an extra pair of hands giving them some help during the day.

I would like to ask the minister in regards to the discussions involving addictions as to the dialogue between the Addictions Foundation of Manitoba's Youth Residential facility in Portage la Prairie and Agassiz Youth and the judiciary in the province.

Mr. Mackintosh: Before we get onto that, I have just been advised there was a misunderstanding on the part of staff in terms of the policing arrangements at Long Plain. I wanted to correct information that is on the record. There is a confusion between Long Plain and Dakota Plains. So I just wanted to clarify that Long Plain is of course now policed by the RCMP from Portage and that will continue. There is no plan by the community to change their current policing arrangements. The reason that there was some confusion here was that the Dakota Ojibway police service will be policing Dakota Plains as well as Sandy Bay, hopefully and expectedly, as early as September. But that depends on the recruiting efforts and the recruiting process. That was part of the agreement that has recently been concluded between the federal and provincial governments and the Dakota Ojibway Police Service. It was, I think, a very positive addition to the agreement, and I am pleased that the wishes of those two communities that adopt police there have now recognized and accomplished through the negotiations and recognized in the agreement. I just want to make it clear that there is no change in Long Plain, but there certainly is a change in Dakota Plains.

Mr. Faurschou: I was just wondering when the minister was going to—I appreciate him clarifying that—talk about the relationship with the new facility, the Addictions Foundation's Youth Residential Services facility. We discussed last year, you know, making it known to the judiciary that this facility was now operating in the province as well as the correction facilities. The Agassiz Youth Centre, for one. I just want to make certain that there is dialogue among these different agencies to make the best use of resources and to understand that the judiciary could perhaps now recognize that there is a facility that deals with addictions and potential that may be part of the disposition by the judiciary in the province.

Mr. Mackintosh: As a result of the questions and answers on this issue last year, there was an undertaking made to communicate the services offered by AFM in Portage to the Portage Crown and court offices that have been assigned to particular individuals in the department. The advice that I have is that that was completed on July 18, 2000, so that at least there is a communication of those services. I cannot speak to whether the needs of the prosecution service or the courts are within the mandate of AFM in any particular case, but at least we did comply what we undertook to do for the member and in the interest of justice.

Mr. Faurschou: I appreciate the minister communicating that, and I think it has enhanced it. In fact, the facility is fully prescribed. But, just for the minister's knowledge, the facility was designed to hold more male than female, and in fact it is completely reversed. There are more females than males being admitted to the facility, which is causing a little bit of administrative and logistical problems. I am aware that there is ongoing dialogue between the Agassiz Youth Centre to recognize that some persons assigned to that facility may need more expertise and counselling, and that is afforded by personnel that are at the Addictions Foundation's Youth Residential facility. So there is some dialogue going on there, but I just want to emphasize that it is very important that we understand the resources available in other sectors, Addictions Foundation of Manitoba being one, that can perhaps be referred to through the judicial system.

Speaking of the prosecutions in Portage La Prairie at this time last year, I believe we were into over a year in trial date dependent upon the severity of the case to be tried. I wonder if the minister could say whether that has improved. I know that they were looking at a minimum of nine months for any trial, and that was a real concern to the persons involved in the judicial process as victims.

* (11:40)

Mr. Mackintosh: We will obtain the best measurements we can in terms of the time to dispose of cases in Portage la Prairie and provide

those to him. It is just that we do not have that here broken down by the regional court offices.

Mr. Faurshou: Mr. Chairman, I am just making note of an earlier comment. I believe it was Killarney or Boissevain that you were referring to? Only two months? That would be very wishful thinking in Portage la Prairie to have that type of shortness of time to trial because, as communicated to me, the greater length of time between the setting of trial date is very influential as to the number of cases that end up in fact going to trial. It is a known fact that if the trial date is nine months to a year away, why not go to trial? I will be out on bail for that length of time and, maybe, there will arise other circumstances that will go in my favour before even the trial takes place. So on that particular point I would like to ask the minister whether or not the Crown Prosecutions Branch, knowing that there are areas within the province that have a greater length of time to trial, make contractual arrangements with prosecutors who can act on behalf of the Crown just to shorten the length of wait to trial.

Mr. Mackintosh: The different ways to reduce backlogs certainly include insuring that there are adequate numbers of prosecutors. That is only one aspect, only one part of what has to be a multifaceted response. As a result of the Ernst & Young review here in Manitoba, which looked not just at the Winnipeg prosecution office but all the regional offices, it was concluded that about 25 000 hours of Crown time could be saved by changing organization and protocol. As I said in my opening remarks, the bottom line was not just that there must be more prosecutors—because it did not really recommend more prosecutors per se—but there had to be more support staff and different management of the support staff. That was key, in my view, to the findings of the report. As I have said publicly, it essentially said, and Rob Finlayson, the ADM, I think, said it best, is we have to get our prosecutors out of the copy room, out of the file room, and into the court room.

The plan of the Government that was announced following the release of the Ernst and Young report, should address the shortcomings identified by the study. Change teams have been put in place and tremendous engagement of

prosecutors in changing the way that business is being done. That is ongoing and it is headed by both Rob Finlayson and an individual from the private sector, a managing partner of a large private-sector law firm, Mr. Doug Ward. As well, Mr. Graceffo is involved, as well as hundreds of people in the department. I have heard estimates that over a third of the prosecutors are involved in the different change teams and support staff, so I really anticipate that this is marking the beginning of a new era in terms of how Prosecutions is supported in Manitoba and how it is organized.

Getting back to the original framework as to how to deal with backlogs, that is one aspect of it. It is important that there be the timely availability of information, that the files be complete at an early stage, and that involves new partnerships with law enforcement agencies. That is one aspect of the recommendations and the considerations of the change teams.

There are others involved. Certainly, defence counsel is involved, and we know all about the availability of the tactics of delay for the purpose of convenience or advantage. So we thought a really good place to start, in terms of checking against that, would be in the area of child victim cases. The Prosecution division that deals with child victim cases now, which has been identified as a specialized and targeted prosecution with the assignment of prosecutor from start to finish after bail, is directed to aggressively pursue early trial dates and to question excessive requests for remands, always bearing in mind, of course, the need to ensure that the case is as strong as possible. If there is further evidence required, that is a good reason for some delay. Some delay is good, but generally it has to be guarded against, and I think we have a lot of work ahead in dealing with the remand culture that has developed in our court system, not just here but across the country.

There is also the issue of how the Provincial Court is organized and how they conduct their business, and I am very pleased that the Provincial Court, with the leadership of particular Provincial Court judges, has been embarking on the development of rules for that court which, in no small part, will try and deal

more effectively with the timeliness of the disposition of cases. I am aware of the rules of the Court of Queen's Bench, for example, which are probably about two or three inches thick when you include the annotations, and yet the Provincial Court, which deals with over 90 percent and almost all the criminal cases where there have been concerns about backlogs, has no rule book. So that is hopeful and as well they are looking at a different way of organizing the cases. What has developed since December in the Provincial Court, with the leadership of the court, is what they call the "squash court." It is a case-co-ordination effort to make sure there is a better planning anticipation of how much time is needed and when cases can be set down for hearing.

There are other issues as well in terms of dealing with the backlogs. It involves the scheduling of cases by the court and, so, with regard to defence counsel, there are certain things we can do, as I have outlined. With regard to the court there are partnerships that can be strengthened. The court should know that the Government and the prosecutors, for example, and court staff are there to support them in developing rules and new ways of scheduling trials.

Mr. Faurchou: I appreciate what the minister has undertaken and we will hopefully all benefit from it. I just hope that the team that is addressing this concern involves business management skills and experience so that you are looking at the logistics of providing for this type of service to our community. Minister, I would like you to respond.

Mr. Mackintosh: I think, too, the sharing of information and best practices across the private and public sectors that the Ernst & Young process has is important. As well, there is a real emphasis on enhancing the management practices in the Prosecutions division. For example, it is hard to believe that there was no person who was designated to be responsible for supervising the support persons in Prosecutions. As one person said after the Ernst & Young report, it looks like everyone is photocopying and everyone is supervising the support workers.

Not only have we enhanced the number of support staff, and you know that a large part of their work is preparing the files, contacting people, photocopying, making sure the files are complete, but, as well, our prosecutors have to prosecute. We talked yesterday about that in the context of the Victims' Bill of Rights. We have made significant moves forward there, because we now have new positions. New, not just realignments in Prosecutions to ensure that the management of support staff is bolstered.

I am advised that since coming into office we have enhanced the positions in Prosecutions in support staff by 26.8, which is very significant and, I think, attests to the fact that for too long the prosecutors did not get the support that they need to do the job that they want to do. I believe we are turning the corner. We are doing it, not only with outside review and with partnerships, with learning from people like Mr. Ward, but we are doing it in partnership with the Crown attorneys association, the union, and involving people, not just prosecutors but the support staff who are on the front lines.

I wanted to conclude because I do not think I adequately answered the last question of the member actually who asked whether we were engaging, by contract, additional prosecutors. What is important to us is that we build a solid cadre of prosecutors who have, as their career, the prosecution of cases for the Province.

Albeit we have developed an independent prosecutor policy in this province so that where it may appear to the public, or whether the public may suspect whether there might be bias in the prosecution of a matter, it will go out to another person to prosecute. That has been by and large done by way of contracts with people at the private bar in the law firms, but we are looking at establishing a relationship, some arrangement with the federal prosecutions service, which is down the street on Broadway in Winnipeg, so that we can better contain costs and have, I think, a more timely access to independent prosecutions as well.

For the purpose of dealing with backlogs, recognizing that the Prosecutions itself is only one part of the solution, our intention has been to bolster the core service. I think a very important

part of being a prosecutor in Manitoba is knowing that there is a career path for you, that you are needed, that you are respected. Your job is very important to the well-being and safety of Manitobans, and, if you work hard and follow our policies in Manitoba, there will be a good and secure future that is in a respectful environment.

Mr. Faurschou: I appreciate the minister's comments. It is just that from my business background you want to be able to have flexibility within your system, that if in fact there is an area in the province that has more time delay between actual charges being laid and a trial date being set, you can dedicate some more resources there to alleviate that backlog if there is a rash of crime in a particular area within the province.

That flexibility is very important. For a distance of 100 miles, you are going from two months and I do not know what Portage is at the present time but of recent times it has been nine months. That, in my way of thinking, should be able to have some redeployment of resources to keep the backlog or time delay in trial more evenly distributed within the province.

I know we only have a couple of minutes left, and I would like to finish up here. The other point within the judicial system that has raised some concern is the continuous remand process where the defending legal counsel is attempting to get a particular judge before their client. Through the remand, hopefully, they will end up with the judge that they want to put their case before. Different judges within our province have been known to view different crimes with different emphases. We are all human. We have differences within our analogy and comprehension, and ultimately our assessment. So I leave with the minister that thought as well. He may want to comment on it as to what is occurring with defence counsels these days.

Mr. Mackintosh: Just briefly on the issue of delay where the member started, there appears to

be, as I said in question period the other day, some indication that we are making some progress, in some areas more than others.

In the area of dealing with child victims, we are putting a particular effort in there, as well as dealing with the gangs, because we now have a gang prosecution unit which I think is going to be seen as helping to ratchet down the time it takes to dispose of cases. I note in family violence, for example, despite questions from the Member for River East (Mrs. Mitchelson) that the regular dates for in-custody matters have gone from four and a half months in March '99 to two and a half months this month. Dates are indeed available within four weeks, dealing with that area. We will continue to plug on because it is such a complex area and because it involves so many stakeholders. It is an area that is going to take a concerted effort. I do not think there is a stakeholder organization, whether it is the bar association, or prosecutors, or defence lawyers, or judges, where I have not raised this issue and pounded my pulpit about the need to work together to deal with the remand culture.

Next on the issue is what is known as "judge shopping." In Winnipeg, it is my understanding that a judge will sit in the bail court for a period of one week at a time. So, clearly, that reduces the opportunities, or perhaps the attractiveness, of an accused waiting until the next week, but then they do not know whom they are going to get that following week in any event. So there are some obvious checks and balances on that in the city.

In the regional courts, of course, where there are fewer judges, you get what you get there. If you are "judge shopping," it is a general store.

Mr. Chairperson: The hour being 12 noon, pursuant to the rules, I am interrupting the proceedings of the Committee of Supply, with the understanding that the Speaker will resume the Chair at 1:30 p.m. today and that after the routine proceedings, the Committee of Supply will resume consideration of the Estimates.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 26, 2001

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