



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 2, 2001

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Manitoba Hydro Lines Routes

Mr. Ron Schuler (Springfield): Mr. Speaker, I beg to present the petition of Yvonne Krahn, C. Des Ender, Ann Rizebol and others, praying that the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

Kenaston Underpass

Mr. John Loewen (Fort Whyte): Mr. Speaker, I beg to present the petition of Crystal Barenz, Sybill Portz, Lloyd Portz and others, praying that the Premier of Manitoba (Mr. Doer) consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

Mr. Frank Pitura (Morris): Mr. Speaker, I beg to present the petition of Jerry Gordon, Chad Wrixon, Melanie Carrette and others, praying that the Premier of Manitoba (Mr. Doer) consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

READING AND RECEIVING PETITIONS

Manitoba Hydro Lines Routes

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

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

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

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

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

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

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

Kenaston Underpass

Mr. Speaker: The Member for Fort Whyte (Mr. Loewen), I have reviewed the petition. It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

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

THAT the intersection at Wilkes and Kenaston has grown to become the largest unseparated crossing in Canada; and

THAT the volume of traffic for this railroad crossing is 12 times the acceptable limit as set out by Transport Canada; and

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over eight tons of emissions and cause approximately \$7.3 million in motorist delays every year.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

Mr. Speaker: The honourable Member for Morris (Mr. Pitura), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Mr. Speaker: The Clerk, please read.

Madam Clerk: The petition of the undersigned citizens of the Province of Manitoba, humbly sheweth:

THAT the intersection at Wilkes and Kenaston has grown to become the largest unseparated crossing in Canada; and

THAT the volume of traffic for this railroad crossing is 12 times the acceptable limit as set out by Transport Canada; and

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over eight tons of emissions and cause approximately \$7.3 million in motorist delays every year.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

* (13:35)

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Conrad Santos (Chairperson): Mr. Speaker, the Committee of Supply has adopted

certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable Member for Selkirk (Mr. Dewar), that the report of the committee be received.

Motion agreed to.

INTRODUCTION OF BILLS

Bill 16—The Farm Practices Protection Amendment Act

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I move, seconded by the Minister of Labour and Immigration (Ms. Barrett), that leave be given to introduce Bill 16, The Farm Practices Protection Amendment Act (Loi modifiant la Loi sur la protection des pratiques agricoles), and that the same be now received and read a first time.

Motion presented.

Ms. Wowchuk: This bill allows the Farm Practices Protection Board to review its own orders and to change, revoke, or replace an order if it considers it an inappropriate action. The intention is to allow the board to move quickly, responding to technical change. The amendment will also remove time limits and board members' terms of appointment and amends the provision that sets out the board's procedural authority.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have with us from Minnetonka School, 26 Grade 9 students under the direction of Mr. Larry Patrick. This school is located in the constituency of the honourable Member for Riel (Ms. Asper).

Also, seated in the public gallery from Maples Collegiate, 16 Grade 9 students under the direction of Ms. Sheryl Peltz. This school is located in the constituency of the honourable Member for The Maples (Mr. Aglugub).

Also, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today His Excellency

Lennart Alvin, Ambassador of Sweden to Canada.

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

ORAL QUESTION PERIOD

The Maples Surgical Centre Government Position

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, the Government's policy around The Maples Surgical Centre seems to change from one day to the next. One day the Premier says, and I quote: I am proud of the fact that our Minister of Health (Mr. Chomiak) drew the line in the sand that said no to a private, profit company from British Columbia from coming into this province. We say no to private public health care. The next day his Minister of Health says that Doctor Godley should negotiate with the Winnipeg Regional Health Authority.

So I would like to ask the Premier what his position is today. Does he agree with the Minister of Health or does he have yet another position?

* (13:40)

Hon. Gary Doer (Premier): Unlike the member opposite, I do not invent terms for my own political purposes. The member from Kirkfield Park has repeatedly changed the terms of the audit that was released yesterday, the Pricewaterhouse audit, the due diligence, Mr. Speaker.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: The Pricewaterhouse due diligence, when it was identified—

An Honourable Member: Oh, you are changing the terminology. What is it?

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. They keep changing the terms for their own political benefit because they cannot face the truth that this

purchase was deemed to be in the benefit of \$1.2 million for the people of Manitoba, and it would double the number of patients available for surgery at that centre. Unlike members opposite, we make good decisions for the people of Manitoba and we make good decisions for patient care, something that never entered into their minds for 11 years in Manitoba.

Workers Compensation Cases

Mr. Stuart Murray (Leader of the Official Opposition): I am delighted to hear the Premier's prepared answer. I did not ask about the Pan Am Clinic, however.

The WCB operates at arms' length of the Government and is outside of medicare. It has always negotiated the quickest care for its clients, be that at a private clinic here in Manitoba or outside of the province. Why is the Premier allowing his ideology to prevent the WCB from accessing The Maples Surgical clinic for care?

Hon. Gary Doer (Premier): I am not aware that the clinic has any patients to date.

Mr. Murray: I would like to table a February 7 letter from the WCB to Doctor Godley. I will quote the portion from the letter. It says: In our discussions with Government, they clearly do not want the introduction of private hospitals in Manitoba. Therefore you should not include any WCB clients as part of your planning.

Will the Premier be contacting the WCB to say he is sorry for his original directive, inform them that The Maples Surgical Centre is not a hospital, inform them that his policy has changed yet again and that the new directive from this Government will allow Doctor Godley's clinic to negotiate directly with the Workers Compensation Board?

Mr. Doer: I was expecting to hear sorry from the Member for Kirkfield Park. He has had a caucus last week that alleged and stated that I was, quote: a fishing partner of Dr. Brian Postl. I have been expecting an apology for the last three days, and if this person was a leader he would have apologized, but he is clearly not. If anybody is going to say they are sorry it is to the

Leader of the Opposition (Mr. Murray) who, for the last 24 hours, has been stating that the good will benefit or proposal in the due diligence was a "bonus." Members opposite know—
[interjection]

Mr. Speaker: Order.

* (13:45)

Mr. Doer: Members opposite would be fully aware that on top of the \$170 million purchase price for Centra Gas for bricks, well not even bricks and mortar, but for pipes, there was a \$65-million good will payment to purchase the Centra Gas company by members opposite, Mr. Speaker. It is time they started being honest with the people of Manitoba.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. May I remind all honourable members, when the Speaker rises, all members should be seated, and the Speaker should be heard in silence. I would ask the full co-operation of all honourable members.

The honourable Leader of the Official Opposition, on a new question.

Mr. Murray: On a new question, Mr. Speaker. Ideology is driving this Government's decision making, and it is clearly having a negative impact on their ability to deliver quality health care to Manitobans. The Premier sends patients out of province to private clinics for overnight treatment on a regular basis at great cost to taxpayers. I would like to ask the Premier: What is the difference between The Maples Surgical Centre and the out-of-province private clinics that he sends Manitobans to that cost millions of taxpayer dollars annually?

Mr. Doer: Mr. Speaker, this is the crux of the issue, because the member opposite should know that when there was a recommendation from CancerCare Manitoba to send patients down to the United States before the election campaign, the former government would not do it. They put political objectives ahead of patient care. After the election, our Minister of Health (Mr. Chomiak) put health care for patients ahead of politics.

Mr. Murray: Mr. Speaker, we learned today that a nurse from Pinawa, a Workers

Compensation client, has been off the job since January awaiting knee surgery. The Pan Am Clinic has informed her that she could be waiting for up to six months for that operation. I think it is interesting that she could get into The Maples Surgical Centre if this Government would do something, because her doctor works at The Maples Surgical Centre. So can the Premier indicate why his ideology is preventing her from going to see The Maples Surgical Centre for quicker care?

Mr. Doer: This is where politics again trumps patient care when it comes to the Tories. They put a cap on the Pan Am medical clinic when they were in office. They paid money, including for-profit and patient care as part of that cap. They then have the cases for Workers Compensation Board going to the Pan Am Clinic. As part of our agreement, we are going to double the surgeries and remove the Tory cap on patient care.

Mr. Murray: Mr. Speaker, the Premier spends millions to send patients out of province to private clinics for overnight treatment where he could get the same service right here in Manitoba. His ideology is blocking progress, and it is blocking improved access to care closer to home.

Mr. Speaker, can the Premier explain why he spent \$7.3 million to buy the Pan Am Clinic, when all he had to do was to allow a clinic to perform more surgeries?

Mr. Doer: We have not, quote: Spent \$7.1 million. The due diligence is continuing, unlike members opposite who spent \$32 million on SmartHealth, spent tens of millions of dollars on frozen food. We have put the information forward.

The proposed purchase of the Pan Am Clinic by the Winnipeg Health Authority is on top of—[interjection] Yesterday, Mr. Speaker, they were opposed to bricks and mortar. I guess they are opposed to the Victoria Hospital's capital renovations. I guess they are opposed to the \$52-million renovations at the Brandon General Hospital that they announced and cancelled six times. I guess they are opposed to the \$150 million for the Health Sciences Centre.

We believe in a multiple approach clinic that is cost-effective according to the numbers. We are spending less money on doubling patient care at a clinic than they spent on a U.S. consultant of \$4.5 million to fire a thousand nurses.

* (13:50)

Workers Compensation Board Use of Private Clinics

Mr. Darren Praznik (Lac du Bonnet): Mr. Speaker, I want to ask the Premier a very important question of policy. The Workers Compensation Board operates outside of medicare. It is funded by premiums from WCB. Its health care is not part of medicare. It has always contracted for medical services.

I would like to ask the Premier today: Can he assure the House that his Government will not give political direction to the WCB and allow them to continue what they have been doing for decades, purchasing health services for injured workers from wherever they think they can get it best to expedite the return of those workers to the workforce?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I indicated yesterday, we could maintain the status quo. We could go the way the Conservatives want us to, go to private clinics, private hospitals, U.S.-based system or we can try a different way. We could go towards a system that would meld the best of the private with the public.

WCB clients can go to where their treatment is offered. Contrary to what members opposite are saying, the letter from the WCB indicated in our discussions with Government they clearly do not want the introduction of private hospitals in Manitoba, a policy that was supported by that member opposite in this Legislature, and until recently, I thought they supported as well.

Mr. Praznik: Mr. Speaker, the matter of the WCB purchasing health care is not within the purview of the Minister of Health, it is the Minister responsible for WCB (Ms. Barrett).

I am asking the Premier (Mr. Doer) whether or not he will assure Manitobans that the

Workers Compensation Board, which pays for health care out of WCB premiums, will be allowed to continue to purchase, without interference from the Government, on behalf of injured workers to speed their return to the workplace? The question should be answered by the Minister responsible for WCB.

Mr. Chomiak: You know, Mr. Speaker, members opposite first went fishing and alleged something that we know is not true; then they attacked the doctors yesterday; now they are talking about political interference. Members opposite do not have case, so they are just spinning around and spinning stories.

On this issue specifically, I want to indicate—

Some Honourable Members: Oh, oh.

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

* (13:55)

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): On a point of order, Mr. Speaker. *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate. Not only do we have a Minister of Health who is provoking debate, we have got a First Minister (Mr. Doer), who I would expect more from, answering to a member on this side of the House. He is shouting across: I will never answer your questions, Darren. What is this Government coming to?

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

Mr. Chomiak: Mr. Speaker, you will note in the member's question that the member was insisting and demanding that the Minister responsible for the Workers Compensation Board answer the question, something that the member does not have right to do.

Mr. Speaker, I was explaining why it is important from a policy standpoint for the Minister of Health to deal with that question.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order. I would like to remind all honourable ministers that a point of order is a very serious matter, and I would like the full co-operation of all honourable members, please.

The honourable member does have a point of order, and I would like to take this opportunity to remind all honourable ministers that according to *Beauchesne's* Citation 417: Answers to questions should be brief as possible, deal with the matter raised and to not provoke debate.

* * *

Mr. Chomiak: Mr. Speaker, The Maples clinic the members so strongly support, the doctor from B.C. who has come in here, who runs a for-profit system in B.C. that members are supporting 100 percent, that clinic has been authorized by the College of Physicians and Surgeons to operate as a clinic. They can operate as a clinic. If referrals are done there, they can do those kinds of referrals; but we told them, contrary to what he wanted to do in the first place, we were following the policy of members opposite as well, that we do not want private hospitals in Manitoba.

Mr. Praznik: Mr. Speaker, my question is to the Premier (Mr. Doer). Will then he confirm to the Workers Compensation Board today that they are perfectly free to negotiate with the Godley clinic to provide service for injured workers since they are outside the medical system and they are funded by Workers Compensation Board premiums?

Mr. Chomiak: Mr. Speaker, although the members are very strongly advocating for that one particular for-profit clinic from B.C., in the letter to that clinic from the WCB, let me quote a letter that the members handed out: Further to your pre-sentation on January 24, we wish to confirm that the WCB funds physicians, not clinics, and only physicians operating in centres that are approved by the province.

**Pan Am Clinic
Purchase-Business Plan**

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, it was confirmed yesterday by Doctor Postl what we feared all along, that there was no

business plan produced around the sale of the Pan Am Clinic.

Could the Minister of Health tell Manitobans, without the support of a business plan, what exactly did he base his decision to buy the Pan Am Clinic on?

Hon. Dave Chomiak (Minister of Health): Over the past 11 years that I have been a member of this House, I have never seen a due diligence report that I recall that has been tabled in the Legislature. I have never seen a due diligence tabled before a deal was finalized, Mr. Speaker. I have never seen it provided to members opposite. The due diligence report states, and I quote—and members now are challenging Pricewaterhouse. The base case net present value of the 5-year cash flow projection for the existing facility is \$5.1 million. Comparing the purchase price of 3.9 to this value indicates a net benefit of the acquisition of 1.2 which indicates that the acquisition is fair from a financial point of view of the WHRA.

First they fished for stories—

Mr. Speaker: Order.

Point of Order

Mr. John Loewen (Fort Whyte): I ask the minister to put factual information before the House because the same report says: We do not express an opinion or any other form of assurance on the financial statements of Pan Am or any financial or other information or operating or internal controls of Pan Am. It goes on to say: We express no assurance of any kind of any such information.

Mr. Speaker: Order. On the point of order raised by the honourable Member for Fort Whyte, he does not have a point of order.

I would like to take this opportunity to remind all honourable members a point of order should be a breach of the rules or the use of unparliamentary language and not to be used for debate.

* * *

* (14:00)

Hon. Dave Chomiak (Minister of Health): As I indicated, the due diligence was very clear, and

this information was provided to the public, something that I have not seen in my years in this Chamber, Mr. Speaker, which was an openness and providing the documentation. It is interesting that they were against the doctors yesterday. They are against Pan Am Clinic, and—

Mr. Speaker: Order.

Point of Order

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

Mr. Speaker, if you listen to the question and the answer, I will leave it up to you.

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

Hon. Gord Mackintosh (Government House Leader): The Opposition is getting up on all these points of order that are just so frivolous. They love the sound of their questions. They do not like the sound of the answers and the truth. That is what this is about.

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

* * *

Mr. Chomiak: The due diligence report by Pricewaterhouse, a world-respected firm, goes on to say: Through a review based on the base case financial projections for the existing facility, the acquisition is economic and fair from a financial point of view to the WRHA.

Purchase—Department's Position

Mrs. Myrna Driedger (Charleswood): I would like to ask the Minister of Health if his department supported the purchase of the Pan Am Clinic.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I indicated, from the first initial meeting that we had with other Health ministers one of the most difficult issues facing all governments was private clinics. It was faced across the country. Alberta went the Bill 11 route. Ontario is now saying privatize, privatize, privatize. As early as last year, I was saying that we in Manitoba wanted to develop a made-in-Manitoba solution which would see the melding of the private sector with the public sector in order to increase capacity for surgeries while retaining integrity of a universally accessible access system. In addition, I indicated at the time that we had a Centre for Health Policy and Evaluation report that indicated that when you run private beside public, the waiting lists go up. Based on that, we made a policy decision: we would try a made-in-Manitoba approach.

Mrs. Driedger: Mr. Speaker, the minister did not answer my question and I would ask it again. Is it not true that his department's staff recommended against the purchase of the Pan Am Clinic because it was a bad deal for Government?

Mr. Chomiak: With regard to the specific statements of the members opposite. First they said it was a deal because we were fishing buddies with Brian Postl. That was proved wrong, Mr. Speaker. Then they said this was a deal for the doctors there because they are getting a bonus, and they are proved wrong.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Speaker, *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." The question was very clear: Did the department approve the purchasing of the Pan Am Clinic?

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

Mr. Chomiak: Mr. Speaker, the member in his statements did not even reflect the actual question, but I will try to confine my remarks to the specific question.

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

* * *

Mr. Chomiak: Mr. Speaker, as I indicated, this is the first time I have ever seen a due diligence report provided to the public. They provided all of the information for determination prior to even a final agreement being signed, and if the member has information I wish she would table it.

Pan Am Clinic Purchase

Mr. John Loewen (Fort Whyte): Mr. Speaker, the Doer government's ideology has forced the Winnipeg Regional Health Authority to make instant millionaires of Doctor Hildahl and Doctor Lukie by purchasing a building assessed at \$1 million for \$2.8 million. Why did the Minister of Health instruct the WRHA to proceed with a \$2.8 million purchase of a commercial building when he could have leased the space required to double day surgeries for only \$24,000 a year?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, dealing—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, there were two independent appraisals done by independent and licensed appraisal individuals that determined the value of the building.

Members are now questioning, I assume, those independent appraisals and are going with their own information which has been suspect throughout this entire process, Mr. Speaker.

Mr. Loewen: Why did the minister not insist that Doctor Hildahl and Doctor Lukie maintain ownership of the building or sell it privately to realize a fair market value instead of paying \$2.8 million of taxpayer money?

Mr. Chomiak: Mr. Speaker, as I have indicated earlier, we are trying to do some innovative new approaches to health—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, for the past decade during the Conservatives' terrible handling of health care, we have been forced for the past 18 months to rebuild the system. Now we are being innovative, and I will rely on the words of the surgeon yesterday who said not only will it attract more surgeons and retain surgeons, but he will be able to double the number of surgeries he does.

Mr. Loewen: I would ask the Minister of Health to explain to Manitobans why he spent \$2.8 million of taxpayer money to create two millionaires instead of using those funds to provide more services to Manitobans.

Mr. Chomiak: Mr. Speaker, that is in sharp contrast to earlier questions from members opposite when they wanted us to give money to their private clinic that is coming from B.C. for profit; but I will rely on Coopers and Lybrand, I will rely on WHRA and Brian Postl, and I will rely on those physicians and surgeons who said they will be able to double their surgeries and they will stay in Manitoba.

Point of Order

Mrs. Bonnie Mitchelson (River East): On a point of order, Mr. Speaker, for clarification I would like the Minister of Health to correct the record. I believe that the firm that they used this time was Pricewaterhouse, not Coopers and Lybrand. Maybe he could get his facts and his information correct before he comes to the House.

* (14:10)

Mr. Chomiak: Mr. Speaker, two points on that. I believe they merged Price Waterhouse and Coopers, firstly, and, secondly, there are no millionaires created. The only millionaires created were under the MTS fiasco.

Mr. Loewen: With regard to the minister's statement on the same point of order, he should read his own report which clearly indicates, from PricewaterhouseCoopers, that Doctor Hildahl

and Doctor Lukie received \$2.8 million. If that is not creating millionaires, what is?

Mr. Speaker: Order. On the point of order raised by the honourable Member for River East (Mrs. Mitchelson), it is not a point of order. It is a dispute over the facts.

Health Sciences Centre Out-patient Pharmacy

Hon. Jon Gerrard (River Heights): My question to the Minister of Health deals with his new, innovative, made-in-Manitoba, high cost, low-quality health care system. This concerns issues being raised by parents of children with cancer who are in the gallery and one of whom is a constituent of the minister, and it needs to be taken seriously. Children with cancer are being put to extra time, extra risk, extra inconvenience by the closing of the out-patient pharmacy at the Health Sciences Centre. I ask the minister when he will end the new services shuffle from one institution to the other instead of having things in one place. When will the minister reopen the out-patient pharmacy at Health Sciences Centre?

Hon. Dave Chomiak (Minister of Health): As I indicated yesterday, the out-patient services were as a result of a national shortage of pharmacists, and the action was taken by the WRHA to consolidate the services. An inter-departmental intergroup was put together to deal with these issues. Services were transferred to Misericordia and a transportation system is in place to have the prescriptions delivered from Misericordia hospital to the residences and follows the same procedure that was in place at the Health Sciences Centre.

Mr. Gerrard: Perhaps the minister would provide some justification to the parents who are in the gallery as to why this system is so superior to the earlier one, which was all the service at one place compared to the new system which is a shuffle back and forth and back and forth.

Mr. Chomiak: As I indicated yesterday, there is a national shortage of pharmacists. There was a need to consolidate services, to preserve the services that were offered by pharmacists. There is an interdepartmental working group that is working on this to try to see how we can best provide the service. The services were

transferred to Misericordia hospital. There was transition and assistance put into Misericordia hospital. A transportation system was put in place so people would not be inconvenienced.

There may have been, in the transition, some difficulties, and we will work on it. We will try to improve the situation. There is ongoing dialogue and ongoing process to deal with this situation.

Mr. Gerrard: I ask the minister, once more, if it is correct in my interpretation of his answer to the urgent needs of children and parents with cancer and other conditions that instead of having a simple system which would provide clear and quick access to drugs, the minister has indeed created a much more complex system and is seeking to spread the blame instead of taking the responsibility where it should be, on your shoulders, and making sure that the Health Sciences Centre pharmacy is open.

Mr. Chomiak: Mr. Speaker, the WRHA made a recommendation because of the shortage of pharmacists to consolidate the service and to allow for in-patient services, to not provide the retail service and to redirect services into the community—

Some Honourable Members: Oh, oh.

Mr. Chomiak: Mr. Speaker, if the members—

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, and to redirect their retail and to provide out-patient services at Misericordia hospital, which was not a preferred option but was the only realistic option that could be entered into by the WRHA given the existing conditions of a shortage of pharmacists.

Mr. Speaker, no one likes these situations. That is why we are training more doctors. That is why we are training more nurses. That is why we are expanding all of our training programs so we do not get into this position down the road.

Mould and Asbestos Abatement Program Dauphin Project

Mr. Stan Struthers (Dauphin-Roblin): My question is for the Minister of Government

Services. This Government established a mould and asbestos abatement program which undertook a pilot program in the Dauphin Regional hospital. Could the minister tell this House the reasons for the establishment of this program and when the work is expected to be completed in Dauphin?

Hon. Steve Ashton (Minister of Transportation and Government Services): This program, I think, is evident of the kind of innovative approach we are taking as a government. We have a major problem with mould. We put together a training program that has trained 17 people now who are experts in mould and asbestos abatement. We are completing the project in Dauphin, and I am also pleased to say, Mr. Speaker, that we have saved the provincial government \$120,000 over the alternative costs of doing it. So we are saving money training people and dealing with the major problem we have with mould.

Health Sciences Centre Out-patient Pharmacy

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, my question is for the Minister of Health. I wonder if the Minister of Health might explain to this House why he has closed the pharmacy at the Health Sciences Centre and the cancer patients and the transplant patients are now having to pay for the services of getting those drugs.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I was advised this afternoon when I checked into that, that in fact there is no additional charge for the patients for this. That is what I was advised.

Mr. Laurendeau: I wonder if the minister might check on whether there is a charge if it is being delivered to the patients' homes because there were some charged this morning.

Mr. Chomiak: Mr. Speaker—

Mr. Speaker: Order.

Mr. Chomiak: Thank you, Mr. Speaker. When I checked into it this morning, I was advised that

there is no difference in terms of charges that are applied than had been applied in the past.

Pan Am Clinic Purchase

Mr. Leonard Derkach (Russell): Mr. Speaker, my question is to the Minister of Health. This Government has made a horrible decision as it relates to the purchase of the Pan Am Clinic. Manitobans have paid an enormous price to get no more services than they were getting prior to this Government taking over the Pan Am Clinic. I want to ask the Minister of Health specifically what services, besides lifting the cap, Manitobans can see an enhancement in as a result of this purchase.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as was indicated by the WRHA yesterday, we will see expanded services provided in the Pan Am Clinic. We will see pressures off the tertiary care and community hospitals so that they are able to do more high level surgery and put a capacity through the Pan Am Clinic. We also see a strategy where doctors and surgeons—and one came on air yesterday to contradict the Leader of the Opposition (Mr. Murray) and was very clear that we would be retaining surgeons and we would be doing a double number of services, and that it was not what the member opposite characterized it as, as a bonus.

* (14:20)

Mr. Derkach: Mr. Speaker, can the minister tell the House why a Dr. Peter MacDonald said that the reason they decided to sell the Pan Am Clinic was because of fear, and I repeat that, because of fear of this current Government's anti-private clinic stance?

Mr. Chomiak: Mr. Speaker, I will not even attempt to deal with a quote from someone else, because I have heard so much that has been inaccurate from members opposite. I will indicate that that same physician and surgeon on radio yesterday said that this matter would help maintain physicians here, would attract physicians here, and he would see personally a doubling of the surgeries that he is providing.

Mr. Derkach: Mr. Speaker, I can understand why this minister is having difficulty with this issue. I want to ask the minister whether or not the services, in terms of doubling the number of patients that are going to be served because of this purchase, could not have been achieved had simply the cap been increased rather than having to spend \$4 million on the purchase of this clinic.

Mr. Chomiak: Mr. Speaker, as I indicated, there are different options. We could maintain the status quo and keep the cap on imposed by members opposite. We could have kept the cap on the members opposite put on. That is status quo.

Mr. Speaker, we could go the private route and pay private for-profit that members clearly want to advocate, or we could try an innovative approach, one-time capital purchase integrated into our system, operate, keep the doctors here, double the surgeries, which is not too bad for a one-time investment in a system and that has clearly been indicated that it would be financially viable by the due diligence done and by the WRHA who after all are the operators and do make these decisions for their patients.

Mr. Speaker: Time for Oral Questions has expired.

Speaker's Ruling

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

On April 24, 2001, during the Budget debate, the honourable Acting Deputy Speaker took under advisement a point of order raised by the honourable Member for Assiniboia (Mr. Rondeau) concerning language allegedly spoken across the House by the honourable Member for Arthur-Virden (Mr. Maguire). The Acting Deputy Speaker took the matter under advisement in order to examine Hansard and ascertain what was on the record.

I have reviewed the Hansard of April 24, 2001. At the time of the point of order, the honourable Member for Arthur-Virden did not have the floor, nor was there a record in Hansard of the words complained of being attributed to

the honourable member. Therefore, I must find that there is no point of order.

MEMBERS' STATEMENTS

Pan Am Clinic—Purchase

Mr. John Loewen (Fort Whyte): Mr. Speaker, this Government has once again enraged the people of Manitoba by simply throwing their hard-earned money away without a sound business plan and without any foreseen benefits.

The purchase of the Pan Am Sports Medicine Centre was an unnecessary waste of taxpayers' money. The Doer government's preoccupation with their political ideology has clearly clouded their ability to make sound business decisions. Instead of weighing the effectiveness of all possible options for expanding health care services, this Government chose to buy the Pan Am Clinic with no evidence that this was the best decision for the betterment of health care in our province. This dangerous precedent leaves Manitobans to wonder whether this Government intends to purchase every private clinic in the province, thereby sending the cost of health care soaring to unprecedented levels.

Will the people of Manitoba benefit from the purchase of private clinics or just the buildings' owners? Furthermore, this Government, knowing that the public would not approve of the details of the purchase, intentionally avoided disclosing important information about the deal. When asked, on several occasions, to tell Manitobans what was purchased with taxpayers' money, they repeatedly omitted the fact that they chose to give \$700,000 to Pan Am physicians.

The Doer government refused to explain why they purchased a building for \$2.8 million when they could have doubled the number of day surgeries by renting the same space for \$24,000 per year. Mr. Speaker, this Government knew full well that the people of Manitoba would not support this move if they were given all the information. This too leaves the people of Manitoba wondering what other details of this backroom deal is this Government hiding.

Public Schools Capital Program

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, I rise today to draw the attention of this House to the \$45 million in new capital funding being provided to our public schools for the upcoming year. The focus of this year's capital improvements will be repairs to Manitoba's 700 existing schools.

I am most pleased to celebrate the sod turning at the long-overdue new gymnasium at George Waters and St. James Collegiate, which gym they had been sharing for far too many years. This Government inherited a backlog of schools that require major architectural, mechanical, electrical and structural improvements. These outstanding needs are being addressed in this Government's first two budgets and that commitment will be continuing in the years to come.

This year's public schools capital announcement will create more than 1300 jobs throughout Manitoba, Mr. Speaker, \$13.87 million of the \$45 million will be allocated to much-needed repairs, with the remainder being put toward new capital projects. Over the past two years, the capital funding of this budget has totalled over \$100 million, representing an important step in addressing years of neglect under the previous government when capital budgets fell to as low as \$18.3 million in 1994-95.

This round of public school capital is providing \$1.2 million to a \$1.6-million gymnasium project at St. James Collegiate, with the remainder of the funding coming from St. James-Assiniboia School Division. The significant investments that are being made by this Government today will help to ensure that our children will have safe and comfortable environments in which to learn well into the future. This funding for public school capital will help to ensure that our schools and our young people are ready to meet the challenges of the 21st century.

* (14:30)

Agricore Elevator Opening

Mr. Edward Helwer (Gimli): I rise today before the House to speak to an event that has

recently occurred in the constituency of Lakeside. April 27 marked the official opening of Agricore's new south lake high through-put elevator. The concrete elevator follows a trend that has changed the prairie landscape and devastated smaller rural communities over the past decade. Despite the fact that Agricore is a Canadian farmer-owned agribusiness, each such mega-elevator spells the demise of a number of smaller elevators. In this case, the sacrifice was five smaller elevators which had been located in the communities of Warren, Teulon, Stonewall, Netley and Selkirk. Smaller elevators find themselves unable to compete with these new units. Agricore and their competitors claim that larger elevators allow for greater efficiency in terms of higher through-put and have special crops handling and marketing capabilities and reduced overlap at the management and administrative levels.

However, losing an elevator often spells the demise of smaller communities where the loss of rail lines and other agricultural-related businesses often follow suit. Agricore and the Department of Agriculture should take into consideration some of the negative consequences that these mega-elevators have on small towns and local farmers who are often inconvenienced by longer hauling distances and inflexible service, also, the people who are left unemployed as a result of these amalgamations.

Reggie Leach Hockey Tournament

Mr. Tom Nevakshonoff (Interlake): I rise today to draw the House's attention to an event which occurred recently in my constituency, the 3rd annual Reggie Leach Classic Hockey Tournament. No doubt many of us will recall the Riverton Rifle, who played with the Stanley Cup winning team of 1974-75. As a result of practising for up to eight hours a day with a lead-weighted puck, Reggie developed one of the most fearsome slapshots in the history of the game and set the record for the most goals in a Stanley Cup playoff series at 19, in the '75-76 season. He did this at a time when there was one less playoff round than there is today. The record still stands.

Reggie's accomplishments in the game of hockey are many, in fact, too numerous to relate

in two minutes, so I will stop at this point. Indeed, his hockey accomplishments, extraordinary as they are, are not really what I want to highlight today in the Legislative Chamber. Instead, I would like to emphasize the fact that, rather than resting on his laurels, Reggie is putting his fame to very good use in sponsoring tournaments such as this one in Riverton for the benefit of minor hockey.

In addition, he is also a motivational speaker about the perils of drug and alcohol abuse based on his own personal experiences earlier on in his life. It is for this more than anything that I think Mr. Leach deserves the acknowledgement of the House today. His return to his roots, and his dedication to today's youth show him to be a true humanitarian and a real hero in my eyes. Achieving success and fame in the sports arena is a laudable thing, but it pales in comparison to seeking selflessly to improve the lives of others.

Mr. Speaker, my hat is off to the Riverton Rifle, Mr. Reggie Leach, one of the Interlake's finest sons. Thank you.

Pont Provencher

Hon. Jon Gerrard (River Heights): Monsieur le président, aujourd'hui je parle du Programme Infrastructures Canada-Manitoba et le pont Provencher. Le pont Provencher est important. C'est un pont très important pour les citoyens de Saint-Boniface, les citoyens de Winnipeg et les citoyens du Manitoba.

La question aujourd'hui, c'est la priorité du gouvernement NPD. Le pont Provencher est une priorité pour la ville de Winnipeg. Le pont Provencher est une priorité pour le député fédéral de Saint-Boniface, l'honorable Ronald Duhamel, et pour le gouvernement fédéral.

La question aujourd'hui, le pont Provencher est-il une priorité pour le NPD? Est-il une priorité pour le ministre des Finances et l'honorable député de Saint-Boniface (M. Selinger) à cette législature? Le pont Provencher est important pour Winnipeg, le pont Provencher est important pour le Manitoba. Il est temps que le gouvernement NPD nous indique si le pont Provencher est son priorité. Il faut prendre une décision. M. le président, pourquoi le

gouvernement NPD hésite-t-il à prendre une décision?

Translation

Mr. Speaker, today I am speaking about the Canada/Manitoba Infrastructure Program and the Provencher Bridge. The Provencher Bridge is important. It is a very important bridge for the citizens of St. Boniface, the citizens of Winnipeg and the citizens of Manitoba.

The question today, Mr. Speaker, is the NDP government's priority. The Provencher Bridge is a priority for the city of Winnipeg. The Provencher Bridge is a priority for the federal member for St. Boniface, the Honourable Ronald Duhamel, and for the federal government.

Today's question: Is the Provencher Bridge a priority for the NDP? Is it a priority for the Minister of Finance, the honourable Member for St. Boniface (Mr. Selinger) in this Legislature? The Provencher Bridge is important for Winnipeg and for Manitoba. It is time that the NDP government indicate to us whether the Provencher Bridge is its priority. A decision needs to be made, Mr. Speaker. Why does the NDP government hesitate to make a decision?

* (14:40)

ORDERS OF THE DAY

House Business

Hon. Gord Mackintosh (Government House Leader): Just a couple of notices, Mr. Speaker. First, it will be the intention of the House to deal with condolences next Wednesday. Second of all, it will be the intention to deal with the second readings on the Order Paper tomorrow, and then it would be the intention to go into Supply following the second readings. Third, the Standing Committee on Agriculture will meet on Monday at 6:30 p.m. in Room 255 to consider the motion referred by the House to that Committee.

Before moving Supply, Mr. Speaker, would you see if there is unanimous consent of the House to vary the sequence of consideration of Estimates as outlined in paper 113 by setting

aside the Estimates for Executive Council in the Chamber section in order to consider the Estimates of the Department of Industry, Trade and Mines. This change is to apply for today and tomorrow.

Mr. Speaker: For information, Condolences will be considered in the House for next Wednesday; and tomorrow second reading of bills, then Supply tomorrow; and the Standing Committee on Agriculture for Monday night at 6:30 p.m.

Also, is there unanimous consent of the House to vary the sequence of consideration of Estimates, as outlined in the sessional paper 113 by setting aside the Estimates for Executive Council in the Chamber section in order to consider the Estimates of the Department of Industry, Trade and Mines? This change is to apply for today and tomorrow. Agreed? Is there agreement? [*Agreed*] Unanimous consent has been granted.

Mr. Mackintosh: Mr. Speaker, this is to advise the House—I do not believe consent is required—but there will not be a sitting of Supply in 255 for this afternoon.

I move, seconded by the Minister of Consumer and Corporate Affairs (Mr. Smith), 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.

Mr. Speaker: Is there agreement of the House for only two sections of Supply to meet this afternoon? [*Agreed*]

It has been moved by the honourable Attorney General, seconded by the honourable Minister of Consumer and Corporate Affairs, 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.

Is it the pleasure of the House to adopt the motion? Agreed? Agreed and so ordered.

COMMITTEE OF SUPPLY (Concurrent Sections)

CONSERVATION

* (14:50)

Mr. Chairperson (Harry Schellenberg): We will call the committee to order. I just want to

notify that only members and the minister's staff can sit at the table; others must sit back further in the audience, please. Thank you.

Good afternoon. Will this section of the Committee of Supply meeting in Room 254 please come to order. This afternoon, this section of the Committee of Supply will resume consideration of the Estimates of the Department of Conservation. When the committee last sat, it had been agreed to have a global discussion on the entire department, and once all questioning was completed the committee would then pass all lines and resolutions. We are on line 12.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$458,800. Shall the item pass?

Mr. David Faurshou (Portage la Prairie): I believe the minister was going to report back to the committee on flows for the Assiniboine River diversion and projected capacities from yesterday's questioning.

Hon. Oscar Lathlin (Minister of Conservation): Yes, yesterday I made a commitment that I would endeavour to get information in response to the member's question regarding the diversion channel from the Assiniboine River to Lake Manitoba. Prior to construction of the Portage diversion, I guess, flooding of the Assiniboine River between Winnipeg and Portage la Prairie appears to have been a regular occurrence, and I understand extremely severe, as well.

This unusual land formation resulted in flooding and made it difficult for water to drain back to the river following a flood crest. The water eventually would drain back through other drainage systems, but I guess while it was doing that it would delay crop planting by weeks. So in order to alleviate that situation and to reduce flooding in Winnipeg, this 18-mile-long channel was constructed from the Assiniboine River at Portage going north to Lake Manitoba.

Mr. Chairperson, the diversion capacity is at 25 000 cfs from the river to the lake. There is a fail-safe section of about 3000 feet in length where the capacity is 15 000 cfs. The fail-safe section exists to prevent, as the member pointed out yesterday, overtopping and erosion of the

main dikes on both sides of the channel under extreme flow conditions. So the capacity for that channel is 25 000 cfs. At the fail-safe section, 3000 feet in length, the capacity there is 15 000 cfs.

I believe that is what the member was asking yesterday.

I think also another question that he was asking was I believe the silting. I think he said the channel is shallow and therefore it does not work properly. The information that I have as a result of getting staff to do research for me, apparently a detailed survey at the Portage reservoir was carried out this past winter. Less-detailed surveys of only a few cross-sections were done at least three times in the last 10 years, I am told. We have not had the time to do an in-depth comparison as yet, but it appears that the reservoir has reached the state of equilibrium. Silt that is deposited in the spring and summer is eroded in the fall and winter whenever the reservoir is drained and flow is confined to the conduit. The reason for this winter's detailed survey was so that a staged storage curve could be developed for the reservoir to aid in the springtime operations, and the contour plan of the recent survey should be available shortly. I believe those were the questions that the member was asking yesterday to which I could not respond immediately.

Mr. Faurchou: I appreciate the minister's rapid response in this regard, and I think I would like to reserve further questioning of the minister, not at this time, but potentially we can review the results of the survey once complete because I do believe it is a valuable asset for the Portage la Prairie area for water retention and potential irrigable waters. I would appreciate if the minister and I could get together sometime.

So, with that, Mr. Chairman, I would like to defer to my own colleague for Virden.

Mr. Larry Maguire (Arthur-Virden): Mr. Chairman, further to that, I just wondered, maybe I missed it. I would like to ask the minister if he could give us an update. I think I asked a bit yesterday, as well, on an update of the banks of the diversion, construction-wise or their present condition, or did we answer that?

Mr. Lathlin: I thought we did answer that.

Mr. Maguire: I wonder if he could just give me a quick update on it.

Mr. Lathlin: Mr. Chairperson, I am advised that, whenever the fail-safe section is utilized, some erosion takes place, and then repairs are done afterwards. Apparently, these repairs have not been that effective over the long term. It keeps happening, I guess. A further assessment of repair needs and protective measures will be undertaken this coming summer. A cross-section of surveys will also be undertaken to determine whether the capacity of the lower region of the diversion has diminished over time due to siltation, so I believe, yes, we are doing something. We are reviewing it, and probably by the fall time we should have a good picture of whether there needs to be further work in order to make it more effective or whether whatever it is we are doing now will be sufficient.

* (15:00)

Mr. Faurchou: Within this study, will there be consideration of additional low-flow capacity constructed through the drop structures, in other words, a lower piping within the drop structure so that you could draw down the water to a lesser level, because the lower channel has been eroded and a lot more water stays in the channel over winter and ultimately a lot more ice is in the channel when spring water run-off start flowing into the channel from the river. So you are already starting with a lot more ice, and when you are talking about your survey work, the drop structures already have a pipe through them to draw the water down, but because of the erosion the lower channel is deeper now so that consideration should be given to install piping through the drop structure so that you can draw the water level down within the channel to a greater degree. This has been a consideration, but seeing that the minister has referred to an overall study of the channel itself, please be inclusive in studying the drop structures as well and perhaps for he inclusion of lower water level piping installed in these drop structures.

Mr. Lathlin: I would like to advise the Member for Portage la Prairie that apparently we are going to be looking at that situation at the same

time that we are looking at these other issues. I am advised by my staff that we should complete that work by this coming fall. So probably by fall time we will have a better idea.

Mr. Maguire: So the study that you will do will be comprehensive to the Assiniboine River diversion. Is there anything that the minister can provide to me at this time in relation to the quality of the banks near the outflow end of the diversion as it approaches Lake Manitoba? I guess my question is in relation to the quality of the original structures or the comparison of what we have today with original structures. How much flooding has occurred perhaps over the last few years? Has this spring's high flow through the Assiniboine diversion been an excess problem and what developments might have come out of this spring's high water?

As my colleague from Portage has pointed out, there was a lot of ice that went through the facility this spring with the boom. It certainly did not catch it all. I am wondering, you know, you indicated that the gates and structures were fine yesterday, but my question is more in regard to: With that much ice going through it, it certainly was not designed for that, and so are there any other complications that maybe we want to be aware of or things to watch that you can tell me now that will not necessarily come out of the study this fall?

Mr. Lathlin: I believe we are talking about the overflow section. We are talking about that part of the channel, the fail-safe section that is about 3000 feet in length. I think we talked about that yesterday as well. *[interjection]* Yes. I thought the Member for Portage la Prairie (Mr. Faurichou) was asking us to pay that part of it, but I understand that we are continuing to work on those banks to stabilize. I am not at this time aware of any other major problems other than that part of the channel that we talked about yesterday.

Mr. Maguire: I guess I would just like to switch for a moment if I could just to get a better handle on the amalgamation of the departments and that sort of thing, Mr. Minister. I would like to ask the minister, Mr. Chairman, if he could provide me with any details on the organizational chart, I suppose, in regard to additions that he might

have included. I do not know if this is the same flow chart we had last year or not; it is right at the front of the supplementary information provided. If he could inform me which councils and committees might have been added over the past year and to give us some background on that if there is any.

* (15:10)

Mr. Lathlin: Yes, I can give the member some information with regard to the work that has been done to date on the integration efforts. Let me say this. I think in my opening remarks I touched on some of this yesterday where I talked about, you know, we had steering committees. We had talked to as many staff at all levels as we could because we wanted to make sure there was staff support for the integration process. So it has been a long exercise. I myself found it not frustrating but I was I guess wanting to get the job done as quickly as I could because you are dealing with a department that is being amalgamated, and then there are ongoing issues that you have to deal with on a day-to-day basis. At the same time you are trying to integrate the two former departments. We have a new organizational chart.

We have added two advisory groups to the already several advisory groups and boards that we have. The Aboriginal Resource Council was established as an advisory group to the minister with issues having to do with First Nations, Metis people. That council consists of, I believe, 16 members. We have members from all across the province, and we have two elders serving in that council at the present time.

We have another group that has been added. That is the Manitoba Round Table for Sustainable Development. Actually that group was really reconstituted, I guess. In the round table we have some of the former members of the former round table. Then we added on former members of the Manitoba Environment Council. We put those two together and that is what we have today, the Manitoba Round Table for Sustainable Development.

I should also say though that we have a new division called the Environmental Stewardship division. Under that division we have

Environmental Approvals. By the way, this new division is headed up by an assistant deputy minister. Under the ADM we have Environmental Approvals, we have Sustainable Resource Management Branch, and then a third box in that chart is the Aboriginal Relations branch.

The Environment and Natural Resources regions are now combined. We have a single set of seven regions, and that includes headquarters here in Winnipeg.

Mr. Maguire: I would like to thank the minister for that update on some of those whole new areas. Can you indicate to me the number of meetings that the Round Table for Sustainable Development, you know, maybe outline a bit of the work that they have done since you reconstituted it last year in regard to the combination of the old Sustainable Development group and the Environment Council?

Mr. Lathlin: I am going to guess here, because I do not have the exact information, but I know, I think we have met, oh, maybe five times since we reconstituted the round table. At the last meeting of the round table I posed a question whether, you know, because in between meetings we have committee meetings. At the last meeting I think a couple of committees did not, could not complete their reports in time for this big round table meeting.

So I asked the question whether we were meeting too often, you know, do they want more time in between so that they can do their committee work in the interim, and they said, no, we want to stick to the schedule. They were fine about it. Now I have just been handed some information here. Yes, it has been five times that we have met.

Mr. Maguire: So you have mentioned a schedule, Mr. Minister. Have you got a schedule? Do they hold regular meetings?

Mr. Lathlin: We meet as a round table about every two months. As I said earlier, in between the regular meetings there are subcommittee meetings that are held.

Mr. Maguire: Are there other subgroups, I guess, within the round table now that are

meeting on specific issues, and how many would there be?

Mr. Lathlin: Yes, there are several subcommittees that have been charged with certain responsibilities. I do not exactly remember the names of the committees.

Mr. Stan Struthers, Acting Chairperson, in the Chair

Mr. Acting Chairman, rather than trying to guess the exact names of those committees, I would like to propose to the member that I get him the names of those committees. I know we have committees because I meet with them and they give us reports. Could I propose to the member that I get the names of those committees? I prefer to get the exact names rather than trying to guess.

Mr. Maguire: Yes, just a follow-up to that, I was going to ask the minister the kind of work that each committee does, and if they have any reports could you make those available to me as well.

Mr. Lathlin: Yes, we could make those reports available. For example, I believe I have already tabled the annual report for the Manitoba Round Table 1999-2000. That has been completed. I have tabled that in the House, but in addition to that I can give you some of the work that the various committees are doing. I know for sure one of them is an education committee, outreach. I sit on two committees as well, so I can give you that information.

Mr. Maguire: That would be fine, Mr. Acting Chairman. I do want to continue with this line of questioning, but my honourable colleague from St. Norbert has come in and would like to ask a few questions. He just has a few points that he would like to make with the minister in regard to the general discussion that we are having. So I would turn it over to him.

* (15:20)

Mr. Marcel Laurendeau (St. Norbert): Mr. Minister, I wonder if you could just bring me up to speed on the floodproofing that is occurring within the city of Winnipeg. I will bring you up

to speed a little bit on what the problem is we are having.

The City of Winnipeg is in control of the diking program for the city of Winnipeg, but under the agreement we had struck we would retain 20 percent of the EMO funding until such time as they had proved that they had put in place a structure or signed off that they were going to floodproof their properties.

The problem we are having on Lord Avenue in particular is one area. The City is, I cannot say dragging their feet, but it is taking a little longer than it should have. We have some money that is being withheld from some of the homeowners, varying from \$5,000 to \$40,000 that is owing to them by EMO which cannot be paid to them until such time as they have either agreed to the floodproofing or applied for the floodproofing or have the dike in place. Well, they would like to apply for the diking program, but they cannot because the City is saying they fall under the principle of their diking program.

So I was wondering if the minister could speed this process up a little bit, seeing as the residents are prepared to sign letters that say they are willing to dike if the City does not. Could they not get the same criteria established with them as the people in the rural areas did, where they signed off and said they would construct over a period of time the dike, so they could receive that extra allocation from the EMO? Right now we are withholding these funds. They would even be prepared to use some of these funds toward building their dikes. All it takes is an approval from your department, sir, to say that you are willing to accept their signatures saying that the dike will be built. We did it in the rural areas, it worked, and I do not see why we should be holding it up. In this case of this one, it is the City that is the roadblock right now.

Mr. Lathlin: I wonder if the member could give us, maybe not now but immediately afterwards or sometime during today, more specifics, those issues we can look further into, those files and see if we can move them along faster than they have been.

Mr. Laurendeau: If the honourable minister's staff would like, they can look at Lord Avenue

as the first experience. On Lord Avenue we have got a number of residents—as a matter of fact, one of them is an MLA. It is the Member for St. Vital, Linda Asper. She is one of those that is being withheld her funds right now, and she agrees that, you know, they are prepared to put in the program but let us have our money.

The whole street actually on Lord Avenue from one end to the other from Linda's house right down to the end, they have all agreed that the diking should take place. They are saying just let us sign off and say that, yes, it will, but the City is the roadblock. The City is saying, well, we have to have approval first. Well, there is a meeting this Thursday on the diking proposal. It is actually going to happen on the 3rd so that is this Thursday for their diking proposal. But if somebody disagrees, then they will each have to do it individually.

All I am saying is why do we not let them at least sign on or sign off on an individual basis rather than being held hostage by the City of Winnipeg. That is what the City of Winnipeg is doing. It is holding a number of them hostage right now because, I mean, they are sitting on \$40,000 that should be coming back to them, that is owing to them at no fault to you, Mr. Minister, but at the fault of the City for saying, no, I am not going to let you sign on to the dike program. They were not allowed to sign the dike program because the City was, in effect, saying this is where a city primary dike or secondary dike will be established on these properties, which was not fair in this case where you would take a whole street and say, no, you cannot even sign on. They are afraid that if they do not get signed on or do not get this approval in a hurry, they are going to fall outside of the diking program which is coming to an end. They had been told that many times.

You have to remember this is '97 now, and EMO basically is going to finally close all these claims, and they will not be able to get their funds. So they are a little concerned that these funds will not flow, and they will fall outside of the dike program. We have some on Trappistes road. We have some on St. Pierre. We even have some in the Fort Garry area, some on St. Mary's Road. There are a number of private residents who have run into this problem because they

ended up with the City having to construct the dike. Kilkenny, King's Drive, Parkwood Place, these are all areas that are affected.

It is not, again, due to your department, sir. It is because of what the City has done, saying they are going to be responsible for the primary dike. What we are saying is if the City is going to be responsible for this primary dike, then let us get them to sign it off so these people can at least get their money from the EMO. I mean, it has been since 1997, and in all fairness I think they have waited long enough.

They suffered during the 1997 flood and I think that they should have that money back in their pockets. They spent the money already and there is no reason for them not to have recouped it. Everybody else was able to in the rural areas. Everybody in the city who built their dikes have already been able to recoup that 20 percent, and there is no rhyme or reason to us holding this money away from these people.

Mr. Lathlin: Okay, I will make a commitment to the Member for St. Norbert to look into those files with a view to making them move along so that they can come to a successful conclusion.

Mr. Laurendeau: I do not mean to put the minister on the spot here. Do not get me wrong, but could I get a commitment, Mr. Minister, that their files will not be closed and that the opportunity for floodproofing will not end because they are being held hostage by the City of Winnipeg at this time?

I mean, I think it would be appropriate for us to take a stand here and say, no, their files will not be closed. They will not fall out of the floodproofing program because of what is happening in the city. I think that they should have an opportunity, if the floodproofing program for the city fails, to step back up to the plate.

Mr. Lathlin: Yes, we can advise the member that during this Estimates process here, our commitment is, although we cannot definitively say it today without knowing all the details of those various files, that I will make a commitment to the member that we will check on those files and move them along.

Mr. Laurendeau: I appreciate that, Mr. Minister, and I will bring your words to the constituents of St. Norbert, and I am sure they will be happy to hear that you are very supportive of their initiatives.

* (15:30)

Mr. Maguire: As I said, in asking some questions in regard to the organizational chart that the minister has, we will be looking at some other areas there as well, but you did indicate in your comments yesterday about some of the positions that are held by—you have outlined the deputies and their responsibilities in these areas, and you have outlined the names of some of the retirees, some of the new staff that you have hired. I wonder, first of all, if I could ask you to provide me with an equivalent flowchart, organizational chart of this from last year just for comparison purposes. You have indicated to me some of the departments, but if I could just get a flowchart on that or an org chart from last year, a comparative, it would be a help.

Mr. Lathlin: Yes, we can make available a copy of the flowchart from the former—I guess I will have to say the two former departments, and then we will give the member a copy of the organizational chart outlining the amalgamated Department of Conservation.

Mr. Maguire: I guess some of the areas that I will be asking about are further detail in regard to some of the groups or departments within the organizational chart that is here. You have pointed out to me some of the new ones. I would just like to get some further detail in regard to staffing in those areas.

You did indicate yesterday in your presentation that there are some positions being filled. In total over 150 staff are participating on these teams. I would like to, if I could, get an indication of who are the heads of some of the departments that you have. You have a whole host of them here, and it would take some time to go through them, but I would like to, if you could, provide me with some detail on each of these in regard to staff, each of these committees or each of these sections of departments.

I wonder if you could indicate to me who—I will start with, we were talking about it with the

Assiniboine River Management Board, if perhaps you could provide me with a, or I do not know if you have this in a chart anywhere, but I would ask who the chairman or the assistant deputy is in regard to those areas. I guess these boards, they will not be assistant deputies, they will be chairmen, Mr. Chairman. But can the minister indicate to me who the chairman is on the Assiniboine River Management Board?

Mr. Lathlin: I would like to start off by advising the member that under the box, where the minister's position is outlined, there are several boxes here. Some of them are advisory groups. Some of them are boards. Even some of them are Crown corporations. For example, I will just give you a sampling. Under the minister, we have the Aboriginal Resource Council, the Venture Manitoba Tours Limited. We have the Ecological Reserve Advisory Committee. We have the Saskeram Management Area Advisory Committee. We have the Endangered Species Advisory Board, the Greater Winnipeg Dyking Board, the Arbitration Board of Forestry Branch, the Manitoba Water Commission, the Assiniboine River Management Board, the member is referring to, and that is chaired by Mr. Dickson, the Lower Red River Valley Water Commission, the Lake Dauphin Advisory Board, the Manitoba Hazardous Waste Management Corporation.

That is just to give you an example of the types of commissions, boards, advisory groups that are under the box of the minister. These groups are, the majority of them are Order-in-Council appointments, and they have their mandates. They have regular meetings with the minister and give advice to the minister as well. None of these people, I do not think, have any line relationship with other staff in the department.

I should also, Mr. Chairperson, advise the Member for Arthur-Virden that many of these boards have a long history in the department being advisory groups. When I came along I wanted to, as part of my orientation into the department, find out how long some of these boards had been in there. I found out that many of them have been there for a long time. Also, many of them have not been particularly active. You know, they would meet every so often,

while others met on a regular basis and had regular contact with the minister. Then there are some who told me when we came on that the meetings with the minister were very, very irregular.

One to the things that I had to think about when I first came on was, you know, is this the best way to do it? I know there is always a need for good advice from people, grassroots people, but I, as part of our reorganization, wanted to make sure that we did not have groups here in an advisory role that had become irrelevant, obsolete, but we have most of them here.

Mr. Maguire: Can the minister indicate to me perhaps which committees or boards might have been dropped? I know some of them have been reoriented in your term. Can you indicate to me if there are any that have been dropped?

Mr. Lathlin: Since I have been minister, the only group that has been dropped as a result of our reorganization is the Manitoba Environment Council. As I said earlier, half of the current Manitoba Round Table for Sustainable Development is comprised of former members of the Manitoba Environment Council. The other half is comprised of members of the former Manitoba Round Table.

Mr. Maguire: Yes, that committee, then, the Manitoba Round Table for Sustainable Development, is that the one still chaired by Mr. Dubois?

Mr. Lathlin: I am sorry, Mr. Chairperson, I did not hear.

* (15:40)

Mr. Maguire: I am asking if that Manitoba Sustainable Development Round Table was still chaired by or is being chaired by, is that the one by Mr. Jack Dubois?

Mr. Lathlin: The Manitoba Round Table is chaired by the minister. The vice-chair is Mr. Dubois.

Mr. Maguire: Yes, you are quite correct. I am just wondering, of the councils and committees and boards that you have there, how many of

those positions are paid positions and what kinds of salaries are involved in them?

Mr. Lathlin: Mr. Chairperson, I can advise the member that most of those people who serve on those boards and commissions, advisory groups, are unpaid. We can, however, provide a list of any boards where people get honorariums. These people, when they come to Winnipeg, are paid for their expenses.

In the Manitoba Round Table, I know this because I was asking that question one day, most of the round table members, although there is an honorarium that they could get, most of them do not want it. They do not want to get paid, but we pay for their expenses. For example, if we meet outside of Winnipeg, we pay for their transportation, meals and accommodation costs. The honorariums that are being paid and those who accept the honorarium payment, those rates are governed by a standard Government rate. Certain boards are paid so much a day, but the rate is not uniform. Some will get less. Some will get more. I believe there are three categories that determine how much. For example, if you and I were sitting in the Manitoba Round Table, I think that would be the highest or maybe even the medium amount that we would get paid. There are other commissions and boards where they get paid more. I think some commissions and boards go as low as \$50 to \$70 a day. Then there are many commissions and boards where they do not get paid at all, except for travel costs.

Mr. Maguire: I am going to move for the time being to the departments. Under the deputy minister's part of the flowchart, you have the four deputy ministers outlined. You named them. Well, yesterday they were in attendance with us. I appreciate that. I wonder if we could look at just some questions, if I could get information in regard to the staffing of those departments at the present time. Maybe we could start with things like salaries, as well, but I would like to look at getting information from the minister.

Mr. Chairperson in the Chair

If he could tell me the different structures of the departmental staffing, as well as some of the

political staffing that he might have in each of those areas. First of all, I guess I would ask if the minister could provide me with the names of his political staff in the department.

Mr. Lathlin: With the deputy and the assistant deputy ministers, of course, I think the member would be aware that there are no political staff in those divisions. In the minister's office, however, as the member will again be aware, people have been appointed through Order-in-Council. Now, what do I have. I have one special assistant, and then I have one research assistant I believe the title is.

Okay, so I have one special assistant and one constituency assistant in my political office here in Winnipeg. Then, of course, in The Pas I have one constituency assistant there helping me out in the riding.

Mr. Maguire: I wonder if the minister could just provide me with the names of those people at this time, if he has the names of his executive assistant and support staff on the political side, if he could indicate to me their names.

Mr. Lathlin: The staff that I have here in Winnipeg are Glen Holmes and James Martin.

Mr. Maguire: I wonder if the minister, while he is naming them, could just give me their titles as well.

Mr. Lathlin: I did that already. For example, I said Glen Holmes is the special assistant. James Martin is the constituency assistant. In The Pas, I have one other political staff member, but she is under the member's allowance category, so I do not know if you want that as well. That is all the political staff that I have right now.

* (15:50)

Mr. Maguire: Can the minister indicate to me what the salaries are of those special assistants?

Mr. Lathlin: The special assistant, Glen Holmes, is \$50,000; the constituency assistant, James Martin, is \$44,000.

I am sorry, it is very important that I have this right. You see, I am new to this too. Glen

Holmes is the special assistant. James Martin is the executive assistant. The one that I have in The Pas is a constituency assistant, but that is member's allowance.

Mr. Maguire: Thank you for clarifying that, Mr. Minister. That was what I was looking at, just to get the clarification of the titles, who they were and what their salaries are, just to get a bit of an organizational idea and picture of some of the department. That is what I am looking at in regard to the questions that I will have in the different areas here. I am going that route.

I guess I am looking for now under the assistant deputy areas and the deputy areas, I mean, I am assuming that we know who obviously the deputy and assistant deputies are who are here with us. I am looking for more detail in regard to some of the other departments that you have, the other groups that you have here under Regional Operations, under Conservation Programs, under Stewardship and Corporate Services and looking at if I could get some detail. I will be asking questions on some of the players involved there, some of the people involved, if I could get some of the staffing from the minister in regard to who they are in the various areas.

First of all, I guess the best way to proceed would be to ask the minister. I know he indicated in his remarks yesterday that there are some positions that have not been filled, some that are being filled right now, but I wonder if the minister could, first of all, in regard to the flowchart, indicate to me if there are any heads of those departments that are left open at this time under the assistant deputy minister level.

Mr. Lathlin: Mr. Chair, I can advise the member that, for example, under the Assistant Deputy Minister of Regional Operations we have seven regions. Because of our integration, our amalgamation of the two former departments, when we developed this new organizational chart to reflect the integration, the staff I guess essentially had to apply for the jobs under the new integrated system. In other words, if I were a regional director, I would have had to reapply for that position. Other people were given the opportunity to apply as well.

That staffing action has been completed, but we are at the point now where I am not sure what it is, but we will be announcing those successful candidates I guess because of the staffing action requirements. You know, I am not at liberty to say today because of the staffing. I do not know if there are regulations, but our plan was to announce them on Tuesday, the director for the Headquarters Operation, the Northeast Region, the Northwest Region, the Central Region, the Western Region, Eastern Region, and the Red River Region. There are going to be seven directors announced.

Mr. Maguire: So I would just like to get it clear from the minister that next Tuesday your intention is to announce the new heads of each of those departments or each of those regional offices.

Mr. Lathlin: Mr. Chairperson, yes, that is in fact what I am saying. Next Tuesday I will be in a position to announce the new appointments.

Mr. Maguire: So, if I understand the minister correctly, all of these positions have been tendered positions that are being filled.

Mr. Lathlin: The competition for these positions was internal to the department.

Mr. Maguire: The minister indicated in his remarks yesterday—and it is just for my information. I am not familiar with the personnel as much as perhaps some of my colleagues that have been here longer. You mentioned that Mr. Bill Podolsky and Merlin Shoesmith had retired or have left their areas. Can you indicate to me which departments they were involved in and what their position was?

Mr. Lathlin: Mr. Shoesmith was the Assistant Deputy Minister of Programs and Services under the old org chart. He decided to retire. Bill Podolsky was the Executive Director of Administration under the old structure. That structure, because of integration, reorganization, that section was eliminated. Mr. Podolsky decided to retire so we do not have that position any more under the new organization.

Mr. Maguire: If I could just get clarity on that, that Mr. Podolsky was the Executive Director of

Administration. Was it in regard to Natural Resources or Environment?

Mr. Lathlin: Mr. Podolsky's position was in Natural Resources under the former structure.

* (16:00)

Mr. Maguire: The counterpart then and Executive Director of Environment in the past, could you give me the name of who that person would have been?

Mr. Lathlin: I think the member is asking who the other person was on the Environment side.

Mr. Maguire: Yes.

Mr. Lathlin: That was Wolf Boehm.

Mr. Maguire: I look at the flow chart and I was going to ask who the heads were of each of those regional areas but I guess we will be finding out on Tuesday. So the minister I guess cannot tell me at this point is this just a restructuring of the committee and many of these people will have to reapply for their jobs under the new department, that a number of the people who held these jobs in the past will be reapplying for them. I guess I am looking for information in regard to the numbers and staff that would be in each of those regional offices and that sort of thing as well. We may get into that later in some of the information.

Mr. Lathlin: I want to advise the member that the reason that I am not able to say today who those new regional directors are is because I understand the candidates themselves have not been told yet. So we are going to be offering them the job and then probably the next day we will be in a position to make an announcement.

Under the old structure we had 11 regional directors. We now have 7 regions and therefore we had to select from the 11 who our regional directors would be. We are pretty well completed, I guess, that part of the staffing process.

Mr. Maguire: Can the minister just explain that a bit to me? If you had 11 regional directors, that would have been some in Natural Resources and some in Environment previous to that, could you

give me the breakdown on that? How many were there? I am assuming that, from the supplementary question as well, does that seven that you are talking about include the six listed here plus regional Headquarters Operations? Is that the seventh one?

Mr. Lathlin: Mr. Chairperson, I am advised that, under the old structure, Natural Resources had six and Environment had five.

Mr. Maguire: Mr. Chairman, can the minister confirm for me that the seven regional offices that they have now under the new offices of Regional Operations include the one that would be the Headquarters Operations?

Mr. Lathlin: Yes.

Mr. Maguire: Mr. Chairman, can the minister then indicate to me who the chairpersons of those 11 departments are today?

Mr. Lathlin: Mr. Chairperson, I am sorry. I do not understand that question.

Mr. Maguire: I know you are realigning, Mr. Chairman. I am just asking the minister, through the realignment, I know you are moving to the seven regional offices and he has indicated that there are six from Natural Resources, I believe, and five from Environment. I was just wondering if the minister could name for me the persons who are presently heading each of those six in Natural Resources and five in Environment.

Mr. Lathlin: Mr. Chairperson, right now, because we are integrated now, there is no Natural Resources, there is no Environment. That is gone. In place of that, we have six regions, I guess, including the one in Headquarters in Winnipeg, and that makes it seven. The names of those people who were in the former Natural Resources Department are: In the old northeast region, in Thompson, under Natural Resources, was Don Cook. Under the old northwest region, Natural Resources, we had Al King. In that same old region, I will say former region, in Environment, we had a fellow by the name of Steve Davis. In Brandon, in the Park-west region, in Environment we had Bernie Crisp and in Natural Resources we had Bob Wooley. In southcentral region, in Environment,

we had Leslie MacCallum. In eastern Interlake Region, under Environment, Dennis Brown. In the eastern region, under Natural Resources, we had Bob Enns. In Environment, in the Winnipeg Region, we had Dave Ediger. In headquarters, central region, under the former Natural Resources Department, we had two vacant regional directors positions. So that gives you all of the former regions, I guess, and the names of those people who occupied those positions.

Mr. Maguire: Thank you, Mr. Minister, so I assume then that those people are all presently employed as of today but are reapplying, some of them who wish to, for the positions that you are going to announce on Tuesday.

Mr. Lathlin: Out of those people, we will be announcing the successful candidates on Tuesday. The unsuccessful candidates are not going to be laid off. That has been our position right from day one. We are going to redeploy them to other important work in the Department of Conservation. At this time I only know of two people who have decided to retire, and those are Mr. Shoesmith and Mr. Podolsky.

An Honourable Member: They are all moving to Dauphin.

Mr. Maguire: The Member for Dauphin says they are all moving to Dauphin. I would invite a few of them to come to the southwest. A little further southwest than you are.

Mr. Minister, can you indicate to me, then, what kind of contracts these people would have? You have indicated that they were on a tendered basis. If I am correct there, can you indicate to me what types of contracts they would have?

Mr. Lathlin: The member keeps using the word "tendered." I do not believe that is the right term. I believe the right term is you develop a statement of qualifications, you describe the job, and then you post it, you advertise the position either internally or as an open, wide competition, and then people apply under the Civil Service Commission. So they are not really contracts. They are full-time civil service positions. They become civil servants or government workers.

* (16:10)

Mr. Maguire: I guess my question is, then, I was just assuming, have these been tendered

outside? I mean, they are open contracts, anyone could apply for them, or are they internally posted?

Mr. Lathlin: No, these positions that we have just been talking about, the seven regional directors were all internal competitions. We did not go outside.

Mr. Maguire: Can the minister indicate to me who makes that decision and why that decision was made?

Mr. Lathlin: When we started the integration work, the amalgamation of the two former departments, it was important that our employees were made to feel that because of integration there was a lot of uncertainty. People did not know if they would have jobs once integration had been completed, implemented and so on. So we made a commitment that we would not lay anybody off as a result of integration. Rather, we would try to redeploy them into other positions within Conservation. So that is the main reason why we did not go outside.

But I also have to advise the member that the Civil Service Commission is a very huge player in this area to make sure that we follow the rules and regulations. Any new positions are being advertised nationally, such as the Aboriginal Relations Branch director. That was a new position. That was advertised nationally. The regional director positions are not new. They are a consolidation of existing positions. So therefore we have stayed inside for those positions. But any new positions we went national.

Mr. Maguire: Thank you for that, Mr. Minister. It is just a realignment, as I understand it, of what you have got within the department in setting up these regional offices. Can you indicate to me if any of those will be moved from their present locations? I guess some of them have to be, with the combination of Environment and Natural Resources. Number 1, are any of them vacant today? It would not sound like they are, but I wonder if the minister could indicate to me if any of those positions are vacant at this time, Mr. Shoesmith's and Mr. Podolsky's.

Mr. Lathlin: I will start by saying that we are not going to be physically relocating or moving

offices from where they are now. They will stay there, wherever they are now. I believe the member was asking are you going to be moving people around because, obviously, as I indicated to him earlier, there were 11 positions from the two former departments before. We are appointing 7 to the new organization.

The movement that is going to be happening will be lateral movements. For example, I will just use The Pas as example—if we move somebody to, say, Lac du Bonnet, where the office is, those movements would be lateral. In other words, they would be moving to an equivalent position, I guess is a better way to put it, but we are not going to be relocating or closing down the offices, wherever they are located now.

Any person who is being moved, of course, will be advised. Hopefully, all of them will move laterally, but there may be cases where the person may not want to move. We could come to that, but right now our intention is to not put anybody out in the cold. We will move them to other positions in the department.

Mr. Maguire: Before I follow that up, Mr. Chairman, I would like to know is there any other reclassification in regard to what is expected of these individuals? Obviously, they will be taking on some combined responsibilities, from Environment to Natural Resources, in these regional areas.

I am assuming then that from the statement the minister has made, if there is a Natural Resources person and an Environment person in the same community—I guess there would have to be at this time—that one of them will get that job if they both applied, or somebody else could, I guess. Well, no, this one you are saying is internal so one would therefore get the job.

Can you just indicate to me is the role and responsibility expected to be the same or what kind of reclassification has taken place?

* (16:20)

Mr. Lathlin: I can indicate to the member that there will be cases but very few cases where

there will be some reclassification, but mostly all of the jobs will remain at the same level. At this time I am not sure which positions are going to be reclassified. We have not gotten to that stage yet, but I can tell the member, yes, because we are amalgamating, we are integrating two former positions into one function, two functions into one function, in some cases there might be a need to reclassify.

Mr. Chairperson, I would also like to add that the regional director classification of the former Department of Natural Resources, that is the classification that will be retained. That will be our base.

Mr. Maguire: That is a help, Mr. Minister. So it will be the regional director level of salary expectations and that sort of thing then that will be there for the new positions of regional directors under the Regional Operations department?

Mr. Lathlin: Yes, that is correct.

Mr. Maguire: Can the minister just give me an outline of some of the responsibilities that they expect that those new regional director positions will entail then? Will they have to have the familiarity of both areas, I am assuming Natural Resources and Environment, that they will be responsible for in those areas?

Mr. Lathlin: The regional director position is a management position. Any manager, any director, any regional director usually has to perform management functions, and those are planning for the overall organization in that region, that regional organization, planning, directing, controlling. Those functions remain the same wherever you go. Whether you are in a band office, or whether you are in health or even in private industry, those functions remain the same. But, in our case, because we are integrating and in order to follow the spirit of integration, that regional director in The Pas will be responsible for both Environment and Natural Resources.

Mr. Maguire: Can the minister just indicate to me then if there are any changes and maybe just give me an indication of the communities that these offices will be located in, from each of the seven departments?

Mr. Lathlin: The Headquarters Operations, of course, is located in Winnipeg at Saulteaux. The Northeast Region is Thompson. The Northwest Region is The Pas. The Central Region is Gimli. The Western Region is Brandon, and the Eastern Region is Lac du Bonnet. We will have a new region, and that will be called the Red River Region.

Mr. Maguire: I wonder if the minister could just give me an indication which part of the river that one is going to be located on.

Mr. Lathlin: Right in the middle, no, I am just kidding. The Red River Region, for the time being, is located in Winnipeg. There is a submission to the Treasury Board. Once we get Treasury Board approval, then we will be able to make a decision as to where the Red River Region will be located. That particular region being located in Winnipeg has offices, not just in Winnipeg but, for example, in Winkler, Selkirk, Portage la Prairie. So those are some of the offices that will be attached to the Red River Region.

Mr. Maguire: So it is the minister's intent, if I could try to paraphrase, that there is presently offices in those communities, or they will stay there as well, or will a central office always be in Winnipeg for that Red River area, or will you be looking at some place like Morris or otherwise to put an office there in the heart of that region?

Mr. Lathlin: Mr. Chairperson, whatever offices are there now, they will remain there. Once we get Treasury Board approval, we will then be in a position to assign the regional office to a community, and that is what has not been decided yet. Once we have that approval, then we will be in a position to assign the regional office.

I want to also indicate to the member that this new region will cover the area from just south of Selkirk, will include Portage la Prairie, Carman, Manitou, Winkler and Steinbach, and on the eastern side of the region, the border will start just south of Beausejour all the way down to the U.S. border just west of Sprague. This new region will represent the Red River Watershed.

* (16:30)

Mr. Maguire: Having said that then, the other regional offices that are there are purely regional offices, there are other offices within those areas as well, or are they just more specifically located to those cities and towns and the work is done out of them?

Mr. Lathlin: Mr. Chairperson, yes, let us see, the regional offices located in a community, let us take Western Region, for example, Western Region covers the area of the Saskatchewan-Manitoba border all the way down to the American border. It comes up north just west of Manitou, west of Portage, it takes in Neepawa, McCreary and along Lake Manitoba, Winnipegosis, Mafeking, Swan River, Roblin, Russell, Virden, Melita, Souris and Brandon.

Now in some cases the regional office also serves as the district office, but in most cases there is a regional office and we have district offices as well. Just as further information to the member, I understand we have 60 offices outside of Winnipeg.

Mr. Maguire: In the realignment I guess then my question to the minister is: Will there be any regional offices that are presently there being closed?

Mr. Lathlin: No.

Mr. Maguire: Or being relocated?

Mr. Lathlin: No.

Mr. Maguire: Will there be much realignment, if any, of the district offices at this time?

Mr. Lathlin: Mr. Chair, the answer is no.

Mr. Maguire: I would like to know, if I could, has there been any amalgamation of personnel—obviously there must have been some in some of the regional offices—but also much shift of personnel in the district offices as we have moved towards the amalgamation of these seven regional offices?

Mr. Lathlin: Mr. Chairperson, you know, when I was explaining the situation in The Pas, for example, that is the regional office for the Northwest Region. I believe The Pas also serves

as a district. In the same office, we have the district office for the Northwest Region. The regional director, who will be appointed there, will be in charge of everything. There will be no environment office or resources office. The regional director will be in charge for both areas.

One of the things that I tried to do as a result of integration is that I wanted to make sure that the regional offices and the district offices had enough field people. I gave the direction that if there is going to be any movement of people, I would rather have the people go to the regional offices and district offices because that is where the front-line workers, in my opinion anyway, should be. I do not feel that we should have an oversupply of workers in headquarters. I think where we are going to need people is out in the districts and in the regions. So we have tried to do that as much as possible.

Mr. Maguire: Well, I guess I would just like to know then, as well, from the minister, it is a bit up in the air I know, because there is some realignment going on here that will be announced very soon, as he has indicated. Can you give me an idea of the number of personnel in each of the offices? Are each of them the same? How are you going to establish that? Will the personnel, other than the directors who are presently involved in each of these regions, after the announcements have been made, you are looking as some of the unsuccessful candidates for these seven regions then working in the district offices, or you have indicated that they will move laterally? What kind of role would you see them playing, and would it be in the district offices? I assume that would be a different position that may not be seen as a lateral move. First of all, could the minister explain what types of positions will be there for those unsuccessful candidates, and will those be new positions or are they ones that are presently available?

Mr. Lathlin: I believe the member started out by asking me a number of positions in the regions. Maybe I will answer that first. At Headquarters Operations, we have 60.5; in the Northwest Region we have 48; in the Northeast Region we have 48; in the Central Region we have 79; in the Eastern Region we have 73; in the Western Region we have 107; in the Red

River Region there are 66; and in the Fire Program there are 58. That is in Regional Operations only.

Now, as far as redeploying people as a result of integration, I think or at least I thought I made it clear earlier when I said it has always been our intention right from day one, when we started to work on integration, not to lay people off, rather to try to find them other employment within the department. For example, those unsuccessful regional director candidates will be assigned to other senior positions because of their experiences. There is no point in assigning a regional director with all that experience and training to do something else that would not be self-fulfilling.

What those other responsibilities will be right now, I cannot say, because we still have to discuss this with the people who are going to be involved. These are not new SYs, although they may be new functions.

* (16:40)

Mr. Maguire: I guess I am just assuming then that they will be still in the Department of Conservation in their roles.

Mr. Lathlin: The answer is yes.

Mr. Maguire: I am going to defer to my honourable colleague from Ste. Rose, who has some questions in this area as well. Barring him getting all the answers in the next short while, I understand that we are going back in the House at five to private members' resolutions. I will maybe continue with some of these questions tomorrow or whenever we meet again, if that is okay with the minister. I would defer to my colleague from Ste. Rose.

Mr. Glen Cummings (Ste. Rose): If I am being repetitive I am sure the minister will point it out. I meant to be here earlier. How many vacancies is the department carrying right now on permanent positions?

Mr. Lathlin: Currently there are 60 vacancies, but 15 of those 60 vacancies are in recruitment status, I guess.

Mr. Cummings: The 15 that you singled out, are those NROs?

Mr. Lathlin: Mr. Chair, 3 out of those 15 are NROs.

Mr. Cummings: Will that 3 bring the NRO staffing to a full complement?

Mr. Lathlin: If we fill those 3 NRO positions, we would still have 6 vacancies.

Mr. Cummings: Is it the intention of the department to recruit for those vacancies immediately?

Mr. Lathlin: Mr. Chairperson, it is our intent to of course fill those 6 vacancies, but we have to go to Treasury Board to get approval.

Mr. Cummings: Did the department receive the funding in its global budget to fill all 60 vacancies?

Mr. Lathlin: We are budgeted for 98 percent of the salaries, I understand. I remember this from Treasury Board, as well. This is a normal turnover allowance that is given to departments so we are funded for 98 percent.

Mr. Cummings: Yes, I can appreciate that there may well be a mandated vacancy. I just wanted to be sure. In light of the total number of NROs, as an example, that the department employs, I guess I would be interested in what that number is. If there is still going to be 6 vacant positions, that could still be a vacancy rate of about 5 percent of NROs.

Mr. Lathlin: Mr. Chairperson, there are a total of 140 NRO positions.

Mr. Cummings: Well, I would encourage the minister to fill those vacancies. Can he confirm that he has had a number of resignations or retirements from people who are working in the lower levels of that side of the department who were hoping to be in a position to be trained to be NROs? Did the vacancy rise in some of the lower qualifications of that section?

Mr. Lathlin: Mr. Chairperson, I apologize to the member, but I did not quite get his question. Perhaps I could ask him to give it to me once more or rephrase it.

Mr. Cummings: Well, I am not trying to make it circuitous. What I am really interested in is whether or not the pool of qualified members that they have in the department who might well be eligible to be promoted to NR1, if that pool is shrinking.

Mr. Lathlin: If I understand the member's question, the answer is that our pool of lower level trainees, seasonal workers, I guess, has always been around 80, and I understand now is down to about 40. I should also mention to the member while I have this opportunity one of the first questions I asked when I was given the orientation into the department—we were talking about human resources—was to try to ascertain whether there was a succession plan, because in just about every orientation that I was given the different departments or divisions coming in practically all of them told me that we have an aging population in Conservation, and in a very short time there is going to be a whole bunch of employees retiring. So I asked the question to see whether we had a succession plan in place.

* (16:50)

There was some sort of a succession plan in place, I guess, but when I looked at the ages of the workers and you look at the seasonal number of workers that you had I was not convinced that was the best succession plan that we could have. So now we are working towards developing a succession plan I hope will address the human resource needs of the department down the road, rather than scrambling whenever there is a retirement.

As a matter of fact, one of the things that I also noticed was people who had retired for quite some time, we were asking them to come back because we were very short of people, and oftentimes the advice I got was, yeah, but that is the only person who knows how to do that job. It is very important that we get him back. I just thought that was not a very good way to operate. When I retire I do not want somebody to call me and say please come and work because we do not have anybody else qualified.

So now, hopefully, in a very short while we will have a succession plan in place, so that we

do not run into those kinds of problems. They can be very disruptive.

Mr. Cummings: Still focussing on the enforcement side, switching gears a little bit to what used to be the Environment, in terms of environmental officers on the ground, how many environment enforcement officers does the department have?

Mr. Lathlin: Roughly 60.

Mr. Cummings: Are those all categorized as environment officers, or are they people who can enforce The Environment Act but in fact have other definitions in the department?

Mr. Lathlin: I understand that those 60 people are in fact environmental officers.

Mr. Cummings: Are there any vacancies in that category?

Mr. Lathlin: Out of those 60 environmental officer positions, we have 3 vacant positions, and we are recruiting for them currently.

Mr. Cummings: I do not think I can let the minister's comment about hiring back some grey-haired employees go entirely unnoticed. Actually, there are still a few of them here.

But I agree that both departments need a good succession policy, and I have no quarrel with that. I was, however, interested to know if there was an ongoing recruitment program for the NROs and for the four environment officers. Public health inspections, of course, there is a limited number, as I recall, of people who actually are public health officers. Are there vacancies in that area?

Mr. Lathlin: I can indicate to the member that, yes, there is an ongoing recruitment program in place. We are trying to be more aggressive in our recruitment; that is, going to places like Keewatin Community College, the universities to seek candidates for our vacancies.

We also, since I have been in the department, Mr. Chairperson, developed an Aboriginal employment strategy for the Department of Conservation. We have Cabinet

approval and we have hired an Aboriginal employment consultant who is doing the same thing, actively recruiting Aboriginal people to Conservation, particularly in those areas where there are a high number of Aboriginal people, trying to recruit them into front-line work.

Mr. Chairperson: Order, please. The hour being 5 p.m., committee rise.

INDUSTRY, TRADE AND MINES

* (15:00)

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

We are on page 100 of the Estimates book, Resolution 10.1(d) Policy, Planning and Co-ordination (1) Salaries and Employee Benefits \$457,200.

Mr. Mervin Tweed (Turtle Mountain): I will just get my page here; 100, you said.

Mr. Chairperson: 100.

Mr. Tweed: Mr. Chairman, I am wondering if I might ask the minister if her department had any involvement in the purchase of the Pan Am Clinic.

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): No.

Mr. Tweed: So then there will be actually no active involvement by staff or personnel and also no financial assistance or services provided?

Ms. Mihychuk: We have no relationship with that project at all through the department.

Mr. Tweed: I thank the minister for that. We will pass a few lines.

Mr. Chairperson: Item 10.1. Administration and Finance (d) Policy, Planning and Co-ordination (1) Salaries and Employee Benefits \$457,200—pass; (2) Other Expenditures \$165,600—pass.

1.(e) Manitoba Office in Ottawa (1) Salaries and Employee Benefits \$119,400—pass; (2) Other Expenditures \$116,400—pass.

1.(f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$758,800. Shall this item pass?

Mr. Tweed: Just in regard to the Bureau of Statistics. I think last year we talked that there were some vacancies, and I know the minister gave me a list yesterday. I notice she did not mention it. Am I assuming that all positions are full?

Ms. Mihychuk: That is correct. There are no vacancies in this section. In fact, we have increased staff years by two positions by the conversion of service contracts into permanent positions, and the net cost of these positions is zero as the required salary funds of \$78,000 were transferred from operational expenditures. The demographic analysis position will enable the enhancement of Manitoba Bureau of Statistics demographic program including the review, comments and suggestions for more effective ways of measuring Manitoba's population that will flow from the 2001 census figures.

I just want to also, for the record, indicate the importance of having Manitobans complete the census. Not only does it provide vital information that allows government of no matter what background or political affiliation to make sound decisions that are best for Manitobans, and No. 2 that for every Manitoban not counted, we will lose \$32,000 in revenue. I believe that Manitobans and I am sure the member across the way would agree, we deserve all the federal dollars that we can get here in Manitoba. So I encourage all Manitobans to be sure that they fill out their forms and ensure that anyone who may not be aware of the importance to pass on the message.

Mr. Tweed: I thank the minister for that paid political advertisement for Statistics Bureau of Manitoba. I am sure we will get a chance to discuss that in greater detail in the House at some point.

So I am seeing an increase in Salaries and Employee Benefits. That is the conversion of

two new positions into full-time positions that were previously under contract. Is that correct?

Ms. Mihychuk: Yes, that is correct.

Mr. Tweed: So, then, the \$60,000 is Less: Recoverable from Other Appropriations. You are saying that the two contracts that were previous were of a value of \$30,000 each.

Ms. Mihychuk: The salaries for the two positions are actually covered under Other Expenditures, Appropriation 10.1(f)(2), and you could see there was a reduction from \$169,000 down to \$85,000. The \$60,000 is monies that we recover from other departments for services provided.

Mr. Tweed: The \$60,000 came out of the Other Expenditures?

Ms. Mihychuk: The salaries for those two positions came out of Other Expenditures Supplies and Services, where you see the decrease in the expenditure from \$169,000 to \$85,000.

Mr. Tweed: Could I ask the minister then, if not today at some date, to provide me a list of all people that are employed by the department under the classification of Other Expenditures?

Ms. Mihychuk: There are no other positions that would be under that category so just for the record. there are no other circumstances like the one that we have just discussed.

I do have the copies of the job postings for Geological Services, and I will pass them over to the member.

Mr. Tweed: I thank the minister for the job postings. So, then, throughout the rest of the review of Industry, Trade and Mines, there are no other areas where there are salaries or employees other than under Salaries and Employee Benefits?

Ms. Mihychuk: That is correct.

Mr. Tweed: Mr. Chairman, pass the lines.

Mr. Chairperson: Item 10.1(f) Manitoba Bureau of Statistics (1) Salaries and Employee

Benefits \$758,800—pass; (2) Other Expenditures \$231,900—pass; (3) Less: Recoverable from other appropriations (\$60,000)—pass.

10.1.(g) Grant Assistance – Manitoba Horse Racing Commission.

Mr. Tweed: Mr. Chairman, just a couple of questions. Is the chairman still the same person as is being reflected in the front of the book or in the front of the yellow, Wayne Anderson?

Ms. Mihychuk: No, that is inaccurate. The chairman of the Horse Racing Commission is David Miles.

* (15:10)

Mr. Tweed: Miles.

Ms. Mihychuk: M-I-L-E-S.

Mr. Tweed: Then that begs the question: Are there any other changes on that org. chart that are not correct?

Ms. Mihychuk: No, everything else is correct, and that was truly an error because David Miles has been appointed to the commission for a considerable length of time.

Mr. Tweed: I thank the minister for the comment. I see that they have maintained the Grant Assistance at the same value as last year. Has the minister or the department had any discussion with the Horse Racing Commission in regards to other opportunities? I know at one time they were looking for some partnerships or shared opportunities. Have any further discussions taken place?

Ms. Mihychuk: We continue to work with the thoroughbreds and the harness racing industry to see if there is a possibility for the enhancement of both sectors. The harness racing industry is one that is very important to the constituency that the member reflects. There are a lot of rural members, rural Manitobans that have harness-racing animals as part of their complement, and those people are frustrated with the declining venues for that sector. We continue to work with the Horse Racing Commission, bridging the two

groups, and looking for a satisfactory answer that will sustain both industries.

Mr. Tweed: I would encourage the minister to continue to look for opportunities. I think there are some out there, and I think that the group of people are very committed to making it work and become and remain a part of our historical asset in rural Manitoba. I am prepared to pass that line, Mr. Chair.

Mr. Chairperson: Item 10.1.(g) Grant Assistance – Manitoba Horse Racing Commission \$164,500—pass.

We are now on Item 10.2 Business Services (a) Industry Development—Financial Services (1) Salaries and Employee Benefits \$777,500.

Mr. Tweed: I guess just in a general question, it talks about provides or facilitating business's access. Can the minister tell us what activity is taking place, I guess recently, and does she have anything in the fire at this point in time for utilizing this type of fund or service?

Ms. Mihychuk: This is a very busy and active area. Manitoba's economy is doing very well. We have a number of applications into all of our programs. The business feasibility program is active and being utilized by Manitoba businesses. The feasibility studies program is also seeing a lot of take-up and the technology commercialization program has had considerable take-up and is very busy. For instance, we did a MIOP for Colour-Ad which created 51 jobs here in Manitoba instead of having the operation in Georgia. As the member knows, businesses have a lot of options as to where they locate and Manitoba's overall position is very positive.

We also see a lot of interest in the capital strategy. We have an initiative on pension funds and the department is working hard reaching out to investment advisers and those in the pension investment field to talk to them about looking at local ventures and have been getting a warm response and open mind to changing some of their traditional investment patterns. In addition, we have a number of other suggestions coming from the private sector to enhance the amount of capital available for start-ups and Manitoba companies.

So, overall, it has been a busy year, and we do have a number of projects that the department is working with, with private sector. I do not want to say any more because there are deals pending and we are evaluating the circumstances for the individual companies.

Mr. Tweed: Can the minister advise us as to what type of assistance Colour-Ad was given?

Ms. Mihychuk: Colour-Ad received a MIOP repayable loan at Crown corp rates plus 4 percent if they did not reach job creation targets. The MIOP was for approximately \$4 million. The project in total was 6.6 in capital expenditures and \$3.4 million in the building, 6.6 in equipment and setting up, I guess, and then 3.4 was the cost of the building structure.

Mr. Tweed: So, of that total, we have supplied, am I correct? Is it \$4 million at Crown corp rate, and if there is a penalty of not meeting jobs, Crown corp plus 4?

Ms. Mihychuk: That is correct.

* (15:20)

Mr. Tweed: I am wondering if the minister can just help me here. Last year in her Estimates they showed an estimate of 29,584, and then I am looking at an adjusted figure of 19,473. Can the minister explain where the \$10 million difference arises from?

Ms. Mihychuk: Can the member indicate where he sees that line item? Is it under appropriation 10.2.(a)?

Mr. Tweed: In the 2000 Manitoba Estimates, page 108, it says Business Services and then basically lists the same things that are showing in Business Services here, an estimated expenditure of, pardon me, 26,254, and this year dropping down to, obviously an adjusted figure, 19,473. It would not be \$10 million; it would be \$6 million, \$7 million.

Ms. Mihychuk: I understand that the member is looking at the overall expenditures of Business Services. The change between the two numbers relates to the reorganization that occurred in the department and the creation of the RIT division,

Research, Innovation and Technology. So there were some appropriations that got moved out of this unit into RIT. That would include the Health Research component, the Centres of Excellence and Access 204.

Mr. Tweed: Is the minister saying then that entire amount of discrepancy is in those areas?

Ms. Mihychuk: The total for Business Services, you see the overall increase from \$19 million to \$20.8, \$19.473 to \$20.8 million. Trade and Investment received some reallocation of positions, but the difference between last year and this year is totally accounted for the reorganization of the unit RIT.

Mr. Tweed: Well, again, I am looking at the Estimates of last year at \$26.254, and I am looking at an adjusted number this year of \$19.473, so that is looking at about almost \$7 million. Is the minister saying that that money is now in the RIT segment, because I see it is this year at \$13.827? So I guess it went from nowhere into that rate.

Ms. Mihychuk: Yes, it is all accounted for in the reorganization of the unit RIT.

Mr. Tweed: Okay, we can pass the Salaries and Employee line.

Mr. Chairperson: Item 10.2 Business Services (a) Industry Development – Financial Services (1) Salaries and Employee Benefits \$777,500. Shall this item pass?

Mr. Tweed: Sorry about that. I just would ask the minister then, if it is all accounted for and moving over to the RIT program, is it to suggest that the RIT has increased employment and numbers in their staff, because I am looking at again last year's totals, and the employment side, the salaries and benefits, remains very close to the same.

Ms. Mihychuk: There were no individuals from Financial Services that got moved to RIT.

Mr. Tweed: Then can the minister tell me who did get moved?

Ms. Mihychuk: There was a major reorganization of the industrial consultants that we have

in the department, and approximately half of them got moved to RIT.

Mr. Tweed: So we are seeing a dramatic decrease of expenditure from one year to the other or in the Estimates adjusted. Where does the increase come from in RIT then? Where is that money coming from? Is that new money, or is that money that is being transferred out of here?

Ms. Mihychuk: The majority of the budget for RIT came from this area. Then it was supplemented with the budget from EITC. New funds were placed into Research, Innovation.

Mr. Tweed: I guess then it begs the question. Last year you did not have the RIT, and yet in your adjusted expenditures you are showing \$1.6 million. I mean, is your estimate from last year wrong? *[interjection]*

Ms. Mihychuk: Well, there is no hidden agenda or any funny books. What we have done is reorganize the department. We have moved positions. Support financing primarily from Consulting Services from the budget from EITC was transferred into RIT. Some new money was put in for Research, Innovation.

* (15:30)

Mr. Tweed: Can the minister confirm how much new money?

Ms. Mihychuk: \$750,000.

Mr. Tweed: The minister in her review of Estimates last year mentioned nothing of this. When did the minister decide to make these changes?

Ms. Mihychuk: There was discussion. Organizational planning has been going on for considerable time. We wanted to consolidate the efforts and focus on Research, Innovation and Technology on the sciences because we see there is a lot of potential and need to be more effective in this sector. This reorganization was mentioned, I believe, in the Throne Speech, as we are looking at a premier's council and a reorganization of the advisory committee that was recommended through the Century Summit. It

was also cited in the Budget document that we presented to the House.

Mr. Tweed: Mr. Chairman, I agree with the minister that it was mentioned in the Budget and the Throne Speech, but it was this year's Budget and Throne Speech, not last year's. I guess my question is: Did you make all the changes and then announce it? The Throne Speech, to me, talks about the future, and it seems like you are talking about the past, something that was fait accompli.

Ms. Mihychuk: The reorganization has actually just taken place over the last month. So this is a fairly significant reorganization. We wanted to be sure that we had the proper plan for the future and all of the logistics have been worked out, staff have been informed. The new organization has really been only in effect for the last month or so.

Mr. Tweed: Well, trying not to be argumentative, but you are showing an expense last year into the Manitoba Research, Innovation and Technology writ of \$1.6 million. If it has been in effect for one year or one month, as you say, why would we have those numbers?

Ms. Mihychuk: We are trying to understand where the member is. There was a unit called EITC, Economic Innovation and Technology Council. That unit has now been brought right into the mainstream of government and forms the backbone or a significant part of it, along with consulting services in the industrial consulting personnel, to make the new unit or the new division called Research, Innovation and Technology. Last year, although thought was being given as to how we could be more effective, I can assure the member that we did not have the plan laid out at that time. In fact we have been working on it, the department's been working on it quite diligently, and we have just rolled out the new reorganization very recently.

Mr. Tweed: Well, I guess, subject to further checking and determining of numbers, we seem to have gone through this last year with the combination of the mining industry, and now I guess with the change in direction, but I think it is a little misleading that those numbers be placed under that and not shown as a separate

line, so we can see the actual differences and the actual numbers that are being transferred across. It is being bundled and put into one area, and changed the name. It is a little hard to make any fair comparisons, I would suggest, as to what is actually happening in the department.

I am wondering if I could ask the minister to provide in writing the differences in the costs in the department from EITC and all the other ones that were rolled together that equate to that number, because I see it as a substantial number. I see it as more than \$6 million, and I wonder if the minister would be prepared to do that.

Ms. Mihychuk: We would be pleased to provide that information to the member.

Mr. Tweed: I know the minister spoke yesterday and gave some numbers in regard to vacancies. Can she confirm that number today as far as how many vacancies in this department?

Ms. Mihychuk: As of March 31, there were two positions vacant in this area, Financial Services.

Mr. Tweed: Can I ask what the responsibilities of those two vacancies are? What positions?

Ms. Mihychuk: The two positions are economic development officers, three levels.

Mr. Tweed: Are they for a certain area or are they out of this department? Are they representing parts of the province? Where do they fit in?

Ms. Mihychuk: No. Financial Services provides service for all projects, whether they are rural or urban, relating to Manitoba.

Mr. Tweed: Just trying to find the number here, Mr. Chairman, of the number of employees in the department, of the 12 then, the minister is saying that there are two vacancies, they are economic development officers?

* (15:40)

Ms. Mihychuk: That is as of March 31, but there has been a recruitment process underway, and we understand that one position should be filled very soon.

Mr. Tweed: Are these EDOs based out of Winnipeg?

Ms. Mihychuk: Yes.

Mr. Tweed: Could the minister provide me with the advertisement, or was it hired? How was it done? How was this new person found?

Ms. Mihychuk: Yes. We will provide the bulletin. It will first go through an internal process, and then, after that, if there are no qualified candidates, it will go through the public process of advertising.

Mr. Tweed: In her earlier comments, the minister mentioned that some people in this department were transferred to the RIT. Am I correct in assuming that?

Ms. Mihychuk: No, there were no people taken from Financial Services into RIT.

Mr. Tweed: They were taken from where?

Ms. Mihychuk: They were taken from Industry Consulting Services and Economic Innovation Technology Council.

Mr. Tweed: I guess, I am gathering then one each, is that right?

Ms. Mihychuk: No, the RIT is a unit that included the staff members from EITC, about 50 percent of our Industry Consulting Services, as well as Access Manitoba, which used to be known as the call centre team. So it has got considerably more staff members in that unit, and I have the numbers here I will provide for the member: Transferred from Industry Development is 14 positions; from Policy Planning Co-ordination, 3; from EITC, 6; for a total of 23 positions in RIT.

Mr. Tweed: Just for clarification then, I must have missed one of the first numbers. You said 14, 3 and 3?

Ms. Mihychuk: Mr. Chair, 3 and 6.

Mr. Tweed: We will pass this line, Mr. Chairman.

Mr. Chairperson: 10.2.(2) Business Services (a) Industry Development-Financial Services (1) Salaries and Employee Benefits \$777,500—pass; (2) Other Expenditures \$294,000—pass.

Item 10.2. Business Services (a) Industry Development-Financial Services (3) Programs (a) Manitoba Industrial Opportunities.

Mr. Tweed: You missed my hand on that last one, but I would just ask the minister, if she has in her gold book talking about 16.9 staff turnover: Is that indicating that they were moved or have left the department?

Ms. Mihychuk: That is an allowance for future staff turnover.

Mr. Tweed: So you are anticipating a turnover of 17 more people in that area, or is that the dollar? That is a dollar value, I think.

Ms. Mihychuk: The 16.9 is \$16,900, so it is not positions.

Mr. Tweed: Mr. Chairman, just under the MIOP, it does not fall under anything different this year.

Ms. Mihychuk: No, it is the same as last year.

Mr. Tweed: Mr. Chairman, I notice again then that the Estimates of last year suggested \$9.7 million, and the adjusted was \$7.8. Can the minister, just for clarification, suggest where the extra \$2.6 million went?

Ms. Mihychuk: The adjusted vote for '99-2000 was \$9.7 million. The Estimates for 2000-2001 is \$7.18, and the Estimates for 2001-2002 is \$6.58.

Mr. Tweed: Can the minister tell me about the Bringing Technology to the Marketplace Initiative?

Ms. Mihychuk: This project is divided into two clear parts, the first being the pension initiative and \$100,000 is allocated for that initiative. The other monies are looking at ways of commercialization, taking the steps from R & D into creating start-ups and hopefully spinning off

companies that will create jobs and development into our economy.

* (15:50)

Manitoba is particularly needy, in terms of looking at this avenue. If we look at UBC, they will have licensed or patented over 80 ideas that come out of the institution. In Manitoba, the average is about three. Although we have enormous potential, we have not been very effective at taking those innovative ideas and commercializing them into the market.

There are a number of initiatives that are before us that look at different ways of developing this program. I had an opportunity, for example, to go to San Diego, where we saw a very sophisticated process of identifying biotechnology in the biotechnology sector, a very sophisticated process, a well-developed process of taking ideas through the various stages of identification, getting a mentoring or a business focus to the idea and bringing them into market.

In Manitoba, we are looking at a wide range of assistance and focus. Some of the areas that we are looking at, and there is some flexibility in this section, is that there are a number of individuals looking at incubators and mentoring types of ideas, and some of them have a track record in other places. Some of them are made-in-Manitoba suggestions. Mr. Chair, we are looking at ways to enhance the commercialization of R & D into our business community. We will be evaluating all of the possible alternatives and trying to pick the best ones that will fit the Manitoba requirements.

Mr. Tweed: Can the minister advise us as how many employees are under this initiative?

Ms. Mihychuk: This initiative is staffed by existing resources.

Mr. Tweed: So basically then the department is spending \$350,000 to look at ways of bringing new technology, similar to what they are doing at the University of Manitoba, I presume, with the SmartPark idea.

Ms. Mihychuk: Yes. The SmartPark is one concept. There is also an industrial liaison office, which has staff that go out and talk to

researchers within the university, identify potential ideas, work with the researchers to develop a plan of licensing or patenting ideas. So this is something that there has been considerable focus on recently by the University of Manitoba.

There are also other ideas and models of successful commercialization, Mr. Chair. St. Boniface Hospital has a businessperson who is actively working with the private sector. They have obtained support from the Keystone Fund, for example, which has provided funding to a number of ideas, and created small companies.

So there are a number of different options available. The tough one will be which ones we can support, because there is a lot of interest in this sector and we have a lot of proposals on the table.

Mr. Tweed: Can I ask where the Industry Liaison Office—where does it fall under in here? Is it under Salary and Employee Benefits, or is it a separate entity?

Ms. Mihychuk: That unit is totally funded by the University of Manitoba. We do work closely with the office, because we have obviously an interest in working with the university to see those ideas come into the marketplace.

Mr. Tweed: Can the minister tell me what the Pension Fund Initiative is?

Ms. Mihychuk: The Pension Fund Initiative is basically a process of consultation, information sharing and getting buy-in from pension fund managers, from trustees and from the public. What our goal is, is to have a larger share of Manitoba pension funds invested in Manitoba. To do that, we are doing a collaborative process where the department is providing information, answering questions and gaining confidence of those people involved in pension management.

The process started last September and was recommended at the Century Summit and one that has been identified as a potential source of capital for Manitoba businesses. The goal of the process is to get voluntary buy-in by the pension community to see the advantages of investing right here at home in Manitoba.

Mr. Tweed: Can I ask how it is being staffed?

Ms. Mihychuk: The initiative is being resourced by existing staff members.

Mr. Tweed: Then I guess I would ask: What does the \$100,000 buy?

Ms. Mihychuk: The funds are available to hire, where needed, specialized consulting expertise in the pension fund sector. A very important part of this process is getting the pension fund managers to understand the advantages and the risks involved. This is a specialized area, and there are monies available to bring in leaders in this particular field. All of those opportunities will go through a public tendering process. RFPs will be issued for those services.

Mr. Tweed: Has the fund been active to this point? Has anybody accessed any of the money?

Ms. Mihychuk: Of this \$100,000, as far as we are aware there has not been utilization, as this is the estimate for the upcoming year, the present year. It is not used for investment. It is used for providing consulting services for this process.

Mr. Chairperson: 10.2. Business Services (a) Industry Development-Financial Services (3) Programs (a) Manitoba Industrial Opportunities \$6,581,000—pass; (b) Vision Capital \$1,810,200—pass; (c) Manitoba Business Development Fund \$1,563,100—pass; (d) Third Party Managed Capital Funds \$1,743,900—pass; (e) Less: Interest Recovery (\$2,058,700).

Mr. Tweed: I notice just the note on it, it is reduced from \$3 million to \$2 million. The note says decrease reflects lower paybacks, interest charges in the MIOP?

Ms. Mihychuk: The most significant change is the fact that Isobord is, as the member knows, in receivership. It is no longer making interest payments. So you see a fairly significant change.

Mr. Tweed: I would suggest you might be operating on Ontario time at this point. This is interest recovery. So you are saying that the Isobord project represents the million dollars?

* (16:00)

Ms. Mihychuk: Isobord amounts to about \$800,000 of that difference.

Mr. Tweed: Can the minister just tell us what the status of Isobord is and perhaps what her department is doing in this area?

Ms. Mihychuk: Isobord went into receivership. The receiver then has received offers on Isobord. The offers closed March 15, and the receiver is in negotiation with the parties interested. There has been no final sale yet.

Mr. Tweed: Mr. Chairman, can I ask what the role of the department has been in this negotiation process—obviously, we know that the Province is a secure creditor in this deal—what our position has been?

Ms. Mihychuk: The provincial government has a \$15-million loan, investment in Isobord. Our position in terms of security is third, and it is unlikely that there are sufficient assets to provide us with recovery of our loan to Isobord. The department has been monitoring the situation very closely. We have spoken to some of the companies that have submitted offers on the opportunity, but it is up to the receiver to do the negotiations. So that basically wraps up where the department has been on this project.

Mr. Chairperson: Item 10.2. Business Services (a) Industry Development—Financial Services (3) Programs (e) Less: Interest Recovery (\$2,058,700)—pass.

2.(4) Mineral Industry Support Programs (a) Mineral Exploration Assistance Program \$2,750,000—pass; (b) Manitoba Potash Project \$248,300.

Mr. Tweed: Mr. Chairman, can the minister just refresh my memory about the potash project? The reason I ask it, I see it is—I do not know if it is substantial, but it is probably a 20% increase, and I also see in the previous lines that we were talking about the interest cost to maintain the provincial equity position.

Ms. Mihychuk: Manitoba has a substantial Greenfield of potash in the Russell area. This has been defined in the past. Our partner with the French government is interested in disposing of

their partnership. We have done some work to further define the project and look for opportunities for potash. There is some interest in looking at a new process of extraction, rather than a traditional underground operation. There may be possibilities for extraction using solution mining and providing a product that will not be in direct competition with Saskatchewan.

Mr. Chairperson: Item 10.2.(a)(4) Mineral Industry Support Programs (b) Manitoba Potash Project \$248,300—pass; (c) Acid Rain Abatement Program – Flin Flon \$285,900—pass; (d) Speciality Minerals Incentive Program—none there; (e) Prospectors' Assistance Program \$125,000—pass.

2.(b) Manitoba Trade and Investment Marketing (1) Salaries and Employee Benefits \$2,700,600—pass.

2.(b) (2) Other Expenditures \$2,845,500.

Mr. Tweed: Could I just ask the minister to give me a detail of what the \$2.8 million in Other Expenditures includes?

Ms. Mihychuk: Can I ask for clarification that we are on Manitoba Trade and Investment, and we are looking at Other Expenditures? Did the member ask what the \$1.2 million was under Supplies and Services? I guess we are asking for clarification, please.

Mr. Tweed: I should have been more clear. The two lines I am most interested in at this point are Supplies and Services and Other Operating. I think I said "Other Expenditures."

* (16:10)

Ms. Mihychuk: The definition of Supplies and Services is in the glossary, page 86. It does include all of those Operating Supplies, et cetera, Professional Services. The Professional Services includes the foreign agents that Manitoba trade has on contract.

Mr. Chairperson: Item 10.2.(b)(2) Other Expenditures \$2,845,500—pass; (3) Grants \$170,000.

Mr. Tweed: I am sure it is here somewhere, Mr. Chairman, but what are Grants?

Ms. Mihychuk: Those are trade assistance programs that help Manitoba businesses penetrate foreign markets. They help on trade shows, primarily trade shows.

Mr. Chairperson: Item 10.2.(b)(3) Grants \$170,000—pass.

2.(b)(4) Less: Recoverable from Urban and Rural Economic Development Initiatives.

Mr. Tweed: Is that a set number, like they automatically transfer that million over or do you have to receipt and invoice it?

Ms. Mihychuk: This is a standard amount that gets transferred automatically.

Mr. Chairperson: Item 10.2.(b)(4) Less: Recoverable from Urban and Rural Economic Development Initiatives (\$1,000,000)—pass.

2.(c) Small Business and Co-operative Development (1) Salaries and Employee Benefits.

Ms. Mihychuk: I would ask the indulgence of the member across for a 15-minute recess, and then we can reconvene. I would appreciate that.

Mr. Chairperson: Fifteen-minute recess? *[Agreed]*

The Committee recessed at 4:15 p.m.

The Committee resumed at 4:30 p.m.

Mr. Chairperson: Committee, please come to order. We are on Item 10.2.(c) Small Business and Co-operative Development, (1) Salaries and Employee Benefits \$1,214,200—pass; (2) Other Expenditures \$721,500—pass; (3) Grants \$30,000—pass.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,802,000 for Industry, Trade and Mines, Business Services, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

10.3 Mineral Resources (a) Manitoba Geological Survey (1) Salaries and Employee Benefits \$3,444,100—pass; (2) Other Expenditures.

Mr. Tweed: Just one question, Mr. Chairman. I see it is up \$20,000, and I know what Other Expenditures equates to in the back, but is there something substantial that would drive that number?

Ms. Mihychuk: The increase that we see there in other operating is related to the additional costs of the desktop management system.

Mr. Chairperson: Item 10.3.(a)(2) Other Expenditures \$1,799,700—pass.

3.(b) Mines (1) Salaries and Employee Benefits \$1,531,800—pass; (2) Other Expenditures \$684,800—pass.

3.(c) Petroleum (1) Salaries and Employee Benefits \$1,032,400—pass; (2) Other Expenditures \$342,100—pass.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,834,900 for Industry, Trade and Mines, Mineral Resources, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

We are now on item 10.4. Community and Economic Development \$1,479,600.

Mr. Tweed: Can the minister just give me an outline in detail on the Premier's Economic Advisory Council?

Ms. Mihychuk: The Century Summit recommended that there be consultation with the community in a larger sense. There is a process underway of discussion and consultation with community leaders of business, education and the non-profit sector in Manitoba. We anticipate that there should be an announcement of that Premier's Council very shortly. It is modelled after the structure of the Century Summit.

Mr. Tweed: It notes that it is a broad-based organization. Can I ask who the members are?

Ms. Mihychuk: I cannot divulge who the individual members are until it is announced in public, but I can tell the member that the structure is basically similar to the Century Summit, where we had representatives of the business community, the educational community, the non-profit community, and the Aboriginal community. Leadership from those sectors will be brought together to provide advice to the Premier (Mr. Doer).

Mr. Tweed: It says there are two people, a coordinator and an administrative officer. May I ask who those two people are?

Ms. Mihychuk: Those positions are vacant until the council is officially announced and the process will begin.

Mr. Tweed: So at this point in time, there is nobody serving in either of those positions?

Ms. Mihychuk: That is correct.

Mr. Tweed: How will the two positions be filled? Will it be advertised?

Ms. Mihychuk: They will be filled according to the Civil Service guidelines.

Mr. Tweed: Can the minister advise us as to what those guidelines are?

Ms. Mihychuk: Those would vary whether it is a term or a full-time position. Given the fact that we have not announced, the Premier (Mr. Doer) has not announced the council, I think that there is some question as to how and who these people would be, but we will follow the same process as has been the practice by the previous government and other governments in Manitoba.

Mr. Tweed: I am taking from the minister's comments that although it falls under her bailiwick, she probably will have no input into that decision. It is a little ironic that we talk about transferring of segments of a department and moving of positions. I am told that that happened last year, but we are just being advised, and now we are announcing. I mean, it is in black and white that the Premier's Economic Advisory Council, the money is in place. I guess I am surprised that he has not

moved forward on it. Can the minister tell us when this will take place?

* (16:40)

Ms. Mihychuk: Well, I think it is probably wise of a Cabinet minister to let the Premier decide when he is going to announce his decision. It is really up to him when he is going to announce it. Part of it is consulting with the people that he would like to appoint on to the council. It is my hope and my understanding that the announcement will be very soon.

Mr. Tweed: It shows under the Salaries and Employee Benefits a manager, professional/technical, of one for \$56,000 and administrative support of \$65,000. So I am gathering, based on that, that it is going to fall under the direction of some other person or some other part of the department. Can the minister tell me who that would be?

Ms. Mihychuk: Those individuals will be closely affiliated with the CEDC Secretariat.

Mr. Tweed: Who is the head of the CEDC Secretariat?

Ms. Mihychuk: Eugene Kostyra.

Mr. Tweed: If I look under the CEDC Secretariat and look at, I guess, the Premier's Economic Advisory Council, I see very similar goals and objectives. I do not know, probably more just a matter of comment, but it sounds like it is just the creation of two more positions in the department. Pass it.

Mr. Chairperson: 10.4. Community and Economic Development (a) Community and Economic Development Committee Secretariat (1) Salaries and Employee Benefits \$738,700—pass. (2) Other Expenditures \$367,500.

Mr. Tweed: Just for verification. Again, under Other Expenditures, there were no employees involved in this number?

Ms. Mihychuk: No. There are no individuals involved in these expenditures.

Mr. Tweed: Is it a fair statement to say you have split the Communications out of that

department into both CEDC and the Premier's Advisory Council?

Ms. Mihychuk: Yes.

Mr. Chairperson: Item 10.4. Community and Economic Development (a) Community and Economic Development Committee Secretariat (2) Other Expenditures.

The Member for Portage la Prairie. You are not in your seat, Member for Portage la Prairie.

Mr. David Faurshou (Portage la Prairie): The other day you made a ruling that one did not have to be in their designated seat as we are in committee. I will move to my seat if you want.

I would like to ask the Minister of Industry and Trade: Is she familiar with an office created in the province of Alberta that has a mandate to assist those persons looking to expand or in fact locate businesses in the province of Alberta, effectively guide them those business interests through the provincial and municipal bureaucracy, if I might say?

Ms. Mihychuk: I am not familiar with the particular office but it is a function that we do here in Manitoba as well. For instance, Geological Services has business representatives or staff members that deal with companies that are interested in locating in Manitoba. They will do outreach work. They will take them through the process of ensuring that it can be as smooth as possible in cutting red tape. So that is an area that has been very effective, and we hope to expand that to other parts of government.

We also have a number of different initiatives in the department that also look at attracting businesses to Manitoba. For instance, the Access Manitoba team, formerly known as the Call Centre Team is very aggressive and effective and will assist companies in reviewing the Manitoba advantage in setting up here. In addition, we have an initiative on energy intensive industries to develop our opportunities here in Manitoba, and we do not necessarily want to see all of our power advantage being sold to the Americans and letting them develop their economic clusters in the United States. We would rather go out there and show those

companies that there is a huge advantage to being here in Manitoba.

So I am not surprised Alberta is doing that. We do that in a number of sectors as well.

Mr. Faurshou: I appreciate the minister's response, and, yes, this office intrigued me insofar as they have set their sights on a 90-day period of time in which to see new corporate interest, new enterprises into that province through the bureaucracy, red tape, if you will, which is quite an enthusiastic target in which to achieve all of what we consider problematic to getting the doors open to new business. It effectively has the mandate to contact all provincial and municipal agencies, departments, and do the leg work for the enterprise once understanding the needs and wants of that particular enterprise. I would sincerely encourage—although we have in particular areas, whether it be filmmaking or phone centre activities—that type of support. I think it would be wise to consider this in a very broad manner. I encourage the minister to perhaps request her staff to investigate further this particular office.

Ms. Mihychuk: Well, I think it is always useful to look at other jurisdictions and learn from them. I am quite open to exploring those opportunities and using them here for Manitoba's advantage, so I will do that.

I just also wanted to indicate that we have tried to be as flexible and proactive as possible. One of the other committees that works very well is the CEDC, Community Economic Development Committee, just as the previous government had the Economic Development Board. Special projects can be dealt with very quickly and effectively, and if there are pressures like that, they are a very effective team in mobilizing government and getting through the project in an expedient way.

I understand the member's comment. He is talking about an overall window of opportunity for all businesses coming to Manitoba, and I am open and glad that he made the suggestion. I think it is one that we will explore.

* (16:50)

Mr. Faurshou: Mr. Chairman, one other topic I want to leave with the minister on behalf of my

constituency is the announcement for J. R. Simplot and the delays that that company has been faced with. It is imperative that we have an overall strategy for production of potatoes, i.e., irrigation, infrastructure provided for. They are looking at the initial stages of 20 000 acres, which ultimately will require, on a four-year rotational basis, 80 000 acres of actual irrigated acres.

I have spoken with the Minister of Conservation (Mr. Lathlin). He is aware of that. But I believe it is very important that your department be aware of the demands that are going to be necessary for infrastructure to support this pending development in the constituency of Portage la Prairie.

Ms. Mihychuk: Yes, I had the opportunity to work on the project in its initial phases and understand how important the water strategy is, particularly in southern Manitoba. We must deal with the management of the Assiniboine drainage basin and the sometimes conflicting uses of recreation and water table issues and environmental, but we are committed to doing that.

The opportunities for agriculture diversification and value-added production are important to Manitoba. Having been in Europe recently, in February, I come away convinced that the Europeans are not interested in reducing their subsidies for their farmers, and negotiations on that issue will be very tough. So it is even more crucial that we ensure that our farmers have options. Potatoes are definitely a very attractive commodity, and water management is absolutely essential, including the irrigation.

Mr. Faurschou: My last question today for the minister. I understand from the department that the study that involved the inventory of aggregate around the province—so that we have a clear knowledge of supply available and ultimately the need to resource and investigate further deposits—that study is not yet complete. Does she have a time frame as to when it will? I know my office has inquired, but I am not aware as to their response.

Ms. Mihychuk: The situation for a comprehensive assessment of aggregate in the province is beyond the resources of the

department, the staffing requirements to put that comprehensive database together. I think it needs to be actually a live type of database, because aggregates are a very fluid commodity. There is extraction, and then there is the temporary shutdown, and then extraction again. I know that they are very valuable in southern Manitoba.

We have room to improve in that sector. We have one dedicated geologist. We are completing the capital region inventory. That is something that has gone through a process of several completions. I know that we worked on it in the '70s, and then we updated it again in the '80s, and now we are doing it again. It is important that we do that.

I understand the importance of this sector, and I am very sympathetic to the member. We will continue to work on this to provide up-to-date inventories of aggregate. We are able to look at planning districts and work with municipalities when those plans come up. That is the way we are trying to do a progressive updating of each plan. I understand the importance of aggregate to southern Manitoba, and the quality and availability are huge issues for municipalities.

Mr. Tweed: We are on 10.4, we are prepared to pass that.

Mr. Chairperson: Item 10.4.(a) Community and Economic Development Committee Secretariat (2) Other Expenditures \$367,500—pass.

4.(b) Premier's Economic Advisory Council (1) Salaries and Employee Benefits \$133,400—pass; (2) Other Expenditures \$240,000—pass.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,479,600 for Industry, Trade and Mines, Community and Economic Development, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Item 10.5 Manitoba Research, Innovation and Technology (a) Manitoba Research, Innovation and Technology (1) Salaries and Employee Benefits.

Mr. Tweed: I notice, I am getting ahead of myself, but in this particular area, under Industry Support Programs, we are talking about the Research and Innovation Fund of \$1.25 million. Is that correct?

Ms. Mihychuk: That is correct.

Mr. Tweed: Note 3 suggests that it is a \$900,000 increase, offset by a reduction of 150 for research and innovation projects. Is that correct?

Ms. Mihychuk: The \$900,000 are monies that were transferred from EITC, and the \$150,000 is lapsed projects.

Mr. Tweed: I am just trying, I guess, to get a fix on the number. So then when we talk about the Bringing Technology to the Marketplace Initiative of \$350,000, where does that fit into that total that is showing up—this is back in Industry Development.

Ms. Mihychuk: The \$350,000 that we discussed earlier was related to the access of capital. This \$900,000 is related to incubation and bringing the commercialization of those projects to the marketplace.

Mr. Tweed: So the Bringing Technology to the Marketplace Initiative is in reality \$1.55 million?

Ms. Mihychuk: The total of that initiative is \$1.25 million.

Mr. Tweed: It may be just in the words that you have chosen, but when you show that bringing Technology to the Marketplace Initiative of \$350,000, and then you are talking about Bringing Technology to the Marketplace Initiative of \$900,000, that is the total that is involved in that fund. Am I correct in assuming that?

Ms. Mihychuk: Mr. Chairperson, 1.25 is the total for that initiative, \$350,000 is being managed under the Financial Services section. The \$900,000 is under the management of the R, I and T division.

Mr. Chairperson: The hour being 5 p.m., committee rise.

IN SESSION

PRIVATE MEMBERS' BUSINESS

Mr. Deputy Speaker: The hour being 5 p.m., private members' hour, private members' resolution 1.

* (17:00)

PROPOSED RESOLUTIONS

Res. 1—Continued Inaction by the Provincial Government on the 1999 Manitoba Flood

Mr. Larry Maguire (Arthur-Virden): Mr. Deputy Speaker, I move, seconded by the honourable Member for Minnedosa (Mr. Gilleshammer), that

WHEREAS 1999 saw severe and ongoing flood-related problems in parts of Manitoba that resulted in up to 10 percent of total provincial farmland remaining unseeded; and

WHEREAS the difficulties experienced by the province's agricultural producers continue to have a ripple effect throughout the entire Manitoba economy, affecting not only farmers but also the businesses and services that rely on the health of the agricultural economy; and

WHEREAS most members of the Manitoba Legislature, Keystone Agricultural Producers, the Western Canadian Wheat Growers Association and local economic development boards have continuously expressed concern to the provincial and federal governments about the very serious long-term consequences arising from the devastating flood of 1999; and

WHEREAS the former Progressive Conservative administration enhanced the Producer Recovery Program, offered a Custom Seeding Program and extended the crop insurance spring seeding deadline for full coverage, all in an effort to mitigate the disaster created by the flood of 1999; and

WHEREAS the previous Progressive Conservative administration pressed the federal government to join the province to enact a \$50

per acre unseeded acreage coverage package for affected producers; and

WHEREAS the current provincial government appears to be unwilling to participate in any joint aid program that would require the provincial government to assume more than 10 percent of the costs of the program; and

WHEREAS the current provincial government has refused to tap into the Fiscal Stabilization Fund to finance a new aid program for the victims of the 1999 flood and to be prepared to lobby the federal government to provide their share, as was done during past disasters such as the 1989 forest fires and the 1997 Red River Valley flood; and

WHEREAS the current provincial government's continued failure to negotiate a new aid package that would provide direct benefits to the victims of the 1999 flood continues to create needless uncertainty for the individuals and communities affected by the disaster.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider re-examining its unwillingness to come forward with any new financing to accompany its negotiations with the federal government to find solutions to the problems arising from the 1999 Manitoba flooding.

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider the creation of programs and services that will help ensure that the long-term economic impact of this devastating flooding is kept to a minimum.

Motion presented.

Mr. Maguire: Mr. Deputy Speaker, I rise in the House today on a matter that is the most serious issue that I have had to deal with in this House in representing my constituents since I was elected in the fall of 1999. Of course it was brought on the heels of the flooding that took place in all of western Manitoba and a few spotty other areas of the province as well, from the excessive

rainfall that fell in the period from virtually June of 1998 until June of 1999.

I do not have a lot of time to speak on this issue here today. I look at it from the point of view that everybody in the House is familiar with what has happened in 1999 in southwest Manitoba. It should go without saying that there be no need to bring a resolution like this forward, because it is virtually two years after the impact of the rainfall took place.

I rise with this private member's resolution because there has been absolutely no action taken, not one cent targeted from this Government since it was elected in September of 1999 to deal with the needs of the producers and businesses in southwest Manitoba and western Manitoba, indeed, in regard to the overall flooding that took place in that virtually three and a half million acre region, never mind the region that impacts the eleven municipalities that I represent in Arthur-Virden.

The flood of 1999 was a disaster. Both levels of government, provincially and federally, have agreed upon that. Disaster financial assistance was put forward in the courses where it was due in the normal matter of procedures. As outlined in the resolution, Mr. Deputy Speaker, the former Conservative administration did put forward \$50 per unseeded acre. There was a \$10-an-acre support program for seeding. There was an extension of the crop insurance deadline. In hindsight, that may have created expectations by some, and I was one of them, who went out and seeded late in the year, later in June, not because of that extension, but it is a matter of looking at the logistics, and when you are desperate you really have to take a look at what happens in a farming operation when you are up against the wall with virtually zero crops seeded and it is the middle of June.

Mr. Deputy Speaker, many groups have come forward with plans on how to provide compensation for this region. Under trade agreements, we do not have to worry about making direct acreage payments for issues of natural disaster. All these people are asking is that they be treated equally with those in other regions that have been hit by disasters of this nature in the past.

Of course, moves have been corrected. Our honourable former Minister of Agriculture, the Member for Lakeside (Mr. Enns), brought it forward, and the present government implemented the unseeded acreage insurance that we have today under crop insurance that will alleviate this problem from happening again. We would not have to do the extreme lobbying to get that kind of a program in place. It is there, but it was not in 1999, and that has created the severity of the situation.

The organizations that brought forth the call for more funding in this area are, particularly, the southwest rally group, the Minnedosa rally group and the rural recovery disaster coalition, as well as Keystone Agricultural Producers and other organizations in that area, the towns and the municipalities, the mayors and the reeves; have all called for a further \$25-an-acre payment to be made in that area. A \$25-an-acre payment on cultivated acres, including forage in that area, would amount to some \$85 million. That may seem like a lot of money, but we are talking about the future viability of many, not just the farms but of also many of the businesses in the small communities that have been impacted in this region, not to mention that the city of Brandon is located right smack in the middle virtually of the hard-hit area between Minnedosa and Melita.

* (17:10)

We debated these numbers in the House many times. I think it is fairly easy to come up with the differentiation between what has already been paid out of AIDA. These farmers are not looking for something that is unrealistic. All they want to do is get back to a level playing field where they were before this disaster struck their farms. They acknowledge some farmers have received some dollars out of AIDA, albeit however slow they have been in coming. They have depleted their NISA accounts, as I have said before in this House. We did not have the material a year ago, but as of now in electoral districts Brandon-Souris, as opposed to Portage-Lisgar, Dauphin, the area to the north, as well as Dauphin-Swan River, as well as Provencher, those comparable areas of agricultural existence have indicated that of the eligible funds in the NISA accounts that could be withdrawn, there

are 10% more dollars having been taken out in Brandon-Souris than any other federal constituency in Manitoba. That certainly indicates that that program has been used. In many cases, all of the funds have been withdrawn from that account.

So, in looking at the kinds of programs that have been there, these farmers have indicated that they acknowledge that there has been some \$120 million come into that whole region, but the acknowledged hurt over that whole 3.5 million acres is identified. The Minnedosa group did an extremely valuable job of indicating the mechanism that they used to come up with those dollar figures in the neighbourhood of \$210 million to \$220 million worth of hurt; hence, the \$85 million of support that is needed to bring that region back to where it was before the natural disaster struck.

That, Mr. Deputy Speaker, is why I stand before you today. Nothing has been done in that area. Nothing has been done to bring it up to speed, so I put forth the fact that we need that kind of compensation.

It has been debated in this House many times between the Minister of Agriculture (Ms. Wowchuk) and the Minister of Emergency Measures in Manitoba. I congratulate them for their efforts that they have tried to do in getting support from the federal government on this, but I am before them today to beseech them to rethink why they have not come forward with support for this region. Maybe it seems unfair that we cannot get money out of Ottawa, but we are trying to do that in other areas for other purposes as well. I would say none could be more deserving than to try to keep the whole sector and the whole region of our province on par with producers and businesses in other areas of our own province.

So I beseech the Minister of Agriculture and the Minister for Emergency Measures Operations in Manitoba to reconsider the fact that some funds need to come forward on this issue to solve our problem in this region.

The debate that took place in this House last year indicated that from these organizations, and it is not my offer, but it came from them that

they would accept some \$43 million. The ministers have indicated that they have \$20 million on the table many times. I have also sent a letter to both of these ministers indicating if they would indicate to me where the \$20 million is of the \$71 million that was paid out in Manitoba. They say there is \$20 million that was not matched by the federal government, and I appreciate the fact that that number should be available in Manitoba Agriculture, and it has not been forthcoming yet. I have a letter, but I beseech them again to take another look, just identify that for us.

We would also then be more than glad to go to Ottawa to try and get some dollars, but the point is those dollars, even if they were unmatched by Ottawa, are provincial dollars that have already been in the hands of the farmers out there, and we need \$43 million of new funds in this region. This is about a \$12 equivalent for that region, Mr. Deputy Speaker. We have asked many, many times in this House for the Government of Manitoba to consider a 50-50 payment of \$6 from the province per acre and \$6 from the federal government to put those dollars out to these people. They have indicated that they would be happy with those dollars.

Mr. Deputy Speaker, I want to be clear for the members opposite in government today that \$12 an acre in this area would mean that these groups may not be happy, but they would not be back in this House asking for some support for the disaster. They feel that they have been left out, and I beseech the members because I know that the Minister of Agriculture and the Minister of Highways, as well as many of his colleagues, as well as the new Consumer and Corporate Affairs Minister were in the House last night when a member from Deloraine, a farmer from Deloraine by the name of Kathleen Paterson indicated in her presentation before the House committee on Agriculture hearings on farm supports last night, and I quote: Can someone sitting around this table please tell me why a southwest Manitoba disaster of 1999 was not treated the same fair way as the Red River flood?

She goes on to say: Our provincial government must see to it that we are treated the same way as the Red River flood.

This is from a young person that has indicated in the rest of her presentation that she is virtually going out of farming. She indicated that AIDA was the disaster in farming.

Mr. Deputy Speaker, I beseech the Government today, to put forth, to see support for this resolution. I beseech the Government to put forth the \$43 million to this region and to deal with it the same as has been pointed out in the resolution the disasters that have taken place in other regions and go to the federal government and recover the half of the program just as Alberta had to do a year ago when the Manitoba and Saskatchewan governments put the CMAP program originally in place for CMAP 1. The Alberta government paid its farmers and then later received the funds from the federal government as Manitoba has done under previous regimes as well.

Ms. Paterson went on to say, after two more pages that were in her presentation last night, Mr. Deputy Speaker: Last as I have mentioned before, the flood of '99, in my area has finished me and others for farming this year. "Debt, stress and unhappiness" are three words you should remember.

For those members who were in the House last night in the committee, you will remember. I know you remember. If you do not remember, you are a heartless bunch, and there is not any of us that I would call heartless.

We did not get treated fairly in the flood of '99, she goes on to say, so do something now for us before more farmers move off the land and into your towns and cities and maybe take your job.

Now, I was looking for words on how I would have had to make this presentation if I would have had to have done it before last evening, Mr. Deputy Speaker, but I think these words are the words that are on the mouths of many farmers in that region at the present time and some of the business communities that have talked to me as well; \$43 million for their beef in the Fiscal Stabilization Fund or a number of other reprioritizations of the present programs that are there. I mean, we are not talking \$43

million from the provincial government here. We would hope that they would recover that, half of that, from the federal government.

A caring government, Mr. Deputy Speaker, would put those dollars out for the economic viability of a whole region. Most of these dollars would be flowthrough. They would go right through the hands of the farmers that are in that region to pay for bills that may be there from that flood, and those bills came from having to reclaim the land, in spray, in lost fertilizer, in farm inputs that were lost in an effort to stabilize their land in regard to bringing it back to where it was in the early spring of 1999 before the heavy flooding took place.

* (17:20)

So, Mr. Deputy Speaker, that is why I stand before you today, to point out the hurt in this area. It is not just Ms. Patterson that was speaking. I want to make one more quick quote before I end. This is from Mr. Glen Franklin from Deloraine, one of the written presentations we had last evening. We are still suffering the effects of '99. In our immediate area, the water table is similar to the spring of '99. Unseeded acreage insurance helps a little. I cannot stress to you enough the provincial assistance in the spring of '99, thank you. However, farms in the area are still under financial stress, and when farmers are in financial stress, so are the businesses. Small and medium businesses in southwest Manitoba are in some financial distress, and this will continue until some kind of stability is found. Our communities are in danger of collapse, he finishes.

So, Mr. Deputy Speaker, I just want to beseech this Government—it is hard for me to believe that you are not caring—

Mr. Deputy Speaker: Sorry, the member's time has expired.

Hon. Steve Ashton (Minister of Transportation and Government Services): Mr. Deputy Speaker, over the last week and a half, we have seen quite an incredible phenomenon in this Legislature in the Standing Committee on Agriculture. We have seen three parties working together. We have seen

presentations from the heart from literally dozens of Manitobans, most of whom are involved directly in farming. We have seen, I think, a remarkable situation develop where, as I sat there last night in the committee room until, I think it was, about 2:30 in the morning, with a few minor exceptions, we were able to spend hours listening to Manitobans, finding out firsthand what is happening with agriculture and not try and turn the discussion and debate into more immediate politics. There is nothing wrong with politics, but I can tell you, and I took the time not only to listen to people in the committee but to talk to people informally after whenever I could.

What they were expecting from us was, by and large, what they saw, which is that we would put aside some of our partisan disagreements on the agriculture crisis and work toward sending a clear message to Ottawa that more has to be done short term, medium term and long term because farms are in crisis.

I want to stress that that is not what we wanted as MLAs per se. It is what the public expects. I think when you have a crisis situation you pull together and you try wherever possible to work directly in a common way. Now, I want to focus in on where I wish this would have happened to a greater extent in 1999. I believe the Member for Arthur-Virden (Mr. Maguire) is being very responsible in putting forward an issue that is of very significant impact in his constituency and I credit him for his ongoing efforts over the past year and a half.

But I think it is important to get us back on the same track we have now in the Standing Committee on Agriculture that we should have had frankly on the southwest for the last year and a half, because while in agriculture generally now we have an all-party approach, we have seen a divergence from that when it has come to southwest Manitoba, particularly when it comes to dealing with the federal government. I believe it is either based on some misinformation or misinterpretation of that or perhaps, and I hate to think this, some feeling that somehow it can be used for political purposes. I am quite amazed actually that whenever this issue comes up on the floor there still seems to be a bit of a gap here between what has actually happened, what

we are trying to get from the federal government and the progress of events over that period of time.

Now, I want to start, because I notice the former Minister of Government Services is listening, Mr. Deputy Speaker. It is important to recognize here that when this crisis arose, the previous government was in power and they acted responsibly. The Premier of the day raised the issue with the Prime Minister that there was a crisis in southwest Manitoba and the then-Minister of Government Services wrote a letter July 21, 1999—all this information, by the way, has been made public—signed by the former minister. At that time the minister pointed to the specific needs under DFAA that should be met in southwest Manitoba. I just want to give a 60-second summary of what DFAA is, why there has been a difference between DFAA in the Red River Valley, and why there has been a different kind of approach in 1999 in southwest Manitoba.

DFAA is a federal-provincial program that at the higher levels of assistance is based on a 90-10 formula. It is cost-shared between municipalities and the Province and the federal government. Now, what happened in the Red River is that \$260 million went to Manitoba under DFAA. Now, it went to cover damage to property which was the primary source of damage in the Red River flood. In the Red River in 1997, there was not the situation we saw in 1999 in terms of farmland, because in the Red River situation, in fact in most cases, the land cleared and people were able to put in a crop. In fact, there was not a significant impact on crop production in 1997.

What happened in 1999 is, and I want to put this on the record because I have always said and I will say again, that the federal government has declared a state of emergency as we have. We do have a program under DFAA, and the last numbers I have seen are probably in the range of \$16 million, \$17 million. That covers the same thing that was covered in the Red River Valley. It covers damage to property. The difficulty is that the real damage in the southwest was not to property. The real damage was to the productive capability of the land itself.

Now who recognized this as being something that should be covered under DFAA?

I want to start with the former minister, the Member for Morris (Mr. Pitura), because on July 21, 1999 he wrote to the federal government at this time. These numbers were preliminary, some of them have subsequently been shown to need to be higher. He said: Another integral proponent of the recovery process includes enhancement of DFAA to include issues specific to this particular disaster: weed control, estimated cost \$25 million; loss of applied fertilizers and chemicals at \$20 a acre, potentially 375 000 acres, estimated \$7.5 million; forage restoration, estimated \$1 million; pasture hayland restoration, estimated \$2.25 million, and damage from seepage and mould, \$2 million. That was the position of the then-provincial government.

What the then-provincial government did, in addition to pursuing DFAA, is that the provincial government of the day announced a specific program in the southwest of, I think the total amount that was expended was approximately \$71 million. This did include a number of items, including a payment for unseeded acreage. What this did, this program—and this is where I think it is really important for the Member for Arthur-Virden (Mr. Maguire) because I know he has raised this question—the previous government put forward \$71 million of provincial money, approximately \$50 million of that is creditable under AIDA. What that means basically is that money would go to the producers anyway under AIDA. That meant that the Province of Manitoba—this was the previous government representing the province as a whole—put in more than \$20 million than was creditable under AIDA. This is \$20 million that was not creditable under DFAA or a JERI program or AIDA. This is stand-alone provincial money.

So when the members opposite say we should be putting money up front, I do not know which government. I realize the Member for Arthur-Virden was not directly a part of that government but I know others were. The previous government put up money that was on the table, that was 100 percent provincial funding, not creditable under any other program.

So going back to 1999, the previous government had put money on the table. I want

to deal with another issue by the way that came up last night because what really, I think, went to the heart is the fact that the way the program was structured, a lot of people in the southwest suffered because they tried to put a crop in. They pointed to the fact—I do not think this was a political decision, I am sure this was based on best intentions—but in fact the deadline for putting crops in was extended by a number of days, I think longer than that, five days, so in fact people were encouraged to put a crop in, and in the end it turned out to be disastrous.

The member talked about one of the presenters yesterday, and I had an opportunity to talk to her privately afterwards and if they had not done that, based on the best advice perhaps at that time, they would have been better off. I mean, in the true farming tradition people tried to put a crop in and those that did suffered the most.

* (17:30)

I want to take that because if members opposite were to really phrase this debate, if they want to argue that when they were in government, what they put forward as an aid package was inadequate, that would be something that I suppose they could argue. I do not know how much credibility it would have. But really when they get up and argue about the approach that we have taken as a government, they are really arguing against themselves.

I want to take you forward to a letter that I wrote, February 23, 2000. What did I do on February 23, 2000, on behalf, not just of the Government, but the people of Manitoba, particularly southwest Manitoba? I put forward specific cost items, the \$43 million. To the Member for Arthur-Virden (Mr. Maguire), the \$43 million is really nothing more than what the Member for Morris (Mr. Pitura), when he was minister in 1990 put forward before some of those numbers were adjusted. I put forward that out of that package that he had talked about essentially there were only two components that had been expended, the forage restoration and hay shortfalls. What the federal government had not provided was anything in terms of covering some of the input costs, particularly in terms of

lost fertilizers and chemicals and in terms of weed control.

Our position is the same position that was taken by the Member for Morris, the premier at the time, and the government at the time. It is exactly the same. It is the same issues in terms of the specific needs in southwest Manitoba. It is the same argument. The Member for Morris said it should be covered under DFAA. We have said it should be covered under DFAA, and it is the same basic principle because the Province went ahead and put some of that money in initially, \$7 million directly expended and another \$13 million on top of that. It is the same position that the previous government took.

It is a myth to suggest that somehow we should get up now and be putting money forward which we have not done and then embarrass the federal government into coming through. Do you want to talk about the original package being inadequate, that is fine, but the previous government—by the way, the Agriculture critic for the Opposition was a part of that government. They took the same approach we did. If he wants to get up and put on the record that they were wrong in 1999, that would be appreciated. I would suggest that would do much more for the debate if he was to admit that mistakes were made. I do not think, by the way, that the Member for Morris (Mr. Pitura) made a mistake, because we should be entitled under DFAA.

I want to deal with that, because Rick Borotsik, the Member for Brandon-Souris, was able through freedom of information to find something out. What was it? For a year and a half we were faced with shadows on this one, because every time I would get up in the House and explain our position was the same as the previous government's position, I know someone would say, well, I heard from Agriculture Canada or I heard from this MP or that MP that you guys have not really been asking for what you have been asking for. Well, the previous minister did ask for a DFAA program. When we were elected, we said DFAA and we should also consider a JERI program, a 50-50 program. I have the correspondence to prove it. But what did Rick Borotsik find out? Rick Borotsik found out that the federal government had advice they

could deal with the southwest in one of two ways. One is the way they did, with a narrow focus on damage to property. The second was exactly what the Member for Morris, the previous government and this Government had argued, and that is we should treat the specific surface of southwest Manitoba and the ability to get the land to be returned to productive use.

So I say to members opposite, the problem is not, I believe, with the previous government's approach or this Government's approach. This is an appropriate situation. The problem has been with the federal government. I say it, and I said this to the presenter last night, in 1997 the federal government was willing to do anything and everything to assist the Red River Valley. Maybe it had something to do with the fact there was a federal election on. I hope not. Maybe it had something to do with the fact that it is a lot easier to get film coverage of throwing a sand bag when you have a rising river than the situation that the southwest ran into, but I say to members opposite and I say on the record that the damage to southwest Manitoba was every much as real, but when it came to a choice for the federal government, they chose an approach that did not deal with the reality.

Point of Order

Mr. Jack Penner (Emerson): This minister of the Crown stands there in a self-righteous way trying to demonstrate the decision that they made was right, yet farmers are going broke while he is standing there self-righteously proclaiming what he just has. Farmers in southwest Manitoba are going broke because of their inaction.

Mr. Deputy Speaker: On the same point of order, the honourable Minister of Transportation.

Mr. Ashton: I resent someone talking about self-righteous. In fact, I would suggest the member may wish to look in the mirror when he is talking about making self-righteous comments. I am talking about why the people of the southwest deserve fairer treatment than they have been getting from the federal government. I make no apologies for that, on behalf of everybody in this province, including people in the southwest.

Mr. Deputy Speaker: Disputes over the facts are not points of order.

* * *

Mr. Deputy Speaker: The honourable member has one minute.

Mr. Ashton: I want to conclude, because if members opposite want to argue that what the approach was in 1999 was inadequate when they were in government and the approach that we followed with, that would be, I think, a fair statement and maybe something that we could debate.

But, you know, when it comes to what we need to do here, I would plead with members opposite to do what we have been able to do in the Standing Committee on Agriculture the last week and a half. We have far more strength when we stand together. I mean, united we stand, divided we fall when it comes to the federal government.

We should be sending a clear message to Ottawa that the agriculture sector in this province needs aid, and the people of the southwest deserve what was recommended to Art Eggleton, the minister, what was recommended by the former Minister of Disaster Assistance and what we have called for, and that is full, generous DFFA coverage. It is time for the federal government to recognize that in southwest Manitoba.

Mr. Harold Gilleshammer (Minnedosa): Mr. Deputy Speaker, the minister who just finished his speech, of course, is good at talking all around the issue. He starts by talking about the Ag committee that is currently in place, and there is a confusion in the minds of many Manitobans. The downturn in the agricultural economy exists, but too much moisture in the southwest in 1999 is a very specific event. The excess moisture was something that had never been seen before in that area, and to drag into this the downturn in the agricultural community that is happening now confuses the issue. I know this is what this minister has done, and I know that is what the Minister of Agriculture (Ms. Wowchuk) has consistently done.

We have said that there needed to be targeted assistance to that area, and the Minister

of Agriculture and the Minister responsible for the Disaster Assistance Program have done their best to confuse those issues, and I can tell you that people in the southwest listen very carefully to what you say.

There is a sense of unfairness that these people feel, a sense that this Government has not heard them. There is a sense that nothing has been done, that there is a lack of caring for those people who are still suffering because of that excess moisture in 1999.

Now, the minister indicates that we should say that we did not go far enough in June of 1999. I can tell you I attended the meeting in Brandon in June where the response at that time was given, and all of the players were there, from KAP, other farm organizations, from AMM, from the Machinery Dealers Association. There was a large crowd there. The Brandon Economic Development Board, members from, I think, the Brandon Chamber at that time. They said at the end of that meeting, after we announced the \$50 per acre, the money for custom seeding, and the extension of the crop deadline which was asked for by farm organizations, they said you have given us everything we have asked for.

* (17:40)

So do not paint the picture now that that was an inadequate response. That was the response that was asked for. It was accepted by producers at that time as being very fair and very timely.

Now, what nobody could have foreseen at that time was that the excess moisture problem would continue and continue and continue. Even though they asked for the extension of the crop deadline, nobody could foresee that the conditions would be so poor that those people who tried to seed their crop eventually regretted that—because it did not work—but it was something that they asked for and something that we consented to.

At that particular point in time, I think producers felt well served by government, they thought they would be able to work their way through this crisis. That did not happen, because nobody could foresee that through the rest of June and July and August the rains continued.

The excess moisture problem was still there. So this problem needed to be dealt with again. To assist them we put together a committee under the late Bob Rose. They looked at what was done in 1997. They looked at the needs for southwest Manitoba at that time and came up with a report. That report was tabled with Government just at the start of the election in August of 1999, and of course it was not dealt with. The timing was not good for that.

Now, this Government has had that report for the last 19 months. I can remember the Premier making his first tour into coffee shops out in that area in May or June of last year after it was referenced here in the House. He expressed some surprise. He made this report public and expressed some surprise that nothing had happened, that this report had been hidden.

This report was with government all through that period of time. This Government has not acted on the Rose report, and they at first tried to blame other people. Now, people in the southwest have listened very carefully, they have watched very carefully, and they have understood that this Government has tried to play politics with that Rose report, that there are severe unmet needs out there. All they are asking for is some sense of fairness that programs that were put in place in 1997 in the Red River Valley would be replicated in the southwest part of Manitoba.

I would urge these ministers and this Government to look again at the Rose report and to implement what they can within that report to assist those producers, because this hurt out there has gone beyond the farm gate. It is not just these producers who lack income from that period of time, but it is all of the ag-dependent communities out there, the communities, the schools, the hospitals, the businesses who are suffering, and this Government continues to try and put the blame on the federal government.

Now, this was a party who campaigned on a great relationship they were going to have with the federal government. I can remember the Minister of Agriculture's first foray into federal-provincial meetings. Before the meetings were over she and her colleague from Saskatchewan, with press release in hand, decided to leave the meeting instead of staying at the table to

represent the interests of these producers who needed the targeted help in southwest Manitoba, leaves the room and that relationship.

Now the Minister of Transportation (Mr. Ashton) and the Minister of Agriculture (Ms. Wowchuk) are saying, oh, we were highly successful, that we got everything we wanted. Well, you go into southwest Manitoba and you tell people how successful you have been. You tell people what you have accomplished for them. There is a feeling of profound disappointment in southwest Manitoba, that the targeted support that they have asked for has not come forward from this Government, that there has been no leadership from this Government.

The minister abandons her responsibilities by leaving the meeting, has not met those needs in southwest Manitoba. Those people feel like they have been left out there all by themselves to deal with government, to deal with bureaucracy. This minister and other ministers have not helped.

It is easy for current ministers to try and blame it on the previous government, blame it on the feds. There is a distinct feeling out there that there has not been an understanding of what the situation is. They have had within their caucus presentations by a group from Minnedosa led by Bob McMann [*phonetic*] and other producers who have presented their information to the Cabinet, to Cabinet ministers and to our caucus and to others. Everybody accepts that they have done a great job of capturing what happened during that period of time. But this Government gives lip service to listening, to caring, and nothing has happened. There has been no creativity within this Government to try to address those problems, and those problems from 1999 have continued into the year 2000, the year 2001. There is a severe income crisis out there whereby our communities are suffering greatly. We have had business failures. The mayor of Melita, the mayor of Minnedosa, the mayor of Souris have indicated these publicly, and they are asking government to do something.

We once had a Department of Rural Development that was very proactive in going out there and working with communities and

helping communities to develop Grow Bonds, helping communities to tap into the REDI program. There was a sense of things happening in rural Manitoba. Well, this Premier and this Government have done away with the Department of Rural Development. There is settling into rural Manitoba now a sense that there is despair, that there is a lack of caring on the part of this Government, that programs that were successful, programs that were working now are left to languish, that people who worked within the Department of Rural Development who were very proactive, very active with councils, mayors and reeves with entrepreneurs, with business people with an idea, now nothing is happening.

These people have become regulators. They have become bureaucrats. They are offering no assistance and no help, and, as a result, we have not had any Grow Bonds. We have not had any programs developed. We have not had any sense of excitement out there that things are happening, and, again, that would be part of the solution. This Government is expected to lead out there, and they have abandoned the field. Even though members opposite, I have heard, speak of the Rural Development Forum just completed in Brandon, I dare say my sense was that there was a severe drop in attendance, although I think a thousand students were brought in. Rather than go to class that day, they could be part of this. There was a lack of booths out there to tout entrepreneurs and businesses that were out there creating jobs. That reflects this sense of despair that is growing in rural Manitoba, and this Government and the minister responsible are not showing leadership in that area.

I can tell you that these producers—and some of them were here last night to talk to the Ag Committee to put their case forward. We have had a rally on the steps here with about a thousand producers that came forward, and I can tell you that they are the most polite people in Manitoba when it comes to stating their case. They come to this Legislature, and they do not like it. They come cap in hand asking for help, and this Government has not shown any inclination of showing leadership, of being creative, of giving that targeted assistance to these producers and these communities that have so desperately asked for it.

I would ask that this Government give serious consideration to passing this resolution showing that there is some caring there, to take the Rose report off the shelf and give some hint that they are going to proceed with this, that there is some hope that there will be new money put into those communities, that some of that hurt from 1999 can still be addressed. It is not too late, but, as each week passes and each month passes, there is this feeling of despair out there that the Government has not heard them, the Government is not interested, they are not going to address those problems, and the Minister of Agriculture (Ms. Wowchuk) will say, oh, yeah, we adjusted crop insurance, or we have done this or done that. Nobody from Government has addressed the critical needs that are out there. Nobody has addressed the fact that targeted assistance is needed. There were expenditures that were put into the field that year in terms of fertilizer and weed control. These things were addressed in 1997. This Government has shown no help in that area. I can tell you that the Minister of Agriculture should be embarrassed by that.

* (17:50)

The Premier (Mr. Doer) made another photo-op tour of rural Manitoba in the spring of this year, where he would phone the morning of or the day before and say: Gather some students around, I want to speak. The only thing that he did was have his picture taken with a local mayor or someone and have it put in the local paper. He did not hear in Souris what those students were saying. He bragged about what he was doing for education, but there was no attempt to address the needs that were expressed in the Rose report that these students brought forward.

Oh, yes, the minister says everything is fine out there. The Minister of Agriculture (Ms. Wowchuk) said, oh, yeah, we fixed all those things. The fact of the matter is she has not. She has ignored those people. Mr. Deputy Speaker, I can tell you that there is profound disappointment out there that they have been abandoned by this minister.

Point of Order

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Deputy Speaker,

the member, in his comments, said that the Premier (Mr. Doer) was not listening to students. He then went on to say that I said everything was fine in rural Manitoba. What I did say to the member across the way was that at Rural Forum we had a Youth Forum where students had the opportunity to speak to ministers. We listened to them. I can tell you that it was a very good forum. So I would ask the member to correct his comments on the record as to what my comments were.

Mr. Gilleshammer: Mr. Deputy Speaker, I accept that ministers have been out there and people have been speaking to them, but there is no evidence that they have been listening. There is no evidence that they are putting forward programs to fix those problems. Certainly they had hundreds and even a thousand students in Brandon. They have listened but they have not done anything. That is what this resolution is intended for, to spur this Government on to some action.

Mr. Deputy Speaker: Disputes as to facts are not points of order. The Member for Minnedosa has one minute.

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Mr. Gilleshammer: Mr. Deputy Speaker, I would appreciate that the minister take some direct action, give these people some hope, help them to create some programs that will work for them. They are suffering out there. Oh, yeah, she shows me a long list on her paper, and she says, oh, yeah, we have fixed all these problems. The fact is they have not fixed it, they have not listened, they have not given that targeted support that these people are asking for. She can hold up a list of paper all day if she wants. The producers out there do not believe you. They do not feel you have listened. They do not feel you have helped. The way you could send that signal is to pass this resolution today.

Mr. Tom Nevakshonoff (Interlake): Mr. Deputy Speaker, I am very happy to stand up in the House today to speak on this resolution.

I think first of all we have to stress the fact that this is a very important issue to the people of Manitoba. This Government takes this issue

very seriously. In fact, I would feel comfortable in saying that it is one of our top priorities to see that the crisis in the southwest of Manitoba and in agriculture in general is dealt with by the federal government. It has a severe impact on our economy. Unless the Liberal government in Ottawa wakes up and realizes that western Canada is falling behind and is coming to dire straits in a lot of cases, then we are in trouble here.

Now, I do not have much time, so I would like to address the resolution in particular. I would have to state right off the bat, Mr. Deputy Speaker, that should it come to a vote, I will not be supporting this resolution because of the negative tone that it takes and the fact that the Conservative opposition has chosen once again to sully this whole process, to politicize it and turn it into a public relations event when the people of Manitoba, their constituents for a large part, are in a crisis situation. Now we have made several overtures and just last night, as a matter of fact, the Standing Committee on Agriculture wrapped up its public hearing process, and this is a good indicator of exactly how the Opposition wants to deal with this issue. We had agreed going into this process that we were going to go in on a non-partisan basis, that we were going to try and co-operate and go to Ottawa with a united front, which is a good approach to this, and what do we have instead?

We have members of the Opposition using this once again as a political platform, trying to score points with their supporters to the detriment of the committee process as a whole and, unfortunately, to the detriment of our credibility when we go to the federal government to seek the support that we so rightly deserve.

When I look at this particular resolution, you know, a lot of great claims are made by the Member for Arthur-Virden (Mr. Maguire), and I am a little disappointed in him. If it were from some of his other caucus members, I might expect it, but I really hoped for more from the Member for Arthur-Virden, and just to look at the record. The record speaks for itself. They are going to such lengths to criticize our Govern-

ment and yet just a cursory glance at their 10 years in office well illustrates how poorly they represented the agriculture community in their term in office. The list goes on and on.

I will give you one example, Mr. Deputy Speaker. I will give you several actually but just one to begin with. Here we are dealing with a crisis in southwestern Manitoba, and what did the Conservative government do when they were in power? We had something called a rural stress line, right? An avenue where people in stress, people possibly contemplating suicide, people facing bankruptcies, this was an avenue that they could at least phone and talk to somebody, and what did they do? They did away with it. They really cared for the stress that the people in rural Manitoba were under.

Well, this Government, one small step. We reconstituted this line. Numerous other examples. We are dealing with a water crisis situation across the province. What did they do? They did away with the provincial subsidy for testing water, put the financial burden on people who were already stressed out, put even more financial burden on them for a simple thing like testing the water out of their wells. That is another thing that this Government reversed. Here they profess to speak so highly for the agricultural community and yet under their mandate, the budget for drainage, vital infrastructure for agriculture, what did they do? From 1988 to 1999, they cut the budget to a third of what it was when we left office in 1988.

The crocodile tears rolling down their cheeks are just amazing to watch. Day after day I have to listen and, quite frankly, it is becoming unbearable, and I welcome the opportunity to stand and speak against them.

Mr. Deputy Speaker: Order, please. When this matter is again before the House, the honourable Member for Interlake (Mr. Nevakshonoff) will have nine minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 2, 2001

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