

**Second Session - Thirty-Eighth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**  
**Official Report**  
**(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	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.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
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.
MELNICK, Christine, Hon.	Riel	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.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	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, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Thursday, May 13, 2004**

**The House met at 1:30 p.m.**

**ROUTINE PROCEEDINGS**

**PETITIONS**

**Highway 227**

**Mr. Ralph Eichler (Lakeside):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition.

It is unacceptable for the residents of Manitoba to travel the unsafe gravel roads of Highway 227 in the constituencies of Lakeside and Portage la Prairie.

Inclement weather can make Highway 227 treacherous to all drivers.

Allowing better access to Highway 227 would ease the flow of traffic on the Trans-Canada Highway.

Residences along Highway 227 are not as accessible to emergency services due to the nature of the current condition of the roadway.

The condition of these gravel roads can cause serious damage to all vehicles, which is unacceptable.

Residents of Manitoba deserve a better rural highway infrastructure.

We petition the Manitoba Legislative Assembly as follows:

To request that the Minister of Transportation and Government Services to consider having Highway 227 paved from the junction of highways 248 and 227 all the way to Highway 16, the Yellowhead route.

To request the Premier of Manitoba to consider supporting said initiatives to ensure the safety of all Manitobans and all Canadians who travel along Manitoba highways.

Submitted on behalf of Carl Fleury, Shirley Fleury, Stacy Sorenson and others.

**Mr. Speaker:** In accordance with our Rule 132(6), when petitions are read they are deemed to be received by the House, and this will mean for all future petitions.

**Minimum Sitting Days for Legislative Assembly**

**Mr. Kevin Lamoureux (Inkster):** I beg to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Manitoba Legislature sat for only 37 days in 2003.

Manitobans expect their Government to be accountable, and the number of sitting days has a direct impact on the issue of public accountability.

Manitobans expect their elected officials to be provided the opportunity to be able to hold the Government accountable.

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the Government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

Establishing a minimum number of sitting days could prevent the government of the day from limiting the rights of opposition members from being able to ask questions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider recognizing the need to sit for a minimum of 80 days in any given calendar year.

Signed by J. Cannon, D. Normand, and R. Richard.

**Mr. Speaker:** Before recognizing the honourable Member for Charleswood, I would like to ask the

House if I could have agreement to instead of repeating after every petition, "when a petition is read it is received by the House," if I could just do it once after the first petition which would be applicable to the rest of the petitions for each day. Could I have agreement of the House?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** I thank you very much.

### Alzheimer's Disease

**Mrs. Myrna Driedger (Charleswood):** I wish to present the following petition.

Alzheimer's is a debilitating disease.

Cholinesterase inhibitors are known to slow or even prevent the progression of Alzheimer's.

The provincial government asked for the development of an Alzheimer's strategy in 2000 and was presented with nine recommendations in 2002, none of which have yet been implemented.

In the absence of a provincial Alzheimer's strategy, the Winnipeg Regional Health Authority put in place a policy in November 2003 whereby Alzheimer's patients entering personal care homes are being weaned from certain Alzheimer medications in a move that the WRHA's vice-president of long-term care has referred to as a financial necessity.

The administrative costs of the Winnipeg Regional Health Authority have more than tripled since 1999, to a total of more than \$16 million a year.

In a move that amounts to two-tier medicine, the families of Alzheimer's sufferers in personal care homes may request that the drugs continue to be delivered at the family's expense.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Mr. Chomiak) to ensure that his attempts to balance his department's finances are not at the expense of the health and well-being of seniors and other vulnerable Manitobans suffering from this debilitating disease.

\*(13:35)

To urge the Minister of Health to consider reversing his decision to deny Alzheimer's patients in personal care homes access to certain medications.

To request the Minister of Health to consider implementing a provincial Alzheimer's strategy.

Signed by Bernie Goertz, Ron Broten, Dennis Cavanagh and others.

### Proposed PLA-Floodway

**Mr. Stuart Murray (Leader of the Official Opposition):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian

Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed by R. Fraser, R. W. Powell, R. Gosling and others.

**Mr. Kelvin Goertzen (Steinbach):** I wish to present the following petition to the Legislative Assembly of Manitoba.

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To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

This is signed by Ryan Olfert, Rolando Giesbrecht, Orlando Braun and others.

\* (13:40)

### Pharmacare

**Mrs. Mavis Taillieu (Morris):** I wish to present the following petition.

These are the reasons for the petition.

Pharmacare is a drug benefit program for any Manitoban, regardless of age, whose income is seriously affected by high prescription drug costs.

Under the Doer government, Pharmacare deductibles have been increased by five percent each year for the last three years. As a result of the 15% hike in Pharmacare deductibles, individuals are facing increased costs ranging from \$36 to \$660 a year. Seniors, fixed- and low-income-earning Manitobans are the most negatively impacted by these increases.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Premier of Manitoba to consider reversing his decision to increase Pharmacare deductibles by 5 percent in Budget 2004,

To request the Premier of Manitoba to consider reducing health care bureaucracy, as previously promised, and direct those savings into sustaining Pharmacare.

To urge the Premier of Manitoba to consider re-evaluating his Government's priorities and to consider suspending his Government's plans to spend \$100 million on new VLTs at a time when seniors and fixed-income Manitobans cannot afford medication.

It is signed by E. Pourier, E. S. Piper and M. Dessureault.

### TABLING OF REPORTS

**Hon. Diane McGifford (Minister of Advanced Education and Training):** I am pleased to table the 2004-2005 Departmental Expenditure Estimates for Manitoba Advanced Education and Training.

**Hon. Jim Rondeau (Minister responsible for Healthy Living):** I am pleased to table the Supplementary Information for Legislative Review for 2004-2005 for the Departmental Expenditures for Healthy Child Manitoba.

Also I would like to table the Departmental Expenditures for the Manitoba Seniors Directorate.

**Hon. Eric Robinson (Minister of Culture, Heritage and Tourism):** I am pleased to table the Culture, Heritage and Tourism Supplementary Information for Legislative Review for the Departmental Estimates 2004-2005.

**Hon. Tim Sale (Minister of Energy, Science and Technology):** Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review for the Department of Energy, Science and Technology for 2004-2005.

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us Mr. Nishish Jha from India who is the brother of the honourable Member for Radisson (Mr. Jha).

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

### ORAL QUESTIONS

#### Red River Floodway Expansion Master Labour Agreement

**Mr. Stuart Murray (Leader of the Official Opposition):** Manitobans have watched with some disgust and some disappointment over this Premier's continued bungling of the floodway expansion project. His refusal to listen to the vast majority of Manitobans who are fundamentally opposed to his plans to force workers to pay union dues and force companies to be part of a union organization is causing undue delay in getting on with the work at hand, which is building the floodway.

His failure to take the issue of forced unionization and forced union dues off the table has, and is, surely causing unnecessary delays as Mr. Wally Fox-Decent prepares his report and has denied all parties the ability to reach an agreement on the floodway expansion project agreement. Mr. Speaker, my question to the Premier: Has he received the report from Professor Wally Fox-Decent?

**Hon. Gary Doer (Premier):** I have not received the report. I will consult with our minister, but I just

want to make some corrections on the rhetoric of the member opposite. Firstly, we have continued in our work that was scheduled to take place in 2004 after we reached an agreement which was signed off in November of 2003. We have continued in our design work, particularly dealing with the design of the floodway and its impact upon ground water and wells. We have not lost a moment in terms of that.

Secondly—and the Member for River Heights (Mr. Gerrard) asked questions previously about going to a separate federal and provincial process—we have condensed that time through the good offices of Mr. Gilroy from a potential three-year environmental licensing process to a one-year environmental process. The information on the ground water and wells is crucial for the environmental licence.

If we were to proceed building the floodway now without an environmental licence, we would be breaking the law. I know some surrogates are suggesting that. Is the member opposite suggesting the province of Manitoba break the law?

\*(13:45)

**Mr. Murray:** No, Mr. Speaker. I am suggesting the Premier take forced unionization and forcing non-union workers to pay union dues off the table. That is what I am suggesting.

I think all of us in this House have heard the radio ads and all of us have seen the television commercials that are playing around this issue but perhaps the Premier has not, or if he has, perhaps he is not listening to them the way that he is not listening to the vast majority of Manitobans who tell him to do the right thing and take forced unionization off the table.

I would like to repeat one from the Premier, and I quote, "The clock is ticking, draining weeks and months from the critical job of expanding the floodway." Government says it is a top priority yet they continue to delay, leaving all of us waiting. Let us tell them it is time. It is time to make a decision. It is time to end the fighting. It is time to build a floodway, Mr. Speaker. It is time for the Premier to make a decision. It is time for the Premier to end the fighting. It is time for the Premier to take forced unionization and forced union dues off the table. It is time to get on with building the floodway. Will he do

the right thing and take forced unionization off the table?

**Mr. Doer:** The member opposite tells us to build the floodway. He is telling us to break the law because we do not have an environmental licence. We are applying for an environmental licence based on the new science and engineering work that has been completed. I am surprised the members opposite would be quoting from an ad that tells us to break the law. Surely to goodness in this Legislature we should be following the law.

**Mr. Murray:** I am surprised, Mr. Speaker, that this Premier was unable to deal with the business community in Manitoba and had to bring in Wally Fox-Decent to deal with an issue that he was incapable of dealing with.

All he had to do was simply take forced unionization off the table to allow those companies, 95 percent of which in Manitoba are non-unionized, to get on with what is important. That is what this is all about. We have heard that the report of the floodway expansion project will not require as much digging as first thought. Mr. Speaker, unfortunately for Manitobans, this Premier is digging himself and his Government deeper and deeper into a hole because he will not take forced unionization off the table.

Now, I am going to ask the Premier, because we have seen in this House, Mr. Speaker, where a committee that he put together to talk about funding of education in Manitoba that spent two years working very hard, one of the recommendations they put forward to this Premier was to increase the provincial sales tax by 1 percent. He stood in this place and he said, no, he would not agree to that.

I want to ask this First Minister: If Professor Wally Fox-Decent brings forward a report that in any way, shape or form talks about forced unionization, will he also say no to that forced unionization, no to that recommendation, and get on with building the floodway?

**An Honourable Member:** —a seven-year-old's answer.

**Mr. Doer:** Mr. Speaker, speaking of seven-year-olds, the little echo from Springfield, I am sorry, the honourable Member for Springfield (Mr. Schuler),

would know all about seven-year-olds. He would not know the statement that Vic Toews made in this House about—

\* (13:50)

**An Honourable Member:** Grow up, Mr. Premier, grow up.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. I would point out to the honourable member that this side of the House will be bringing in pension legislation, when we bring it in, that will protect spouses, not like his legislation.

### **Red River Floodway Expansion Master Labour Agreement**

**Mr. Kelvin Goertzen (Steinbach):** Mr. Speaker, the Minister of Water Stewardship has stated publicly that all workers on the floodway expansion project would be forced to pay union dues. Industry representatives have stated that this unnecessary provision would add to the cost to Manitoba taxpayers \$65 million. The Premier said in his last answer that he has not lost a moment on the studies that he has put forward.

I wonder if the Minister of Water Stewardship has given even one moment to finding out and doing an analysis on what the costs of forced union dues would be to taxpayers in Manitoba.

**Hon. Steve Ashton (Minister of Water Stewardship):** I am very surprised that members opposite have not acknowledged that there is a very significant amount of work that is ongoing. In fact, we made a very significant announcement that members opposite, I thought, would have been asking questions about, the design of the floodway, which, thanks to the excellent engineering work being done by the engineering consultants and by the Floodway Expansion Authority, is going to result in deepening of no more than two feet compared to the original design of no more than six feet.

You can ask the Member for Selkirk (Mr. Dewar), who raised this question yesterday, how important that is to his constituents. It is also important to constituents in Springfield.

We are continuing with the work and, indeed, that will be done with the same budget we have been talking about all the way along. So the members opposite who keep tabling petitions saying the floodway may be built, I can tell them it will be built. We are doing the preparatory work now and we are ensuring it will be built, unlike turning it into a political football as they have.

**Mr. Goertzen:** Mr. Speaker, either the minister did not listen to the question or he simply does not care to hear the question. I did not ask about the design of the floodway. I did not ask about the depth of the floodway. I asked about what the additional costs to the Manitoba taxpayers would be if they go ahead with forced union dues.

Has anybody in his department, has the minister even cared to look what the cost to the taxpayers would be if there is a suggestion for forced union dues on the floodway? What would that kickback cost, Mr. Speaker?

**Mr. Ashton:** Mr. Speaker, members opposite may not have noticed—

**Mr. Speaker:** Order. I have not recognized the honourable member yet.

**Mr. Ashton:** Mr. Speaker, I am just very anxious to answer the question. In fact, my apologies.

Mr. Speaker, I want to indicate that Wally Fox-Decent, who is a very well-respected Manitoban, has been working with all the stakeholders. Due to some personal circumstances, Mr. Fox-Decent has, in fact, had to cancel a number of other obligations. We all hope that he will be in a position to provide that report soon and will provide us some clear direction based on the stakeholder input which is very important.

I want to stress to the member opposite again, the working data work on the environmental work, the engineering work, and the budget for the floodway remains unchanged. In fact, we are going to be able to stick to that budget and minimize ground water effects.

Those are real issues, Mr. Speaker, unlike the political footballs that members opposite keep trying to recycle in this House.



**Mr. Goertzen:** Well, the minister said that he was eager to answer the question so it is funny that he did not bother to answer the question. I did not ask about the environmental impact. I did not ask about the depth of the floodway, and I did not ask about the design of the floodway.

What I asked this minister very clearly, and I will ask it again on behalf of all Manitobans: What will the additional costs to the forced union dues on the floodway project be? Has his Government done any analysis on what amounts to a kickback to his union buddies will be? Or has he not even bothered to ask? Or is he incompetent? Or both?

\* (13:55)

**Mr. Ashton:** Mr. Speaker, the floodway remains unchanged, the member opposite did not understand. I would remind him that before he now wants to go back to criticizing the process we put in place, that indeed the Winnipeg Construction Association, the Construction Association of Rural Manitoba, the Merit Contractors and the Heavy Construction Association all urge us to appoint publicly Wally Fox-Decent, to put him in place.

Apparently stakeholders in Manitoba have faith in Wally Fox-Decent. Members opposite do not, but their only concern with the floodway is politics.

#### **Auto Theft Rates Reduction Strategy**

**Mr. Gerald Hawranik (Lac du Bonnet):** Auto theft rates in Winnipeg have increased by 7 percent from 1999 to 2002 and another 6.7% increase to 2003. Rick Linden, a criminologist and chairman of the province's Auto Theft Task Force, said, "Vehicle theft remains high in Winnipeg and Winnipeg has one of the highest per capita car theft rates in Canada."

Why has the Minister of Justice not reduced auto theft rates when he has promised us time and time again to do so?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Imagine getting lessons from Conservatives on the auto theft rates, Mr. Speaker?

It is my understanding that the auto theft rate last year increased 5.6 percent, a rate that was still lower than 2001. I remind members opposite, when they

were in office the auto theft rate increased 285 percent.

**Mr. Hawranik:** Mr. Speaker, just when we thought auto theft rates could soar no further, they increased another 6.7 percent last year. They probably would have gone even further, except that the police stolen vehicle phone line was busy for three days and those who had their automobile stolen could not get through.

Is this the minister's answer to decreasing auto thefts? Do not answer the stolen vehicle line and therefore it does not form part of the stolen vehicle numbers.

**Mr. Mackintosh:** I regret that the Opposition would focus an attack on Winnipeg Police Service. Mr. Speaker, I think that is unfortunate. The Winnipeg police, as members know even from the last couple of days, have been most effective at apprehending suspects in some auto thefts, which demonstrates two things, not only the danger of auto theft, but also the dedication of the Winnipeg Police Service in partnership with Manitoba Justice, MPI, Citizens on Patrol, other groups, to deal with this challenge.

But we need no lessons from members opposite. When auto theft rates were going up almost 300 percent in Manitoba, they made five promises in '95. Not one of them was implemented.

**Mr. Hawranik:** I ask the Minister of Justice not to deflect the blame to the Winnipeg Police Service but to accept full responsibility for increased auto thefts in 2003. In 2003, the number of stolen vehicles in Winnipeg increased by 6.7 percent over the previous year. In the meantime, Elaine Poersch who called the police stolen vehicle line over 100 times over a three-day period could not get through to report her vehicle as stolen.

Mr. Speaker, is this the Justice Minister's strategy to decreasing crime in Winnipeg, to make it as difficult as possible for people to report a crime?

**Mr. Mackintosh:** Well, Mr. Speaker, I think the members are concerned about the operations of Winnipeg Police Service. I will certainly pass on that to the police. We have formed a good partnership with our police agencies in Manitoba.

I want to remind members that this Government has brought in the toughest car theft legislation in

Canada and has put in place new initiatives. Whether it is with regard to the installation of immobilizers, dealing with the manufacturers to make sure that immobilizers are installed at factory, Mr. Speaker, whether it is campaigns, whether in parking lots, whether it is driver education, whether it is the auto theft prosecution team that they promised in '95 and we delivered on, whether it is notification of communities, there is action.

### **Emergency Room Services Overcrowding**

**Mrs. Myrna Driedger (Charleswood):** On Easter Monday, my constituent, Stephen Fielding, took an ambulance to an emergency room because he was having heart palpitations and breathing difficulties. After being triaged, he was told he would have to wait in a very overcrowded waiting room. He was feeling very unwell so his mom asked if he could lie down on a stretcher. She was told there were no empty stretchers and that Stephen should lie down on the waiting room floor.

I would like to ask the Minister of Health (Mr. Chomiak) how he has been able to say he has fixed hallway medicine when sick patients are now being told to lie down on the floor of an emergency room waiting room.

**Hon. Steve Ashton (Acting Minister of Health):** As Acting Minister of Health, I know that we have more than 200 000 visits to emergency rooms in Winnipeg every year. Mr. Speaker, in addition to dealing with the overall resourcing issues, where we have been dealing with staffing issues and significantly reducing vacancies in terms of nursing and physician and other staffing, which is important to that, we have put in place the permanent recommendations of the ER task force.

I can undertake, Mr. Speaker, to follow up in terms of any particular circumstances that have arisen. Our basic approach as a government, in fact the approach of the entire health care system, is to provide the best possible care to those 200 000 Manitobans, but where problems do occur, we do not sweep them under a carpet. We do look at ways of improving the situation in the future. That is why we have made some very significant progress since 1999 in terms of our emergency wards and particularly in terms of hallway medicine.

\* (14:00)

**Mrs. Driedger:** Mr. Speaker, the reason there were no stretchers was because the ER, including the hallways, was full. Yet this Minister of Health likes to pat himself on the back and say that he has fixed hallway medicine.

Can the Minister of Health tell Stephen's dad, who is sitting in the gallery today, why his son was told to lie down on the ER waiting room floor? He was sick. He needed help. He could not sit, and he was told to lie down on the waiting room floor. Can this Government please explain that to Stephen's dad?

**Mr. Ashton:** I indicated that we take very seriously each and every one of those patients that go into our emergency wards, in fact, anywhere in our hospital system. Mr. Speaker, where we have had incidents in the past, we have responded. We have put in place a whole new system of dealing with that, but what is important is not so much the systems, but recognizing that where you do have 200 000 Manitobans visiting our hospital wards, situations will occur that need to be prevented in the future.

What I will say to the member opposite is please provide me with those details. I will work with the Minister of Health. We will look at what happened and, as we have done in the past, our commitment is to try and improve the health care system wherever possible.

**Mrs. Driedger:** Mr. Speaker, there is absolutely no excuse for that kind of situation to happen in a Canadian hospital. Stephen's mom was so taken aback by the suggestion that her sick son should lie on the floor of the ER waiting room, in fact she felt that they were visiting a hospital in a Third World country.

I would like to ask the Minister of Health if he will now admit and if the Doer government will now admit that they misled Manitobans in the 1999 election when they said they were going to fix hallway medicine in six months with \$15 million.

**Mr. Ashton:** I wondered where the politics would come into the question, Mr. Speaker.

What I would explain would be that if the members opposite had been elected, they had promised a 1% increase for health care. We put in

place a 5.2% increase this year. That is \$100 million less that would have been in the health care system if they had been in government and, given their record in the 1990s, we do not need any political lectures from members opposite.

I take very seriously, as does every member of this Government, the situation that occurred. If they want to get into the politics, they should recognize that their record of the 1990s is we had people lined up in the hallways. Our commitment was to reduce that. We reduced it by 80 percent. We will not stop until it is down to zero. That is our commitment.

### **Emergency Room Services Overcrowding**

**Mrs. Bonnie Mitchelson (River East):** The attitude of this Government is spend more and get less.

Almost five years ago the Premier (Mr. Doer) and the Minister of Health (Mr. Chomiak) said they would end hallway medicine in six months with \$15 million. Today, almost five years later, patients are dying in hospital hallways waiting to be seen and they are being told to lie on the floor to wait for the care that they need. When will this minister and this Government act, take responsibility and fix the problems that exist that they promised to fix five years ago?

**Hon. Steve Ashton (Acting Minister of Health):** Mr. Speaker, I indicated very clearly that in terms of the particular circumstances that happened, we take that very seriously. In fact one of the reasons we indicated in 1999 how unacceptable the hallway medicine was, was that there was at that time very little recognition by the members opposite when they were in government that it was even a problem.

We have decreased it by 80 percent despite the fact that we inherited a legacy where they had taken 1500 nursing positions out of the system, a reduction in terms of doctors of more than a hundred. We have, since we came into government, increased the number of nurses by 879. There are 156 more nurses in. We have targeted, particularly the last two years, the shortages of staff in our ERs. We are working very hard, Mr. Speaker.

That does not make what happened acceptable. We will review the specific circumstances, but the members opposite should not lecture us about

hallway medicine. They are the ones that left the system in a mess.

**Mrs. Mitchelson:** Well, I am sure that the Fielding family takes a lot of solace in that kind of arrogant response from the minister.

Mr. Speaker, there is a physician shortage in emergency rooms. There is a nursing shortage in emergency rooms. Patients are dying in emergency rooms waiting to be seen. Patients are being asked to lie on the floor because there is no space for them in emergency rooms. When will this Government and this minister indicate how they are going to fix the system that they promised to fix five years ago? They promised a quick fix. When is that going to happen?

**Mr. Ashton:** Well, I need no lectures in terms of arrogance. That member was part of a government for 11 years that allowed the situation to develop in Manitoba where it was acceptable to have hallway medicine, and we have put in place measures that have reduced it by 80 percent.

Mr. Speaker, I indicated to the member who raised the concern, the Member for Charleswood (Ms. Driedger), about the specific circumstances, that we always take seriously each and every one of the patients in our hospitals.

In terms of dealing with shortages in the ERs, we have taken action. We have reduced the nursing shortage by more than 50 percent just in the last number of years alone. We have three more physicians coming through in terms of ERs. We are making a difference, but the bottom line here is again, we take each and every one of those patients very seriously.

What happened in this case, I would like to get more details, and I can assure the members opposite we will look very seriously at what happened. That is what a caring government is all about.

**Mrs. Mitchelson:** There was a time when lying on a stretcher in a hospital hallway was unacceptable to this Premier. Now it appears to be acceptable to this Premier to lie on a floor in the emergency waiting room. When will this Premier take some responsibility for what is happening in our emergency rooms under his watch and fix what he promised to fix five years ago?

**Hon. Gary Doer (Premier):** The member opposite and I will be at the Concordia Hospital this evening and she will know that, over the period of time from four and a half years ago, almost every day there are 80% fewer patients in the hallway. She will also know that there is a new way of organizing the situation in the hospitals. She will also know that—

**An Honourable Member:** Why do you not tell them that at dinner tonight and see what they say?

**Mr. Speaker:** Order.

**Mr. Doer:** Well, thank you, Mr. Speaker. I think members in northeast Winnipeg know the answer to those questions, and we saw that a year ago.

The whole challenge of dealing with patients in the hallways and in emergency rooms, we now have a management system at noon that kicks in—

**An Honourable Member:** Lie on the floor. That is how we will manage it.

**Mr. Speaker:** Order.

**Mr. Doer:** We have put in place a system where—  
[interjection]

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. The Winnipeg Regional Health Authority now co-ordinates areas where there are too many patients and too few beds, and other situations where there are beds that are available. The specific—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

\* (14:10)

**Mr. Doer:** The incident that has been raised by the member from Charleswood, I assume that the Minister of Health is investigating because he has been given the opportunity to investigate the specifics. If not, if he is only finding out for the first time in the Chamber, we will follow up. I think there are legitimate questions raised and the family deserves answers, and we will provide that to the family.

### **Gaming Addictions Impact on Suicide Rate**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, it is quite likely that Manitoba has the highest gambling addiction rate in all of Canada. Yesterday the head of gaming operations in Nova Scotia told a legislative committee that 10 of 159 confirmed suicides in Nova Scotia were linked to gambling addiction. In spite of these startling statistics, the Doer government has expanded the hours of operation for VLTs, they have introduced keno into this province, they are spending \$100 million on new VLTs to encourage more Manitobans to become addicted and now they are talking about a casino in Brandon. This Government has not had one study on the effects of gambling on the citizens of Manitoba.

Mr. Speaker, I would ask them how they can proceed on this expansion of gambling without even bothering to record or to investigate how many Manitobans each year take their own lives as a result of gambling addictions. How can you proceed with this expansion?

**Hon. Scott Smith (Minister charged with the administration of The Manitoba Lotteries Corporation Act):** Mr. Speaker, I am glad to see at least the Member for Fort Whyte did not do the shoddy work that the member previous, from Steinbach, had done yesterday asking the Minister of Gaming one question, not focussing on lotteries.

Lotteries, I can tell you the difference between then and now is that side of the House had absolutely zero policy on responsible gaming in the province of Manitoba. That side of the House is responsible for opening up two casinos in the city of Winnipeg at an over cost of \$140 million. That side of the House introduced every VLT into the province of Manitoba with absolutely no responsible gaming policy. We have one and it is starting to turn things around.

**Mr. Loewen:** This minister believes that responsible gaming is expansion of gambling. He should be ashamed of himself for that.

There are 5300 VLTs in Manitoba compared to only 3200 in Nova Scotia. Manitobans spend \$606 a year on average on gambling. Nova Scotia spends \$478. We know for a fact that 10 of 159 suicides in Nova Scotia are directly related to gambling addictions. We have between 150 and 175 suicides in

Manitoba. It is unrealistic to think that there is not somewhere between 10 and 15 Manitobans that take their lives every year as a result of gambling addiction.

Mr. Speaker, I would like to ask this minister when he will take the time to do the proper studies, have a socio-economic study, study the impacts of gambling on this province, before he expands gambling operations.

**Mr. Smith:** Mr. Speaker, I will give you a piece of what their responsible gaming policy was from the member of River East in 1993. Here was the Tories idea of responsible gaming. "Ultimately, people choose whether or not they are going to spend their disposable income on gambling or smoking or drinking. People do ultimately make those decisions. No one is forcing Manitobans to gamble in any way." That was a policy of the Filmon government.

In 2001, under this Government, the MLC developed a responsible gaming policy strategy, the first of its kind in Canada. We have expanded over 77% more dollars into responsible gaming since we took office, in fact, a 24% increase last year. Mr. Speaker, we are working with the Addictions Foundation of Manitoba and it is working.

**Mr. Loewen:** Mr. Speaker, I asked this minister a serious question, and the best he could do is go back to read Hansard from 1993. He ought to be ashamed of himself.

The numbers, the facts, are startling. There are probably 10 to 15 Manitobans that take their lives every year as a result of gambling-related addictions.

Why does this minister, why does the Doer government, continue on the road of expanding gambling without even taking advice of every coroner in Canada who has agreed that this is a serious health issue, has agreed that reports need to be presented to every provincial legislature to indicate how many people die from gambling every year?

**Mr. Speaker:** Order. I ask the co-operation of all honourable members. It is very difficult to hear the honourable member trying to put his question. I am sure the honourable member appreciates all the help, but I am sure he can put the question on his own. I ask the co-operation of all honourable members,

please. The question that was put, I did not hear it. I would ask the honourable member just to put the question.

**Mr. Loewen:** Thank you, Mr. Speaker.

My question to the minister is: When is he going to abide by the information that he has from every coroner across Canada who has indicated that it is essential that provinces start to gather information on how many people commit suicide every year as a result of gambling-related incidences? I want to know when that report is going to be presented.

**Mr. Smith:** Mr. Speaker, I gave the member from Fort Whyte too much credit. He has not done his homework. This Government, we have a responsible gaming policy where the members opposite never did. We will not go back to Hansard back in '93, we will go back to just before the previous election when the Leader of the Opposition was saying to Assiniboia Downs, "Absolutely, it is a no-brainer that we will expand your machines. We will have new machines in the Assiniboia Downs."

Mr. Speaker, the Member for Fort Whyte (Mr. Loewen) wants to get rid of all the machines that the Member for River East (Mrs. Mitchelson) brought in. We have a focus, and it is to improve responsible gaming policies in the province of Manitoba.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. Once again, I would like to ask all honourable members, I need to be able to hear the questions and I need to be able to hear the answers. I am sure members in this House also feel the same. I ask the co-operation of all honourable members, please.

**Mr. Smith:** The reality is the member across is completely wrong. The prevalence rate in gambling is one of the lowest in Manitoba, right across western Canada. Working with the Addictions Foundation of Manitoba we do have that information. We are funding the AFM, and it is making a difference that they did not address.

#### **Pension Plans Withdrawals—Hardship Cases**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, this morning we witnessed a very socialistic attitude

toward governing in this province. The pension issue is a very serious issue. It is an issue which other provinces throughout the country are in fact recognizing. Some provinces have enabled the pensioners, the individuals, to ultimately make decisions. Today we have a government member who says, "Well, we cannot quite trust them because they might spend their money on cottages."

I am asking for the Minister of Labour (Ms. Allan) to acknowledge that seniors do know better on how to spend money than this Government, and ask in relationship to it the very least of hardship withdrawals. Mr. Speaker, will this Government allow for seniors to access additional monies from their own retirement funds?

**Hon. Gary Doer (Premier):** It gives us an opportunity today to praise a pioneer who, of course, came from Manitoba, an individual who fought tirelessly for decades for senior citizens to have the right of pensions before they had the unfettered rights to make decisions in the marketplace without any pension. Thanks to Stanley Knowles, people in Canada have pensions. Thanks to Stanley Knowles, people have pensions in this country. Mr. Speaker, I am shocked the member opposite would criticize Stanley Knowles.

**Mr. Lamoureux:** I have represented areas in which Stanley Knowles is represented and I can tell you Mr. Premier, you are no Stanley Knowles. Stanley Knowles I do not even think would have been paying so little attention to such a critical issue. He had more faith in the seniors knowing how to spend their own money. He did not say that seniors in Manitoba would squander their money on cottages, as some members of this Government have said.

My question to the Premier is: Will the Premier acknowledge in hardship cases that there is a need to allow our seniors to access their funds? It is a simple question.

\* (14:20)

**Hon. Nancy Allan (Minister of Labour and Immigration):** I would just like to remind the member opposite that the Government that is going to bring in pension legislation is an NDP government. This legislation has not been reviewed for over 20 years. It is this—*[interjection]*

**Mr. Speaker:** Order.

**Ms. Allan:** It has been over 22 years since The Pension Benefits Act has been reviewed. We will take all of the information, we will weigh it very carefully. It is very complex and the legislation that we bring in will stand the test of time.

**Mr. Lamoureux:** Mr. Speaker, it is not all that complex. The other provinces have already done it. Saskatchewan has done it over a year ago. This Government claims to have been elected in 1999 and has been around. They have had the opportunity. It is a question of whether or not they have faith in seniors to be able to know better than this Government in terms of spending their own money.

We are not talking about government money. This is their own money which they have invested in retirement funds and there are incidences that, at the very least, this Government should acknowledge in hardship cases where seniors should be able to access those funds. This Government has no business telling these seniors that they do not have a right to their own funds. Shame on this Government. We want this Government to take action. *[interjection]*

The Premier wants to know who said it. It was the Member for Elmwood (Mr. Maloway) who said it. Mr. Speaker, whoever said it, all we know is that this Government is all in sync. The issue is when are we going to see action on this issue.

**Hon. Gary Doer (Premier):** Mr. Speaker, unlike the Conservative surrogate that sits behind the Member for Springfield (Mr. Schuler), we will take some good ideas from seniors. We will take the issue of predictability, but the issue—

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Speaker:** The honourable Member for Inkster, on a point of order.

**Mr. Lamoureux:** I am somewhat sensitive in the issue that the minister, I think, might have attributed me to be a Conservative. I do not think it would be appropriate, given I like to think that I have many friends from all political parties, and for me this particular issue is about our seniors. It is not about a political party.

**Mr. Speaker:** The honourable First Minister, on the same point of order?

**Mr. Doer:** Yes, Mr. Speaker, on the same point of order, "Conservative" is not out of order and "surrogate" is not out of order. Therefore, his point of order is without merit.

**Mr. Speaker:** On the point of order raised by the honourable Member for Inkster (Mr. Lamoureux), he does not have a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Speaker:** The honourable First Minister, to conclude his comments.

**Mr. Doer:** We are keeping track of the member's voting record. There is an accountability. At the end of the day we will add up how many times he is accountable for his decisions but, having said that, the bottom line is the bill that is before the House, and it shows you kind of the vacuous kinds of positions made by the Member for Springfield (Mr. Schuler). Mr. Speaker, it does not protect spousal rights in pensions. This Minister of Labour (Ms. Allan) will protect spouses, something the member did not do.

**Mr. Speaker:** Order. Members who wish to have a conversation, I see two empty loges. Feel free to use them. Question Period is over. We are going to move on to members' statements.

#### Speaker's Statement

**Mr. Speaker:** I was in the Chair this morning when we were dealing with private members' business and there was a resolution that came forward dealing with Sgt. Tommy Prince. Many, many speakers on both sides of the House were talking about and giving their thanks to Sgt. Tommy Prince and war heroes like him and they were saying, well, the democracy we enjoy today, we can thank those veterans.

I always thought one part of the democracy that we enjoy is the freedom of speech, and if that is true, if we all have the right to enjoy freedom of speech, then we should have the right to be heard. Members do not have to like what we say, but we still have the right to be heard. I think it is incumbent on all of us

to respect that which is in our rules and also to the respect of the veterans who, like all members said in this House, sacrificed themselves for us to enjoy that kind of democracy. And I know freedom of speech is one of them. I ask all honourable members to think about that and hopefully we will give the courtesy to whoever has the floor. Whether we agree or not, they still have the right to be heard.

#### MEMBERS' STATEMENTS

##### Model United Nations

**Ms. Bonnie Korzeniowski (St. James):** The 2004 MUN, or the Model United Nations assembly, took place last week here in Winnipeg with many young people from Manitoba and neighbouring provinces and states taking part. This Model United Nations assembly is a youth service project and international service project organized and sponsored by the Rotary Club of Winnipeg.

As a Rotarian, I am very proud to say that every year we give Grade 12 students first-hand experience in the workings of the United Nations. They gain an understanding of the responsibility of individual citizens for the success of the United Nations and how to make the United Nations a better understood instrument for world peace. Mr. Speaker, with the assistance of the Canadian Institute of International Affairs and the Winnipeg branch of the United Nations Association of Canada, Winnipeg Rotary undertook to organize and conduct the first MUNA in Winnipeg since 1957.

Because of the success of this initial venture in international service in 1957, Model United Nations Assemblies have been held almost every year since. The Model United Nations Assembly is what the title suggests, a reproduction of the United Nations itself.

\*(14:30)

Mr. Speaker, a number of nations that hold membership in the UN are represented by Grade 12 students. Students are selected from high schools in Minnesota, North Dakota, Wisconsin, northwest Ontario, Manitoba and Saskatchewan, as well as local Winnipeg high schools, and sponsored by Rotary clubs in their local area.

The program has practical education value to both high school and adult participants. It provides

each with an opportunity to examine foreign policy and to increase their knowledge of many nations. Mr. Speaker, I would like to recognize the participants and organizers of the 2004 Rotary Model United Nations Assembly. They are truly making a positive contribution to world citizenship.

### **Junior Wildfire Ringette Team**

**Mrs. Mavis Taillieu (Morris):** I am pleased today to share with this Assembly the success of a very talented ringette team in my constituency, the R.M. of Macdonald, the Junior Wildfire.

In March, the Junior Wildfire, a team made up of young women aged 14 to 16, travelled from the R.M. of Macdonald to St. Jean Baptiste to participate in the provincial ringette finals. I am proud to say the Junior Wildfire brought home the gold medal. Each player on the team played extremely well and worked hard to earn the success they have achieved this season. Throughout the regular season, the Junior Wildfire held first place in the Winnipeg Ringette League, finishing with the bronze medal in the finals.

Mr. Speaker, I would like to take this opportunity to acknowledge each of the players on the Macdonald Athletes Junior Wildfire team: Jackie Dryden, Justine Shirtliff, Cari Penner, Chelsea Anseeuw, Carliegh Friesen, Rachel Campbell, Allison Kirk, Brittany Keddie, Amber Penner, Pauline Ammeter, Erika Friesen, Rhea Dufort, Cindi Lecuyer, Karina Zinn, and coaches Kevin Mackay and Christin Zinn.

It is young athletes like the Junior Wildfire who deserve our recognition not only for their success but for their participation in the community and their inspiration to others. Participating in organized sports promotes health, positive peer relationship and in general an active lifestyle.

Once again, congratulations to all Macdonald Athletes Junior Wildfire team members on their victory in the Provincial Ringette Championships. On behalf of this Assembly, I wish them all the best in future seasons.

### **Canadian Citizenship Ceremony**

**Mr. Cris Aglugub (The Maples):** Mr. Speaker, it is my pleasure today to bring attention to a very special

event that took place this week. This past Tuesday, I attended at the Legislature the Canadian Citizenship Ceremony. The event began with the judge, Arthur Miki, addressing the audience. There was also administration of the Oath of Citizenship, a presentation of Canadian Citizenship Certificates and greetings from the Government of Manitoba by the Minister responsible for Multiculturalism (Ms. Allan).

This event is very important for us and for those new citizens who come from many corners of the world, including Afghanistan, China, Ethiopia, Germany, India, Iraq, Kenya, Morocco, Netherlands, Philippines, Poland, Rwanda, South Africa, U.S.A. and Vietnam.

Together as a community with a common humanity, we will face all our challenges, struggle side by side, preserve the legacy of Canada and Manitoba and enhance it for the generations that follow. We must continue to build on our strengths and to remember our duties and responsibilities to one another, to this province and to the generations not yet born.

The contributions of all Manitobans have made our province a fine place to live, raise our children and to grow old. Many new immigrants will continue to contribute to this bright and beautiful future. Therefore we must celebrate and appreciate our common future, as citizens of Canada and residents of this province, and to look to the future with anticipation.

It is also a time to remember the importance of freedom and equality for all individuals. Together we will work toward this common good. I would like to finish by extending warm and good wishes to all the new citizens of the province and to welcome them to their new home, Manitoba.

### **Maurice Butler**

**Mr. Peter Dyck (Pembina):** I am pleased to share with this Assembly the recent success of one of my constituents. Maurice Butler, a former councillor for the town of Morden, received the Lieutenant-Governor's Make A Difference Community Award for the Central Region of Manitoba.

Mr. Butler received his award at the Volunteer Awards banquet on April 21, which I know some



honourable colleagues had the opportunity to attend. Receiving this award was another confirmation of Butler's commitment to volunteering, since he also received the 2002 Morden Community Service Award.

At the awards banquet Butler was granted this honour because of his extensive involvement in the community of Morden. He has helped found the South Central Committee for Family Violence, set up a mini-soccer program, served as president and zone commander for the Morden Legion and emceed the ever-famous Corn and Apple Festival.

In addition to his many public involvements, Mr. Butler has also quietly gone about serving Morden residents. In the past few months he has provided transportation and emotional support to people receiving cancer treatments and generally has been willing to help out wherever he was needed.

Mr. Speaker, we all know that volunteers are essential to building strong communities and maintaining many different programs throughout this province. Volunteers give of their time, talents, abilities and creativity in order to serve others. It is people like Maurice Butler who truly deserve our appreciation for their sacrifices, contributions and often-overlooked efforts.

I would also like to take this opportunity to congratulate all the nominees and successful candidates for this year's volunteer award. We know that each nominee has had a positive impact in their local community. On behalf of all honourable members, I wish to extend our congratulations to Maurice Butler on receiving the Lieutenant-Governor's Make A Difference Community Award.

### **Concordia Hospital**

**Mr. Harry Schellenberg (Rossmere):** Mr. Speaker, the Concordia Hospital Foundation's 21st Annual Gala Dinner will be taking place tonight. This impressive event highlights the leading role of Concordia Hospital in Manitoba's health system.

Concordia Hospital is a faith-based hospital founded in 1928 by the Mennonite Benevolent Society. It serves the northeast part of Winnipeg and outlying rural areas with compassion and integrity for those in need.

Currently Concordia offers service in medicine, surgery, orthopedic surgery, rehabilitation, geriatrics, critical care, oncology and emergency medicine. The new state-of-the-art oncology unit was opened in 2001. Concordia will become part of the University of Manitoba teaching program with the expansion of the orthopedic surgery program.

Mr. Speaker, this past fall Concordia Hospital celebrated 75 years of care, compassion and commitment in serving the community. Providing care at Concordia are over 1100 staff members, along with approximately 90 active and associate physicians.

Mr. Speaker, the Concordia Hospital has a great history of success when it takes on improvement projects such as a CT scanner, the ultrasound diagnostic unit, the blood bank unit. Currently the foundation is raising funds for the expanded hip and knee replacement program, achieving its usual high level of success. The construction of two new operating rooms and renovations associated with the expansion of the hip and knee surgery program is well underway.

The Premier and I appreciate the co-operation and commitment of the foundation in promoting health and wellness in the community and meeting new challenges. We also thank the management and board of Concordia Hospital for the commitment to innovative approaches to health.

It is an honour to recognize the good work taking place at Concordia Hospital and the Concordia Hospital Foundation. Working together, we will make Concordia Hospital a model in patient care for Winnipeg and Manitoba.

The Premier (Mr. Doer) and I will be attending the event and we invite other MLAs to join us at this annual gala dinner.

**Mr. Speaker:** Grievances.

Order. Is there leave for the member to finish?

**Some Honourable Members:** Leave.

**Some Honourable Members:** No.

**Mr. Speaker:** Leave has been denied. I heard a no. When I asked if there was leave, I heard a no. Order. We are going to revert back to members' statements

because there seems to be a doubt of my hearing. So I am going to test my hearing once more.

Reverting back to members' statements, does the honourable Member for Rossmere have leave to conclude his member's statement?

**Some Honourable Members:** Leave.

**Mr. Speaker:** The honourable member has leave so I will get my hearing tested later, but he does have leave.

\*(14:40)

**Mr. Schellenberg:** Mr. Speaker, I thank you, but I had completed my member's statement.

**Mr. Speaker:** I had already called Grievances, so now we will move on to Orders of the Day.

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** I would like to announce that the following—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. I need to be able to hear because we are dealing with government House business. Please. I have to be able to hear.

**Mr. Mackintosh:** I would like to announce that the following bill will be referred to the Standing Committee on Justice for the meeting previously called for Tuesday, May 18, at 10 a.m., Bill 29, The Public Trustee Amendment Act.

Mr. Speaker, in addition, I would like to announce that the Standing Committee on Social and Economic Development will also meet on Tuesday, May 18, at 10 a.m., to consider the following bills: Bill 9, Manitoba Immigration Council; Bill 14, Gas Tax Accountability; Bill 20, University College of the North; Bill 26, Certified and Management Accountants.

**Mr. Speaker:** It has been announced that the following bill will be referred to the Standing Committee on Justice for the meeting previously called for Tuesday, May 18, 2004 at 10 a.m., Bill 29, The Public Trustee Amendment Act.

It is also announced that the Standing Committee on Social and Economic Development will also meet on Tuesday, May 18, at 10 a.m., to consider the following bills: Bill 9, The Manitoba Immigration Council Act; Bill 14, The Gas Tax Accountability Act; Bill 20, The University College of the North Act; Bill 26, The Certified and Management Accountants Act.

**Mr. Mackintosh:** Would you please canvass the House to see if there is an agreement to change the Estimates sequence such that, for this afternoon, the Estimates of the Department of Transportation and Government Services will be considered in Room 255? Further, would you determine if there is agreement to change the Estimates sequence for Friday so that the Estimates for Advanced Education and Training be considered in Room 255? Finally, would you see if there is consent to change the Estimates for Room 254 for Friday so that Healthy Child Manitoba and the Seniors Directorate be considered?

**Mr. Speaker:** Okay. I will deal with them one at a time.

Is there agreement to change the Estimates sequence such that, for this afternoon, the Estimates for the Department of Transportation and Government Services will be considered in Room 255? Is there agreement? *[Agreed]*

Is there agreement to change the Estimates sequence for Friday, May 14, so that the Estimates for Advanced Education and Training be considered in Room 255? Is there agreement? *[Agreed]*

Is there unanimous consent to change the Estimates sequence for Room 254 for Friday, in order that Healthy Child Manitoba and the Seniors Directorate be considered? Is there unanimous consent? *[Agreed]*

**Mr. Mackintosh:** Would you please call Supply, Mr. Speaker?

**Mr. Speaker:** In accordance with our Rule 23(5), the House will now resolve into the Committee of Supply.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**EDUCATION, CITIZENSHIP AND YOUTH**

\* (14:50)

**Mr. Chairperson (Harry Schellenberg):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Education, Citizenship and Youth. As had been previously agreed, questioning for this department will follow in a global manner.

The floor is now open for questions.

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Prior to the first question, I would like to read for the record some items that we had taken as notice, the first item concerning Souris School in the Southwest Horizon School Division and the renovation project. The Souris School renovation project is currently at working drawing stage. It should be noted that in the past three years approximately \$1.2 million has been approved to repair the roofing problems and another \$300,000 was approved to replace the heating system in Souris School.

The second item taken as notice dealt with broadband access and the answer is based on the following definition of broadband: high speed Internet access provided by a commercial provider such as a local cable company or Manitoba Telecom Service. Of all the schools in Manitoba, 616 schools have the ability to access broadband service. Of the 616 schools, 165 currently are accessing the service. Not included in the 165 figure are those schools accessing high speed service using wireless technology. The divisions that access the Internet with high speed wireless service are Seine River, DSFM, St. James Assiniboia, River East Transcona, Seven Oaks and Pembina Trails. We have no data on how many of the schools in each of these divisions is provided with access but it is safe to assume that it will be a very high percentage.

**Mr. Chairperson:** Thank you. The floor is open for questions.

**Mr. Leonard Derkach (Russell):** A couple of issues that I would like to raise with the minister, and I am going to just pursue the line that we were on when we last sat, which had to do with transfer of tax credits from municipalities and property owners to the school divisions. I would just like the minister to outline for me the process on how this is actually going to happen.

**Mr. Bjornson:** Mr. Chairperson, the proposal announced in the 2004 Budget is to provide the resident homeowner advance portion, which is approximately \$100 million, directly to school divisions in 2005. As a matter of process, the municipalities will remit the net school taxes collected from homeowners to school divisions. School divisions will show a new provincial revenue line in their budgets and financial statements for the value of the residential homeowner advance and an offset line in equal amount against the municipal tax requirements. There will be no change to the total school division revenues as a result of this process.

**Mr. Derkach:** Can the minister give me some indication as to the timing of the payments to the school divisions regarding the tax credits?

**Mr. Bjornson:** They would be paid end of June early July.

**Mr. Derkach:** So the minister is saying that the entire amount of the tax credit will be paid to the school division for that school division within that catchment area for the entire amount at the end of June.

**Mr. Bjornson:** That is currently the manner in which the funds are transferred to the municipalities now and when it switches to direct transfer to the school divisions, it would follow the same time frame.

**Mr. Derkach:** Municipalities collect their taxes throughout a fiscal year. Sometimes taxes are paid on time, sometimes they are paid on a time basis, sometimes they are not paid until the end of the fiscal year, and, yes, they carry some penalty with them but the penalty does not equal the carrying charges that a municipality has for that portion. Can the minister tell me how the municipality is going to

be reimbursed for carrying those costs for taxes not collected?

**Mr. Bjornson:** Well, there is the benefit that municipalities have with taxes added that allows them to collect the taxes assessed that do not have to be paid out to the school divisions. The tax is added to the rolls. So that is one of the benefits that currently exists in the tax structure and the tax rates take into account on collectibles and those in the tax rates as well.

**Mr. Derkach:** Can the minister explain that please?

**Mr. Bjornson:** Could I ask for clarification on the question? Are you talking about uncollected taxes? If you could just clarify, restate your question, please.

\* (15:00)

**Mr. Derkach:** Well the minister's answer is not very well defined. I am wondering whether he would expand on his answer so that I could understand exactly what it is he means by the terminology that he has used in terms of how municipalities are going to get compensated for the interest costs that they have to endure as a result of carrying people whose taxes perhaps are not paid on time.

**Mr. Bjornson:** What is being introduced here does not change anything with regard to the collection or non-collection of taxes under the current rules and regulations for municipalities.

**Mr. Derkach:** Well, then, I am going to ask the minister again if he would explain the process because he indicated that the grants, or the homeowner tax rebate portion, instead of going to the municipality now, is going to go to the school division, yet the municipality is the one that endures the cost when they give the homeowner the rebate.

**Mr. Bjornson:** This is not a non-collection issue, as the municipalities would have received the \$100-million transfer from the rebate, but now the \$100-million transfer from the rebate is simply going directly to the school divisions.

**Mr. Derkach:** The minister still has not explained the process. The municipality, as I understand it, collects the taxes from the taxpayer as they always do. In the collection of taxes is a homeowner rebate program which is a credit to the homeowner. The

department, Mr. Chair, has two ways of funding school divisions: one is the ESL and one is the special levy. The homeowner grant, or the homeowner rebate, is part of the ESL. Is that correct?

**Mr. Bjornson:** No, the rebate is not part of the ESL.

**Mr. Derkach:** Is the homeowner rebate program a credit to the ESL or is it a credit to the special levy?

**Mr. Bjornson:** This is a credit against the special levy.

**Mr. Derkach:** The homeowner rebate program is a credit against the special levy; that is what the minister said. Now, when the homeowner rebate is received, it is received by the municipality right now.

**Mr. Bjornson:** That is correct.

**Mr. Derkach:** The rebate is then forwarded to the school division by the municipality.

**Mr. Bjornson:** That is correct.

**Mr. Derkach:** Do the municipalities in total transfer the equivalent of a \$100 million today, or do they transfer the equivalent of \$179 million? There are no trick questions here. This is straightforward.

**Mr. Bjornson:** Yes, \$100 million is the correct figure.

**Mr. Derkach:** Can the minister tell me what happens to the \$79 million?

**Mr. Bjornson:** Individuals will pay their taxes and they will receive the credit after, through income tax.

\* (15:10)

**Mr. Derkach:** That is not the question. The question is what happens to the \$79 million that is Education funding as well.

**Mr. Bjornson:** Mr. Chair, it is transferred from the municipality to the school division and it is built into the tax bill, as such.

**Mr. Derkach:** Could the minister just repeat that answer, because I perhaps misunderstood?

**Mr. Bjornson:** The money is paid through the tax bill and credited through their income tax. That is the process.

**Mr. Derkach:** Mr. Chair, either the minister is not understanding my question or he is confused, because what I am asking for is, at the present time, the homeowner rebate portion is worth \$179 million in total. The Province has said that it will transfer \$100 million directly to school divisions.

That means there is \$79 million of credit owed to the school divisions that has to be forwarded to them in a different way. My question is, how is this going to be forwarded to the school division.

**Mr. Bjornson:** The expenditure level for '04-05 for both the residential homeowner advance and the income tax portion of the property tax credit is approximately \$179.4 million as identified. The \$100 million goes to the residential homeowner advance which, as I said, had previously been forwarded directly to the municipalities but will now be forwarded directly to the school divisions. The remaining \$79.4 million is paid by the individual taxpayer to the municipality and the municipality pays to the school divisions. Individuals are credited with that amount through the income tax system. That would be the process.

**Mr. Derkach:** I think the minister got it right. So the individual taxpayer being the landlord, because this \$79 million I would presume is all rental property, housing and those kinds of units. Rental and seniors basically. Is that correct?

**Mr. Bjornson:** That is correct.

**Mr. Derkach:** Mr. Chair, so it is the landlord who pays the taxes and in the rent payment to the landlord it is assumed that part of that is education tax, so the individual who is renting property gets a credit on their income tax statement. Is that correct?

**Mr. Bjornson:** That is correct.

**Mr. Derkach:** Having said that, the municipalities do receive that \$79 million from the taxpayer.

**Mr. Bjornson:** Yes, they do.

**Mr. Derkach:** The taxpayer then gets it back in a rebate program.

**Mr. Bjornson:** Some of them.

**Mr. Derkach:** Under the present system, that \$79 million is credited to the municipalities by government. Is that correct?

**Mr. Bjornson:** The only change would be on the residential homeowner advance and nothing changes on the portion of the property tax credit that flows through the income tax system. Nothing changes there.

**Mr. Derkach:** I am aware of that, but I am asking the minister how that \$79 million that is not going to be transferred to the school divisions right now as part of the direct transfer gets transferred to the school divisions after the new process is in place.

**Mr. Bjornson:** The new process will not change the \$79 million in the way that money flows.

**Mr. Derkach:** Mr. Chair, I want to know from the minister whether or not the total amount of tax credit that a municipality has on its books, total amount of tax credit the municipality gives out to its taxpayers throughout this province equals \$179 million. Is that correct?

**Mr. Bjornson:** The municipal portion is \$100 million, approximately \$100 million. The municipal tax credit portion is \$100 million.

**Mr. Derkach:** It is my understanding and according to the printed Estimates or the Budget, the total amount of tax credit in Manitoba is equal to \$179 million. That is the amount of money, education tax money, if you like, that is credited back to homeowners, and the Government makes up that \$179 million to school divisions. Previously, that amount, as I understand it, Mr. Chair, was paid to municipalities, then transferred to school divisions.

The Government has said that it is not going to transfer the \$179 million, it is going to transfer \$100 million of the \$179 million directly to school divisions. I want to know how \$79 million gets into the hands of the school divisions.

\* (15:20)

**Mr. Bjornson:** Well, what we have here is two different types of tax credits where the \$100 million, as I said before, is part of the residential homeowner advance but the 79.4 goes through the income tax system, and again that is something that is paid to the

municipality, the municipality then to the school division and credited to the individual through the income tax system.

**Mr. Derkach:** Either the minister is confused or I am confused. Maybe both. I would just like to ask the minister how the \$79 million, it was part of the whole global amount, I do not care how it goes to the individual taxpayer, that is not my issue, my issue is that \$79-million portion, how does that get from the Government to the school division?

**Mr. Bjornson:** Mr. Chair, the \$79.4-million portion in question is paid to the municipality by the taxpayer; then from the municipality it is paid to the school division; and then the individual is credited through the income tax system for that balance.

**Mr. Derkach:** Okay, so let me understand this clearly. The \$79 million was always collected by the municipalities from the property owners. The renters got their credit through the income tax system. Therefore, the municipality was the one who was responsible for transferring the money over to the school division because that was not a credit, that was simply taxes collected.

A hundred million dollars in total across the province was money that was paid directly by homeowners, residential people. This same amount of money that was paid to municipalities, the exact same amount of money that was collected by municipalities from the Province previously is now going to be collected by the school division.

**Mr. Bjornson:** That is correct.

**Mr. Derkach:** Is the minister telling me that the money used to be paid to municipalities by the end of June?

**Mr. Bjornson:** I understand it has traditionally been the end of June, early July.

**Mr. Derkach:** We will not argue about a month here at all. Now that money was then forwarded to school divisions, not immediately, but there was a formula in place where I think the municipalities forwarded the money to school divisions three or four times a year. Is that correct?

**Mr. Bjornson:** The regulation requires that those funds be remitted to the school divisions 30 days after collection.

**Mr. Derkach:** That the hundred million dollars be transferred 30 days after it is paid by the Government to the municipalities. Is that what the minister is saying?

**Mr. Bjornson:** Yes, the regulation requires that 30 days after collecting, the taxes, including the \$400 tax credit, would have to have been turned over to the school division.

**Mr. Derkach:** But that is a play on words, Mr. Chair, because municipalities collect their taxes from taxpayers throughout the year. Now the bulk of them might be paid when they are due, but I know that municipalities report significant amounts of money of taxes not collected that are, in what we might call, they are not in arrears, but they are not collected until sometimes in the later part of the year. My understanding is that, when those taxes are collected, instead of remitting them on a piecemeal basis, there is, I do not know if it is an agreement or a formula, where municipalities submit them to the school divisions at established intervals throughout the year.

**Mr. Bjornson:** Yes, all taxes collected have to be submitted to the school divisions 30 days after the due date, and there is another deadline for all taxes due to be remitted by January 31.

**Mr. Derkach:** Well, the minister is telling me taxes due to a school division from a municipality are to be paid 30 days after they are collected.

**Mr. Bjornson:** Yes, after they are collected.

**Mr. Derkach:** So is the minister saying that taxes that are collected have to be remitted 30 days after they are collected. Can the minister tell me when the portion that represents the homeowner rebate must be remitted to the school division from the municipality at the present time?

**Mr. Bjornson:** Mr. Chair, nothing has changed around the regulations for submission of the taxes to the school divisions based on the collection by the municipalities. They are required, 30 days after the due date and the collection, to submit their taxes to the school divisions with the final deadline for all taxes to be submitted the 31st of January. The only difference would be the \$400 tax credit flowing directly to the school divisions from the Finance Department as opposed to going through the municipalities.

\* (15:30)

**Mr. Derkach:** The minister is saying that the only difference that is going to take place now is that school divisions will get their money 30 days sooner than they would have had the money been transferred over to the municipality.

**Mr. Bjornson:** With respect to the \$100 million attributed to the \$400 property tax credit, that is correct. The school divisions would be getting their money earlier.

**Mr. Derkach:** Can I ask the minister whether or not the homeowner tax rebate was previously calculated as the Province's contribution to division education programming?

**Mr. Bjornson:** The education property tax credit was transferred to 2000-2001 and is indicated as such in our FRAME Report.

**Mr. Derkach:** I think, as the statistics indicate today, the province makes up about 57 percent of education funding. The rest of the money comes from the special levy and other revenues I suppose. Can the minister indicate whether that \$100 million was calculated as part of the 57 percent previously?

**Mr. Bjornson:** No, it was not part of that. The adjusted total in the FRAME Report indicates that it would be part of the 72.2 percent.

**Mr. Derkach:** Now that it is being transferred directly to the school divisions, is it going to be part of the calculation of that portion of provincial funding of education?

**Mr. Bjornson:** Yes, it would be indicated as part of the operating fund.

**Mr. Derkach:** So what would that \$100 million translate to in terms of percentage of funding of education in this fiscal year with the relative number right now being at 57 percent?

**Mr. Bjornson:** It would be 64 percent.

**Mr. Derkach:** The Government can now, without giving the divisions any more money, claim that its percentage of funding to school divisions has increased from 57 percent to 64 percent. Is that correct?

**Mr. Bjornson:** This more accurately represents the funding of schools. The intent was for transparency by taking this \$400 credit and applying it directly to the school divisions as opposed to going through the municipalities and having the municipalities submit it to the school divisions. We collect that. We take that \$400 property tax credit and the \$100 million goes directly to the schools, so yes.

**Mr. Derkach:** The minister said yes, so now we have a situation where, without putting an extra dime into education, the Province can claim that its funding of education has gone from 57 to 64 percent and can claim that this is more transparent and more accountable. Yet they have not spent an extra dime on funding education in a more equitable and fair manner. Is that correct?

**Mr. Bjornson:** In five years, as you know, we have contributed \$105 million into the base. We had a significant contribution to education, and it is a way of acknowledging the realities of how education is funded with respect to the \$400 credit that has been applied to offset the support levies as assessed by municipalities. We are reducing our education support levy, so, yes, we are providing transparency and providing a truer picture of how the Province is funding education. Indeed, \$105 million into the base is a very significant contribution.

\* (15:40)

**Mr. Derkach:** I am not interested in the minister's smoke-and-mirror answer. I am simply asking for the facts. The fact is that, in this particular instance, we are talking about the tax credit here. Without putting an additional cent into education, the Province can now claim and will claim that its funding support to education has increased from 57 percent to 64 percent, which the minister said yes to and it is done under the guise of the minister's, quote unquote, "transparency and accountability measure."

**Mr. Bjornson:** This does not change the 72.2 percent as identified in the FRAME budget when you consider capital, the Pensioners' School Tax Assistance and the Teachers' Retirement Allowance Fund contributions. It does not change that figure. It simply provides more transparency in how we are funding education.

**Mr. Derkach:** The minister is at the edge of babbling here because I am not talking about

72 percent. I understand the issues the minister talks about when he talks about capital support, when he talks about teacher retirement. Let us not hide behind fictitious numbers. We are talking about direct support to those elements of education that have been measured, not just in this last four years, but have made up the basket, if you like, of measurement for the percentage of funding of those educational programs that has been constant over time. We have always excluded that portion that makes up the 72 percent, the capital, the teachers' allowance fund, and so forth. We are talking here about that 57 percent that is common to the measurement of how much funding the Province gives vis-à-vis school divisions. That is the portion I am talking about.

All I was doing was trying to clarify that this portion now is going to rise from 57 percent to 64 percent because the Province is now going to transfer the tax credit money directly to the school divisions. The minister said yes to that. That is a fair response; that is the accurate response. My only comment to that was that we have to make it clear to the public and to Manitobans that this 64 percent was achieved, not through additional funding for education, but, Mr. Chair, simply through an accounting transfer and a transfer of how money is transferred into the school division's pocket.

**Mr. Bjornson:** Mr. Chair, this is not new money. It is providing better disclosure and transparency, and I would take exception to the reference of fictitious numbers; \$100 million is a real number and it is something that we are providing, better transparency to Manitobans as to how education is being funded in this province.

**Mr. Derkach:** Mr. Chair, I thank the minister for finally coming around to acknowledging that. I was not trying to play games with the minister here. I know education funding is a complex issue. Certainly, over time, funding to education has been an issue that taxpayers, that educators, that school boards have found somewhat problematic, not only in the amount of money that goes into education and such items as textbooks, but also the place where the money is collected from. So I appreciate that the minister is forthright in those responses.

I have a question in a different area and it has to do with textbooks. It almost seems, in today's day and age, intolerable that we are allowing \$10, I believe it is, per student, per textbook, per year. Can

the minister tell me whether in fact my number is correct or whether that number of \$10 per student per year has increased beyond that?

**Mr. Bjornson:** The textbook grant is \$50 per pupil per year.

**Mr. Derkach:** As I understand it, the textbook grant is also including in it more than just the classroom textbook. It includes library and video materials as well, does it not?

**Mr. Bjornson:** The library grant is a separate grant. It had been \$90 per student, per year for a number of years, and we raised it to \$92 per student with our recent 2% funding announcement increase. So that was one of the priorities that we placed on resourcing our libraries, and it was increased from \$90 to \$92 per pupil per year.

**Mr. Derkach:** Can I ask the minister whether or not he is saying that the \$50 is exclusively for student textbooks?

**Mr. Bjornson:** That is for all resource materials in the classroom.

**Mr. Derkach:** I did not understand the minister's response. Just repeat it, that is all.

**Mr. Bjornson:** The \$50 per pupil is for all resource materials in the classroom.

**Mr. Derkach:** So I go back to my first question. Is it accurate to say that approximately \$10 per student per year is for pure textbook materials for classroom purposes?

**Mr. Bjornson:** There is flexibility in that grant. The whole of the amount could be spent on textbooks, depending on the local priorities or the priorities of the schools, the principals, whatever the case might be. So the entire amount could be for textbooks, or it could be broken down for a variety of resources as identified as priorities by the school.

**Mr. Derkach:** As I understand it, a classroom teacher would have to decide whether or not this entire amount of money is going to be spent for new textbooks and/or for other resource materials that are required to teach a particular curriculum. Is that correct?



**Mr. Bjornson:** Mr. Chairperson, that would be part of a general discussion with staff and principals to decide what their priorities would be and what the most appropriate method would be to resource the programs that they are offering.

**Mr. Derkach:** Can the minister tell me how long the \$50-per-student amount has been in place and when it was last increased?

**Mr. Bjornson:** It has been in place since the new formula was introduced in '92-93 and it was last increased in '96-97.

**Mr. Derkach:** So there has not been an increase in this grant since this Government has been in office and I would acknowledge, first of all, that regardless of which government has been in office, this amount is absolutely so far out of date today, that it does not make sense. We have had significant numbers of new programs introduced into the classroom. Is there any recognition of classroom textbook costs when new curriculum is introduced into a classroom?

**Mr. Bjornson:** Mr. Chair, again, the \$50-per-student grant is flexible and discretionary with respect to the priorities that are identified by the staff, by the principal, by the school division and how to resource their courses, whether those courses are new courses that are introduced or whether they are existing courses that they care to expand or deliver for the first time, whatever the case might be.

\* (15:50)

But there are also other things that we have been doing with respect to computer technology and, as I mentioned at the very beginning of this afternoon's Estimates, the number of schools that are now accessing broadband and Internet, so there are a number of other media now that are available that students can use.

We are also providing a lot of professional development opportunities for teachers to look at alternative methods of course delivery as well. I mean, in my experience in the classroom and as a matter of personal history, I was using social studies textbooks that were quite dated during the 1990s, and, as such, just had to be more creative in how we chose to deliver the courses, and made very good use of the resources that were available to us.

Certainly, for the number of resources that are available, you cannot spend enough on these resources. Mr. Chair, there are so many things that are available to our students, but that is a matter of priorities being identified by the schools, by the principals, by the staff in terms of how they chose to resource those courses.

**Mr. Derkach:** Well, Mr. Chair, I understand that there are new technologies available to teachers, to students, to all of us, but I also understand that \$50 does not buy today what it bought in 1996 or '97. I am quite concerned that as the minister responsible for the education of children, this grant for individual textbooks and resources has not increased at all since 1997.

Regardless of computers, regardless of Internet broadband, et cetera, I am talking about raw textbooks, and what we are finding today and what I am sensing from my constituents is that there is a growing concern from parents who are seeking a quality of education for their children about the fact that children are not able to have a textbook in the classroom.

As a matter of fact, some of them have to share, others have to copy, sometimes they Xerox, sometimes they are just told, "Sorry, we don't have the money to buy you textbooks, but this is the program we have to teach."

**Mr. Bjornson:** Just as it is the priority of the school or the teachers that is reflected in how they choose to use those resources, that \$50-per-student grant, we also have our priorities as a government to look at how we expend our resources in other areas by increasing funding to special needs, to Aboriginal education, to English as a Second Language, early numeracy, early literacy.

So, just as we have priorities identified by schools and they make those choices around how to use those resources, we as a government have identified priorities where we are investing more of our funds to address the educational needs of our students.

**Mr. Derkach:** Mr. Chair, I am going to paraphrase what the minister just said. He said, "School divisions have to have their priorities and we have our priorities." He talks about Aboriginal education, he talks about special needs, as though the rest does

not matter. So we are going to bring everybody's level down in terms of the quality of education because our priorities are over here and not over here.

I find that appalling. Any Minister of Education would know that your priorities are to enhance the opportunities for education for all students, whether they are above average, average, below average, whether they are Aboriginal, Ukrainian, German, whether they are black, yellow, white would not matter.

We are not a country that practises apartheid, and for the minister to say that our priorities are over here and not over here is absolutely appalling. The minister said, "School divisions have to set their priorities. We as a government have set ours, and our priorities are special needs and our priorities are Aboriginal education."

That is a damnation. Mr. Chair, I cannot believe what I just heard from the minister. I mean, regardless of whether I have a child that is an exceptional student or not, that child has to have the best possible opportunities that we as a province and we as a society can afford, but to say that is not a priority is not a very wise statement from the minister in my view.

**Mr. Bjornson:** I do not believe that is what I said, and I think our Government's priorities in education are very clear. We have put \$105 million into the base.

I lived through the nineties as a teacher where I saw minus 2%, minus 2.6%, 0%, minus 2%, 0% announcements on education as a priority. I saw during the 1990s over 800 teachers who retired or were let go and not replaced, thus impacting the ability to deliver quality education in our province. I saw a number of initiatives by members opposite that were a direct attack on the teaching profession.

This is a government that values education and that value is reflected in the actions of this Government. A \$105-million investment—

**An Honourable Member:** But you segregate the races.

**Mr. Bjornson:** I cannot believe that I am hearing this from the Member for Emerson (Mr. Penner),

comparison to apartheid. This is unbelievable. It is unbelievable.

Mr. Chair, we have identified our priorities. We are investing in our priorities. You started to talk about \$50 textbook grants, it is the priorities of the school to decide which resources they use—

**Some Honourable Members:** Oh, oh.

**Mr. Chairperson:** Order, please. It is getting difficult to hear the person who has the floor. So, if you wish to speak, you can go back there or out in the hall. All right. I would like to hear the person who has the floor speak. Honourable Minister, you have the floor.

**Mr. Bjornson:** I was referring to the \$50-per-student allotment as schools identified their needs and their priorities with how to resource programs. As a government, it is our purview to identify our priorities in education which, as I mentioned, include increased funding to special needs; increased support to special needs; increased funding for Aboriginal academic achievement and Aboriginal action plan, which was something that was sadly missing during the 1990s; English as a second language supports; early numeracy. Our list of priorities go on and on with respect to addressing the educational needs of our students.

In fact, we even go beyond the classroom and start early with our Healthy Child initiative, looking at the holistic approach to education, dealing with providing prenatal support for parents, giving the child the healthiest possible start; having early childhood learning indicators where approximately 70 percent of Manitoba students now are assessed in the readiness to learn program before they go to kindergarten.

We have our priorities very much focussed on education, and I am very proud to be a part of the Government that has made education such a priority after going through what I went through as a teacher, as a professional, in the nineties.

**Mr. Derkach:** I think it is a sad comment on the minister when he is questioned on his own approach and his own philosophies for him not to be able to defend it, but to be able to hearken back to the nineties. The reality of the nineties is there, and I am not going to debate the nineties. We are now in the

new millennium and this is the reality before us today. It is the minister that has accountability for what happens today. That is what we are questioning here in Estimates.

It is too bad that the minister has such a low esteem of how he can defend his Estimates that he cannot defend his Estimates on their merit, but, indeed, harkens back to the eighties, the nineties. We have seen this in the House, Mr. Chair, and it is a sad comment on the minister. I think I will just leave it at that. If the minister wants to make a final comment, we can proceed from there.

\* (16:00)

**Mr. Bjornson:** Mr. Chair, once again, I would like to put on the record how proud I am to be a part of a government that values education and values education starting with the holistic approach, the Healthy Child initiative, as I said. That value of education is reflected in a \$700,000 commitment to the Early Childhood Development Initiative, 70 percent of our students being assessed before they go into the school system to see if they are ready to learn, looking at assessment models that provide meaningful feedback so we can have a meaningful look at our system and identify needs within our system, providing predictable, affordable, sustainable funding with \$105 million over the course of five years, and our commitment to post-secondary education and reducing and freezing the tuition fees. I am very proud to be a part of this Government and the value that this Government puts on education. I appreciate that the Member for Russell (Mr. Derkach) has given me an opportunity to comment as such.

**Mr. Chairperson:** The floor is open for questions. I think we are ready for passing the resolutions. I will read Resolution 16.2.

Resolution 16.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$25,042,100 for Education, Citizenship, and Youth, School Programs, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 16.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,387,800 for Education, Citizenship, and Youth,

Bureau de l'éducation française, for the fiscal year ending the 31st day of March 2005.

***Resolution agreed to.***

Resolution 16.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$182,664,100 for Education, Citizenship and Youth, Education and School Tax Credits, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 16.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$847,755,900 for Education, Citizenship and Youth, Support to Schools, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 16.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,004,700 for Education, Citizenship and Youth, MB4Youth, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 16.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$31,459,800 for Education, Citizenship and Youth, Capital Grants for School Divisions, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

Resolution 16.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$503,800 for Education, Citizenship and Youth, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2005.

***Resolution agreed to.***

The last item to consider for the Estimates of this department is 16.1.(a) Minister's Salary, contained in Resolution 16.1. At this point, we request that the minister's staff leave the table for the consideration of this last item. The floor is open for questions.

**Mr. Derkach:** Mr. Chairperson, I think this minister has demonstrated, and although he is a new minister,

he has demonstrated that he does not value the importance of resources to classrooms and, he has, unfortunately, left a very important part of education to the whims of the school divisions to try to wrestle with.

**An Honourable Member:** To the whims of teachers.

**Mr. Derkach:** Yes, and the whims of teachers. Mr. Chairperson, the teachers have a very difficult time in trying to prepare and present programs to students when they do not have the resources to buy the necessary classroom resources that are required to present those programs so the minister has a responsibility here.

**Mr. Chairperson:** There is too much talking and we cannot hear the speaker very well. I can still hear people talking and if I cannot hear the speaker, we do not know what is happening.

Member for Russell, you have the floor.

**Mr. Derkach:** As I was saying, Mr. Chairperson, the minister, a former educator who prides himself as an educator, and I am confident that he is a good educator. I am not going to reflect on his teaching ability whatsoever, and he has proven himself as a teacher, as well. That is not the issue. The issue here is an issue of management of a department which is responsible for the well-being of the educational qualities and opportunities of children throughout this province.

I know the minister has to balance that with his staff in terms of how the resources are shared, but there is one area that is fairly important to teachers and to classroom children and to parents. That is the whole area of direct reading textbook resources to those children. We can talk about implementing new technologies, we could talk about broadband, we could talk about Internet, we can talk about all of those things.

This Government, Mr. Chairperson, has made an about-face. When they came into government, they were very proud of the fact that they nixed the YNN program but this year they are now launching into partnerships with private industry and allowing for private industry to come into the classrooms with such things as computer software, et cetera. The deal with Microsoft is the one that I am referring to.

Now, that is not a bad deal. We, on this side of the House, supported that. We were, when we were in government, constantly looking at opportunities that would allow for students to access those types of technologies, those types of resources, by partnering with the private sector.

Microsoft is not a public-sector, it is a private-sector company, and they are out there to make money. But they, as do other companies, feel an obligation because they know that investing in our children is an important part of growing our society and ensuring that we have a knowledgeable, well-informed workforce for the future of this country. That is certainly something that the Minister of Education (Mr. Bjornson), I know, as an individual, wants, but he is restricted in terms of the Budget. Also, I think the Government's philosophy comes into play here, and the minister has to abide by that as well.

I feel very strongly that the whole area of textbook and resources into the classroom is an area that is very severely underfunded. I felt that way when we were in government too, to be honest with you. That was an area that we somehow do not seem to have an ability to address and I wish we could.

\*(16:10)

I want to make a statement about that for the record here in this Chamber. On reflecting on the minister's salary, I will not move a motion to reduce the minister's salary to the cost of a textbook or the cost of the grant that is afforded for each student. That would be probably a message that we would send to the minister so that he would be cognizant of that for the next year. I simply want to talk about that issue and simply put it on the record that, I think, as an educator, I want this minister to focus his attention to that area, because I think any resources that we can help to provide to the classroom teacher is only going to assist in the overall education. I do not care, as I said previously, whether it is to Aboriginal education, or whether it is to a particular cultural part of the educational experience in a school. I believe that those are important elements of education. I believe that we need to enhance things like cultural education. We need to enhance the arts part of education.

**Mr. Doug Martindale (Burrows):** You are the one that wanted to abolish all those things in the election campaign.

**Mr. Derkach:** Well, that is an important point that the Member for Burrows makes because during the election campaign, as a matter of fact, I was quoted as wanting to cut those things, and the reality was I was saying the exact opposite. I will explain.

**An Honourable Member:** You were misquoted.

**Mr. Derkach:** Yes, I was not quoted. As a matter of fact, there was no quote from me. It was just the—

**An Honourable Member:** Misparaphrase.

**Mr. Derkach:** That is right. It was the misconception of the *Free Press* and Mr. Nick Martin of the *Free Press*, but let me explain why I am strong on that part of it. I come from a family that is very strong in terms of the performing arts and in terms of artistic education. As a matter of fact, I have a son who is an artist and I, as well, was a performing artist at one time as well, so, Mr. Chair, in that regard, you cannot say—

**An Honourable Member:** Were you a dancer?

**Mr. Derkach:** No, I am not a dancer.

Mr. Chair, nobody can say that I do not value the importance of the performing and the cultural arts. To me those are very important, so that is the area that I see that we need to put some focus on in terms of enhancing education.

Secondly, I believe that we need to expand the whole area of music in the schools, and I do not know how we would do that. One way is to partner, perhaps, with—and I go back to the whole concept of partnering with communities, partnering with the private sector.

In my own situation, we do not have a music program in our school. What we were blessed with in our community was an individual who gave of herself 150 percent to make sure that students would have the benefit of a music program. It is in that way that my son became a musician and an artist. It was because he was able to take advantage of that individual's skills and her commitment to education. For that reason, I have always been very strong in terms of wanting those kinds of programs as a part of the integral component of education. I would look at the minister today and say that we should launch—and this is not a partisan thing. I think it is time for

us to launch an investigation into how we can expand in the province of Manitoba those kinds of opportunities for children throughout this province.

**An Honourable Member:** We are already doing that.

**Mr. Derkach:** The minister says he is already doing that and, certainly, he will not ever see me condemn him for an action in that regard.

It was interesting during the election campaign as well. I might say, that a week after that story came out where the *Free Press* said they misunderstood the whole issue completely and thought that I was against all of these programs, the Premier (Mr. Doer) actually came out with a policy that was exactly what I was trying to promote in the province. That is okay, because I think all of that is for the benefit of children regardless of who wants to take credit for that. It is not important. The important part is that children receive the benefit of that program.

I come back to this whole issue of the \$50 per student for resource materials. That, I find, is really inadequate and, as I said, if I were to move a motion here on the minister's salary, that is the area that I would focus on, because that is the area that I would say needs to be addressed by the minister, Mr. Chair, needs to be improved for the ability of teachers to be able to deliver an appropriate kind of curriculum and enhance the opportunities for our children. I leave it at that and I will not make the motion.

**Mr. Chairperson:** Any further questions from the floor? If not, I will read Resolution 16.1. into the record.

Resolution 16.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,331,400 for Education, Citizenship and Youth, Administration and Finance, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

This completes the Estimates of the Department of Education, Citizenship and Youth. The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Intergovernmental Affairs and Trade.

Shall we briefly recess to allow the minister and critics the opportunity to prepare for the commencement of the next set of Estimates? *[Agreed]*

We will have a short recess.

*The committee recessed at 4:16 p.m.*

*The committee resumed at 4:23 p.m.*

*Mr. Cris Aglugub, Acting Chairperson, in the Chair*

### **INTERGOVERNMENTAL AFFAIRS AND TRADE**

**The Acting Chairperson (Mr. Cris Aglugub):** Will the Committee of Supply come to order. This section of the Committee of Supply will now be considering the Estimates of the Department of Intergovernmental Affairs and Trade. Does the honourable minister have an opening statement?

**Hon. MaryAnn Mihychuk (Minister of Intergovernmental Affairs and Trade):** Yes, I do. It is my pleasure to present for the committee members' consideration Estimates for the Department of Intergovernmental Affairs and Trade for 2004 and 2005 fiscal year. I will try to keep my remarks brief.

The Department of Intergovernmental Affairs and Trade formed in the recent government reorganization in November 2003. Trade and local government initiatives have been consolidated into a single department recognizing that strong local governments are critical to Manitoba's position in the Canadian, North American and world economy. This was also done to co-ordinate resources and expertise in trade and international activities within the Government of Manitoba to maximize effectiveness and ensure consistency with corporate strategies and to provide a single window access and face to the Government of Manitoba's international activities.

Mr. Acting Chair, also, as part of this reorganization, programs that were formally within the department have been transferred to other portfolios. The Manitoba Water Services Board and the Conservation Districts Program are now housed within the new Department of Water Stewardship. Rural economic development programs such as the REDI-funded programs and the co-operative

development program are now in the Department of Agriculture, Food and Rural Initiatives.

*Mr. Harry Schellenberg, Chairperson, in the Chair*

The new Intergovernmental Affairs and Trade is embarking on several priority initiatives this fiscal year. In the planning area, critical initiatives in the area of planning demonstrate our ongoing commitment to providing local governments an effective land use planning framework.

Our planning resources are focussed on the following priority areas. We have introduced Bill 40, The Planning Amendment Act, to encourage municipalities and planning districts to do better up-front land use planning, especially for agriculture and specifically, for livestock operations. We have worked very closely with the Association of Manitoba Municipalities and other stakeholders to develop a bill that fairly balances the interest of the province, municipalities, producers and the public.

We are taking action and partnership with municipalities on the Capital Region. In support of the recent historic signing of the memorandum of understanding by mayors and reeves of the Capital Region, including the mayor of Winnipeg, the Province established a steering committee to guide the development of a stronger partnership among the Capital Region municipalities. We will be working closely with stakeholders and the public, Mr. Chair, to strengthen planning legislation and make it more responsive to the needs of our communities. The review of The Planning Act and provincial land use policies will ensure that Manitoba's planning framework meets the needs of planning authorities and citizens of the province.

**Infrastructure:** Mr. Chairperson, in recognition of the infrastructure needs of our communities, the department supports infrastructure renewal initiatives in local communities across Manitoba, including Winnipeg.

The current Canada-Manitoba Infrastructure Program along with upcoming new initiatives provides for a sustained federal-provincial commitment to renew infrastructure of all types, sizes and levels throughout the entire province. We are actively negotiating two new agreements with Ottawa to provide additional support for both Winnipeg and rural infrastructure needs.

A new Canada-Manitoba Infrastructure Program, under what Ottawa calls the Municipal Rural Infrastructure Fund, will primarily focus on rural and northern Manitoba. We expect Manitoba to be the first province to sign the new federal-provincial agreement, with the application process to begin shortly thereafter. In support of the city of Winnipeg infrastructure, we announced funding in March for three significant strategic infrastructure projects under the Canada Strategic Infrastructure Fund: the Kenaston underpass, upgrades to the Winnipeg waste water treatment system and the first phase of a bus rapid transit system.

Economic development: Building on the success of previous Manitoba-Canada Economic Development Partnership Agreement, a new five-year \$50-million Canada-Manitoba Economic Partnership Agreement was announced in March. Mr. Chair, the new EPA provides matching federal-provincial contributions in partnership with stakeholders to strengthen Manitoba's economic diversity by focussing on two strategic priorities: building our economy and sustainable communities.

To date, federal and provincial governments have announced support for one EPA project, some \$1 million for Forintek's Value-Added and a wood technology program, Mr. Chair, with a major focus on enhancing opportunities for Aboriginal and northern communities in the wood products sector.

Support to Municipalities: Key to the long-term sustainability of our communities are strong, healthy municipalities that are equipped to address the emerging challenges of our rapidly changing society. Departmental initiatives in '04-05 will strengthen the local government framework. Examples include the Tools for Change program developed in partnership with the AMM and redeveloping our Web site and statistics publications to provide local governments with timely, relevant and helpful information and management reports.

\* (16:30)

A review of The Local Authorities Election Act will be undertaken to modernize local election act laws that are severely out of date and no longer in sync with today's available technology. We plan to have new local election laws in place for the 2006 general election.

Mr. Chair, we are gearing up for the province-wide 2006 general property assessment which ensures municipalities have a stable and a predictable tax base. As municipalities across Canada are talking about a new deal for municipalities, Manitoba continues to lead the country in innovative funding partnerships.

Our financial support to local governments gives municipalities more flexibility to provide the services its citizens want, while keeping property taxes reasonable.

Our unique, unconditional tax-sharing program, the Provincial-Municipal Tax-Sharing Program is the foundation to our joint financial relationship and the envy of municipalities in other provinces. We also continue to share on an unconditional basis video lottery terminal revenues with municipalities. These funds help meet locally determined priorities, supporting projects like recreational facilities, community organizations, community development services or economic development projects.

Winnipeg: In Winnipeg, priorities continue to be infrastructure renewal and downtown revitalization in the knowledge that a strong, vibrant capital city is critical to the province's health overall.

Funding under Neighbourhoods Alive! is making a contribution to community-driven revitalization in inner city neighbourhoods in decline. Mr. Chair, the same success is evident in Brandon and Thompson, where Neighbourhoods Alive! is also being delivered.

Building on other success, tripartite agreements, the department is working with Ottawa and Winnipeg on a new five-year urban development agreement for Winnipeg that will commit \$75 million for identified urban development priorities. And through the Urban Development Initiative we continue to support key community economic development initiatives in Winnipeg.

Trade: On the Trade side of the department, key programming areas are Manitoba trade and international business development and federal-provincial and international relations.

Mr. Chair, Manitoba Trade and International Business Development, Manitoba is Canada's most

diversified economy: manufacturing, agriculture, mining, electrical power and finance.

In 2003, Manitoba's exports totalled \$8.8 billion in goods. Since 1994, Manitoba's foreign exports have increased by nearly 92 percent. Mr. Chair, foreign merchandise and services exports are a growing percentage of our provincial GDP. In 1992, this accounted for 20.2 percent of our GDP, while in 2003 foreign exports accounted for 28.6 percent. The United States continues to be Manitoba's leading export market, accounting for nearly 79 percent of our exports.

With the support of Manitoba Trade, Manitoba companies are being encouraged to diversify their export markets. In 2003, countries such as China, Hong Kong, Mexico, Australia and France increased their demands for Manitoba products. This reflects the growing successes of Manitoba companies in international markets beyond the U.S. Exports to non-U.S. markets increased by 3.6 percent from 2002 to 2003. Manitoba Trade will continue to have a geographic focus, in addition to increasing its sector-specific activities. It is working with other economic development departments of the provincial government to prepare sector-specific strategies, a component of which is existing. Future export potential accompanies within each of these sectors.

On the advice of my trade advisory council, I convened a strategic planning session on December 22, 2003, to bring together major trade partners in the province to identify areas for action and improvement.

Recommendations included the need to profile the importance of exporting to Manitoba's business community, in particular, Mr. Chair, businesses in rural Manitoba, the need to encourage and develop more new exporters with the capability to successfully pursue international business opportunities and, thirdly, the need for the Province to initiate a broader consultation with the business community for their input into a made-in-Manitoba trade strategy.

I am pleased to report that on May 25, 2004, the Province, in consultation with their other provincial and federal trade partners, will be hosting a trade summit in Winnipeg. This event will be co-ordinated around the date of the Manitoba Chambers of Commerce Round Table on a Dynamic Partnership

for Changing Times, Canada-U.S. Trade Relations Summit.

Canada-U.S. and International Relations: The Department of Intergovernmental Affairs and Trade will provide leadership in the implementation of the Province's international agenda and ensure co-operation, communication and co-ordination between departments, Manitoba business, academic and research institutions and others involved in international activities, as well as with the international community and federal government. The department will promote a government-wide approach to international activities by emphasizing the need for sharing of knowledge, corporate mission planning and consistent marketing.

Through the Department of Intergovernmental Affairs and Trade, the Government of Manitoba will develop criteria and processes for assessing proposals for international activities to ensure that they reflect the relative importance of the region in terms of current levels of export from Manitoba or, in essence, in Manitoba and the opportunity for growth or export and product diversification; reflect the relative importance of the sector involved in terms of existing levels of exports from Manitoba and the opportunity for growth; maximize the potential for attracting skilled workers, professionals, entrepreneurs, foreign students, researchers; and contributing to the growth of Manitoba's knowledge and innovative sectors.

Maximize return on investment to Manitoba: Manitoba is proud of its strengths and of its reputation in the global community. We will continue to enhance our image internationally and promote our interests around the world. We intend to enhance our services to Manitoba businesses so that they achieve greater success in securing international project funding. Our international projects initiative started in 2001, and has already begun to identify Manitoba's niche capabilities and to develop alliances, consortia and public-private partnerships around these capabilities to maximize success rates in securing international projects.

We will help our private sector get to the foot of the door by building upon the many government-to-government relationships that Manitoba has nurtured and will supplement our private sector capabilities with expertise that already exists within the Government of Manitoba.



International Education Branch: The estimates of the international student enrolments for 2003-04 show that there is an overall year-to-year increase of 25 percent across the educational sector. This is impressive growth that is strong across all sub sectors within education. The increase is expected to push the estimated economic impact from these students to above \$50 million.

The two main targets for market development for 2004 and 2005 are Germany, at the secondary level, and India at the post-secondary level. Market research is being undertaken in Germany to culminate in presentations by Manitoba educational institutions to German educational representatives. A number of innovative marketing strategies are being assessed for India with a view to connecting Manitoba representatives with prospective Indian students. The International Education Branch will continue researching the potential for a number of emerging markets.

We will continue working on building provincial capacity to grow and develop the international education sector. Several presentations at meetings have taken place with Manitoba educational representatives in an effort to provide information on how to enter the international education field. It is expected that more school divisions will be setting up an international education program in the next two years. Work on expanding existing capacity in institutions continues with a number of professional development sessions planned to provide institutions with expertise in the field.

Internal trade: Manitoba is the only province in Canada that exports more in goods and services to other provinces and territories in Canada than to other countries. In 2002, Manitoba exported \$11.8 billion in goods and services interprovincially and \$10.4 billion internationally.

We continue to be at the forefront in addressing barriers to internal trade. The Council of the Federation identified internal trade barriers as one of their first priorities, and Premier Doer, along with Premier Lord of New Brunswick, has taken on the lead of this issue.

\* (16:40)

**Mr. Chairperson:** When we refer to members of the House, we refer to their constituency or to their portfolio. Thank you. You have the floor.

**Ms. Mihychuk:** I beg your pardon. The Council of the Federation identified internal trade barriers as one of their first priorities, and our Premier and the Premier of New Brunswick took the lead on this issue.

Premiers have developed a work plan that identifies the key issues, necessary actions and specific timelines for addressing them. The Council of the Federation approved and released the internal trade work plan at its meeting on February 24, 2004, and ministers met on April 28 to begin the process of addressing trade barriers.

Ministers at the April 28 meeting agreed to move forward on the issue of procurement by Crown corporations. This will add an estimated \$20 billion in annual procurement to that covered by the agreement on internal trade. Until premiers launched this initiative, these negotiations had languished for over eight years.

Manitoba suppliers will continue to reap the benefits of an open government procurement market across Canada. This is just the beginning of the progress that will be made under the Council of the Federation initiative.

The work plan tasks provincial and territorial ministers with a series of priority actions that include internal trade barriers in a wide range of areas, including agriculture, energy, business subsidies and the recognition of foreign credentials. Ministers will continue to provide regular reports to the Council of the Federation, which will remain closely involved to ensure continued momentum.

We have faced a number of important challenges in ensuring open markets for Canadian exports internationally. In particular we continue to face significant barriers in our exports to the U.S., especially for major agricultural exports.

In response to this we have been actively engaged with the federal government and with other provinces in pursuing all avenues to open the U.S. markets for the Canadian exports in cattle, hard red spring wheat, hogs and softwood lumber.

We have participated in trade dispute panels under the World Trade Organization and under the NAFTA to reverse these protectionist U.S. trade actions. While we have scored some important

victories, the dispute settlement process is unfortunately a very slow process. It is important to recognize that while these trade disputes take on a very high public profile, they still represent only a relatively small proportion of our total trade exports.

In the coming year, we will work to continue to ensure Manitoba exporters have an open and secure market, both interprovincially and internationally. That concludes my remarks. I look forward to the opportunity to highlight for the committee, Intergovernmental Affairs and Trade's commitments to Manitobans during these 2004-2005 Estimates.

**Mr. Chairperson:** We thank the minister for those comments. Does the official opposition critic, the honourable Member for Arthur-Virden, have any opening comments?

**Mr. Larry Maguire (Arthur-Virden):** Well, only brief comments, Mr. Chair, because I am sharing this responsibility with one of my colleagues, the Honourable Jack Reimer, the honourable Member for Southdale, pardon me for using the name of a member of the Legislature in Estimates, who will be dealing with a number of the issues around urban circumstances as his responsibility in our caucus is for Urban Affairs on the Intergovernmental side.

I will be dealing with some of the rural ones as well, although when it comes to Trade we overlap in those areas. I believe that Mr. Eichler, the Member for Lakeside, will have some comments in regard to that as well. So I have made the same mistake as the minister in starting off and I appreciate your indulgence with that.

Certainly, the circumstances in Manitoba in relation to trade in the last year have been very, well a number of areas are moving ahead very well from the rural area. On the side of the BSE issue, I know the minister is very well aware of the concerns there.

Mr. Chair, of course, dealing with the Minister of Agriculture and Rural Initiatives (Ms. Wowchuk) on that particular file, I think, has probably been perhaps more of a responsibility in that area than the Minister of Intergovernmental Affairs has had in that regard.

I would just like to let her know of the urgency of that in the area of rural Manitoba. Having been to Washington myself and met with some of her

colleagues in early March, there was some creative time there when we felt that there might be some optimism that a border opening might occur. I do not see that happening unless it happens very, very quickly here in relation to changes in the U.S. in regard to the whole election coming up in the States.

There were a number of reasons. The politics of that one in my experience, for the minister's benefit, have always been that when you are dealing with them as I was as a farm leader, they were very, very entrenched in regard to anything to do with wheat and hogs. It was not so much beef in those days, Mr. Chair, but R-CALF, the Ranchers-Cattlemen Action Legal Foundation group out of Montana, is very protectionist and continues to be, as we have seen lately.

Of course, I am sure the minister is very aware of the debate that Messrs. Dorgan, Conrad and Palmeroy in North Dakota always bring up at times of elections in the U.S. It is because of that rhetoric around Canadian products that move back and forth across the border, uninhibited for the most part with over a billion dollars of trade between Canada and the U.S. daily, that we have seen a great relationship built in many sectors. There are, however, areas that the Americans have chosen to be very protectionist on, and she has indicated that the livestock side, the BSE and other areas, are of great concern to us.

Mr. Chairperson, we need to continue with some of the agreements that we have in regard to the auto industry, that other provinces, perhaps, are more impacted by than ourselves, but there is a lot of farm equipment trading back and forth across the border daily. We need to make sure that those kinds of areas are kept open for many of the small companies that operate businesses in Manitoba on a regular basis. Many of them are rural based and building farm equipment that was designed out of need on their own farming operations; not because some of these people had, shall I say, engineering degrees to be able to develop them, although I have to be careful there.

Mr. Chairperson, I know the minister has an engineering background and so does my brother. So I appreciate the fact that there is a need in that particular area for all of the development that we have, but agriculture equipment has been developed by I think people like my forefathers, who were good with a welder and needed something done in those

areas. Perhaps a good many of our small towns have a small business with two or three or five to ten people working in them that has been developed in that area.

It is very, very important to those particular locations to keep those communities open, or the borders open, in regard to those communities' needs. I would just reiterate and urge the minister to work with their Minister of Agriculture and Rural Initiatives (Ms. Wowchuk) to make sure that we continue to move forward on that.

I want to just say that I will, I think, move into questioning. Mr. Chair, I believe that the minister has outlined—I appreciate her opening remarks and comments—I know there are priorities, that she does not have some of the ones I was listening to when I followed the Association of Manitoba Municipalities around the province. I look forward to coming up with some of their district meetings or AMM's meetings and some of the other association meetings that the minister will be in charge of coming up throughout Manitoba.

I know as well that the area of conservation districts, while very important to rural Manitoba, have been moved over to the area of Conservation, I believe. I am only saying that the minister has just indicated that the co-operatives area has moved into Agriculture.

Of course, we know that water is with the new Water Stewardship initiative of this Government. The new minister in charge has a great deal of concern around the whole issue of the floodway and a number of other areas. Whether we have a minister in charge of water or not, I think the minister will find as she moves into a lot of rural areas in the province, if she has not already found that in the city of Winnipeg and other urban areas; those people will be asking her questions on water in relation to the kinds of importance that it has because of its interconnection with municipal affairs and the politics of rural Manitoba and, in fact, the makeup of those communities and the importance of it.

I will end my remarks there. I may save an opportunity if I could, Mr. Chairman, that, when the Member for Southdale (Mr. Reimer) and the Member for Lakeside (Mr. Eichler) do come to Estimates, they may have the opportunity to say a

few words in regard to their responsibilities as well. I would turn it back to you, Mr. Chair.

\* (16:50)

**Mr. Chairperson:** Thank you. I just want to inform the Member for Arthur-Virden that they can do that by leave. So we thank the critic from the Official Opposition for those remarks.

Under Manitoba practice, debate on the minister's salary is traditionally the last item considered for a department in a Committee of Supply. Accordingly, we shall now defer consideration of line item 13.1.(a) and proceed with consideration of the remaining items referenced in Resolution 13.1.

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

**Ms. Mihychuk:** Mr. Chair, with me today is Denise Carlyle, director of Finance and Administration; Linda McFadyen, ADM Community and Land Use Planning; and Diane Gray, Associate Deputy Minister.

**Mr. Chairperson:** Thank you. Does the committee wish to proceed with the Estimates of this department in a chronological manner or have a global discussion?

**Mr. Maguire:** I would like to proceed on a global discussion if we could, Mr. Chair.

**Ms. Mihychuk:** I normally like to be as flexible as possible and maybe what I would ask is if there could be a heads-up as the department really has two different sections, the Trade section and the IGA. Then we would not need to call perhaps those folks, depending on where you want to lead your questions, and then they could be off doing very important business.

**Mr. Maguire:** Yes, let me clarify that, Mr. Chair. I agree with the minister in regard to that. We will not be doing areas of Trade today. From that circumstance, at least, and my relation, I am looking at doing a number of some of the rural issues on policy and broad questions there. We will leave it up to the

minister as to when she can come back to Estimates after today.

**Mr. Chairperson:** All right. I understand it that we have agreed that questions for this department to follow in a global manner with all line items to be passed once the questioning has been completed. Is that agreed upon? *[Agreed]*

The floor is now open for questions.

**Mr. Maguire:** I only have a few questions to begin today. I would like to, if I could, just briefly ask the minister in regards to some of the political staff that she still has working with her, just names and numbers of political staff that she has and the names of those persons if I could.

**Ms. Mihychuk:** In my office, my special assistant is Joseph Warbanski; my executive assistant is Audrey Paynter; and then two secretaries who are staff more than I would consider political. So I have two political staff.

**Mr. Maguire:** Can the minister indicate whether there has been change in that or if those people worked with her in previous departments?

**Ms. Mihychuk:** Audrey Paynter has been with me for about five years, and Joseph Warbanski has joined us with the change in departments. On November 19, 2003, he came on with IGAT.

**Mr. Maguire:** Mr. Chair, I notice we have moved through some of the locations of the other staff changes, but I wonder if she could just indicate to me the office staff that she has in her office as well.

**Ms. Mihychuk:** In my office are two secretarial or admin positions, Margaret Ali and Linda Freed. We have reduced the number of support staff in the senior executive sort of office suite and are trying to put resources where they are really needed and that is at the front lines.

**Mr. Maguire:** Yes, I know we are looking at these. Just one moment. I wonder if the minister could indicate, while I am looking this other up, just the staff that they have in the Brandon ministerial office, the Westman office.

**Ms. Mihychuk:** There are three positions in the Brandon office. Working in that location is Donna

August. The PA position is shared by Tamsin Collings and Michelle Scott, and the PM3 position is vacant.

**Mr. Maguire:** In Human Resource Management in the Supplementary Estimates book, it indicates a small change in Salaries, but no change in Managerial. Can she indicate to me why there is only one managerial position there and whether or not there has been a change in that person, or did they just take a cut in salary?

**Ms. Mihychuk:** The budget allocation was for a certain step. The position became vacant and the individual that was hired was started at a lower level so that netted a saving.

**Mr. Maguire:** I am going to take the liberty of turning the Estimates over to my colleague from Emerson to provide him some time to ask some questions in regard to concerns that we have in that area.

**An Honourable Member:** Concerns in Emerson.

**Mr. Maguire:** Well, he is the Member for Emerson, but I am sure his concerns are much more broad than just those of the area of Emerson so I would turn it over to him.

I may try to get back to the minister today; otherwise, we will continue with our Estimates at her convenience or whenever our House leaders get together on that issue.

**Mr. Jack Penner (Emerson):** Mr. Chair, I thank the honourable Member for Virden for giving me the opportunity to ask a few questions in this department.

I want to first of all congratulate the minister for having done, I think, an exemplary job as the minister in the department that she is serving in the Government. I really am serious about that. From what I hear from my councils and members of councils, they have a high regard for you, Madam Minister, and I just want to pass that on. I say that with all sincerity.

I want to start on page 5, if you do not mind. The first question I would like to ask is I would like for you to give me a bit of an indication as to what parts of the department have been transferred to

Agriculture and what amounts of money have been allocated to Agriculture. I know what the Agriculture budget said, but I have not been able to fully appreciate where the money came from in here and how it was accounted for and what staffing moved with it and that sort of stuff. My question is can the minister identify for me what part of the department was moved to the Department of Agriculture

**Ms. Mihychuk:** Mr. Chairperson, Community and Regional Development Initiatives, Economic Development Initiatives, Co-operative Development Services and Rural Economic Development Initiatives, the total amount transferred is \$18.523 million.

\* (17:00)

*Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair*

**Mr. Penner:** Thank you very much for that. There was another item just under that, Water Stewardship, so there is another \$14.565 million transferred to Water Stewardship. What is that comprised of?

**Ms. Mihychuk:** Madam Chair, the Water Services Board, the conservation districts, sewer and water capital, conservation districts capital grants, make up the \$14,565,000.

**Mr. Penner:** When I look at the total appropriations for Intergovernmental Affairs and Trade, I see that the appropriations last year, and I stand to be corrected, but last year the way I see it was \$116,920 and this year is \$110,627 and yet you have moved out of the appropriations a total amount of \$33 million out of the printed Estimates of \$145,768.

**Ms. Mihychuk:** Madam Chairperson, the member needs to look at the Summary Table at the bottom. Printed Estimates for 2003-2004 showed the budget for IGA at \$145,768,000. So the 116.9 printed in this year's Estimates are the adjusted number with the transfers removed from that total. So last year was \$145 million.

**Mr. Penner:** Thank you very much. So, when I look at these numbers, I wonder then what has stayed with the Department of Intergovernmental Affairs. What is the minister responsible for now?

**Ms. Mihychuk:** The department is made up of a number of different opportunities and programs.

There are services and grants to municipalities. There is community and land-use planning.

Of course, we will probably be talking about the new planning schemes, the planning document that we have brought forward in Bill 40, the provincial-municipal support services, assessments are in the department, the grant agreements, the tripartite financial agreements are in the department. Then there is the whole avenue of government relations, so the negotiation with other municipalities, interprovincial and then international agreements and relationships and trade activities as well.

**Mr. Penner:** The minister has kept the responsibility for provincial trade.

**Ms. Mihychuk:** Yes.

**Mr. Penner:** Can the minister give me a bit of an overview as to what progress has been made in Mexico on the bean trade? Have any agreements been struck on that are more recent that I might not be aware of?

**Ms. Mihychuk:** I wish I could answer the member. Our staff from Trade, under agreement, have just left given the understanding that we would talk about the IGA component of the department, just to sort of facilitate more effective use of our staff time. I do not have an update, unfortunately, for the member on that specific agreement.

I understand that the Minister of Agriculture (Ms. Wowchuk) has been working on that actively, but I do not have the definitive answer. We would be glad to get back to you with that.

**Mr. Penner:** And here I thought I was going to be dealing not only with the minister of pork, but the minister of pork and beans.

The reason I refer to this, I am quite serious, the pork industry is a major industry in this province, as we all know. I know that the minister has been very involved in the past in dealing with matters such as planning and other matters in the municipality.

When I talk about pork and beans, what a perfect fit. We are now the biggest bean producer in Canada, the province of Manitoba, at least we were last year, and, I believe, we are fast becoming one of the biggest pork producers in the country as well. Should

the Minister of Trade not try and convince some of the major processors to come in here and set up a pork-and-bean plant? Sometimes we chuckle at this because it sounds funny, but I think there is a real opportunity here because the product is grown here from both sides of it. I think there is an opportunity.

I think we have demonstrated that we can produce both pork and beans very economically, probably more economically than companies such as Campbell's. Others might be able to access raw product here at a more rate reasonable than they could in Ontario, for instance, or Québec. I wonder whether there is an opportunity.

I guess I am asking the minister whether she has had any discussions with that industry, with the food processing industry, and whether she might have received some receptiveness in encouraging them to come to Manitoba.

**Ms. Mihychuk:** Madam Chair, on the Trade side, I think it is absolutely logical to look at our strengths. We can see the development of a number of sectors, including potatoes. We are now, I understand, the largest potato producer in Canada, exceeding P.E.I. We have seen industries now developing because of those strengths. It is a mutual development of that industry.

The bean industry has been growing rapidly because some of our traditional crops have not been as lucrative for farmers as in the past. I have to say that producers have been very innovative looking at new options. On my quarter that I lease out, we had organic soybeans last year. The production of beans has become a mainstay. This is a valuable option.

As the member may know, the Government is promoting an opportunity for manufacturing here in Manitoba through a program called the provincial business nominee program where immigrants are encouraged to open up plants, become citizens of Manitoba, settle here and create jobs. We have had in addition a number of associated visits by foreign companies to look at Manitoba for options in strength areas. The last one that I recall was a Chinese delegation coming to look at Chinese-type products from pork and looking very seriously at that. We have also had Chinese companies looking at a sunflower seed operation, looking for a particular variety of sunflower, much longer than what we are normally accustomed to but the market is enormous

overseas. There is demand right here in North America for the Chinese who are choosing to move to North America.

A number of initiatives are out there. We do recruit on food processing. It is clearly a strength area for Manitoba. Specifically on pork and beans, we have not as far as I know targeted that particular sector.

Madam Chairperson, there have been other examples of jurisdictions that have been proactive and gone after markets. They have been successful. I give it serious consideration. That type of strategy is being discussed by the trade council and how we go about landing new opportunities in Manitoba. I think the member is accurate, let us look at our strengths and go drum up some business. I agree with him.

*(17:10)*

**Mr. Penner:** I appreciate what the minister said.

Madam Chair, on trade-related matters, we all know that the pork industry is under attack again from our American friends charging that Canada is subsidizing its pork industry and has put a challenge on countervail as well as trade distortions via subsidies before. I am not even sure what they have done, if it has gone to court or is before the trade panel. However, the challenges are there.

Can the minister give us an indication as to whether she is involved in that discussion at all or whether she has had any discussions with the American trade department or the trade panel that has been established? Have we any discussions to give us some indication as to where we might end up in this whole discussion, this whole matter of clarification and trade restrictions?

**Ms. Mihychuk:** Madam Chair, the situation on hogs seems remarkably similar to some of the other challenges that our neighbours to the south have taken on. In terms of an update on the hog situation, it is my understanding that it would be the American industry that has launched an investigation and a U.S. hog countervail and anti-dumping investigation. We are going to, as has been the case, fight the charges.

The U.S. Department of Commerce is charged with determining if the petition has sufficient

evidence. This is the beginning of a process. March 25, the deadline for initiation was extended by 20 days to April 14, as the level of support of the petitioners to date has been determined as 34 percent of the like-product industry, less than the required 50 percent.

The Government of Canada will defend federal and federal-provincial programming. Manitoba has hired legal counsel to defend the named MACC programming and to lobby on behalf of Manitoba and our producers. The industry, Canadian Pork Council and provincial associations have also retained legal counsel to defend in the anti-dumping investigation and injury determination.

So we are, again, into another file where it seems like domestic actions with our neighbours tend to be focussed, I think, on an election cycle rather than their larger positions. If you go to international trade conventions like the WTO, the Americans talk about open borders and free trading.

We have had a number of aggravated cases. They tend to be primarily agriculture, but I am hopeful. We had the U.S. consumer representative. He is situated in Ottawa; he came across the country wanting us to engage the Americans and looking at free trade and opening or pushing for another set of discussions on agricultural subsidies through the WTO. As the member probably knows, the last time the WTO met was in Mexico, and that collapsed. It is interesting to see the Americans now looking to open those discussions.

But, on hogs, it looks like they are moving forward. Industry, at least, will have a number of different steps to react to and we will fight these charges and continue to defend Manitoba's position.

**Mr. Penner:** Madam Acting Chair, I thank the minister for that response. The reason I raise this I found it very interesting that Brazil, who, I thought, might challenge the U.S. on its soybean subsidies or wheat subsidies, in fact, chose to challenge them on the cotton subsidies, and won the case. I wonder whether Canada or Manitoba sees any benefit in that case, in Brazil winning that case.

Does the minister think that we have a better chance now to demonstrate our competitiveness without subsidies?

Everybody knows, including the Americans, that we are down to roughly about \$1.1 billion of farm support annually over the next five years. That is the new APF agreement, and there was no other money identified in farm support federally.

That is both federal and provincial contributions, that \$1.1 billion a year, while the Americans, I believe, are somewhere in the neighbourhood of \$90 billion a year that they support their ag industry through numerous programs such as the disaster programs and various other programs, including direct subsidies on grains, cotton, beans, sugar and you name it.

Tariffication has been a major part of that, and I relate to sugar alone. I believe that the 17-cent-a-pound tariff is still in place on sugar products coming into the United States, except for those countries that have been able to negotiate a quota, a certain amount of tonnage that can move into the American market either via processed goods and/or raw sugar. What I find most interesting is that the Americans have chosen to challenge Canada on the pork industry as well. Some are even saying that the BSE situation is being used, probably, as a matter to keep the border closed and that there are, maybe, some significant political considerations being made in that regard. I have no proof of that, nor do I intend to search out any proof of that. But I think the trade departments in both provincial and federal governments in Canada should be very cognizant of those kinds of actions and take every initiative to establish good diplomatic relations with the U.S., specifically, and Mexico, because they are our biggest market. Whether we like it or not, they are.

\* (17:20)

I found it rather interesting that our former Prime Minister, under his tenure, almost took pleasure in poking his finger in the Americans' eyes every opportunity he got. The question I have, I wonder whether the minister is aware of the difficulty that has been created with our closest neighbours to the south of here by the court action that the Province of Manitoba has initiated at the federal level in Washington on the NAWS project and the state court action that has been initiated by our Minister of Water, and now challenging that he might, in fact, also initiate federal action on the Devils Lake issue. We have seen since a retaliatory action taken by the State of North Dakota on a road

that exists between Manitoba and North Dakota. I wonder if we are seeing a bit of the kind of action through the pork issue, the BSE issue and what other counteractions we might encounter.

I am going to ask the minister whether she believes that her Government should be a bit careful in how we deal with our neighbours and maybe start to initiative a more diplomatic approach to our relations with our neighbours, instead of the kind of approach we have taken now.

**Ms. Mihychuk:** It is, I think, very true that the Americans are a very large market. They are our neighbours. Sometimes we do have rifts with them. It seems that our closest neighbours are the ones where we have the most spats. But, as the member knows, Manitoba's Premier (Mr. Doer) has started a number of initiatives to strengthen the relationship between Manitoba and U.S. states and the federal government, both in the U.S. and the federal government in Canada.

We are active with the Government of Canada in encouraging them to support better relations. This was discussed between first ministers at the meeting on January 30, 2004. As a result of this meeting, provincial ministers met with federal Minister Pierre Pettigrew on March 19, and officials are now preparing options for strengthening Canada-U.S. relations and for meaningful provincial participation in international forums that will be presented to first ministers later this summer.

We are also working with other provinces to promote stronger relations with the U.S. through a co-ordinated Canadian intergovernmental strategy as proposed by premiers at the Council of Federation on February 23 and 24. In terms of a regional basis, working with the Western Governors' Association, the party representation from Manitoba, the Mid-western Legislative Conference and the Legislators' Forum that involves all-party representation from Manitoba, North Dakota, South Dakota and Minnesota. On April 16, the Premier attended the Western Governors' Association's energy summit. On April 27, he met with the governors of North Dakota, South Dakota and Minnesota to discuss issues of mutual concern. Also on April 29, the Premier participated in a conference to promote North America's super-highway coalition.

*Mr. Chairperson in the Chair*

Mr. Chairperson, developing bilateral relations has significant strategic importance. We are building partners with Minnesota, our largest trading partner; Texas, our southern counterpart along the Mid-western trade and transportation corridor; and, with Georgia, to increase collaboration in the life-sciences sector, building on the relationship that exists with the Centers for Disease Control and Prevention in Atlanta.

Fortunately, we have seen some very promising news yesterday and today that Winnipeg may indeed become Canada's CDC, which will, of course, be a benefit to the whole province.

We are spending quite a bit of time in the U.S. reflecting that 80 percent of our commerce is with the U.S. In fact our Premier (Mr. Doer) and the Premier of New Brunswick led a mission to Chicago and Atlanta to promote trade and investment during which the agreement to work with Georgia was signed.

Further targeted and strategic missions of this nature are being planned for the Premier, myself and other key ministers. So I think that there have been some initiatives by the federal government. They are looking at opening new offices.

Provinces have been taking new steps to reach out to our American neighbours, and our Premier has taken a very active role and believes strongly in building bridges. Now there are some aggravated cases that are causing us difficulties, and I am sure that we recognize how important the United States is to us and feel that we will be seeing those improved relations.

**Mr. Penner:** I thank the minister for that response. I would strongly encourage the minister to keep working at those kinds of relationships and relationship building with our friends to the south because I believe it is important that we, instead of court challenges or court actions, you know, trying to outdo each other in the courts, should spend that money more wisely and sit down across the table with the Premier and the governor and try and work those matters out.

Mr. Chair, I think the Americans will do what the Americans will do and we as Canadians in Manitoba will do on our soil what we think is best for our people. For us to challenge each other in the



court where we have, I believe, very little impact, I think we would get a bigger bang for the buck if we would discuss each other's concerns at a table with them. I think that would certainly serve us in a better manner.

I certainly hope that the minister did not call another staff person in for the discussion that we are having because it is certainly, if she would have asked me I would have said, no please do not because it is not—that is unfortunate if that happened. But, regardless, I want to strongly encourage the minister to have that discussion with her Premier and specifically our Minister of Water.

I realize that the Minister of Water is charged with the responsibility of seeing to it that we have clean water in our lakes and our rivers and our streams. We all agree with that, but I think there are better ways to achieve that than through the courts.

**Mr. Chairperson:** Order, please.

The time being 5:30, I am interrupting the proceedings. The Committee of Supply will resume sitting tomorrow at 10 a.m. (Friday). Thank you.

### TRANSPORTATION AND GOVERNMENT SERVICES

\*(14:50)

**Madam Chairperson (Bonnie Korzeniowski):** Good afternoon. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will be continuing with consideration of the Estimates of the Department of Transportation and Government Services.

It was previously agreed to by this Committee to consider this department globally.

The floor is now open for questions.

**Mr. Larry Maguire (Arthur-Virden):** Madam Chair, I guess I would just like to start off, thank the minister for answering some of the questions that my colleagues had yesterday in different areas and I would like to probably begin where I left off yesterday afternoon.

There are a number of issues, of course, around this extreme snow that we have just had. I know it

has been a dilemma for the department to handle, but I need to ask just to finish off some capital questions in regard to the Budget that we talked about yesterday on the northern side as well, from the press release that the minister put out on April 27.

Madam Chair, first of all, I would like to ask just for the minister to confirm again that the numbers that we were looking at in regard to the capital budget that will be up for this year would be that \$87.167 million that he was looking at on page 126 of the Supplementary.

**Hon. Ron Lemieux (Minister of Transportation and Government Services):** Just wanting to touch on that, I believe the member is referring to page 126, I believe it is, where it makes reference to Capital Investment, looking at the investment the Province is putting forward.

If you take a look at net, it shows that it is under Highways Infrastructure Capital showing it at \$87.1 million-plus. After looking at third party recoveries and taking a look at the net and taking a look at also the net under Estimates of Capital Investment '03-04, it shows it being \$10 million more for this particular year.

I just want to state that partially, with regard to yesterday, I would just like to complete my response with regard to the honourable member's question about meeting the RoadWorks \$600-million budget question that he had asked, as well.

The answer I stated was, yes, we would be meeting that and the RoadWorks commitment was to provide \$120-million budget over the five years at \$600 million over that particular period of time. Madam Chairperson, when you take a look at the preservation and the enhancement budgets were formerly shown together as a \$120-million budget construction program in the Part A operating expenses as we explained yesterday.

So there was a decision made. I know the Auditor General has stated that the department has implemented a budgeting and reporting for highways infrastructure as tangible capital assets. As a result of that decision, the department's funding is separated into two votes and that is why we are looking at that number now of \$87 million.

I just would like to say that not only taking a look at what the Part A expenditure is, but the

honourable member would note that the combined Maintenance and Preservation budget has grown by 2 million this year as well from a budget of 109 to 111 and a half.

So the enhancement budget as well shown on Part B capital expenses in the vote B.14, it shows projects including a reconstruction of roads, twinning, intersection improvements and so on being Part B Capital. So the Capital Investment budget has grown by 10 million this fiscal year and is expected to grow by another 10 million next year.

Growth in both Preservation and Maintenance budget and the Capital Investment budget for enhancements will ensure that the RoadWorks commitment will be met and, possibly, exceeded over the five-year commitment period.

So, with regard to the investment as a Province, I just have to say that we are very pleased that the program is getting more money. We want to ensure that more money goes into Highways Capital or the highway infrastructure program because there is a need for it. Yet, as we would probably all agree, yes, in a perfect world you could use more money.

I made the case with regard to the federal government and it is not pointing a finger at the feds, it is just saying that, "Come to the table, we can do a lot more."

Hopefully, within the next week or so or whenever the Prime Minister decides to call an election, all parties, the New Democratic Party, the new Conservative Party and the Liberal Party will all have their feet held to the fire and will be pressed as to how much fuel tax and how much dollars are going to be putting back with regard to a highway infrastructure program.

I know the member touched on, briefly, about the weather, and I hope the member will just bear with me just for a couple of more seconds. I just want to thank the crews and the people who went out there to clean these roads and to work on the highway and to make sure that the trucks and regular traffic could get on the highway and get moving, because here it was for over 48 hours that the road was closed between Headingley and essentially the Saskatchewan border.

It is regrettable, but you know Mother Nature, no one expects to have a full-blown snowstorm,

actually, two came through, in the middle of May. The system worked very well. It is regrettable. I know the trucking industry, I am sure they are going to have a loss with regard to some monies because of that, having trucks sitting still. But certainly, no one planned this and the crews got out there as quickly as they could.

After the police closed the roads down and the roads were cleaned, regrettably, there were trucks and cars that went around the barricades. Why? I have no idea why they were trying to make it through five-foot snowdrifts and trying to barrel ahead and make it through. The plows had to try and weave their way in and out of all these vehicles that were stuck. It took more time to clean. In fact, they had to do two cleans of that particular highway to get people through. Having said that, no one was killed. You did not have huge pileups as a result of drifting snow and people not being able to see the ploughs and so on.

I just want to thank those crews for all the hard work that they did and people should be commended for all the extra time they put in, not only the department of highways' crew, but also the private contractors that were called out to ensure that the traffic got moving.

\* (15:00)

**Mr. Maguire:** I know that there is a great deal of commendation to be made to a lot of the workers in the province of Manitoba, but I think it comes down to we have a circumstance now where there are a lot of priorities that need to be developed in the province of Manitoba and I think this kind of a circumstance, and a severe circumstance like this, shows why we have to be somewhat ready for these kinds of circumstances. I know these people have done their very best out there with the limited equipment and that sort of thing that they have.

I know that, as we move through the next short while in Estimates here, I think the minister needs to at least focus in the areas of his budgets with the Minister of Finance (Mr. Selinger) in regard to maybe fighting a little harder for a portion of the Manitoba Budget to come into the Transportation, and particularly that side, I know Government Services as well.

I am really concerned and I know he has indicated that there is \$10 million more, but I have a

concern that all of last year's Budget was spent and I will show him why in a while. I wonder in relation to the Capital Investment that I did point out to him on page 126, that he has indicated to me under Capital Investment, B.14, 14.(a) Highways Infrastructure Capital at \$87 million. Can he just give me a quick indication of where the \$8,250,000 in Third Party Recoveries has come from? I noticed that it is about a \$3.5-million increase, I guess, if you will, from last year because it is a smaller Third Party Recovery.

**Mr. Lemieux:** I thank the member for the question. The member is correct, it is down slightly. It is mainly the SHIP program and the Prairie Grain Roads; that is where that Third Party Recovery essentially comes from. To that extent the member is correct.

But just also to comment with regard to the Minister of Finance, as a government, and I do not want to politicize these numbers too much, but after all, we are in politics. If you take a look at numbers going back to the 1990s, the increase and the amount of monies that we have put into the transportation system has been substantial. Agreed, in a perfect world it should be more, but you know, there are health care challenges and there are education challenges, which we have made a priority of education, and you have to address that.

I believe that transportation is now becoming an area where it is starting to get on the radar screen with our federal government and many other areas of government. I think there are a lot of needs no matter what the area is, whether it is dealing in recreation or sport or transportation, and other areas have needs as well. Having said that, as a government we have been able to address many, many concerns in health care and education, but also we have been able to put some substantial dollars towards transportation and transportation infrastructure. In a perfect world it would be more. We do not live in a perfect world, so I believe that we are doing a fairly good job. We are not perfect, but I believe that with the additional \$10 million as well as another 10 additional next year it will be able to help out in a number of different areas.

**Mr. Maguire:** Well, Madam Chair, I guess the question that I have for the minister is that, in a budget that has one and a half billion dollars more budgeted than it ever had in 1999 or previously, all I am saying to this minister is to fight a little harder for

his chunk of it in highways so that the people out there can do their jobs, have some improvements in equipment and be able to move forward a little quicker than what they have. I know I would commend anybody that would put \$10 million more into their capital budget for some of these areas, but when I look at the year-end statements from up to the 2003 level, at least, anyway, the increases in lapsed amounts to amounts that have not been used has some tripled or quadrupled in relationship to anything previous to 1997, 1998, 1999, in that area. That is a big concern to me. I think in 2003, it was just under \$14 million that was lapsed, that we can see from the minister's own books. The other that comes to mind, I know it was just over \$6 million even this year up to the end of that period.

If the minister can feel strongly that he is fighting to get more money into those areas, all I am saying is, maybe this \$10 million is something that they have just pulled forward from the previous year and said, "Well, we did not spend it last year. The commitment that I will make to you is if we can get it back into general revenue for the last year so that we would balance our books, we will bring it forward and let you put it into an increased statement." I know the minister said yesterday that there was no magic in making sure that the \$120 million was spent evenly over the five years. It is sort of the way Saskatchewan balanced its books, that as long as we have balanced books once in four years we will be okay. I do not think that is a way to operate balanced budget operations. I do not think it is a way for the minister to allow his Transportation area to be dealt with, either. I would suggest that if the Finance Minister comes to him the next time and asks for a portion of this money back, to say that we have it allotted and we are going to spend it and that he actually goes ahead with those projects.

Can the minister provide me with some kind of assurance that that is going to happen in the future?

**Mr. Lemieux:** I can guarantee you absolutely that the twinning of Highway 59 south is going to take place and will be done. I can absolutely guarantee you that the northeast bypass will take place and there are many other projects that this Government has committed to doing, in fact, even the one that runs past my honourable critic's front doorstep, the twinning of Highway No. 1 to the Saskatchewan border. We have already gone up to Highway 83, I have been advised, and we are going to complete it

going forward to Saskatchewan and we are going to be doing this a year earlier. We have made commitments. There are many projects that are in this area that we have committed to going ahead with. In fact, with No. 1 highway being twinned to Saskatchewan, it has already started and well on its way. We are just saying that it is going to be completed a year earlier.

As far as the commitment goes, we have committed to projects where the previous government had not tackled those particular projects, whether it is the twinning of 59 south, which needs to be done, or the northeast Perimeter. I guess all I am saying is that the previous government had their priorities in wanting to do certain projects and did them and had to make some difficult choices. The northeast Perimeter is a huge project in Springfield constituency and a little bit, I think, of also the Springfield municipality and East St. Paul, and it is to address a lot of the concerns of the city of Winnipeg as well as tourism and the business community with regard to trucking and a better route around the city.

All I am saying is that there is a real need out there for a number of different projects to be addressed. I know the Member for Ste. Rose (Mr. Cummings) yesterday raised a number of questions with regard to a particular highway, Highway No. 5, and the issues related to Highway 68, and how that needs to be done. There are a lot of needs around the province; there is over a billion dollars of requests every year that come in. Again, in a perfect world, you might be able to address them all, but it is not a perfect world, so we are trying to address some of them.

And so, there are many projects that I can point to that have been done over the last four and a half years and many more that we are planning on doing in years to come. You cannot forget about the maintenance of the road and the preservation of these roads. A lot of the roads have taken a beating over a number of years, and they also need to be taken care of as well. So it is not just the new projects but the preservation as well.

**Mr. Maguire:** Well, Madam Chair, I appreciate the minister has many things to put on the record in regard to making sure we get more gas tax from the federal government, and I agree with him on that. I appreciate the fact that he has indicated that some of

the areas are priorities, that the roads to be built, certainly in the north Perimeter, the northeast bypass there on Highway No. 1, I appreciate the work that is being done on No. 1 highway and the twinning of 59 highway south.

I appreciate that. Manitobans appreciate that. Manitobans expect that, though, from the government of the day, in regard to a statement that the minister himself made yesterday, that our roads are economic enablers in this province.

I think that is very important to remember, Madam Chair, as we move forward, and I would urge the minister to make sure that those budgetary items that have been put forth are, in fact, put forth in those areas as total budget commitments that are spent within the year that they are allocated. That has not been the case in the last few years in relation to the statements that we have got before us, and I just wanted to reiterate, then, that in this capital investment area, the \$87 million that I talked about, less the Third Party Recoveries, smaller amounts from the SHIP program and the Prairie Grain Roads Program, I assume, are what the minister has meant there, that leaves just under the \$79 million, \$78,917,000, to be used in that capital investment area.

**Mr. Lemieux:** I thank the members for the comments. The SHIP program, as the member knows, he has been involved in the agricultural community, and the Prairie Grain Roads Program are very, very important to rural Manitoba. I am not going to go into a lot of depth into that, because he is from rural Manitoba and he knows how important that money is to rural Manitoba.

What I will comment, though, is that from 1999-2000, highway infrastructure related expenditures, since that particular time, are around roughly \$841 million, approximately. This represents an increase of about \$59 million, almost \$60 million, over the period of 1994-1995 to 1998-1999, the last five years that the previous government was in power. That is where expenditures total \$781 million.

\*(15:10)

Taking a look at this particular funding, you have an increase of almost \$60 million in our short period as a government over the last five years or so or four years of the previous government. It is

substantial, I mean, it is a lot of money. We have made a commitment to try to put more money into transportation and transportation infrastructure because we do believe it is an economic enabler and it is very, very important for tourism and for the trucking industry and for businesses and for agribusiness in Manitoba, and I think we would all agree to that.

To have that kind of money put in, I think, shows a real commitment on the previous ministers who were there, the minister now responsible for water stewardship, and now the Member for Brandon West, the Minister of Industry, Economic Development and Mines (Mr. Smith), they were previous ministers, and these ministers were committed and they also worked very, very hard, as I am working very, very hard with our Government.

The member said the Cabinet minister should work harder as a Minister of Transportation, to work harder with his Government to get more money. Well, in our government we are looking at this as a team effort and taking a look at the big picture of government. Health care will always probably be a major, major priority for Manitobans. It always has been. Education is extremely important. So when you take a look at what we have been able to receive, over and above what the previous government received in the last five years, almost \$60 million is substantial. It is nothing to sneeze at. In a perfect world they would get more because this is an area that has a lot of needs is what I am trying to say, and we are trying to provide for that.

Without the help of the federal government we may not be able to totally address that. We are hoping that they will be able to come forward with more gas tax money, and so on, to the Province. Having said that, again I just want to reiterate, almost \$60 million more since 1999-2000 since we became government compared to the previous government's five years.

So it is not meant to play politics with the numbers. What I am trying to do is make a point here that we have fought. You have had three ministers who have been fighting for more dollars to go into the transportation infrastructure program.

**Mr. Maguire:** Madam Chair, I am assuming, then, that the minister will agree that the 36.7 million that he announced for northern Manitoba roads in his

statement on April 27 from his department, by himself in Thompson, that \$36.7-million northern announcement the minister made is part of the 78.9. Will the rest of his capital budget be coming, I assume, at some time?

**Mr. Lemieux:** Yes, and I had mentioned yesterday to the member, and I thank the critic for the question, that a number of these projects that we work on are over and often spread and phased in over a number of years. So you cannot take a look at a particular amount and say that this lump sum comes out of—if the member is looking for a percentage, we are still looking as a percent to look into putting approximately 25 percent into the North as a commitment the First Minister made, the minister now responsible for Water Stewardship. This is something that, as a department, we have tried to incorporate in our planning, to put approximately 25 percent.

There are a number of projects there that are phased in over a number of years so that sum is not just coming out of that particular budget area. The member made reference to some years where we have lapsed money, or money has been lapsed out of it. Well, there are many years that we have spent more money in maintenance than was scheduled for it and so on. So it is a real balancing act but I hope I have clarified that with the member, that projects are often phased or spread over a number of years.

**Mr. Maguire:** Madam Chair, the \$16.4 million in ongoing upgrades and improvements along PTH No. 6, though, that the minister announced, can he confirm that those \$16.4 million will be spent this year?

Just a moment, I know we had some discussion on this yesterday and I know that the minister did indicate that most of those projects, I assumed, would be going forward. I just wondered if there was any change to that.

**Mr. Lemieux:** Well, I thank the member for the question. He is correct, we did talk about this yesterday. There is going to be the best attempt to address that money on PTH 6. I think I said that yesterday and that attempt is going to be there by the department to try to address that. There are a number of different projects, weather permitting, unless there are other surprises, other things that are unforeseen that is the intent

\* (15:20)

**Mr. Maguire:** I thank the minister for that answer. The other projects, the rest of the ones that are not for No. 6, the rest of the projects that are listed there, I assume the same thing with them, that they will be projects that will take focus for this year. We talked about the one from Flin Flon at the Saskatchewan border, is \$1.8 million this year out of a \$4.8-million project. I am assuming that is a two- or a three-year project that will be ongoing. We talked about that yesterday and I just wondered if the minister can confirm that those projects will proceed in the same way.

**Mr. Lemieux:** I thank the member for the question, and I appreciate his questions with regard to the projects and with regard to the announcement in northern Manitoba.

As I mentioned before, there is a situation where, if the engineering has started or has not started and people are going to begin to start to do the engineering or the tendering service, the commitment is there to do those projects. So what we are attempting to do is to be able to do those projects, as I mentioned, weather permitting, engineering and so on. If that is not there, some of the projects that we announced, the intent is to go ahead with them, the commitment is to go ahead.

Can I absolutely guarantee 110 percent that they are going to happen and take place and be done? No, I cannot, this summer, because I do not know if they will take place but the commitment on behalf of the Government to do something about transportation in northern Manitoba, as well as the other projects in the province, is to go ahead.

We do have a lot of other projects besides that, besides doing our regular maintenance, and trying to keep the system together is very, very important. So the point I am trying to make here with the member is that there is the best intention to go ahead. I mean, there is a commitment to go ahead and move on projects because we feel that it is important to go ahead on these projects, whether they be the northeast Perimeter, which we are going to start on with \$5 million, at least to begin with, and to do the engineering and so on there with regard to doing some earth work over top of the rail tracks and so on.

The commitment is there to do the work, and we are going to attempt to meet that commitment.

**Mr. Maguire:** Madam Chair, I know, that in relation to one of the projects here is Netnak Bridge at Provincial Road 374, a \$25-million bridge. I see that the minister has announced the first stage of construction here, \$5.5 million to get over Pipestone Lake. I know that there is a ferry there now and an all-weather road in the winter time. Certainly, we want to provide access to all Manitobans to the infrastructure that we have for economic and social reasons and concerns.

I note that the Province is indicating that they will put \$10 million over the next two years as part of the funding of that. Can the minister indicate to me if the rest of the commitment to that, of course it says it is under the Northern Flood Agreement—can he give me details of how that bridge will be funded?

**Mr. Lemieux:** I thank the member for the question. With regard to the Netnak Bridge or the bridge to Cross Lake, that particular highway or that road has a number of different parts to that project. But just the bridge itself, we are looking at, approximately, between \$11 million and \$14 million.

This is something the federal government really is—it is quite obvious and blatant, in a sense, that they are not involved in this project whatsoever. You have a First Nations community there. I feel that they have, and I am not the only one that feels this way, an obligation to be a partner with regard to this particular project.

There are a lot of First Nations communities in Manitoba that the federal government has a fiduciary responsibility for, and that often a lot of the First Nations communities come to the Province and ask for assistance. That is fair enough. They are Manitobans, I guess, firstly. Having said that, I understand that the federal government also has limited resources, but in major projects like this we believe that, when you are looking for an access or an important transportation structure like this, the federal government should be part and parcel of a project like this.

*Mr. Rob Altemeyer, Acting Chairperson, in the Chair*

We certainly have not given up trying in our discussions with the federal government to have

them come forth. So we are expecting that the federal government would come forward. There is no guarantee of this, but we are certainly hoping—"hoping" is the wrong word—certainly pressing the federal government that they come forward and assist with some financial contribution towards this bridge. This bridge is very, very important for Cross Lake as a community, and we are hoping that all of this will come together shortly.

**Mr. Maguire:** Mr. Acting Chair, the priority on this bridge, then, I assume that the minister has put the \$25-million construction costs into his budget.

I see the minister has indicated to me this year, and so I will clarify that. Certainly, I would assume that the \$5.5 million says that it is the first stage of construction of this bridge. My point is that, if it is a five-year project, then the \$25 million would be in the \$600-million RoadWorks Manitoba budget that the Government of Manitoba is going to expend over the next five years.

**Mr. Lemieux:** Mr. Acting Chairperson, the simple answer for this is yes, absolutely. That money that we have is within that \$600 million, for example, that RoadWorks program. It is budgeted for and the money is there. As I mentioned before, it is approximately \$11 million to \$14 million. That bridge is underway now, and some monies have been put forward to that bridge. Within that \$600-million package, those dollars are there, and they have been budgeted for.

**Mr. Maguire:** The news release says it is a \$25-million bridge. The minister just referred to it as an \$11-million to \$14-million bridge. Can I get some clarification on that?

**Mr. Lemieux:** I mentioned to you that we are trying to get the federal government to be more of a partner with regard to this particular project, but Manitoba Hydro also is paying for a portion of this particular bridge as well. I am not privy to the details of that, but I just know what our share is, and I know that we budgeted for it.

**Mr. Maguire:** Well, I wonder if the minister could give me an indication of what his share is.

\* (15:30)

**Mr. Lemieux:** Yes. Our share is, as I mentioned, approximately \$11 million.

**Mr. Maguire:** I would thank the minister, then. So is he saying that, through the Northern Flood Agreement, which is the statement here, that it would be Manitoba Hydro paying the other \$14 million? Or is he trying to get that money from the federal government?

**Mr. Lemieux:** I just wanted to make sure I was clear with regard to those dollars. The commitment from Manitoba Hydro, I understand, is part and parcel of the Northern Flood Agreement. It is part of the responsibility, I guess, of Hydro with regard to this project.

Now we have sent a number of different letters. My colleague the previous minister has sent a letter, I have been advised, to the federal government trying to get them to the table to take some responsibility for this particular project. Thus far they have not accepted that. So the point I am trying to make here is that we are trying to get the federal government to the table to accept part of the responsibility for this particular bridge.

**Mr. Maguire:** Certainly, I see in the Supplementary Estimates for this year on page 126, at the bottom of that page on Capital Investment, the explanation there is that 7.5 million is being incurred by Manitoba Hydro for construction of the South Indian Lake Road and the Netnak Bridge to Cross Lake. So I am assuming that there would be about 2 million of that to South Indian Lake and 5.5 million to the Netnak Bridge. Would that be the case?

**Mr. Lemieux:** Yes, I have been advised that is correct.

**Mr. Maguire:** I guess I wanted to just check on if that money, then, is the 5.5 million that the minister has announced here for this year; when he expects to see the money from Manitoba Hydro flow for their share of that.

Is that the 7.5 million included in the 78.9 million that he has in the Estimates this year under Capital Investment, or is it over and above that 78.9 million?

**Mr. Lemieux:** No, I was just going to say the Hydro money is Hydro money, and that is direct, I understand. That is not through us; that is directly from Hydro.

**Mr. Maguire:** So then, in essence, the capitalization of the provincial share of this bridge will be

\$11 million, placed over how ever many years of construction that it takes to complete the bridge.

**Mr. Lemieux:** Correct. Unless the federal government can come forward and then, of course, those percentages would change, possibly.

**Mr. Maguire:** The minister just indicated that the percentages could change. Can you just enlighten me again as to how, I did not hear his answer clearly?

**Mr. Lemieux:** Well, I guess the project itself is worth a certain amount or costs a certain amount. Now if the federal government comes to the table, my understanding is that the project is not going to increase.

Hopefully, somebody's costs would be reduced somewhat. I do not know if it would be done proportionally for the Province or proportionally for Hydro, but if you get another partner in it just would remove the burden of the costs off of the two parties if you have an additional party at the table.

**Mr. Maguire:** Can the minister indicate to me if this has been tendered yet, or what stage the tendering process is at?

**Mr. Lemieux:** Yes, this particular project was started last year. It was tendered, I understand, and it is underway.

**Mr. Maguire:** Well, I did note with interest that the \$5.5 million, I guess that would be a two-year commitment on behalf of the Province then, \$5.5 million each year, because last year's statement that the other minister, his predecessor, released on April 25, 2003, also indicated that \$5.5 million was going to be put up for the first phase of the construction of the \$25 million Netnak Bridge on PR 374 over the Pipestone Lake to replace the ferry crossing and provide an all-weather road to the community of Cross Lake. Exactly the same statement that is in this year's announcement from the minister, and I just wondered if that is the total commitment of the \$11 million?

**Mr. Lemieux:** Yes, that should have read "the second stage" where it says \$5.5 million for the first stage, it should have read "for the second stage", because this is for the second stage of the project, 5.5 and 5.5 making up the \$11 million.

**Mr. Maguire:** Can the minister just indicate to me then what was accomplished in the first stage and when the second stage will proceed?

**Mr. Lemieux:** Thank you for the question. Just to go through a couple of items that have been completed or are certainly well underway, the engineering obviously was done as part of that first portion of money. The approach roads were also cleared and, also, the construction of the approach roads was also completed. The piers and the abutments related to the construction were also done. Part of the second phase would be, of course, the deck of the bridge and completion of the bridge itself. But as far as the first phase of the project and the first, approximately, \$5.5 million, being part of the first phase, I have mentioned some of the things that have taken place to be part of that.

\* (15:40)

**Mr. Maguire:** Well, I appreciate that there has been that much work proceeded with then. I would just request, if the minister could give me an update as to where Manitoba Hydro was at, and how much they have been billed for, where they are at with their share of the process as well. I am assuming that they have put in 40 percent of it as well.

**Mr. Lemieux:** Well, yes, I would like to take that as notice, and then we can get back to the member and let you know. I do not have those details right at the table with me today as to Hydro's portion and so on.

**Mr. Maguire:** I appreciate the minister's concern there. I guess somebody must have an answer to that because we have got piles in the ground. The minister has just indicated the kind of work that has already been done on this bridge and the project is well on its way. At some point, from the little bit I know about engineering, billing takes place on a regular basis. So I wonder what the minister can tell us. He has indicated that Hydro is responsible for \$14 million of this project. If the Province has put in all of their share, have they been the only ones funding this project to date? Is Hydro going to be billed, I guess, under the agreement that is already apparently there for the rest of the project?

**Mr. Lemieux:** Hydro is a well-respected corporation, and Hydro always pays their bills. Hydro is a partner in this, and they have funded their portion



accordingly. I just do not have the numbers at my fingertips of exactly what portion out of that engineering and approach road works and the clearing and the construction, the abutments and the piers, I do not have that. I would be willing to provide the member with those figures once I obtain them from another source. My department does not have those numbers at their fingertips.

**Mr. Maguire:** I would appreciate the minister being able to provide me with those then at his earliest convenience, if he could provide me with an update of the project. I would assume, though, that he has indicated that their \$11-million share has been budgeted. Has it gone towards the work that has been done to date including the end of the second stage? When does the minister predict that the second stage will be finished, and how long a project will this whole project be, that is, the building of the bridge?

**Mr. Lemieux:** I am sure Hydro, I cannot say for certain, but they have paid their portion up to date according to what work has been done. The project itself we are hoping to be able to complete by year-end and according to schedule. No one would have predicted that we would end up with a snowstorm in the middle of May. So, weather permitting, et cetera, we are hoping that everything will work out fine and things will be complete. But Hydro has paid their portion up to date, and the costs, I understand, at least I have been advised, are certainly more than the portion we paid. So Hydro has paid their portion, whatever that is, up to date. I do not have the answer for that. I will have to just get back to the member, but by year-end we are hoping to have completed the project, weather permitting.

**Mr. Maguire:** So there are just two stages to the project then? You are hoping that the bridge will be completed by fall?

**Mr. Lemieux:** Well, I would like to correct that, by year-end. I would think, hopefully, before January 1, '05, that the bridge will be used again, weather permitting. I hate to repeat myself with regard to that issue, but you cannot control what happens with regard to that. We are hoping to have it done by January 1, '05.

**Mr. Maguire:** I noted with interest that the minister in this press release has also gone on to say that he feels that he has tripled the budget for the annual winter road system since 1999. I guess I would like

to just confirm for the minister what I see in those financial statements; that yes, in fact there is just close to \$6 million being spent on winter roads in the province of Manitoba, somewhere in that area.

But I want to draw to the minister's attention that in '99-2000 that budget was \$5.5 million, and if he wants to go back to the '98-99 budget there was a drop. Yes, it was \$2.18 million, somewhere in that area, and so I am just wanting to know if that to get the tripling of the budget that the minister must have gone back to the '98-99 level.

**Mr. Lemieux:** I thank the Member for Arthur-Virden for the question. The winter road system really provides access to about 25 different communities in Manitoba, and the communities depend on the winter roads for the delivery of non-perishable food items and a lot of other services; whether it be fuel or building supplies, by truck at a reasonable cost, and they are very, very important. The reason I mention that is because starting with, I guess it was two previous ministers to myself, they both continued with the progress that we felt was necessary. We added on a whole huge number of kilometres, almost double for that matter, going from about 1600 kilometres to around 2300 kilometres of winter road system. Along with that came a lot of operating dollars and even some capital dollars which we put in because we were wanting to increase the roads.

The Lac Brochet-Tadoules Lake area was a whole area that we have added in. I know the member mentioned the tripling compared to what they did in dollars. Also, what you have to take a look at is the amount of actual kilometres that have been added on by our Government since the '99-2000 year since we were elected in '99, which I do not think the Member for Arthur-Virden begrudges that at all.

I think he feels that that is just as important as roads in southern Manitoba, I am sure. Whether it is a road that is an important road near Virden or an important road near Deloraine, I think he understands how important that is to northern Manitoba and those northern communities. So just to restate the fact that we have had certainly more than doubled, I would say, from 1600 to 2300—well, sorry, from 1600, sorry, to 2300 kilometres of winter roads in northern Manitoba for those 28 communities is just tremendously important for them and it is part of our record, part of the two previous ministers'

records that they are very proud of. The dollars that we are currently putting in have certainly tripled in amount since the 1998, the 1999 year.

\* (15:50)

**Mr. Maguire:** Well, I just wanted to urge the minister, I caution him on exaggeration. That is all I am trying to do there. I certainly do not begrudge him in regard to trying to get as much produce to these citizens of Manitoba as we could. I do not know if they have looked at other alternatives or not, as well. Again, I caution the minister that yes, if he wants to go back to 1998-1999 and say that it has tripled, he is pretty accurate there. But, the last year that I noted, the Budget of one of my predecessors was the 1999-2000 Budget where there was \$5.5 million put in. It has been a 10% increase, not a tripling which is 300 percent.

The minister also just indicated that in a statement, in his answer to his question to me that they almost doubled the kilometres. To go from 1600 to 2300 as the minister indicated is not quite 50 percent, not 200 percent. So, I just caution him that maybe we could look at some of those areas. But, I certainly do not begrudge the fact that we are trying to do a better job of providing more produce to the citizens in those areas of Manitoba. I just urge that when we are making press releases and statements on these that we do not get quite as carried away in regard to some of the concerns and comparisons in those areas because I believe that there needs to be a priority put on some of these areas. I guess my whole point in bringing this up is to look at the priority spending in Manitoba in some of those areas. Of course, the minister has indicated that 25 percent of a priority of his Government's Budget, of the 36.7 that they have announced, is roughly 25 percent of what he is expecting to announce this year in capital budget in Manitoba, and that 25 percent of that would be in northern Manitoba. We all choose our priorities in those areas, and I go back though, to saying what the minister said yesterday that the roads are economic enablers in Manitoba. I just want to make sure that we do not forget that side of it as well.

I want to just look for a moment at the area of Cross Lake, the Netnak Bridge, the Pipestone Lake, and I am not familiar with that lake myself as much as I, perhaps, should be, Mr. Minister. I wonder, Mr. Acting Chair, if the minister could just give me some indication of the length of span of this bridge, \$25

million is a considerable amount of bridge. If he could just give me some indication of the span that they are looking at in that area.

**Mr. Lemieux:** I thank the member for the question. With regard to the length of span of the Netnak Bridge, I understand that the water is about 60 feet deep at its deepest point. It is a very deep river, a very deep crossing. I have been advised that the bridge itself, the length of it is from the front steps of the Legislature to about St. Mary Avenue, from here. That is the length of the bridge, it is quite a large span, just to give some visual context. Certainly, when I mentioned about winter roads going from 1600 to 2300 kilometres, I did not mean to put anything inaccurate on the record. But I had to go back. Do you remember the year 1998-1999? It was the last full year that the previous government was the government. Right? That was the \$2,182,800. Nevertheless, I just want to make a comment that that bridge is very, very important to the northern community. Hopefully, we will have that completed before year-end or certainly by year-end. We are very pleased to be a partner in that.

**Mr. Maguire:** Being a farmer, I appreciate the size of measurements that you have just given me, Mr. Minister, in regard to the front steps of the Legislature to St. Mary Avenue—[interjection] Right, missed that one by a country mile, he said. Anyway, I would appreciate that. The ferry crossing that is there, can the minister give me some indication, obviously it is still running, of the length of the season that it would run in that area?

**Mr. Lemieux:** In the year '03-04, the start-up was April 11 in '03, and shutdown was January 10. In the year '02-03, start-up was April 24 in '02, and January 18, '03 was the shutdown. In '01-02, the start up was April 12 in '01, and the shutdown was January 20 in '02. I believe that addresses the member's question.

**Mr. Maguire:** Could the minister give me an indication of what the cost would be of running that ferry for the year?

**Mr. Lemieux:** Yes, the investment in that community is approximately \$117,000.

**Mr. Maguire:** I think they are just going to clarify the cost of running that ferry for me, Mr. Acting Chair, for the '03-04, as long as it was an average kind of a year.

**Mr. Lemieux:** Sorry, I thank the member for his indulgence. The staff is just looking up the number. The number that was selected was not the correct number, but they are looking up and trying to find the accurate number. We do not want to put anything that is not accurate on the record.

**Mr. Maguire:** I guess my point, Mr. Acting Chairman, in all of this is to do with the cost of that ferry, and I am assuming that it was borne by the Province. Is it a private-public, or is it totally run by the Province of Manitoba?

**Mr. Lemieux:** Yes, the ferry is totally run by the Province of Manitoba.

**Mr. Maguire:** Mr. Acting Chairman, I appreciate the minister bearing with me in regard to the tediousness of some of this questioning on this particular location and this bridge, but I want to just raise this as an example of what Manitobans think of this Government when it comes to its priorities and where it is spending its funds in regard to capital projects in the Province of Manitoba. We have got a bridge that, regardless of how you cut it, taxpayers in Manitoba are going to spend \$25 million for. A ferry on a winter road that probably costs a couple of hundred thousand dollars a year to operate, to move product into this community.

It is nice to be able to provide a better service than what we had. I do not know how many options were looked at to see if it could be done for less than \$25 million in that area. But I guess I am looking at it when there are priorities, and the minister has indicated that they were priorities of his own government, of economic enablers like 59 south, like No. 1 highway being twinned, like the northeast bypass. Certainly on all of those roads it is not just an economic enabler, it is a safety issue with all of those issues. Days like the last two days that we have seen in Manitoba bear extreme importance to the fact that safety is a big priority in this province.

\* (16:00)

Yet Winnipeg, we have to recognize, whether we like it or not, is the economic hub in Manitoba in regard to the centre of trade. The rest of us in some of those rural areas have pockets of central areas with major businesses and industries located in them. But when you are looking at spending 20 percent of one year's highways budget on one bridge in the

province of Manitoba to move product in on a ferry on a winter road that could probably do it for less than 1 percent.

Is it a priority at this time to build a bridge like this in Manitoba, when there are so many other major arteries and projects that need to be focussed upon that absolutely need safety delivered to their regions as well?

I just want to get a response from the minister because of his comments yesterday about how important economic enabling roads are in the province. I know he has talked about safety before and I have only outlined the three that we have pressed him on in the House or his predecessors, at least, in regard to the bypass on the northeast part of the Perimeter. We have seen two deaths in the last six to eight months in that area, certainly last fall in regard to that area, that region, and Highway 1 and my particular area. We have seen deaths on the area from Virden to the Saskatchewan border and I know it is being built.

When we have priorities to look at in regard to these kinds of economic impacts, my colleagues and the citizens of Manitoba that I have spoken to or that have urged me to ask the minister these questions are certainly concerned, that we are limiting the amount of capital in a limited budget at a time when we do have a \$1.5-billion increase in the overall budget of this Government. So I would just like the minister to respond to that.

**Mr. Lemieux:** It is more than a pleasure to respond to that. When this Government puts in more than \$60 million over the last five years, compared to the previous government's last five years, I would be more than pleased to respond to our commitment to highways infrastructure and highways capital.

This is what we have done. We have made a commitment. And the people up in Nelson House or Cross Lake or Norway House or Churchill do not begrudge the citizens of Winnipeg for getting the northeast Perimeter. Certainly I do not believe the citizens of Winnipeg begrudge Cross Lake for getting a bridge and having access to their community. I mean, I do not want to—

**An Honourable Member:** I did not say that.

**Mr. Lemieux:** No, no, the member did not say that. But he is saying, "well, I did not say it," but I can tell

you, this is that I am reading into it. When you are saying the citizens he talks to—the citizens I talk to want to be fair to all Manitobans whether they live in Winnipeg or live in northern Manitoba. We put more than \$60 million worth of money into transportation, and it is something that, yes, it has been really challenging. Health care has been a real cost, education has been a real cost, and we made those as commitments, and it has been very difficult.

I can tell you, in 1997 the Northern Flood Agreement was signed by the Manitoba Government—in 1977, the Northern Flood Agreement was signed by the Manitoba Government, Manitoba Hydro-Electric Board at the time, the Northern Flood Committee, the Government of Canada, several First Nations communities, to provide compensation to those communities for damages caused by hydro-electric development in Manitoba. Fair enough.

In December 1993, an arbitrator ruled that the existing ferry crossing and ice crossing of the Nelson River, as part of the access road to Cross Lake, did not constitute an all-weather road. Manitoba appealed this decision and submitted its own plan for on-going development of the Cross Lake access road.

What happened in February 1999, the Court of Appeal upheld the March 1997 arbitration decision. So, in essence, the court was telling the province they need an all-weather road. You need to build that bridge. Build it.

So we were doing so. I do not want to let anything be left on the record that, somehow, there is taxpayers' money being wasted here. There is not, and it is not to the detriment of Winnipeggers or southern Manitobans. This is something that we are trying to be fair to all parts of the province of Manitoba. We have limited funds, but when you have an arbitrator's ruling and a Court of Appeal ruling, they are telling us to do this; we are doing it, and trying and uphold the law.

**Mr. Maguire:** I appreciate the minister's concern. Obviously, we have hit a little nerve with him in regard to his priorities in the province of Manitoba.

*Madam Chairperson in the Chair*

I am going to turn it over to some of my colleagues but before I do, I want to just for the

record say that no one on this side of the House did say that those dollars were wasted. We are saying, "where are the priorities of this Government today." My honourable colleague from Carman has indicated to me, then what do we use road counters for in some of these areas of Manitoba, if we are not prepared to look at improving the transportation mechanisms in those areas in regard to some of the needed on that as well. I mean we have them. We also have speed traps to make sure that we are there as well and obeying the laws that we have out there. I appreciate that. But I will have some further comments and some further questions for the minister in a short while, but I am going to turn it over to my colleague from Springfield for a question at this time.

**Mr. Ron Schuler (Springfield):** Yesterday, I started to bring to the minister's attention again the issue of the fire hydrants at PTH 15 and PR 206. I know that the minister and his department are aware of the issue. That is where the tanker trucks go to fill up if they are fighting a fire.

Currently what they do is they go on, off of PR 206, they turn on to a driveway going to a development. They turn off. And if I could, please, I would like to table five maps just so that it is clear.

What it is, they have to back into the driveway, approximately 300 feet to get to the fire hydrants. They then fill the tanker up with water and then they pull out. What they are asking for is another turn onto PR 206. Some of the recommendations that came forward in the discussions were what if there was a loop put around the pump station. The problem is there is not enough room because there is a tower. If you look on the map right where the R.M. is, there is a tower there. So there is not enough room for a turnaround. Another issue that was raised by the department is that they did not want that to become a turnaround for a lot of other equipment.

I spoke with Brian Wilkonson, who has been sort of driving this issue. He has said that they would have no problem with putting two posts and a chain across. They would pull the firetruck in. As it is being filled with water, they unlock the chain. They leave it there until all other trucks are finished, the fire has been extinguished. They have to, anyway, empty out the firetrucks that come back, and then they would lock it back up again.

So they are more than willing to make it a fire vehicle access only. In other words it would be

blocked off and nobody would be able to use it other than that. I would comment to the minister and his department: when they are fighting these kinds of fires time is of the essence. As you know, the pumpers pump a lot of water, and they have two trucks right now that haul water for them, each time they have to back it up it is a problem.

The other thing is, and I say this with all due respect to the hardworking volunteers that are on the Springfield fire department, but it tends to be the less-experienced volunteers that drive the tanker trucks back and forth hauling the water. The problem is that they are not quite as good at backing it up as, perhaps, somebody who is a little bit more seasoned. Often they have to take two or three attempts to line the truck up properly. That is wasting time. It is just so much easier for them to pull into the loop, start filling the truck, unhook the chain in going back onto the highway, and proceed. Then the trucks keep rotating, and they supply enough water. It is a very small, small request. The R.M. of Springfield had said they would cover all the costs. The only thing they need from the department, from the minister, is permission to put a culvert in, lay some gravel down, put two posts in with a chain across and lock it off until that point in time where they need it.

The R.M. of Springfield has almost as many calls as the city of Brandon. The calls that go into the R.M. of Springfield are way over, above and beyond anything any other rural municipality has, and the reason is because you have got the Perimeter cutting through, you have got Highway No. 1 cutting through, you have a lot of traffic. You also have a lot of residences. It is the most populous R.M. in the province.

So this is but a small request, and they really would appreciate it if they could get this issue resolved. I have been dealing with this issue now for over two years, and would appreciate it if the minister would have his department take a look one more time at the map and maybe see if they could not get permission. They are more than willing to accommodate the concerns of the department. Let us get that turnaround in there, so that some day it does not come back that there was damage or life lost because there was not enough water supply. I would appreciate it if the minister would task the department to look at this issue one more time.

**Mr. Lemieux:** I thank the Member for Springfield (Mr. Schuler) for the map. This is very helpful,

because yesterday when we were discussing it, it was hard to visualize where. I was actually thinking that the hydro was on the east side of the road as opposed to on the west side of the road, driving north on 206.

When I take a look at North Plympton and the cul-de-sac there, there is a turnaround. When I took a look at the map, I am just wondering why the proposed locked chain gate would be on the 206 and not just loop around back to North Plympton but kind of go in behind the water. I do not know the particulars, and I am sure they have thought this out, but I would accept the suggestion from the Member for Springfield that we should have the department—and I believe it is out of Steinbach office—take another look at this to see if something could be worked out. I would certainly be willing to talk to the department about it, to get them to take a look to see what the challenges are.

That 206 is actually a very busy road. I am not sure on this map the distance between Plympton and the intersection of 206 and 15. Highway 15 has become very, very busy, and the intersection of Provincial Road 207 and 15 is a very busy intersection, and also the intersection of PR 206 and 15 is a very, very busy intersection.

\* (16:10)

I will absolutely refer this to the department and get them to take another look at it and see what they can do, if anything can be done.

**Mr. Schuler:** Just to that, to have the trucks loop around where you have that square box, which is the pump house, there is not enough room because there is a tower right behind that, the communications tower, and these trucks, No. 1, are big and they are heavy. One of the concerns is that that means somebody would always have to be clearing it, and you are starting to get in behind the building where it gets very soft. At least where it is right now you have a harder compact. Once they load these trucks up with water, they do push a lot of weight. This is on PR 206 and is far enough away from PTH 15. The traffic is not as strong. Again, I can say to the minister the traffic does slow down there. I believe that, when they see the flashing lights and they see the big firetrucks, citizens are always mindful; they give way and they allow them to proceed. People in the rural area know that in our communities it is a

matter of life and death if you do not get the water there quickly.

Again, I would really appreciate it if the minister—and he has indicated he will task his department to look into it. I thank him for that.

**Mr. Peter Dyck (Pembina):** I know that this is not news to the minister and to his staff, but I do feel that it needs to be re-emphasized again, and that is the four-laning of Highway 32. I know that your staff has met with city council and you have met with them as well. Again, just to reiterate the fact, there is a brand-new Superstore coming out there. I know that the indication has been that this would be done in stages, but with that, though, the traffic counts are increasing as well. This is also traffic going, of course, south of the city of Winkler. We have a real concern there and I know that city council has expressed this to the minister. It just appears as though there is no movement in that area. So I would ask what the status is of—and this is not all of Highway 32; as you are aware, it is a part of Highway 32—the four-laning of it. I would ask the minister what the status is of that highway at this point.

**Mr. Lemieux:** The short answer is that where the project lies, it is within the large request queue. The member was not here when I mentioned this yesterday, that there is over a billion dollars requested and, regrettably, we cannot come close to putting that kind of money in. Yet every year there is over a billion dollars requested of either new highway infrastructure or roads just like the member from Emerson was asking that we put five inches of pavement on. I think it was Highway 201. It is fine to request it. MLAs are doing their job. They are hearing from their constituents, and I understand that.

The challenge that I, as the Minister of Transportation, have is that you have a budget and you have a queue that you are trying to work through. You have professionals who are within the department. You have, in communities like Winkler—and I should say this, that the community of Winkler is really a rapidly growing community, and so is Steinbach. You have a couple of large communities in southern Manitoba that are really economic drivers in the southern part of the province and should be congratulated for that and all the hard work that goes into it. When you took a look at those communities a number of years back, one may not

have guessed that this particular community may have grown to the size that it is growing, or even have those businesses that are showing up in the community and knocking on city council's door and wanting to open up their businesses there.

So the long and the short of it is that the request is within the queue and people are looking at it. There have been no official confirmations of whether or not, or any time lines with regard to when this particular road and project would be addressed. There are other challenges with regard to that community, other access roads that are a real challenge because you have other businesses wanting to build, as well, in the community, and so you need turn-off lanes; you need intersections, possibly lights. All of those things are very expensive, and since we have been in government, we have had many of those businesses contribute towards those changes. As of to date, that currently remains the policy.

**Mr. Dyck:** I guess the frustration in this one is that this Government and this minister continue to say that they are encouraging expansion. They enjoy the growth that takes place and, of course, they tout those areas, but are not prepared to put the resources out there and, for the city, that is a real frustration. I do think that the Province does have a responsibility. It is a provincial road. They are not looking for huge dollars. This is priority spending. The minister made the comment of a billion dollars. It is absolutely right. I have heard him say it many times and I am not arguing that point, but I think that there is a responsibility that this Government, that this minister has to an area that is growing, and it is one of the fastest-growing communities in rural Manitoba. The traffic counts taken there are upward of 12 000, up to 16 000 vehicles a day. So I do not think I am out here just asking for pie-in-the-sky. There is a responsibility when, as I say, this Government continues to showcase southern Manitoba for the growth that it is experiencing. We do appreciate that fact.

We have immigration. Again, it is one of the highest immigrant areas within the province. But we do have to put resources out there. I know a year ago the minister was out there. He had the Minister of Education (Mr. Bjornson) and announced the school, but we have had the same frustration there, where that has been postponed for another year now.

So what is happening is we continue to promote growth, but we do not put the resources that are out

there. The community itself, I think, is feeling that they are being neglected simply. They are not demanding outrageous things, but they are looking at some of those. But I will just continue. The other one of course is that this was on Highway 32 where there is a Superstore coming in. I think the city there is prepared to go for just a part of that but there are huge traffic counts there.

Now on Highway 14 just north of it there is a Wal-Mart that in fact they have started building and they are looking for a turn-off lane. They are not asking for huge dollars, and I know that it is under this administration that some of those parameters had changes to funding. But I would think that being Highway 14, again a major four-lane highway out there, that there would be some responsibility that this administration would have in being able to accommodate that. Yet though it appears that everything that is being asked for is either negative, negative or just postponed forever and a day.

Yes, I do realize that there are all kinds of pressures on this minister throughout the province. I do not rule that out. But I do think, though, that when there is growth the way we see it in southern Manitoba, and if you are going to continue to showcase that as something that is positive within this province, then I do think that some resources need to be put out there to be able to respond to some of that growth.

\* (16:20)

**Mr. Lemieux:** I thank the member for the question. I know he works very, very hard on behalf of his constituents. I heard that as well when I was in the community last. Just with regard to the educational facility that we are talking about, the new school that is going in Winkler, I know it is a growing community. They said when I announced the school that it was very much appreciated, but that because the community is growing so fast that this may not be able to address all their needs. I can appreciate that.

The only example I can give the member is that in my own home community I have a Federated Co-op, a new store that is going up. That organization is responsible for putting in, you know, the turning lanes and doing all the work that is necessary there. So that is in my own home community of Lorette and it is a new store going up. They are looking to open sometime this summer.

Yet these are tough decisions that you have to make. Listening to a lot of other Transportation ministers, even though the federal Transport Minister, Mr. Tony Valeri, talks about transportation being an economic enabler and trying to assist companies and businesses to develop, we believe that and we have done that. We have tried to participate in that, yet you only have so many dollars in the trunk of the car. You are trying to expend those dollars to try to keep the system together, and you are trying to also look at new potential projects that are going up.

I know members are maybe sick and tired of hearing me mention this but about the northeast Perimeter. The northeast Perimeter is a huge project. *[interjection]*

Yes, for the City of Winnipeg, but these are large dollars that we are putting into this community and it is necessary. I do not think anyone around the table is saying it is not necessary but these are difficult choices. The member from Winkler is accurate when he says that the community is growing. A lot of immigrants are arriving there in support from the provincial government or the federal government. It is definitely a need that has to be looked at. At this particular point that is all I am able to state, and all I have been advised is that it is in the queue and people are looking at this.

I know it can be awfully frustrating for people to hear this but when you have over a billion dollars requested you only have so much money to put into the infrastructure system.

**Mr. Dyck:** Could I have a definition of the queue? I need to know what is the queue. What is the scope of the queue?

**Mr. Lemieux:** The queue I refer to is the over a billion dollars in requests that have been asked for by communities and rural municipalities in Manitoba.

**Mr. Dyck:** The minister is now prepared to give me a year as to when they will even start to look at this. I mean, it is in the queue, but are we looking at next year we are going to start four-laning?

**Mr. Lemieux:** I thank the member for the question. When we just look around this room, I am not going to mention how many members are here and so on, but all MLAs in this Legislature have a tremendous

amount of requests with regard to needy projects in their own constituencies. I do not begrudge any MLA for bringing the concerns of their constituents to this table or to the Legislature. I am just saying that you try to have a system that is equitable. You are looking around. I mean, when you take a look at, for example, the community of Winkler, I think it was in '02—I stand to be corrected on the exact date—but we put about \$2 million into their main street and to that community. It is a drop in the bucket, but I will get the correct date of that 2 million or so dollars that was put into Winkler.

It is just that, as I mentioned, there are so many requests with regard to the amount of dollars, and there are so many dollars with regard to being requested from the department. It is a huge challenge. I guess I would just ask in this upcoming federal election that the member from Pembina and other members hold the candidates' feet to the fire with regard to this issue about federal dollars coming into the provinces and try to put some of that gas tax money back into Manitoba.

**Mr. Dyck:** Okay, so basically there is not a light at the end of the tunnel.

I will now turn it over to the Member for Morris.

**Mr. Lemieux:** No, no, Madam Chairperson, I want to address that. I appreciate the comments the member made. I am certainly not ruling it out and neither is the department, but what we are doing is weighing a lot of priorities in the province and a lot of needs in the province with regard to new projects, compared to a rehab, and trying to keep the system together, is what I am saying. Oh, no, I would never rule it out because it is a very important community in Manitoba and a growing community.

**Mrs. Mavis Taillieu (Morris):** I would just like to start by thanking the minister and his staff because, whenever I have asked for things from the department, they have been expedient and I have been granted access to members within the department. I thank the minister for that. The previous minister was not as comfortable with that.

I just want to confirm something from yesterday. You mentioned the number of kilometres that the Province is responsible for. I think you said 93 000. I wanted to confirm that.

**Mr. Lemieux:** Nineteen thousand.

**Mrs. Taillieu:** Nineteen. Thank you. I will refer that to a constituent of mine who questioned my 93 yesterday.

I know that, within the departments, there is a vying for scarce resources. We all recognize that, but I am wondering how actively the minister lobbies for finances for the Transportation Department?

**Mr. Lemieux:** I thank the member for the question. I will take it as, not a cynical question, but I will take it as a legitimate question. When you have a team or a government in place, and you are talking about lobbying—I do not think, necessarily, that "lobbying" is the right word. You are looking at a lot of needs in the province, whether they be Family Services and Housing; whether they be Education, Culture, Heritage and Tourism; whether it be Sport; whether it be Health. There are a lot of needs in the province, and a lot of polling that is done in the province of Manitoba. Health almost comes out every time with regard to the top issue that concerns Manitobans. So I do not believe it is a matter of lobbying. It is a matter of trying to move the agenda ahead and trying to get more dollars in an ongoing way every year to try to increase the capacity that allows the department to do what they have to do. The needs keep growing. It is well known, I think, that our system is under a great deal of pressure trying to preserve it and trying to keep it together.

I will just try to conclude my quick comments about these 19 000 kilometres of roads. The department does a very, very good job of trying to hold that together. I know that the department has tried to be very, very helpful with any MLAs contacting—and I try to be as well. If anyone wants information, we will try to get it to them as quickly as we possibly can. I know the department tries to be very helpful that way too, and they do a very good job.

**Mrs. Taillieu:** No, the comment was not meant to be cynical at all. It is recognizing that there are many people vying for the scarce resources. As a minister, I expect that you would be doing the same within your department.

There are a number of concerns, of course, within the constituency as other members have brought forward. I even hesitate to name all of the roadways that I have been questioned on, but I will



ask about a few. One that I would like to ask about is Highway 305; it is a B road. The problem is, of course, that the person that has contacted me who lives on that road, who has farmed on that road for 36 years and, now, finds himself overweight the minute he leaves his farmyard is facing fines of up to \$900 to haul his grain. The reason that this is happening is because grain handling has evolved quite substantially—

\* (16:30)

**Madam Chairperson:** Order, please. We are having a little trouble hearing. I just remind all members to please give the speaker the courtesy of speaking so everyone can hear.

**Mrs. Taillieu:** Madam Chairperson, as I was saying, the person that lives on 305 has difficulty now leaving his farmyard because he is overweight with weight restrictions. That is because this road and other roads have not evolved to the same degree as the grain handling industry has. Through no fault of his own, he is subject to fines. I am wondering if there is any allocation or any way that a person in this situation could be grandfathered because he has been on that farm for 36 years.

**Mr. Lemieux:** I thank the Member for Morris for the question. I do not know the particular circumstances behind the question and where the farmer is located exactly. I have a map in front of me and I am looking at—there is Long Plains First Nations there and there is also Swan Lake First Nations and also Dakota First Nations. But I am not sure exactly where on that road—I think it was 305, running south of Portage la Prairie down to No. 2.

I just want to state that what the department has tried to do is try to look at, especially those level two roads where you have farming communities and farmers on those roads where you have an exempt commodity policy with regard to agriculture; where people can go up to 90 percent of spring weights where they do not need—but in other words, an exception is being made in a way to try to address the agricultural community.

Now what we are doing is bringing in a truck productivity bill, which is before the Legislature which will enable farming communities, as well as businesses, in Manitoba to address a situation where a road is being destroyed or affected in a negative

way as a result of the traffic they can contribute in a way toward that particular stretch of road or bridge. So this is something that the bill is being put forward right now where there are many, many interested parties that are looking at this, because they realize that our infrastructure system is being damaged as a result of the increase in traffic and the loads that are going onto those roads.

The exempt commodity policy is trying to address the needs of the agricultural community and the agribusiness in a small way. I am not sure of the particular circumstances behind this, but I know that is something that I do not know, if this particular individual or individuals had been in contact with the department to discuss this exempt commodity policy that is in place.

**Mrs. Taillieu:** A letter was forwarded from me to the Department of Transportation, but it may have been to the previous minister. I can provide you with a copy of the letter and a map to show you it is on 305 south of Brunkild.

I will move on to another question, though. I am wondering if there is an overall strategy for handling the maintenance and construction of roads in southern Manitoba, because we all know that all of the roads are in need of repair and upgrading. There are, you know, many, and I think we would all be vying for scarce resources here.

But there must be an overall plan in place, and I am wondering if there are specifics of that plan that you could provide me with.

**Mr. Lemieux:** Well, again, I thank the member for the question. I think this question actually is an extremely important question because the previous administration, without getting too much into the politics of it, I believe, did not have a five-year plan and did not have a four-year plan, and did not have a two-year plan or a twelve-year plan. What we are trying to do is that when the RoadWorks plan that we had is a five-year plan—\$600 million over that period of time. We are looking at putting those kinds of dollars into the transportation infrastructure system.

We had a 20-20 vision committee go out and consult with the public in a number of different communities and talk to people about long-term vision as far as transportation and the transportation infrastructure system that we have, and where people

want to see it go. A couple of the things that came out of that—and there has not been a final report, yet, completed, but I am looking forward to getting that—is that people want to be able to ensure that there is some transparency to the system; there is some equity to the system. I think that is very, very important to note because it is something that I firmly support as well, in a way.

*Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair*

I think that in order to be able to plan long-range and take a look at the challenges we have in Manitoba, we have to do that. That, essentially, is the short answer and I think that that also deals with the long-range plan that we need to have in place. Currently, we have RoadWorks in play.

I know there are a number of different projects that come into this billion-dollar queue that we talk about, and the requests that are continually put forward to the department every year—the department, with its engineers and staff, takes a look at trying to prioritize needs on roads which they monitor on an on-going basis. Also, now what we are finding is that the structures, the bridges that we have on highways, in crossing our provincial highways, have also taken a beating over the years. There are trucks travelling on these roads that we never expected to have the loads that they have, and never really anticipated that, in certain instances, we would not have the traffic in a particular jurisdiction that we do have now.

So the long and the short of it is that I believe that there needs to be consensus with regard to a five-year plan that is transparent and is open, in a way. Also, it is a plan, I think, that Manitobans can look at and know whether their community or road is on this particular plan and, at least, they can, I think, feel some level of comfort that there is some criteria that went into doing this planning. I think that is really where transportation should go. I think that is something out of the 20-20 consultation process. Some of this came out with regard to the openness and the transparency that needs to be in the system.

\* (16:40)

**Mrs. Taillieu:** Just one more question with regard to Highway No. 1. There has been some federal money allocated for the upgrading of the Trans-Canada Highway between Winnipeg and Headingley.

However, I think the intent was to have that available for the 2004-2005 construction year, but the understanding is that is going to be delayed. I am wondering, when you talk about the upgrading of Highway 59 and we see that there is an allocation over maybe a five or six-year period, I am wondering what the time-frame will be to do the reconstruction on Highway No. 1 and, as well, not just stop at the intersection at Bridge Road, Highway 241, but to go further through the intersection at Dodds Road and just west of that.

**Mr. Lemieux:** I thank the Member for Morris for the question. I just want to comment that in many, many different projects, no matter what it is, I know you mention Highway 59 south which is also an important project, as well as the twinning of the northeast Perimeter. But with regard to all of those projects and the projects that we have mentioned previously today, there is often acquisition of right-of-way, acquisition of property. There is engineering that has to happen. Sometimes you have to deal with the utilities to ensure that that is taken care of. I know that we are looking at John Blumberg and the cover-all also at the Husky Station, in the Husky access. Part of that is also SHIP dollars. In '05 we are looking at possible utility revisions.

So there are a number of different issues that come into play when you are doing a particular stretch of road like the stretch from the Perimeter to Headingley. There is a lot of traffic that goes through the community of Headingley every day, and it is on our No. 1 highway as well.

So I just want to say that there are dollars in play right now, but it has a lot to do with the engineering and the up-front work. Often that is what has to happen instead of just jumping in and doing the work, you have to have the acquisition of property, utilities and engineering take place prior to the beginning of a project.

**Mrs. Taillieu:** Just on that remark on the allocation of funds for acquisition of property. How much of the Transportation budget is actually designated for acquisition of property and not meant for the construction of roads?

**Mr. Lemieux:** Well, the acquisition of land and the purchase of the land is a hand-in-glove situation where you cannot build a road, often, if you are building a new structure or redoing a road and

changing the accesses and so on, without purchasing property. So it is all part of capital. It really varies from year to year depending if you are building new and what you are acquiring. So it truly does vary from year to year, but it is part of it if you are doing, as I mentioned, renovations to a road compared to building new. It varies from year to year and it is all included within capital.

*Madam Chairperson in the Chair*

**Mrs. Taillieu:** With this recent snowstorm and the stoppage of traffic along the Trans-Canada Highway, one of the problems that occurred in Headingley is the traffic took an alternate route and veered off at 241, went through the Village of Headingley out toward Beaudry Park and then got on to a gravel road and further found access to the Trans-Canada. In doing so, there is a three-mile stretch of road that has completely been destroyed and I have had a number of calls from residents along that road. I am wondering what the minister—will he address the problem with that stretch that has been torn up? The traffic routing, I think, was not properly managed there.

**Mr. Lemieux:** Just with regard to the snowstorm, I mean, no one expects a snowstorm to happen at this time of the year. Regrettably, most of us in this room probably had our lawnmowers out or golf clubs out, or fishing rods out, and getting ready—farmers, more in particular, were out there on the fields working and expecting to look forward to their crops coming up, not expecting to have a tremendous amount of snow dumped on them. I can tell you that the department, after the highway being closed by the RCMP, getting out there as quickly as humanly possible to address the situation, and after a couple of days having the roads cleaned without a fatality, without a serious accident taking place is extremely important.

What could have happened was there was potential there for a tremendous amount of accidents to take place. Regrettably, when the plows get out there trying to clean the roads, what happens? What do they encounter? Some semis that are buried in snowbanks, cars that are buried in snowbanks that tried to take shortcuts and go around the gates and take detours around. Why people do this, I am not sure. Those are the kinds of things the highways crew encounter trying to clean the roads. Yet they are unable to do it as quickly as they could because

of the impediments that were there; people taking shortcuts.

It is regrettable if any other roads were damaged because of people wanting to dodge or take shortcuts around barricades where the police were there to protect them from any harm, because there were plows on the road. We do not want people running into snowplows or having plows running into them with the blustery conditions and the whiteout conditions that took place out there. It is regrettable that people want to do this and want to take it upon themselves to try to take shortcuts.

The only comment I wish to make is that I do not know whether or not the department has any indication yet as to the damage that is taking place on a lot of the roads that may have been used as detours or shortcuts. Again, it is regrettable people wanting to take those shortcuts and detours and it does have an impact on roads. I understand that. The department has not had an opportunity to evaluate any kind of damage, or extraordinary damage that would take place under these particular conditions.

**Mrs. Taillieu:** Will the minister then commit to have staff go out and have a look at this stretch of road on Highway 241?

**Mr. Lemieux:** I think in a situation like this where you have a lot of snow, melting snow on a lot of roads, whether they be gravel or otherwise, that the department is very diligent in taking a look at our provincial roads, our provincial highways, to find out what kind of condition they are in and what kind of state they are in.

That is part of the challenge. You only have so many bodies that work for the department and are staff of the department and there are 19 000 kilometres worth of highways in the province. I realize that the one that the member is asking about in particular—I am sure people will, if they have not already, they probably have because I know that in my short tenure as Minister of Transportation, calls come in immediately about a situation if they are living on that road. They will be on the phone contacting the regional office or phoning someone, if not my office the deputy's office or others, to have someone look at it.

So I will ensure that people, if they have not already, which I think they probably have, I will ensure that they take a look at the road. Thank you.

\* (16:50)

**Mr. Jack Penner (Emerson):** Highway 59 south of St. Malo to 201 was scheduled for construction when the NDP government took over. Can we expect any construction on that road within the next decade?

**Mr. Lemieux:** I thank the Member for Emerson for the question. This if I might just complete maybe a bit of a comment that I made to the member from Morris, that on Highway 59 south being very, very important. As she stated, which I agree with and mention that over five years that that particular project will be done. We are looking at completing that project by the fall of '06. By the fall of '06 certainly by Christmas on Highway 59, the portion that we are twinning now. The next phase that we are going on from just west of Ile des Chênes. But with regard to the portion of highway south of St. Malo, or even south of Highway 52, what I have heard from a lot of the R.M.s in the area, as well as other people and even the professionals within the Department of Transportation, is that the majority of the traffic really tapers off after Highway 52. The majority of the traffic takes place from Highway 52 to Winnipeg.

Yet there is a lot of potential to tourism, to the campground in St. Malo. The community of St. Pierre is very, very important. But there is no intent, of course, at the present time, to be twinning that particular road south of St. Pierre or south of St. Malo.

Unless the federal government, all of a sudden, decides to give us that \$165 million in gas tax, that might change the circumstances. Even then, having said that, and I have mentioned this—and I do not think I am saying anything out of school here—to councillors in that particular area of the province that the traffic counts and the amount of traffic that is happening there, currently—it does not mean that will not change in years to come—but, essentially, does not justify to have that particular section of road twinned to the United States border.

I am not sure if that is what the member is asking at all, but I just wanted to put on the record that, even if the federal government were to come forward with that \$165 million in gas tax, currently, those monies would not go down to that section of road because the traffic does not warrant it at present.

**Mr. Penner:** Just for the minister's edification, there was no intent of twinning that section of road. The highways department's plan was to put shoulders on that road and reconstruct the shoulders and resurface. That was supposed to have been done five years ago. The NDP administration, of course, took the money into somewhere else and spent it somewhere else. I was wondering whether the reconstruction would be done within the next decade.

The second question that I had was Highway 210, which we were going to put basin-AST on from Highway 12 to Woodridge. I wonder if the minister is contemplating putting basin-AST on that stretch.

**Mr. Lemieux:** I thank the member for the question. I know that just having looked and talked to the department about what was in the queue and what was kind of scheduled, apparently, Highway 59, with regard to the work, was not concrete as far as work that was going to be done on that particular stretch. Mind you, when you take a look at that stretch of road south of St. Malo to the Stuartburn area, or Stuartburn corner almost, it is hard to tell with regard to the amount of traffic that might increase on that particular road, or the actual quality of the road. I am searching for a word with regard—not quality, but the stability of the road. How it is holding together and what is happening with the road is also going to impact on the department taking a look and the department staff that are in that region that monitor the highways and the roads all the time.

I know that the member from Emerson had large amounts of money poured into that constituency during the latter nineties, which was important. It is a growing area of the province, as well as Winkler and the Steinbach area. In one year, I think it was '94-95, there was \$16 million put into Emerson. I am not sure exactly what took place. Then, another \$12 million in '95-96; and, then, another \$13 million in '96-97; huge amounts of dollars that were put into the Emerson constituency or that particular area of the province. I do not begrudge that in the sense that there must have been a need and the department did that. But the challenge is that when people are trying to evaluate and determine where the priorities are with regard to roads, again, there are very, very difficult choices that the staff and the department have to make. You are really dependent on the engineers and staff to make that call, to make that decision as to where the dollars go. Currently, my

understanding is that there is no intent to address those particular stretches in the near future.

**Mr. Penner:** Thank you very much, Madam Chairperson and Mr. Minister. I want to just indicate my appreciation to the department of highways and the work that they did under the Conservative administration.

Hopefully, there will be a Conservative administration back there soon and we will be able to continue the work that we did. Thank you.

**Mr. Lemieux:** I will not thank the Member for Emerson for his comments, but I do respect the job that he does. He works very, very hard on behalf of his constituents. I have to say that. I mean, when you in a period of about five years get \$41 million poured into your constituency, or thereabouts—maybe his colleagues do not even realize that, that we are part of that. That is fine, because I know that the Department of Transportation made sure that it was a priority. There was a need there, and there is no doubt there would have been a need in that portion of the province, and you have to respect that. Thank you.

**Mr. Leonard Derkach (Russell):** Just a couple of quick questions to the minister.

Can the minister tell me how much of the Budget, what percentage of the Budget, is spent above the 53rd parallel?

\*(17:00)

**Mr. Lemieux:** When we are looking at the North, there is a northern administrative district that we look at. It is not just the parallel that we look at with regard to the 53rd parallel. But having said that, I just want to state that our Government has made a commitment to northern Manitoba. We have stated that we felt they have been underfunded for a number of years. We felt that not only the roads around Tadoule Lake and Lac Brochet and Brochet, the necessity to have something there for those communities, those winter roads are very, very important. You have 28 communities that are dependent on those winter roads. As I stated to a couple of other members, I do not think anyone here begrudges the fact that those communities need to get groceries, they need to get fuel, they need to get construction products and so on.

The two previous ministers, the former minister from Thompson and the former minister from Brandon West, both kind of adhered to this policy of trying to ensure that northern Manitoba received a portion of the Budget. That was, in a way, to address a lot of their challenges that were continually being brought to our attention that it was felt had not been addressed during the 1990s.

Whether that is a fair comment or not, I do not know. I mean, I was not a member of the Legislature in the nineties. I am not that familiar with policies or what the previous government had decided to do in northern Manitoba but I just know what we have decided to do. We have decided to ensure that we work in a way to try to provide some equitable financing to a lot of the projects in the North. I just mentioned the northern roads in three of those particular communities that needed that in the worst way.

**Mr. Derkach:** Madam Chairperson, I did not get an answer to my question. I was not asking the minister to justify any expenditure. I simply asked what percentage of the Budget is being spent north of 53. The minister tells me that they do not keep statistics on a latitudinal basis, but they do it on a district basis. That is fine. If he can identify what the district is, where it is, and then he can identify what percentage of the Budget is spent in the northern district as compared to the rest of the province, that would be helpful.

**Mr. Lemieux:** I think the goal, initially, was set at trying to put 25 percent of the budget into northern Manitoba, whatever that description may be, whether it varies from person to person, but, essentially, I think we have been averaging anywhere from between 22 and 25 percent in there with regard to the last number of years.

**Mr. Derkach:** Madam Chairperson, is the minister telling me that 25 percent of the maintenance and the capital budget is expended in the northern district, or north of 53?

**Mr. Lemieux:** Yes, I know that the focus has been with regard to capital and not maintenance, as the member refers to. We looked at mainly capital with regard to this particular—whether it is the northern district or using 53rd, we are primarily looking at capital dollars with regard to that particular commitment.

**Mr. Derkach:** I would not ask the department to try and figure out the exact amounts today but, if the minister could take under advisement the question with respect to how much money is spent, what percentage of the budget is spent in northern Manitoba in terms of capital and maintenance? Then, I would like to know what percentage of the budget is spent in southern agricultural Manitoba.

Now that is a pretty big area, but it does include all the agricultural part of the province. If the minister could undertake to give me those numbers, not today, but at some near future date, that would be acceptable, and I will conclude my remarks in that regard.

**Mr. Lemieux:** We will attempt to get that for the Member for Russell. Not that we find the request that unusual, but in parcelling off the province into rural and north, I will take the question at face value and we will attempt to get those numbers and see what we can provide with regard to those dollars.

**Mr. Derkach:** Finally, I am not going to ask any questions on specific roads. I think I can approach the minister on those outside of this Chamber, but I simply know that the commerce in agri-Manitoba is under stress because our roads are falling apart, and there is, indeed, a tremendous amount of need out there. I think that we need to be able to answer our constituents and people who ask the questions as to how much capital money, how much maintenance money is being spent in these parts of the province.

It is not a judgment issue; it is not one that I am going to judge the minister on, but I think it is a question that has been asked, and a question that we need to have some answers for. With that, I conclude my questions to the minister.

**Mr. Denis Rocan (Carman):** I am hoping to move things along here in an orderly fashion, sort of expedite the process as we are moving along through the department of highways and transportation. I have several issues that I want to bring forward at this time.

I would be remiss right now because I have the floor, to take a few moments to publicly thank Marlene Zyluk and all her staff for the wonderful work they have done on behalf of the Government of Manitoba. I say that sincerely because there has never been an occasion where I have not had the

opportunity to call Marlene Zyluk no matter how big or small the issue. She has always been kind enough to grant an interview with certain individuals from my constituency. We thought they had been hard done by and she has taken the time with staff to explain to the individuals. She has put out an awful lot of fires for you, Mr. Minister, and those who sat in that chair before you. I understand here, having made a few snide comments to Madam Zyluk that she is not moving along as you integrate the two departments. I publicly want to just thank Marlene Zyluk at this time for all her hard work and a great big thank you on behalf of my constituents.

Nobody is going to sit here and talk to me about roads and the kind of work that has to be done. Sitting here before you, Mr. Minister, is a former truck driver who did an awful lot of road construction, whether it be up at Thompson, whether it be up at Nelson House, Snow Lake, Flin Flon, Wabowden, Ponton, Grand Rapids.

I have lived in camps all the way along for numerous years working on these highways. I listened to your remarks intently when you say there would be nobody in this room who would begrudge anybody from the kind of work that is happening. Sir, I would want to agree with you because there are several roads up there—it might be small communities, but I believe individuals, everybody should have a right to try and get access to the greater world, and you need that by travelling up on a good road.

Needless to say, my constituents also who we take up the biggest portion of the province of Manitoba, and I am going to list for you, sir, several highways, and I say several highways that probably covers the biggest part of this map. If I was to say 2, 3, 23, 34, 240, 305, 242 to 350 to 342, the 245, the 532, the 449, the 338, the 336, the 332, the 306, the 428, the 432, the 244; these are all roads, Mr. Minister, that need help.

I will take a moment and congratulate you for the little bit of work that we had done north of Fannystelle on 248. I do understand that you have scarce dollars. But you also have to understand our position because the size of the loads, the size of the trucks are getting bigger. Farmers have to take their goods to market. We travel further distances now than we ever did. I used to think travelling 500 miles a day was a long way when I was taking a load a day

to Thunder Bay, or a load a day to Minneapolis, or a load a day to Medicine Hat. But individuals use the terminology small farmers. They do not have that luxury of driving from point A to point B which might have been six miles today; it is a lot further. We have all got semis, we all got big tandems, because the price of the grain, the price that we are getting for our grain does not warrant riding around with a little three-tonne truck anymore.

\*(17:10)

We have several roads that we beseech the minister with. If you want to use the terminology, our wish list. We ask you to spend, spend, spend because when we see the size of the vehicles and the amount of repairs that the farmers have to put out there to try and keep their trucks up and running, in good roadworthy shape. We find that they have to bump-bump-bumpety-bump all over and down these highways that are falling apart and thereby coming to pieces, specifically in the springtime. So these are sort of the comments that I want to make initially to this minister, regardless of how scarce your dollars are, sir.

I hear the Member for Russell (Mr. Derkach), who is asking you the question, "Well, how many dollars are spent north of the 53rd?" You and I both know he is trying to set you up for a trap because, whatever dollar figure you are going to throw out, also you are going to hear the next question, "Yes, but 80 percent of the province, of the population is 100 miles from the American border, so why are you not spending that money there?" I know, sir, because of the questions that I have with you, you take it to heart. I kind of wrote that the road work that needs to be done. I am being very public today when I appreciate the effort and the time that you try to look after my roads.

Now you are going to want a question after all that big diatribe—some of the simple ones, before the Member for River Heights (Mr. Gerrard) gets a chance to get the floor. From 244 on No. 2 going a few miles to the Boyne River, you do not have to be a rocket scientist to figure out that on the south side of the highway when we have the spring run-off coming down the mountains—and we use the words "the mountains"—when the water comes from Notre Dame running north to Rathwell, crosses the 244, and starts to head off to the Boyne River, if you have a ditch of 24 feet but 300 feet downstream it is

narrowed to 12 feet, the water, we find, backs up, flooding the town of Rathwell. I have asked on several occasions for individuals to look at this dilemma. You do not have to be a rocket scientist. If you have got a 24-foot ditch and you close it up to about 12 or 18 feet, or whatever, we are going to have a backlog of water, and there are three bridges, I am asking this minister and, indeed, his staff would you kindly look at this one issue.

**Mr. Lemieux:** Thank you very much for the question. I am not sure whether or not the department has looked at this particular situation already and has any kind of recommendations based on it.

I have had the pleasure of talking with the MLA for Carman on a number of other issues. Once again, he is a strong advocate for his constituency and his constituents and works very, very hard on their behalf and raises, not only in a forum like this, but even with the previous ministers, questions trying to address many different issues, not only transportation issues and highways and bridges issues, but raises all kinds of issues and does not need a forum such as this to do that.

I guess what I can say is that I will endeavour to look into this for the member and try to find out where this might be at, this particular situation. I cannot make any promises or commitments, but I certainly will endeavour to find out and educate myself and enlighten myself as to what the challenges are there. I have had the pleasure of travelling on No. 2 and going to Cypress River and so on, but I have not encountered a flood or anything like that. It was a different time of year in the wintertime, but I will certainly encounter to look at it.

Just with regard to Marlene Zyluk that the member mentioned, he was very gracious in his comments, as she has been a tremendous civil servant for the Province of Manitoba. We are pleased that she continues to work with us, and we are very, very pleased to have her.

I would say that, with regard to the other comments about the Member for Russell's (Mr. Derkach) question, it is almost fishing season, so I would expect the Member for Russell to raise a question like that. Trapping season is over, but I am beginning, after five years, to recognize a trap when I see one.

In fairness to the Member for Russell, too, I would just state that he will be correct in saying that the majority of the population is in southern Manitoba. Part of that 20-20 vision was talking about equity and fairness in the Province, and talking about some clarity as to some kind of a plan. That is the comment that I made to the Member for Russell, previously, that there needs to be a long range plan with regard to transportation and transportation infrastructure system, because it has been long overdue. Not only that, the system itself is starting to be under stress and duress, and we need to be able to address it somehow.

We have two years left on RoadWorks on the previous five-year commitment we made in the plan. We look forward to looking at a possible five-year plan and bringing that forward, whatever moniker or title it might have on it. I think that is something that people are requesting and I think legitimately would need.

Thank you to the Member for Carman (Mr. Rocan) for that question. We will endeavour to look into it and find out what the situation is. In fact, I would almost be willing to guarantee that the staff have some idea of the challenges there, because their challenge is not recognizing what the problems are, their challenge, I think, within the department, and my challenge is trying to look at a possible way to fund the billion dollars' worth of requests that continually come in. We know it is impossible to do, and yet, if we keep saying that it is an economic driver, an economic enabler, as Minister Valeri has stated repeatedly, and I think we are all stating the same thing, that transportation is becoming more and more important, agri-business, tourism and so on. We are going to have to address many of these challenges in years to come.

**Mr. Rocan:** The minister, in his remarks to a previous question, talks about a bill, and I understand it is not the forum where I should be talking about it, but because he raised it in his answer, a particular bill which is being brought forward—and I want to use the terminology and I did not quite get what he said, the user-based—

**An Honourable Member:** Truck productivity.

**Mr. Rocan:** That is what it was. I notice his, and I cannot help but notice, but his deputy is sitting there beside him.

We had a young fellow, and I will put it on the record, because the young fellow was adamant that he was trying to get his road fixed which was north of St. Claude. The young fellow's name was Andre Dequier. Young Andre Dequier inherited a farm from his mother, north of St. Claude; it happened to be on a PR road. A beautiful facility, but he had built it up in such a way that they were offloading cattle from Alberta, and they stop over and they bed them down. They feed them; they reload them tomorrow, and then off they go to the States. That is the way it used to be prior to the BSE dilemma that we are in. The young fellow has, on several occasions, tried to find a way to get this administration to maybe somehow build up that three miles, I believe, or four miles at the very most, to help him to run this facility that he has built up over several years.

Has the minister considered at all looking into the sort of dilemma that Andre Dequier presently faces, north of St. Claude?

**Mr. Lemieux:** These are situations that are not easy. When someone inherits a farm or business, they want to be, they certainly do not want to be a burden on the Province or anywhere else. They are a free enterpriser. They want to conduct their business. They are a businessperson. They are there to make a profit, but they are also there in a way to contribute to the Province. I think that is fair enough.

\* (17:20)

In this particular situation, I have been advised by the department that when they spoke to the gentleman, and also took a look at the request and the road they were looking at, it looked like—you know when you are looking at putting RTAC weights or trying to do something on that road that the road has to be able to be, I guess, a good enough road to be able to do that, and be able to not only invest that kind of money in it. You want to make sure that it is going to remain and it is going to be there for a while. Under the expertise I guess and the professionalism that we have in the department, and the engineers that we have, the decision was made that it was not able to be done at this particular time.

So I guess the decision stands as is today. But it is situations like this where I can tell the Member for Carman this is something that I encounter almost literally daily, where there are so many requests coming in. The economy of the Province has



changed, and I think you touched on it. I think the Member for Carman (Mr. Rocan) touched on this: how the trucks are different, sizes are different.

What we are trying to do is where we are into a different economy. I mean, I guess it is a great thing that the economy of Manitoba is booming but on the other hand there are ramifications of that. The transportation infrastructure system takes the brunt of a lot of that activity. We have to face that head-on almost every day. Just a comment that I appreciate the member raising it. The department is aware of it; they have made a decision on it.

The easy comment is to say, "yes, we will do something about it; we will take care of it." But regrettably I cannot say that. It is more difficult to say, "sorry, or no, we cannot do it," particularly at this time. Regrettably that is the situation we are left in.

**Mr. Rocan:** Very quickly. Treherne yard, Carman yard, Elm Creek yard, Holland yard, and I appreciate the Minister for Healthy Living (Mr. Rondeau) trying to very quickly find for me the listing on full-time employees that the department of highways further may have.

I guess my question that I am putting to him: Is the minister reducing any of his staff within the department? Are you considering at all in those yards that I have presently mentioned? Is there any reduction of staff that is going to be coming out of that area?

**Mr. Lemieux:** The member, in some of the yards that he referred to and some of the locations, is maintenance yards, primarily, I understand it. There is no intent currently to look at that. But I should tell you that we are always looking for efficiencies for the benefit of Manitoba taxpayers. But with regard to the particular areas that the member asked, there is no intent right now, at the particular time, for any reductions.

**Hon. Jon Gerrard (River Heights):** Let me start by saying that I am pleased that there is a move to improve the accountability in terms of the source of the revenues and the expenditures with relationship to infrastructure on roads.

The first point would be in terms of the fuel tax revenue that is attributable to motor vehicles. That

would include presumably all of the gas tax and the diesel tax which is attributable to vehicles which run on roads. Does it include agricultural implements? What is included? What is excluded?

**Mr. Lemieux:** I thank the Member for River Heights for the question. The intent with the gas and diesel is primarily those vehicles that are on the roads, and, as far as my understanding is, the intention is not related to agricultural vehicles per se. It is the vehicles that use gas and diesel on our highway system.

**Mr. Gerrard:** In terms of road infrastructure, does that include purchase of land, does that include bridges? What is all included?

**Mr. Lemieux:** Yes, it is.

**Mr. Gerrard:** In the report which we get, will that all be broken down in terms of the specifics of how the dollars are used?

**Mr. Lemieux:** I am not clear on what report the Member for River Heights is referring to.

**Mr. Gerrard:** The report is six months after the end of each fiscal year, if this legislation passes.

**Mr. Lemieux:** With all respect to the Member for River Heights, a lot of the questions, well, not a lot, but this particular question and the previous question may be better directed to the Minister of Finance (Mr. Selinger) for a response.

**Mr. Gerrard:** Well, I would hope that the Minister of Transportation would be able to report on the various costs which go into road infrastructure, but I will, in the interests of time, hope that perhaps the Minister of Transportation can provide a written list of the items which would be included in road infrastructure.

Let me ask a couple of other questions. What is the timing for the completion of the Kenaston underpass?

**Mr. Lemieux:** Currently, this is a project that has been long in coming, and it is something that I know we looked at when we were looking at the True North Centre. It is something that we are very pleased to be a partner in. Again, this question might be better posed to the Minister responsible for Inter-governmental Affairs (Ms. Mihychuk) or possibly

the Minister of Finance (Mr. Selinger). This is not something that my department has necessarily a direct relationship to, even though it is dealing with part of the transportation infrastructure system of the city of Winnipeg. This is not something that the department per se has a direct involvement with.

**Mr. Gerrard:** Well, I am sorry to hear that the Minister of Transportation is not privy to transportation planning in the City of Winnipeg when it involves provincial funds, but let me ask something which the minister is directly responsible for. In the city of Mather, there is a culvert which is placed too high. It goes under the road, and I wrote to the minister about this. It is not a huge matter to lower that culvert so that you do not have a big lake which will have breeding mosquitoes gathered there causing problems with things like the West Nile virus for the people in Mather. When will the minister be lowering that culvert to solve that problem?

**Mr. Lemieux:** Well, I thank the Member for River Heights and I have to apologize to him, because if the member could refresh my memory as to which particular culvert—I am not sure, I did not catch that.

**Mr. Gerrard:** Right in Mather, and the people in Mather, in the municipality, would make the adjustments on both sides of the culvert. But it is up to the provincial department to lower the culvert to solve the problem.

**Mr. Lemieux:** Well, I would certainly want to take that as notice. I will ask the department to bring this to my attention with regard to this particular issue, and to determine what is being done, or what the status of this particular culvert is for this particular community. I think it is imperative that, well, it is not imperative, but I will ensure that I try to bring it back during this particular process. If not, I will get back to the member as soon as I can.

Just wanting also to complete, that—

**Madam Chairperson:** The time being 5:30, I am interrupting proceedings. The Committee of Supply will resume sitting tomorrow (Friday) at 10 a.m.

## JUSTICE

\* (14:50)

**Mr. Chairperson (Conrad Santos):** Would the Committee of Supply come to order, please. This

section of the Committee of Supply has been dealing with the Estimates of the Department of Justice. Will the minister's staff please enter the Chamber.

We are on page 117 of the Estimates book. The table is now open for questions.

**Mr. Gerald Hawranik (Lac du Bonnet):** My next question is with respect to an individual who was appointed a magistrate by this minister a couple of years ago. His character seems to have been called into question earlier this year, a magistrate by the name of Ken Courchene, who was appointed for the Pine Falls-Powerview area. It all came about as a result of a review that was done of the Auditor's report of a foundation that was on Sagkeeng First Nation. It was found that it raised some very serious concerns about a perception of poor judgment and conduct unbecoming of a judicial officer.

In fact, that came directly from one of the minister's own deputy ministers. I think justice is all about perception. I believed at that time and I believe at this time as well that Mr. Courchene should have had the courage and the conviction to resign at that point. I ask the minister, because he or his department appointed Mr. Courchene, at the time why did he not immediately suspend him from duty? I know that he referred it to a judge of the court in terms of determining the issue. But I think that he had the authority to grant him that position as magistrate. I think he should have had the authority to have at least suspended him in the meantime until these allegations were either proved or unproved.

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Actually, in terms of the use of the word "authority," there certainly are very serious concerns on the part of the department as to whether there is legal and constitutional authority to do as the member suggests. They are very serious concerns.

Just a bit of background on this, magistrates are appointed by way of a process, and the process that applies is first, advertisement; second of all, application; third, interviews; then a recommendation to the Chief Judge who, in turn, will make a recommendation to the Government. Just as the Cabinet appoints judges, that does not mean then that Cabinet can at will suspend or revoke the appointment of a judge. As judicial officers of the court, it is important that there be a process and a respect for the constitutional independence of that branch of

government, and I mean government in the broad sense.

The selection committee, as I understand it, regarding the matter in question, was comprised of the deputy mayor of one of the communities affected, Powerview, I understand; also, a representative from the First Nation, as well as a person from the court, as I recall.

The person complained about by the member was the only one recommended for appointment as a result of this process. I understand that there was a criminal record check done and there was no record of an offence or a conviction. So, therefore, the Chief Judge made a recommendation and the Government respected that recommendation.

So, once the appointment has been made, the appropriate way to deal with concerns is for the court and Chief Judge to consider options. Given that this individual is under the management of the Provincial Court as a judicial officer, the appropriate place for the matter to be considered is with the Chief Judge. It is also important, of course, that there not be action by anyone based only on rumour or innuendo.

It is my understanding that the matter was referred to the Chief Judge by the department, and information from the report cited by the member was provided. The Chief Judge considered the matter and made a determination that, in the absence of a criminal record, let alone even charges, it would be inappropriate to remove or suspend a person. It was also my understanding that if circumstances changed, that there may be other considerations.

That was the decision of the Chief Judge. I think for a government to interfere with that determination would be, I think, questionably legal or constitutionally suspect.

By the way, I know that if governments began to remove or suspend judicial officers based on political pressures or considerations, the judicial independence of the decision-making ability of magistrates could be called into question. So I think that process is very important here. I thank the Chief Judge for considering this matter that the department requested he do. So that is the background to that matter.

**Mr. Hawranik:** My next question is with respect to a crime that was committed about four years ago and, yet, no charges have ever been laid.

On October 25, 2000, Beverly Rowbotham, who lived near Selkirk, was killed. I understand that three years ago, the RCMP submitted its case in the Beverly Rowbotham murder to the Alberta Crown Attorney's office for review, I think, partly because of the fact that he held a senior advisory position, her husband, at least, held a senior advisory position with government. I am told that the file is still open and still no charges have been laid. I would like to ask the minister what is the status of this case, and is the investigation continuing.

**Mr. Mackintosh:** I have just asked the department if there is any information on this matter. I have just been advised that the RCMP have recently, I think within the last few months, three months or so, confirmed that there is an active investigation.

**Mr. Hawranik:** Can the minister advise whether he has communicated with the Alberta Justice department, and if so, on what date and what was the nature of that communication with respect to this case?

**Mr. Mackintosh:** No, my office is not involved in investigations. This is not a matter that has been one that I have been involved with. That is not the process.

\* (15:00)

**Mr. Hawranik:** Mr. Chairperson, my next question is with respect to the abuse program. That is the partnership that pairs police with social workers to deal with domestic violence calls that police get every year; the Family Violence Intervention Program. I know there was an issue at one time, in fact, in January of this year as to whether or not it would be winding down. They stated if the provincial government does not agree to co-fund the project. I asked the question in Question Period with respect to that and the minister had mentioned that he was pleased to announce that there was funding available to the City. I take it from that he meant the money that would come from red-light cameras and photo radar. Can the minister confirm that that is what he was referring to?

**Mr. Mackintosh:** Yes, I understand there was support for that response from at least one member opposite. But we have written to the City and I can say that in that letter, we say that, we note that the initiative has likely provided cost savings to the City of Winnipeg through reduced calls to police and other emergency responders. Indeed, I understand that was one of the main impetus for the initiative.

We also noted in our correspondence that we understood that Mayor Murray committed in the 2002 election to make that pilot project a permanent project, presumably in recognition of the benefits and the objectives of the initiative. We also let the City know that as a result of a decision by the Province to adjust fine levels for certain offences, we anticipated that, and that is not with regard to new cameras, that was with regard to increased fine revenue that came into force for the current fiscal year. It was anticipated that an additional 1.45 million would flow to the City of Winnipeg in the current fiscal year, monies that the City should be made aware of. Of that, the department estimates that about 900,000 or almost \$1 million would flow due to photo enforcement resulting in those fines, which therefore must be applied under The Highway Traffic Act to public safety and policing initiatives.

So we offered those revenues to provide the City with an opportunity to continue this program and perhaps it could expand this program with those dollars. That has been our position. I think that is a reasonable way to enable the City to continue this program, which by the way, is entirely a City program. It was piloted by the City and I commend the City of Winnipeg for bringing in this kind of initiative. Because it does not matter what level of government or what kind of public operation you are involved in, if you can make the community safer, that is commendable. Hopefully, now that program will continue and perhaps expand.

**Mr. Hawranik:** Can the minister confirm that in actual fact that there is no money in the current budget for that initiative, that, in fact, what he was speaking of was just reminding the City that they can use the funds that they were going to be receiving under photo radar and red light cameras and just reminding them that they could use that fund because it was for public safety and policing initiatives? Could he confirm that there is no new money coming from the Province, that all he was doing was confirming that they could, in fact, use existing

money that was in place, and something that they were already aware of, that there was actually no new money coming in?

**Mr. Mackintosh:** Well, this is new money that flows to the City because of an announcement made at the very end of January on adjustments to fines. I will leave it to the City to make its own budget decisions. It has to make its own priorities, but what I do hear from the City is argument that they would like new revenues, not just new grants. So this certainly provides them with some flexibility as a result of the adjustment of fine levels, which was a decision of the Province.

**Mr. Hawranik:** My next question to the minister is with respect to the Driskell case. I noted that, in a recent article in the *Winnipeg Sun*, it indicated that the Justice Minister launched a second review in the Driskell case to see whether the Crown attorneys, who put James Driskell behind bars, disclosed all the evidence they had to defence lawyers. Can the minister advise who is doing the report; when it will be completed; and, if it is not completed, when will it be; and, if it is completed, can he provide me with a copy?

**Mr. Mackintosh:** The request was that the report be prepared as soon as reasonably practical. So the completion date is only within the powers of retired Judge John Enns. So this is phase two of Judge Enns's review of disclosure matters relating to Driskell. The first phase was done on a timely basis, and I hope that the second one is as well. But, you know, his inquiries depend on co-operation of third parties of individuals, indeed the Driskell team, in getting access to the defence files. So I have to leave it in his hands.

**Mr. David Faurshou (Portage la Prairie):** Mr. Chairman, I appreciate the opportunity to participate and thank the honourable colleague for Lac du Bonnet to allow it.

I would like to ask the Minister of Justice as it pertains to the women's correctional centre in Portage la Prairie. I know that in last year's Budget an allocation was made of approximately \$400,000 to further the study as to the redevelopment of women's corrections here in the province of Manitoba. I wonder if the minister could update me as to the progress and whether the dollars that were allocated in last year's Budget are contained again within this year's Budget.

**Mr. Mackintosh:** That is the Government Services budget, and so I will have to get that determination from that minister. I will just add this, though, that the matter is under review, as the member knows. It is my hope that the consultation process will happen, and then we can do that in a fairly tight time line. But my understanding is that the Government is reviewing that in the context of the capital initiatives over the next number of years. So we are waiting further decision on that one. I will certainly, and I have committed in the past, but when the final decisions are made in terms of the composition and scheduling for the consultation process, I will let the member know, because I know he has been keeping close to this issue and facilitating a best foot forward from Portage.

\* (15:10)

**Mr. Faurchou:** I will forward my question to the Government Services Minister Ron Lemieux. In light of the changes in the federal legislation, the Youth Criminal Justice Act, that has resulted in significantly reduced numbers of individuals put into custody within Youth Corrections in the province, which has led to reduction in staffing at the Agassiz Youth Centre located in Portage la Prairie, I am wondering if the minister is projecting an ultimate closure of that facility, or whether there is going to be further redevelopment, or redeployment, of the facilities that are now at approximately 50 percent of capacity of that facility.

**Mr. Mackintosh:** You know units have closed at Portage before. I remember going out one time, and a unit had recently closed. There are fluctuations. There does appear to be a trend now, but we could be wrong. There could be a rebounding of numbers, and the department will as always have to be nimble and restaff units. But, in terms of Agassiz, that remains an important part of the Youth Corrections' range of options. I think the long-term trends will only be known in the long term.

**Mr. Faurchou:** I know that the two facilities in Portage la Prairie, the women's correctional facility as well as the Agassiz Youth Centre, have been operating with overlaps in supporting services of late. The arrangements between laundry and food services to my understanding have been working well. So I would like to compliment the staff at both facilities, as well as the department, for looking to cost-effective ways of delivery of service and putting those in place.

I do, though, want to ask the minister if he is aware of a recent meeting in Portage la Prairie that was called to essentially ask the citizens of Portage la Prairie what concerns them most as far as the justice in and about Portage la Prairie. The top point that was derived out of the meeting, where we only expected perhaps a couple of dozen persons and close to 60 persons attended that meeting, the point was made, which is one that the public holds front and centre, is that they do not feel that the young offenders that have committed a crime are receiving the justice that they should receive insofar as community service. It just always seems that, to the general public that has criminal activity thrust upon it, there should be effectively seen a partial restitution, if I can use that terminology, exhibited by the Justice Department or through the Justice Department.

I know that it is within the guise of the judicial system as to what penalties are imposed when individuals are convicted of crimes. But the situation that involves conditional sentencing and has seen very little, only about 10 percent of the charges in that category of punishment, exhibit some portion of community service.

I would like to reinforce my community's sentiments to the minister here today, that there is a significant call and expectation from the public that a greater percentage of those receiving conditional or probation emanating from their conviction be spent in community service and thereby returning to the public some restitution.

**Mr. Mackintosh:** Just on the first issue: the more efficient initiatives with regard to laundry and food in Portage, I think, is an example of how we can always continue to find better ways of doing things. I remember the issue coming into the papers because of a member opposite raising concerns about it. Which perhaps the member will talk to his colleague and perhaps bring her around in terms of the thinking that is necessary in order to, in a cost-effective way, make sure that Justice dollars go to public safety and not duplicating laundry services, for example. But I thank the member, because he knows, locally, that that is a better way to do things.

What we call community justice in Portage, has been, I think, relatively strong over the years. I think the former mayor has certainly had a leadership role in the province, and locally, in delivering meaningful

consequences for lesser offences where youth accept responsibility. I know Mr. Carlson, as well, has done some public advocacy on that option and how effective it is. I know that to anyone who is interested in listening him and members of the Community Justice Initiative in Portage, there are many anecdotes available in terms of the effectiveness of community justice which can be very swift. It can be much tougher than going to the courts on lesser offences.

I think that if there is anything that the member can suggest in terms of how we can better support community justice in Portage, I will be open to looking to see what we can do. Because I am very, very keen to ensure that our department, through the new Community Justice branch, do whatever is available to empower communities to a greater extent. Perhaps in Portage there is the ability and a willingness by the youth justice committee to start to deal with young adults and relieve the courts somewhat for those lesser offences. Let the courts deal with the more serious offences and the not guilty pleas.

So that is something that I know the committee will be approached on more formally, but I just urge the member to continue to support that initiative in Portage.

In terms of court sentences, it is my understanding that the member has had discussions with representatives of the department about his concerns. I think it is often not known the kind of consequences that come to bear, the community service that is required of offenders. I am one of the view that I think that there is a greater role for being sentenced to service. It does require supervision. It does require the community groups, though, to make that effort to supervise, sometimes, people who may not be that easy to supervise

There is a challenge, but I am certainly looking at ways that we can perhaps over this mandate make greater use of those who are sentenced and provide restitution, at least to the community at large, if not to the victim of that particular offence.

I think the department is concerned about the perception and is looking at ways that there can be more emphasis on what is being done because I know we have a very strong prosecution team in Portage and that has been enhanced. I think there has

been some good building on the team there recognizing that they have had some heavy case loads.

We also recognize that there are social issues in Portage that I think historically may not have been facing the community. Many solutions had to be found outside the justice system and indeed, I think the solution to public safety is more likely found outside of a courthouse than within it.

\* (15:20)

**Mr. Faurschou:** Mr. Chairperson, I appreciate the minister's response. I want though to inform the minister, if he already has not been informed of it, is that the good work of former Mayor Carlson spawned an opening of the crime prevention office in Portage la Prairie with support from Manitoba Justice.

The funding for that has since lapsed and the city officials rightly or wrongly with the lapsing of the provincial support have announced closure of that facility. That facility also was a venue for the community justice committee in which to operate.

It is something that will not be available for that function, as well as the co-ordinator of crime prevention programming will cease to be in Portage la Prairie and the resources that were partnered with the Province reallocated to other places within the Budget and primarily policing.

Whether that is a right decision or not, I will leave that with the elected officials in which to decide but certainly the lapsing of provincial support for this particular entity was the consideration that ultimately led to its pending closure.

So, I ask the minister whether there is any consideration, he recognizes good work that is being done out of that office, as to whether or not any further support from the Province could be considered.

**Mr. Mackintosh:** I recall being advised of this initiative some time ago and as I recall, the provincial government or Justice Department monies that flowed to Portage la Prairie for the crime prevention office was an initiative of the former administration with a view to funding it for a while to get it started and then expecting that it would be

self-sustaining by way of contributions from the community, or the municipal government or governments.

I generally support that approach for community-based initiatives because a pilot can sometimes demonstrate to a community the value of an initiative such that there is then reprioritizing of local resources to sustain it.

We saw a recent initiative like this in Selkirk where for three years the Justice Department helped to fund an anti-graffiti initiative that was also partnered in by local business groups and the City of Selkirk.

Just this year, in fact this week, the city and its new Crime Prevention Council took over the anti-graffiti initiative so there was the model in action. It demonstrated to the City of Selkirk that we can effectively reduce graffiti by partnering across the lines. In fact, the probation office in Selkirk has just done a tremendous job, Walter Tielman and others, providing assistance. Now they are off and running on their own. The seed was planted and now it is being nurtured. That was the idea behind the Portage funding. It is the idea behind many initiatives that we participate in as partners.

It is unfortunate that the Crime Prevention Office is closing. I think even those involved in the decision view it as unfortunate. There was a difficult balancing of priorities. I have had communications with Mayor MacKenzie on this. At the same time, I know that the department is willing and able and in fact has been working with the city to see how we can assist in ensuring a more co-ordinated approach, at least a co-ordinated approach being maintained in some fashion in Portage la Prairie.

The support for the youth justice committee is very important and housing for that, and I note the probation staff will be part of any solution there. The department will continue to work with the member or representatives of the community and do what we can recognizing that we cannot go back to just funding again because that was a deal, but we are not going to walk away either.

**Mr. Faurchou:** I appreciate the minister's understanding. It is balancing that city council has to try and do in regard to scarce resources and the call from the policing-sector that states that the number of case

files that each police officer is charged with in Portage la Prairie is the highest in the province per police officer. In fact, to this member's knowledge, they are second in all of Canada in the number of files open per police officer in any jurisdiction so the call for more resources to the policing of Portage la Prairie and area has won out in this respect. Subsequently, the resources that were made available in years past to the Crime Prevention Office have been redeployed.

This concerns not only me but all persons in Portage la Prairie. In fact, for the minister's own knowledge, by the end of April there were over 4000 occurrence reports in the process of being handled by the Portage la Prairie detachment of the RCMP, that is opening of files, that is not just the calls received by the detachment. That is open files after rigorous interviews to ascertain whether or not criminal investigations should be undertaken. When you are looking at a community in and about Portage la Prairie of about 23 000 persons, to have 4000 already by the end of April, you can see the concern that we all have about the policing challenges in and about our area.

I leave that for the information of the minister. I have in the past requested consideration similar to that of Winnipeg to the point that it is not all home-grown criminal activity. It is transient in nature, coming from outside the jurisdiction. The provincial government recognizes that in Winnipeg and does dispense resources to Winnipeg Police Service on that premise. I would hope that the minister will continue to consider that request.

In closing, I know the honourable Member for Lac du Bonnet (Mr. Hawranik) would like to continue with his line of questioning but, returning back to the women's correctional facility, dialogue had been initiated by the Province with the federal government in regard to a combined corrections facility offering the federal government a penitentiary component within the redevelopment of a provincial facility. I am wondering whether that is still ongoing or if there has been progress in that nature?

\* (15:30)

**Mr. Mackintosh:** The discussions with the federal government have, in my view, actually slowed a bit in this process and, although that is behind now, we

did have discussions both at the political level with the Solicitor General and at the staff level. It is my understanding, my recollection, that there is an interest, certainly, in the federal government partnering with the Province on a facility so that women do not have to travel to Saskatchewan and beyond to face incarceration and therefore their families have to do that travelling.

What the arrangement will end up looking like will depend on a number of factors. I think that the federal government certainly will be interested to know of the location, when that is decided, whether it is in Portage or elsewhere, whether there are one or two facilities. Level of risk is something that we are only speculating on now that may be an option. Whether they will contribute to capital or just per diem, those are other options.

What we do have is an expression of interest and I think that is very important. We will keep members apprised as to progress in that regard.

**Mr. Faurschou:** I just want to leave with the minister today a note of appreciation for an opportunity to speak with Probationary Services and to fully understand, as the elected official from Portage la Prairie to this Assembly, a better understanding of the current situation and the challenges they are in.

I do, though, want to leave with the minister that there are significant challenges in other departments in and about Portage la Prairie to accomplish their respective mandates.

I speak perhaps of Conservation and Water Stewardship. Always projects, whether it is picking up debris in the floodway channel of the Assiniboine or whether it is going to the provincial parks and assisting in cleanup in the springtime and after storms, and even to the municipality, cleaning up of waterways. I speak specifically of Rat Creek to the west of Portage la Prairie that needs significant underbrushing of the vegetation that is within the channel.

These are projects that are and could be very much considered by the public as enhancements to the community, recognizing the persons that have done the crime should indeed do the time and return something to the community, in light of their actions and activities within that community.

I leave that with the minister to initiate discussions with his colleagues around the Cabinet table that, without question, this is what not only the community of Portage la Prairie is calling for, but communities around the province. Whether it takes legislation or a greater degree of co-operation, it has to be accomplished.

**Mr. Chairperson:** Questions?

**Mr. Hawranik:** Mr. Chairperson, I have another question with respect to Driskell. I turn to a report in the *Winnipeg Sun* on December 3, where the Premier (Mr. Doer) stated that he would call an inquiry, an independent public inquiry if he is not satisfied with the results of the ongoing federal review of the Driskell case and I am wondering whether the minister can advise whether he supports that statement.

**Mr. Mackintosh:** There is the ongoing provincially-mandated review by former Judge John Enns. There is of course the key outside review, which is the federal government's 696 review. That may result in either appeal court decisions or recommendations or a new trial in the Court of Queen's Bench of Manitoba.

Whether there are any other proceedings, I am not aware of at this time but some may unfold, whether civil or other, but if there remain outstanding questions that affect confidence, that should be addressed. Otherwise then there is the public inquiry answer. So, yes, of course.

**Mr. Hawranik:** In response to my previous question, the minister had mentioned that Judge Enns was doing a review and there are two parts to it. The second part, of course, he says has not been completed as yet but the first part has. Is the Justice Minister in possession of that first part of his review and, if so, can he provide me with a copy?

**Mr. Mackintosh:** Yes. I think it would be very important for the member to get that first phase report. The first phase deals with police disclosure to the Crown, deals with issues that the member has been raising in Question Period about court backlogs and the role that police disclosure plays in that as one reason for delay and also deals with a review of the current Crown policy on disclosure that came from



the recommendations of former Justice Cory in the Sophonow matter.

The conclusion of Judge Enns was that the provincial policy on disclosure was strong and made no recommendations for further improvement, but there are other challenges that are noted in the report and the department has responded. For example, a police disclosure working group has been put together to deal with this ongoing issue of current-day police disclosure.

The review also found that there were nine matters that had not been disclosed by Winnipeg police to the Crown, although he found that substantially, largely, there was good disclosure, and of course, there have been a lot of recording and observations on that but I can undertake to provide the member with that report.

There was another, I think, very important outcome from that review on the issue of police disclosure. Coincidentally, just weeks before we received the report from Judge Enns, the federal government had announced for the first time a comprehensive review of Crown disclosure policies with a view to changing the Criminal Code to better facilitate and deal with some of the modern day problems of Crown disclosure, for example, electronic disclosure, large numbers of materials, those kinds of issues.

The federal government asked for the input of the provinces on an expeditious basis to get legislation rolling, to tune up the Criminal Code in this regard. I found it rather disappointing that there would be this interest in Crown disclosure and none in police disclosure so we wrote to the federal government and publicly urged that the terms of reference of this review be expanded to include police disclosure because, as I said the other day, quality of Crown disclosure is dependent on the quality of police disclosure, and so is its timeliness. We offered in, a constructive way, to be part of that process and provide our advice and considered views.

**Mr. Hawranik:** With respect to the Driskell case, legal aid at one point in that investigation decided to renege on a verbal agreement with Driskell's lawyers and cut him off any government funds with respect to legal aid funding for the defence. The minister argued consistently during that period of time. I

remember him arguing that it would be inappropriate for him to interfere in the case because there has to be a separation between political and the prosecution levels of the department. There are instances where the minister has interfered and should interfere because there are instances when the administration of justice is really called into disrepute. When the Justice Minister has an obligation to become involved as he did in the case of the Thomas Sophonow case, I ask the minister: Why did you not become involved in the Driskell case with respect to the legal aid decision?

\* (15:40)

**Mr. Mackintosh:** First of all, the Court of Queen's Bench in Manitoba, as per Justice Beard, recently ruled that the Minister of Justice does not have authority and cannot direct legal aid in the issuance of legal aid certificates or eligibility of particular individuals. As the Attorney General overseeing the policy direction and funding of the prosecution service, it would be fundamentally in error if the Attorney General was also directing individual assessments on eligibility for legal aid, in other words, on funding on the defence side for particular clients of legal aid.

Having said that, I think the member is looking at a *Free Press* story about a legal aid issue with regard to Driskell. It is my understanding that that information may well not be accurate. I believe I was advised at the time that there may have been some dispute on some disbursements between legal aid and someone. As I recall, I think there was some inaccuracy in that matter.

*Mr. Daryl Reid, Acting Chairperson, in the Chair*

**Mr. Hawranik:** In 2003, in Winnipeg, there were over a hundred marijuana grow operation busts. In fact, I think there were 108 to be exact. Before the end of February of this year there were 22 which were really on record to break last year's pace. The federal government is now set to decriminalize marijuana, and the grow operations are expected to multiply as a result. Drugs are controlled by the motorcycle gangs and the street gangs in this province, and police are saying that there are too few officers who are breaking up the grow operations. They are aware of a number of smaller grow operations in particular that are out there but cannot

get to them because they are too busy. Can the minister advise what he is prepared to do with respect to police resources being committed to go after the grow operations in Winnipeg?

**Mr. Mackintosh:** That question really involves a consideration of the federal law and the federal enforcement. As the member knows, the drug enforcement in Canada is federal and the federal division of the RCMP is responsible for dealing with drugs. I will say to the member that we were very and continue to be very vocal with regard to the decriminalization of marijuana legislation proceeding without significantly enhanced sanctions for marijuana grow operations.

*Mr. Chairperson in the Chair*

The current sentencing patterns in Canada for marijuana grow operations even involving large-scale operations involving criminal organizations has been woefully inadequate. Indeed, there have been comparisons drawn between the state of Washington and the province of British Columbia. The consequences north of the border are pathetically much weaker than on the American side, and the B.C. government, for one, and its Solicitor General has been very strong in his call for tougher sentences because it has resulted in marijuana grow operations being located disproportionately in British Columbia and not so in the state of Washington according to his information. So we will see what comes out of Parliament with regard to that legislation and whether they will heed the advice of the provincial ministers calling for a stronger deterrent message and consequences particularly for the large operations, and particularly for operations that are cultivated by criminal organizations.

**Mr. Hawranik:** I would like to leave the balance of my questions, I think, for concurrence and at this time I would like to proceed on a section-by-section analysis of the Budget.

**Mr. Chairperson:** Bypassing the Minister's Salary, we start with 4.2.

Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$97,830,600 for Justice, Criminal Justice, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$24,609,800 for Justice, Civil Justice, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$95,279,800 for Justice, Corrections, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$40,235,200 for Justice, Courts, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,426,500 for Justice, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

Resolution 4.1, that would be the Minister's Salary, the last item that we have to consider. At this point, we request that the minister's staff please leave the table for the consideration of this item.

The table is now open for questions on Minister's Salary. Any movement here?

Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,451,800 for Justice, Administration and Finance, for the fiscal year ending the 31st day of March, 2005.

**Resolution agreed to.**

That concludes the Estimates for this department. The next set of Estimates that will be considered in this section will be the Department of Industry, Economic Development and Mines.

Do we need a recess or shall we continue? Continue.

**INDUSTRY, ECONOMIC DEVELOPMENT  
AND MINES**

\* (15:50)

**Mr. Chairperson (Conrad Santos):** Does the honourable minister have any opening statement to make?

**Hon. Scott Smith (Minister of Industry, Economic Development and Mines):** Mr. Chair, I do have an opening statement. It would be a pleasure to present it here today. On behalf of the Department of Industry, Economic Development and Mines, I am pleased to provide some opening remarks.

Over the course of the past year, the department has undergone some significant restructuring. With the addition of the responsibilities for Manitoba Emergency Measures Organization and the transfer of the Manitoba Trade Development function and the Ottawa office to Intergovernmental Affairs and Trade, as well responsibility for the Horse Racing Commission was transferred to Agriculture, Food and Rural Initiatives.

With regard to the economy in 2003, while we were well familiar with the challenges of BSE, SARS and the forest fires presented to the Manitoba economy, there were positive indicators for future growth as well.

In 2003, Manitoba's overall economic growth was 1.9 percent, below earlier expectations but still well ahead of the national average of 1.7.

Almost all industries posted real growth last year and despite the sharp increase in the value of the Canadian dollar, manufacturing firms in Manitoba and employment and shipments showed a modest increase.

From 2000 until 2003, Manitoba's employment increased on average by 6500 jobs per year, more than double the average of the previous decade. Of these, 5100 were full-time jobs. The unemployment rate in 2003 was 5 percent, the lowest in Canada.

Our population grew overall by 7584 people from 2002. Manitoba's single largest population increase since 1986. As well, Manitoba benefited from strong net migration in 2003, with 3873 more people entering the province than leaving, the

highest net inflow since 1983. It is noticeable that Manitoba had a net in-migration of 1055 more young people aged 15 to 24, our best performance since 1984.

The Manitoba Provincial Nominee Program consisted of about 48 percent of all immigration in our province in 2003, and I am delighted to point out that our department's business component of the program has contributed significantly towards the economic and demographic growth to Manitoba as well.

By the end of 2003, 1151 prospective business investors had come on exploratory visits to the province of Manitoba, each one staying for a minimum of one week. Of this 625 have submitted entrepreneurial-class applications for nomination, of which 370 have been approved. To date, 132 principal applicants and 361 of their dependants have now landed in Manitoba. Of those who have landed, 40 entrepreneurs have successfully established businesses in Manitoba investing a total of \$20 million and creating 80 new, full-time jobs. Future returns under this program are very promising as the total potential investment by all approved business applicants to date is estimated to be close to \$200 million.

Prospects for the overall economy in 2004 are also very good. Manitoba's real growth rate in 2004 is expected to reach 2.9 percent, matching the national average. Growth in Manitoba's total capital investment is projected to be up 5.4 percent this year in 2004, third best among the provinces and ahead of the Canadian average of 3.1% increase. I would note that Manitoba's private investment in 2004 is projected to be up 2.2 percent, ahead of Canada's 2 percent.

In terms of the new investments, my department is budgeting \$400,000 this year to support the establishment of the composite innovation centre known as CIC in Manitoba. The CIC Manitoba will stimulate economic growth through innovative research in development and industrial application of composite material technologies.

The advanced technologies developed by the centre will enhance the competitiveness of Manitoba companies and stimulate new product development across numerous industrial sectors. Lightweight, high-strength composite materials are now essential to the development of future, high-fuel-efficient

surface vehicles and for civil infrastructure, energy generation and construction applications.

New, high-quality jobs will be created for Manitoba, both in the conduct of research and technology and in manufacturing, as a result of the new products being brought on line. In concert with the composite innovations, my department is also working with other government departments and private-sector partners to continue to develop an advanced manufacturing initiative. This initiative will facilitate a rapid response program to assist Manitoba companies to increase their competitiveness as well as develop longer-range plans for the sustainability of our industrial-sector.

Most recently, we welcome the news that Winpak, a Winnipeg-based leader in packaging technology, has committed to spend about \$50 million U.S. over the next four years to expand the company's two Winnipeg production plants, creating an estimated 120 new jobs in the city of Winnipeg.

And the good economic news is not limited to the city of Winnipeg. Brandon's strong role and vibrant regional centre is an important part of the Manitoba economy. Convergys is continuing with its plans to locate in Brandon, and several new construction projects including a hotel, retail development are slated for the near future as well as Maple Leaf's potential plans for expansion.

My department is also pleased to announce the Manitoba Film and Video Production tax credit is being extended for another three years. Several measures will enhance the tax credit including a frequent filming initiative and to encourage film activity outside the city of Winnipeg. A rural and northern incentive will be created and is being created.

An important aspect of the department's operations in small business development is our focus on the small business development in all of Manitoba. The Canada-Manitoba Business Service Centre, a federal and provincial partnership, has recently completed its sixth year of successful operation and continues to extend the delivery of its services with 24 satellite offices throughout the province. Over the past year, the centre registered over 50 000 client interactions and 9 million hits on the centre's Web site.

The centre continues to be a leading example of multi-channel service delivery and government on-line, offering extensive, on-line information, live-connection technology, and various on-line interactive products.

The Small Business Development Centre branch also provides business development services for Aboriginal entrepreneurs, women business owners, youth, entrepreneurs in the cultural industries, and entrepreneurs with disabilities, as well as French language services in several offices in southern Manitoba.

This past year, my department, in partnership with the federal and provincial departments, launched the first uniquely Manitoba gift show in March of 2004. This gift show represented a product development and marketing initiative for craft persons, artists, and specialty food producers. The initiative showcased to buyers from neighbouring provinces and states prairie and northern originals from Manitoba gift producers.

\*(16:00)

In terms of mineral resources, with regard to the mining and mineral sector, a remarkable recovery in prices for base metals and gold in the latter part of 2003 bodes well for 2004. Since last April, the price of gold has increased by approximately 24 percent. Copper and nickel have almost doubled in price and zinc is up 30 to 40 percent. This has resulted in improved profitability of the base metal sector with mining tax revenue expected to more than triple in 2004.

Mining fosters new opportunities for economic development in communities right across the North. In support, mineral exploration and new mine development through the work of the geological survey and through investment incentive programs such as the Mineral Exploration Assistance Program, MEAP, Prospectors Assistance Program, and the Manitoba Mineral Exploration Tax Credit, which have been extended for another year.

The Exploration Tax Credit is targeted to encourage Manitoba investors to invest in exploration in Manitoba, and the approach seems to be working with an increase in the number of Manitoba-based companies able to complete financing for exploration programs. These programs, combined

with improved metal prices, have had a significant impact on projected exploration expenditures for 2004.

Investment in gold exploration in Manitoba has improved dramatically over the past three years. Since 2002, Bema has invested approximately \$11 million in exploration at the Monument Bay Project, with major projects continuing in 2004. In the Snow Lake area, Foran Mining is continuing to have advanced exploration of its North Star Project. The Bissett mine has recently been acquired by San Gold Resources and Gold City Industries. The new owners have formed the Rice Lake Joint Venture and plan to renew production of that mine.

Diamond exploration continues to hold promise in Manitoba. Recent work by the Manitoba Geological Survey has served to rekindle interest with 25 new exploration licenses received over the past six months. While exploration on these properties is still in the initial stage, we are expecting a significant increase in diamond exploration expenditures in 2004.

In 2003, Manitoba's policy framework in support for mineral exploration was rated the highest in North America and fourth internationally in a survey of exploration companies. This is directly attributed to our continued emphasis on ensuring the mining and exploration sector is directly engaged in land use planning and significant projects such as the East Side Lake Winnipeg Planning initiative.

We are also working successfully with the federal Department of Fisheries and Oceans to develop best practices for mineral exploration. We are continuing to work directly with companies to assist with the impacts of mine closure as well as to build capacity with the Aboriginal and northern communities to more fully participate in mineral exploration.

Following on the success of our pilot prospector training program last June, we were working with Keewatin Community College to develop a course curriculum for community-based programming across the North. This training will be modularized to develop basic field skills that are transferable across sectors, as well provide training focus specifically on mineral exploration and prospecting.

In the petroleum sector last year, it was another busy year in Manitoba's oil patch. For the fourth consecutive year, oil prices averaged more than \$30 per barrel. In 2003, almost four million barrels of crude oil valued at \$157 million were produced generating \$6 million in revenue for the Province of Manitoba. Oil industry expenditures in the province in 2003 were expected to top more than \$90 million.

Last year saw a resurgence in the exploration of drilling in the province. Mr. Chair, 25 of the 94 wells drilled were exploratory wells. New oil discoveries were made in the Sinclair, Goodlands, Oak Lake, Reston and Elkhorn areas. The very successful Manitoba Drilling Incentive Program has been extended for another five years and improved. Improvements to the incentive program are designed to stimulate investment in the province's oil and gas resources by ensuring Manitoba oil and gas fiscal regime remains competitive with other provinces in western Canada.

The Manitoba Emergency Measures Organization part of the department is a new addition to the department, moving from Transportation and Government Services at the time of the last Cabinet reorganization. Manitoba EMO, which we are all proud of, is a provincial government agency responsible for the co-ordination of the emergency management and is committed to continuous improvements in all aspects of the emergency management in our province. A comprehensive approach to emergency management requires attention to the mitigation, preparedness, response and recovery. The result is a strong system for public safety in our communities which is among the highest priorities of this Government and any government.

Some of Manitoba's EMO highlights of the last year include operational responses to forest fires in the North last summer and the spring flooding in southeast Manitoba and the Interlake. Our Government recently announced a Disaster Financial Assistance program to provide assistance for losses during this year's spring flood. Delivery of a no-cost training course to over 900 emergency management professionals in all parts of our province has been completed, improved co-ordination with other agencies through the development of mutual aid agreements with both Canadian and American jurisdictions, development of improved first-responder resources to deal with new hazards such as

chemical, biological, radiological and nuclear threats and urban search and rescue and participation in the national policy discussions such as the renegotiation of the Disaster Financial Assistance Arrangements program.

The post 9-11 security environment requires flexibility and diligence to ensure our communities are protected from emerging threats. This has required an expanded focus by all parts of the provincial government in responding to these new realities. A growing part of Manitoba EMO's work has been focussed on ensuring a co-ordinated approach to these new threats and hazards. This work is being advanced through the activities of the security subcommittee of Cabinet and the all-party task force on security.

I would like to draw attention to the co-operative work with municipalities that has occurred over the last year to help improve their emergency planning. Amendments to The Security Management Act, which was passed in 2002, created enhanced requirements for municipal emergency plans. Manitoba EMO has worked closely with the Association of Manitoba Municipalities in developing guidelines and standards to provide technical assistance to municipalities as they complete this work. It is an important initiative and when completed will result in a level of municipal emergency planning that is second to no other province in Canada.

I would like to thank the AMM and all the municipalities for their co-operation in this work. It is an excellent example of how different levels of government can work together to achieve a shared and progressive goal.

Mr. Chair, just in closing, I would like to thank the senior management and staff for their support and continued commitment to the work of the department and would welcome any questions as we go ahead in our deliberations.

**Mr. Chairperson:** We thank the honourable minister for those comments.

Does the official opposition critic have any opening comments to make?

**Mr. Ralph Eichler (Lakeside):** Mr. Chairman, mine will not be quite as long. We want to get into the debate right away.

I would like to thank the minister for his comments and to just share with him that this is my second go at Industry and Mines and I am looking forward to trying to get some things on the record.

On behalf of the people of Manitoba, it is my privilege to ask questions on his department. I will do the best of my ability to do that. I would like to get things underway. I do have a number of questions and the minister does realize we only have two hours, last time we had five. We will get an hour and a half in today and tomorrow morning about half an hour. Of course, I know the minister would be more than happy to have his staff available for me in case something comes up a little bit later, so with that, Mr. Chairman, I would like to move forward at this point if the staff wants to come in.

**Mr. Chairperson:** Before we do that, under Manitoba practice the debate on Minister's Salary is the last item to be considered in the department in the Committee of Supply. Accordingly, we shall now defer consideration of item 1.(a) dealing with Minister's Salary and proceed with the consideration of the remaining items.

At this time, we would like to invite the minister's staff to join us at the table. We ask that the minister also introduce the staff in attendance. I would like to ask the question. Does the committee wish to proceed through these Estimates in a global manner or in an item-by-item chronological manner? Which is the preference?

**Mr. Eichler:** Global, please.

\* (16:10)

**Mr. Chairperson:** Global. How about the minister's preference?

**Mr. Smith:** Global is fine. I would like to introduce the staff. We have Hugh Eliasson, the Deputy Minister that is here with us today; Christine Kaszycki, the Assistant Deputy Minister of Mineral Resources. We have Jim Kilgour, Director of Financial Services, and Craig Halwachs, Director of Finance and Administration.

**Mr. Chairperson:** Thank you. Global is agreed. The floor is now open for questions.

**Mr. Eichler:** Maybe we could start right off the bat with the mining tax. We went from \$17 million in

revenue last year to \$57,230,000 for the Estimates for '04-05. In your opening remarks you remarked on the minerals being a good year and the price was there.

Could you provide me with a breakdown and is the tax rate the same as it was in '03-04 and for '04-05 is the rate the same and is there a breakdown?

**Mr. Smith:** The rate has not changed year over year. It is, you are right, an increase in value in the industry. We do not have a breakdown specifically sector to sector but it is an increase in both volume and in value.

**Mr. Eichler:** Is this mainly due to the U.S. dollar change? Is this why the increase in resources?

**Mr. Smith:** It would be more specific to the value increase in commodities as opposed to the U.S. dollar.

**Mr. Eichler:** Before we leave that category, how did the department get these numbers? Was it based on last year or is it a forecast? How accurate are they going to be a year from now?

**Mr. Smith:** The Department of Finance consults with the industries and gets the forecasts from the industries and bases the taxation on the numbers provided by the industry.

**Mr. Eichler:** Then, starting on page 17 of the Administration, under Managerial, for 117,000 is that Hugh, that individual?

**Mr. Smith:** That is the administration of Hugh.

**Mr. Eichler:** I am sure he is worth every penny. I would like to turn to Industry Consulting and Marketing Support. I notice we are having one person less there, from 10 to 9. Is that position being terminated, or is that not going to be re-tendered, or what?

**Mr. Smith:** I think if the member looks, the elimination actually is one vacant position, but it is elimination from 11 positions to 10.

**Mr. Eichler:** The new CIC program, your centre that you are talking about here, where will that be located? Is that a tendered process for that initiative?

**Mr. Smith:** That initiative is a private-sector initiative. The location is at the SMART Park location at the University of Manitoba.

**Mr. Eichler:** The \$400,000 that is planned to be spent there, what is the number of staff that is budgeted for that initiative?

**Mr. Smith:** The initiative is at its infancy, at its very early stage. The staffing is one person. They are seeking support from the federal government and other sectors, but right now the initiative is one full-time staff position.

**Mr. Eichler:** So is there going to be some capital cost involved here, and how much?

**Mr. Smith:** With the one person that they have on staff, they are developing an initiative to look generally at basic needs on a structured basis, going ahead. Their overall capital expenditures are yet to be identified. I guess, like a lot of other things, there may be a wish list of large expansion but, doable pieces, one step at a time is what is being developed right now.

**Mr. Eichler:** So the main purpose of this composite centre, what is the main purpose of it?

**Mr. Smith:** It is generally a commercial composite development that will be able to be used in commercial industry applications throughout Manitoba in a number of different sectors. I think when we see some of the developments in the aerospace industries and we see some of the developments in the energy industry and many of the other developments in the private sector on reinforced strengthening of products through composite development, it is used in virtually every area of the industries to replace some of the compounds and materials that are out there now. We see it in creation of things like the wing-to-body composites with the airline industry that we just established and got a large contract here in Manitoba.

The future in aviation and in many of the other industries is certainly on the technical development of the research and development of a lot of these products. The energy industry, for example, possibilities could be Manitoba Hydro, could be many of the others, where we now use a lot of base metal and metal connectors where you can have high-strength, lightweight products that are out there

with durability. They are being developed in some sectors and the application will be made through this initiative to look at applications of what the potential possibility could be out there for some of the larger industries and small ones as well.

**Mr. Eichler:** Will there be a fee for services then for this type of a service for perhaps Manitoba Hydro or aerospace industries? Will there be a cost for fee services passed on to them?

**Mr. Smith:** There will be a number of industry participants in the initiative. They will pay part of the costs of the initiative involving, I guess, the amount of usage or application that they are considering in the project. The amount of interest out there with the large industries as well as the industries and Hydro, as I mentioned, and some of the others will be looking at funding for this project.

Obviously, the airline industry and many others will certainly benefit significantly from this. We have had many discussions with industries of many, many types. As in any initial stage, people are looking at what is affordable for their particular industry on a go-ahead basis, but there are a number that will be charged for usage of the facility.

\*(16:20)

**Mr. Eichler:** Thank you for that. Is there a budgeted amount of revenue that you show in your budget for that revenue?

**Mr. Smith:** This, basically the \$400,000, is financial support to the private sector. It shows a small percentage of their budget that comes out of ours. Obviously, it is a budget developed and will be created by the private sector.

**Mr. Eichler:** It is kind of exciting to see your government taking the initiative to try and help bring new business to Manitoba and definitely keep the businesses that we do have. Is there any type of a priority that will be given over one business to the other? Is there a priority list that has been established? With one person, there is an awful lot of work to do by this department. I would just kind of like to find out where you are going with that.

**Mr. Smith:** No, obviously, the application could be multiple in many, many different industries. Some of the key industries that will be part of this project,

certainly up front, will see the benefits from it but there will not be any priority to any one sector, any one business. Obviously the development of these products could affect all businesses large and small.

I think when we consider some of the pressures that we have seen over the last number of years, I know the member and myself have talked about this in some detail, where we are seeing some of the outsourcing of jobs both from America and from Canada to a growing factor in another hemisphere, quite frankly in Asia and China.

We are seeing industry becoming very concerned with having a product, which we do now, which are good products, but how we can make those products better and have research and development put into industries where we can have products that are in development in other nations at the time.

So I think the outsourcing of jobs has been quite obvious in America. I believe that a lot of companies have been battling with a sharp increase in the Canadian dollar, some 20 percent in a year, and looking for ways that they can improve their production, number one, and the materials that they can use in that production in a sustainable way going into the future.

I think this is critical. The member opposite is quite right. This is something that is critically important to our industries, to our manufacturing sector and to the development of new products going ahead and competing on what we truly see now in even the smallest of businesses in our neighbourhoods as a worldwide competition of products and materials that are out there.

We have an advantage here where we have some of the best aeronautical industry engineers and intellectual minds here right in the province of Manitoba. We have a cluster here that with this initiative will be considered, I believe, one of the best in the world. So it is an advantage that we have in Manitoba. Industry has recognized it and certainly this Government supports it for both small industry and large industry combined.

**Mr. Eichler:** Just to follow up a little bit on this before we do leave it, Mr. Chairman, once these products are established, the next thing, of course, is to get them into the marketplace. Is there through



this particular part of your department, or is that in another department whereby we would take this next step to getting it into the marketplace? Where is the minister going with this?

**Mr. Smith:** Obviously, the initiative is by the private sector. It would be responsible generally for the marketing of the products as they are developed. We do have trade initiatives that we do support businesses in different forms, but generally it is market driven.

It would be a lot of the marketing done through each industry as they develop the products and look for applications of the products as they are developed as well. The initiative is probably best driven by the private sector for those type of meaningful applications.

**Mr. Eichler:** I had an opportunity to be a bit of a pioneer in this particular field in the livestock business and I had several products I took to the market and one of them darn near broke me but a heck of a product. We spent about \$160,000 in the development of it. We did not have this initiative that you brought forward.

I would have liked to have had it at that point, but once I got the product up and running, the other criteria that we had was to get it into the marketplace and that cost me about another quarter of a million dollars.

Sometimes it is nice to have a friend in your back door, and I do appreciate the work that Trade did do for me and help me get through to these other countries to market my particular product, but sometimes, I do not think we go quite far enough in helping young businesspeople trying to put their products forward.

I think it is something the minister should take into account, maybe through BDC or through Western Diversification, I am not really sure where we would go with it, but I do know from personal experience it is quite intensive.

**Mr. Smith:** The member, and I have heard this story a number of times since I have been in his story as well, where you have got entrepreneurs in the province of Manitoba that have done spectacular jobs with products and almost broke many small business.

That is a risk and, quite frankly, the advantage, I think, we have with small entrepreneurs is that they do take that risk, take that chance, and have enough confidence in themselves to put, in many cases, everything that they own on the line to follow along on something they believe to be viable.

Certainly, the cluster of the development of the centre, with the people working together and the sharing of information lines and with the research and development dollars, will assist many of those young and older entrepreneurs that are out there that do want to have those products taken to market.

I believe it is best done and best driven by those entrepreneurs that do know the business and industry and take those chances, but certainly through some of the business development assistance that we have in the branch with some of the young or start-up businesses that are out there, there are options of assistance that are there.

We get, as I mentioned in some of my opening statements, some of the 9 million hits that we had for our department, some of the 50 000 different calls we received throughout the year with the joint venture that we have with the federal and provincial governments together sharing that information.

Certainly, I take the comments of the member opposite to heart. I think any suggestion that we can have by folks that are out there that can see an area of where we can help or assist in some ways would be well-received by this department.

**Mr. Eichler:** Small business, in fact, is the backbone of our province here. We like to see it grow as much as the Government does. I guess the other thing that I ran into on a personal level was, and I am sure I am not alone in this, was the fact that with patents. I am wondering if there is some way that your department, or maybe we can look at something jointly as far as protection. You talk about the big companies, the big corporations that come around, and with small business, they sometimes have a tendency to get run over. I was wondering if the department or through industry, whether or not they are looking at some way to help develop some type of low-budget protection for new inventors.

**Mr. Smith:** I know the department, on a number of cases and obviously throughout the years, in consultation and with the federal government and

agencies, works with folks that do seek information on patents, but there is no other way, other than having patent protection. Certainly, at this time, we will work and try to direct people in any way that we can to the proper authorities and work with them on how to develop and have patent protection.

\* (16:30)

**Mr. Eichler:** Could we move then to the Business Start Program with the start-up business loan of \$10,000. How successful was this program over the past year? Could you tell me how many businesses took advantage of that?

**Mr. Smith:** We do have some numbers, if you will bear with me, to assist new, small businesses with established, long-term relationships financially. To date the program has been very successful and resulted in the start of 860 new businesses and creating over 2200 new, full-time jobs. It has also provided business planning and training workshops to approximately 800 to 900 participants per year. From the commencement of the program, over 5000 participants have attended the business planning workshops, and the five-year benefit cost ratio has been approximately seven to one.

It is anticipated that approximately 1000 participants will be attending the business planning workshops in '04-05, which will be slightly up and includes workshops to be conducted in northern as well as many rural areas in the province.

For the year ended March 31 of this year, 2004, the branch has delivered 33 sets of workshops to 856 participants, including 12 sets of workshops in rural and northern Manitoba of about 250 participants. The level of workshop activity continues to increase as well and annually, as a result of the increased demand for the program in the communities. For the year ended on March 31, the program issued 41 business start loan guarantees representing loan guarantees in aggregate of about \$380,000 for the year.

**Mr. Eichler:** Very impressive numbers. How does that compare to '02-03? Without going to a lot of work, does the minister happen to have a ballpark idea of whether we are up or down from previous years?

**Mr. Smith:** Over '02-03, it is up a little bit.

**Mr. Eichler:** Before we do leave that, are there any concerns, or is it too soon to realize there are some losses that will be written off there out of the loan guarantees?

**Mr. Smith:** Built into the loans is a loan loss ratio of about 25 percent. The losses, and they do vary year to year, have been less than what we have put in for the loan loss ratio, so on a ballpark figure, it has been quite good, quite successful on some of the high risk new businesses that are out there. So the loan loss ratio has more than covered what the actuals have been on the loss ratio. It has not exceeded 25 percent for the ratio we have put out.

**Mr. Eichler:** Just for information, what is the interest rate charged to these young businesspeople, or whether they are young or old, what is the rate of interest charged to the start-up business program?

**Mr. Smith:** The guarantee is with a particular institution or the bank and that is negotiated with the bank.

**Mr. Eichler:** Moving to the Manitoba Film Loan Guarantee Program, an industry that definitely has taken off big in Manitoba, and I give the Government credit for moving forward with this initiative. What type of successes have you had? Is there a number of loans being given out in that area, and how much, and to whom?

**Mr. Smith:** This program, the Film Loan Guarantee is a brand-new program, so it is just a start-up for this year. Some of the other programs that have been in place certainly have been quite successful in the film industry, but the Film Loan Guarantee Program for the province does guarantee a maximum of 20 percent of the loan in respect to Manitoba fully developed feature films.

So it is in the first year, it is too early, obviously no completed films at this point, but I guess, year-over-year, at this time next year we may have a couple numbers for the member.

**Mr. Eichler:** Then how many Manitoba Film Loan guarantees have you given out? Is there a number? Is there one or two or ten?

**Mr. Smith:** Under this particular program, it is estimated, it is early, but it is estimated to be

approximately five or six guarantees that will be initiated this year.

**Mr. Eichler:** Do you have a budgeted number, Mr. Chairman?

**Mr. Smith:** If we went to per loan, it will be \$200,000. Obviously, if it is five or six you can times it by that number. Loan-loss provision will be 20 percent, which will be \$40,000 on a \$200,000 maximum loan, and then \$8,000 of that will be for legal fees. So it will be \$200,000, loan-loss provision of \$40,000, provision for legal fees, \$8,000.

\* (16:40)

**Mr. Eichler:** On the consulting services and counselling services, I note that you had 6500 clients you assisted throughout Manitoba, and I noticed also you had 24 offices throughout Manitoba. Whereabouts are they located and do you rotate your forums, or are they usually just in Brandon in Manitoba?

**Mr. Smith:** The staffed offices of the 24 are Winnipeg and Brandon, with staffing. We have satellite offices, obviously, through many different locations, chambers of commerce in a number of communities, community futures offices, industry economic development offices.

A lot of it is done through linkages by satellite into the offices. The satellite offices also focus on Aboriginal business in some of the northern areas. On the regional satellites, they are in Portage, Morris, Brandon, Morden, Lynn Lake, Gimli, Dauphin, Ashern, Norway House, Peguis First Nation, St. Laurent, Swan River, Notre Dame, Neepawa, St. Pierre Jolys, Churchill, Thompson, The Pas, Flin Flon, and Lac du Bonnet, the Asper Centre for Entrepreneurship and the Indian and Métis Friendship Centre here in Winnipeg sites, St. Boniface Bilingual Government Service Centre, Louis Riel Capital Corporation.

**Mr. Eichler:** Could the minister tell us if he is planning on shutting any of these down, or do they plan on keeping the same number this year, or will there be an increase or decrease?

**Mr. Smith:** We certainly are not looking at shutting any of them down. It is very, very successful. We have heard a lot of accolades back on the program. Obviously it is something we do want to maintain

and keep and certainly there will not be any less this year than there was last year.

**Mr. Eichler:** It is encouraging to hear that. It is a very successful program. I know of several people that have taken advantage of it. I encourage the minister to go ahead and keep as many open as possible. As long as they are serving a good need then definitely they warrant staying open.

Moving on to Business Immigration and Investment, I have a few questions there, Mr. Chairman. The minister in his opening comments said there were 41 new immigrants under their Immigrant Investor Program and they created a number of new jobs last year. Were there any of these immigrants that left and never got their money back, or are there any failures that he would like to talk about?

**Mr. Smith:** Out of all the ones mentioned last year there was only one that did not settle in Manitoba and obviously the deposit is lost on account of that. The program has been very successful seeing only one not settling and staying here in Manitoba.

**Mr. Eichler:** I did notice that you had budgeted for one less staffperson in that area. Is this position terminated, or just not a rehiring of an individual?

**Mr. Smith:** I guess that this is just a transfer over to the Manitoba Trade and Investment Corporation as opposed to a loss of the person, just a transfer of duties over to MTIC.

**Mr. Eichler:** In the operating revenue you made note that there was a decrease of \$75,000 there in interest that was being generated from deposits in the Provincial Nominee Program. How much money is there in the program now that is being held?

**Mr. Smith:** The amount of dollars that are being held in the program right now are \$17.9 million.

**Mr. Eichler:** Could the minister outline for me, I know I have had one complaint on this particular program where they had been here for I believe it was two years, I will check my notes, but it does not really matter, how long normally the money is held by the Government before they get the money back?

**Mr. Smith:** The monies are held for a period of two years until they have successfully purchased a

business, or are in the process of purchasing the business and can verify that.

**Mr. Eichler:** What is the procedure for a participant to apply for his money back and how long does it take him once application has been made?

**Mr. Smith:** As I mentioned before, once they have successfully verified the fact that they have purchased a business and provided information of that, the money is refunded in most all cases very quickly.

**Mr. Eichler:** Under what circumstances would the money be held and not paid back to the nominee?

**Mr. Smith:** If in fact they fail to establish in Manitoba and are not located here and do not provide verification of a purchase and stay in Manitoba, then that would be the case.

**Mr. Eichler:** I guess after 9-11 last year, we have to be very careful with our immigration process. Of course we all want to see our economy grow. What checks and balances do we have in the province of Manitoba to try and make sure that we are definitely allowing the right business clientele to come to Manitoba and establish business within the province? Can the minister elaborate on that for me.

**Mr. Smith:** Obviously, after they have provided the information, a background check does need to be researched and considered by the Government of Canada and information provided to the Government of Canada that fulfils that need.

\* (16:50)

**Mr. Eichler:** The process is handled by the Government of Canada then, rather than the Province of Manitoba?

**Mr. Smith:** The process is the Government of Manitoba processes the information, nominates the person and then the Government of Canada establishes the security side of the equation.

**Mr. Eichler:** I guess the next thing I have on this is there a minimum amount, is that the same amount as it was last year? How much was it for each individual provincial nominee?

**Mr. Smith:** The minimums are a minimum net worth of \$250,000 and an investment of \$150,000.

**Mr. Eichler:** Before we leave this department, is there a limited number of family members under the nominee program that an individual for the \$400,000 is allowed to bring with him into the province of Manitoba for immigration purposes?

*Ms. Theresa Oswald, Acting Chairperson, in the Chair*

**Mr. Smith:** There is not a minimum. They can bring their spouse and their dependent children to whatever that number would be.

**Mr. Eichler:** The children then would be those under 18 years of age?

**Mr. Smith:** Yes, it is not up to 18 years old, it has to be a dependent child of the person.

**Mr. Eichler:** If a father-son wants to come over, does their combined investment \$400,000, say the son is 40 and the father is 60, can they both bring their families in as one provincial program, or is that considered two then?

**Mr. Smith:** In a hypothetical case like that it would not be, the son being 40, with the family, would probably not be a dependent of the 60-year-old person. It would be two separate applications.

**Mr. Eichler:** I can see that. I did know of one particular family that was talking about moving in to Manitoba, and that is why I brought it forward. I just wanted clarification on that, because it was a business that the father could not handle on this own but had the money, and the 40-year-old son did not have the money. So are there any exceptions made, or what is the criteria for something like that, even though it is hypothetical?

**Mr. Smith:** The son in this case may apply under separate a category as a skilled individual, as opposed to under the business category side of it. So there would be an application on that side that would be potentially possible in that particular case.

**Mr. Eichler:** The program, is it intended to, or could the minister clarify for me the immigration process. Do they stay, then, as immigrants, or do they become

Canadian citizens? What percentage is that, Madam Acting Chair?

**Mr. Smith:** The process is that they have to become Canadian citizens. No length of time, but immediately, in most cases.

**Mr. Eichler:** I do not know if I messed up on it last time during Estimates, but \$75,000 is an awful lot of interest. Does the minister or his staff have figures from '01-02? Was there interest credited at that point, or is this a new line in the budget that you picked up with the \$75,000?

**Mr. Smith:** Just for clarification, the member has a specific line. What it is is, each individual, it is a \$75,000 deposit. On the interest, there is not a line that actually shows the interest that I know of.

On the previous question, when people do come they get an unconditional Permanent Resident visa once they establish and set up their business here. But, just for clarification, I will have a look just to verify. There is no line for interest.

**Mr. Eichler:** I am a bit confused, then. Maybe we will have to go back to that. It says, "the net decrease due to \$75,000 operating reduction to be offset by interest revenue generated on deposits." My understanding, Madam Acting Chair, is that there was \$17.9 million that we were receiving interest on, so am I wrong in assuming that that was \$75,000 in interest revenue?

**Mr. Smith:** The \$17.9 million, the interest from it in the Manitoba Trading Corporation, the \$75,000 is part of the monies in the interest that is offset from the interest costs.

**Mr. Eichler:** Then I guess that leads to my next question. Then what is the total interest revenue from the 17.9 million?

**Mr. Smith:** The dollars are in the Manitoba Trade and Investment Corporation. It will be filed by September 30. It is a corporation so it is filed in the annual report under the Manitoba Trade and Investment Corporation.

**Mr. Eichler:** Does the minister or his staff happen to know what the interest generated off that 17.9 million was last year?

**Mr. Smith:** As the investments increase, obviously the dollar year-over-year will increase. The investments are up so the dollar increase very likely will be an increase and be up.

*Mr. Chairperson in the Chair*

**Mr. Eichler:** I guess before we leave this, I would like a little bit more clarification, and I will look forward to getting that report when September comes. Then under the Nominee Program, do the nominees then get interest on that money?

\* (17:00)

**Mr. Smith:** They do not receive interest on the dollars. They get the investment back.

**Mr. Eichler:** Then the gain on the investment, that stays with your department or does it go into general revenue?

**Mr. Smith:** That money stays with the Manitoba Trade and Investment Corporation and pays for the administration of that program.

**Mr. Eichler:** The amount of money then that is surplus, how much money is that at this point in time then?

**Mr. Smith:** The surplus would be shown in the Manitoba Trade and Investment Corporation annual report when it comes out in September.

**Mr. Eichler:** Could you tell me what it was last year then?

**Mr. Smith:** We do not have the number of last year's dollars but we would certainly get that information when we get back to the office and get it to the honourable member.

**Mr. Eichler:** Thank you for that. It was definitely a well worth program, there is no doubt about that and would like to see it continue to grow, 41 new companies and I think you said there was over 800 new jobs as a result of that within the province of Manitoba, obviously mostly small business, but small business is definitely, as I said earlier, a program that I am in full support of and would like to see the minister encourage it, as easy as possible.

I would like to move to mineral resources then and look at some of the areas there. I did happen to notice that Professional/Technical support has been reduced by three positions. Could the minister elaborate on that?

**Mr. Smith:** That is vacant positions that just have not been filled.

**Mr. Eichler:** The tender process then, those will be posted and filled within the next six months, type of thing.

**Mr. Smith:** No, those positions have now been eliminated.

**Mr. Eichler:** Were they posted, Mr. Chairman?

**Mr. Smith:** Those positions have been vacant in some cases for a couple of years.

**Mr. Eichler:** I had asked whether they were posted or not.

**Mr. Smith:** For those positions, the intent was not to fill them, so they were not posted.

**Mr. Eichler:** Under the Mines department, we are budgeting for an increase of \$40-some million and under this particular department you are taking a hit in your other operating of roughly \$25,000. Yet you are predicting increases. If your minerals are up that much as far as your sales are concerned, why would you be reducing the operating line?

**Mr. Smith:** I guess the rationale that could be applied is that it is based on the fluctuation in the commodity price. Obviously, commodity pricing has gone up considerably. We would not do it the other way, if in fact it dropped down to 17,000 on the negative either on the commodity price.

**Mr. Eichler:** The checks and balances when it comes to the royalties and taxes, what does the minister do to ensure that we are getting our fair share of the revenue? Is there not a process or are there people in place that look after this department?

**Mr. Smith:** Mr. Chair, the auditing and the reporting process is done through the Department of Finance and as my staff mentions can verify that the Department of Finance has a rigorous process of

making sure that they squeeze the dollars that are due out of most corporations.

**Mr. Eichler:** Lynn Lake has definitely been in the paper a lot lately. Could the minister outline his department's position on the money that they claim is being owed to them, in excess of \$6 million? They claim they are unable to meet their payroll. Would the minister care to comment on this?

**Mr. Smith:** Obviously, that is something that is being deliberated between the community of Lynn Lake through the municipal board. Certainly, it is something that our department does not take an active role in. I believe they are working out a solution with relevant equity on both sides. I know they continue to work in that area and my understanding is they are getting very, very close, obviously not one side or the other side on it. I know they are looking at a mine that is not in operation, whether or not the value is the same value as a mine that is in operation, and they are working out those details. Obviously, it is something that I would not comment on one direction or the other.

I know the town believes that the number is a certain number. The mine, on the other side, believes that the value is a little bit overvalued on their assessment. I know through Intergovernmental Affairs and the Municipal Board that they will come to a solution on that in the next near term.

**Mr. Eichler:** Then, Black Hawk Mining, is that a Manitoba company or is that company still in business?

**Mr. Smith:** I am informed that they still maintain the name of Black Hawk and they do operate out of the province of Québec.

\* (17:10)

**Mr. Eichler:** Could you repeat that? I was saying goodbye.

**Mr. Smith:** Certainly. I am informed that the company does in fact still operate under the name of Black Hawk and it operates out of the province of Québec.

**Mr. Eichler:** I do have a number of questions, so I will not keep going on this much longer. Are there any checks and balances for a company moving in to, say, the province of Manitoba and, say, somebody

wanted to go back in and start a business like this, to protect a town like the size of Lynn Lake where they are so reliant on this one industry? Is there any money that they have to put up, a bond, in case they do not make their obligations?

**Mr. Smith:** Since 1999, there has been a bond that has to be initiated in case of a closure. It was a change that was brought in and in fact does provide some sense of security to a company now, or to a community.

**Mr. Eichler:** Could the minister tell us what that amount of bond is, how much is it?

**Mr. Smith:** It will vary with individual applications. For instance, the smaller mine compared to a larger operation will vary. It will depend on projected remediation that will be required and it can vary greatly from the size of the operation. Security must be posted based on those estimates.

**Mr. Eichler:** Is this through the securities, or who holds the bond?

**Mr. Smith:** Yes, security is done through the Mines Branch, posted with the Mines Branch.

**Mr. Eichler:** Is there money that is being held now by the Mines Branch, and how much in the bonds?

**Mr. Smith:** I can inform the member that there have been three since 1999. It can be in forms of a letter of credit, cash deposit or a pledge of assets in various forms.

**Mr. Eichler:** At some point in time I would like to get a copy of those, who they are, if that is possible. It does not need to be today.

I would like to move on due to the time constraints we are under here, Mr. Chairperson, and move to the Premier's Economic Advisory Council. Could the minister tell us who the manager is now of this department?

**Mr. Smith:** We would be happy, on this previous question, to explain the names of the companies. Obviously, because of regulations, material will have to be taken out. We can do that.

Could he just repeat his question? I apologize, I did not hear it.

**Mr. Eichler:** I had said, due to the time restraints we are under, I would like to move on to the Premier's Economic Advisory Council. Could you tell me who the manager is of that department now, at the \$108,600?

**Mr. Smith:** The manager of the department is now Pat Britton.

**Mr. Eichler:** Is that the same individual who was there last year, or is this a new appointment?

**Mr. Smith:** That is the same individual that was in last year.

**Mr. Eichler:** So, I believe this is an appointed position? Is that correct, Mr. Chairperson?

**Mr. Smith:** Yes, the member is right. It is done through Order-In-Council.

**Mr. Eichler:** And the term for the appointment of this position?

**Mr. Smith:** The appointment is done on discretion of Cabinet. The term is on discretion of Cabinet.

**Mr. Eichler:** It does not need to be right now, but how long has the appointment been appointed for at this particular time?

**Mr. Smith:** There is no end date on the appointment. It is at the discretion of Cabinet.

**Mr. Eichler:** This manager, does he come into an office? I notice there is office space that is leased. Is this a day-to-day operation, or is it a monthly meeting, or semi-monthly?

**Mr. Smith:** Yes, Mr. Chairperson, she is in a leased space at 155 Carlton.

**Mr. Eichler:** I would like to move now to the Emergency Measures Organization. I understand from the Budget that was presented just recently regarding the allocation of funds for the upcoming year. My understanding is there is only \$25,000 that is planned for expenditures for '04-05. Is that right? Am I reading it right?

**Mr. Smith:** No, I believe the member is referring to the line for the Emergency Expenditure vote. It is \$25 million, we have our Chuck Sanderson with us

here now, but I believe it is under the Emergency Expenditures, \$25 million.

**Mr. Eichler:** Thank you for that clarification. I also notice that under your Emergency Programs, over the past number of years, you have had, in 2000-2001 you would be right on budget. However, 2001-2002 you had almost \$38 million, then 2002-2003, you were again at \$34 million and of course last year with the fires and BSE, is this \$25 million realistic?

\* (17:20)

**Mr. Smith:** Obviously, it is a budget that takes into account previous Estimates. Those Estimates are used in all forms of budgeting. The \$25 million we believe is similar to historical and slight increases on historical levels for emergency services. Last year, something that obviously was not predicted, one of the largest forest-fire seasons ever in the history of the province of Manitoba, many other provinces as well, is an anomaly in effect. Those have to be covered under special warrant when those anomalies happen, but on a year-to-year, average basis, it is a number that we feel is efficient if in fact there are not anomalies in a need, and then that would be covered under special warrant.

**Mr. Eichler:** I beg to differ with the minister on this. Of course it is his budget and he will have to try and live within it. But looking at the past record, I think it is something that the minister should re-evaluate because fires are something we are going to have every year. It is just one of the things that I feel we need to learn to start budgeting for. I know just north of me we had a drought and we had fires last year. We went and made special warrant for these particular fires. I do not think that the \$25 million is realistic when it comes to budgeting for fires and that is just one particular issue.

The other thing is that with the fires that we had last year, not only just in my area but across the province, there is a number of bills that are outstanding. I understand they did meet with the minister, and what percentage of this \$93 million is going to be recovered through the municipalities?

**Mr. Smith:** Just to clarify for the member, the total amount is about 93 million, which is non-recoverable. What I believe the member may be referring to is the policy on water bombers when a municipality calls in a water bomber.

The outstanding on that, my understanding is, it is approximately \$53,000 with a few municipalities that are outstanding. The 93 million is non-recoverable. Obviously, it is something that we have certainly been addressing with the federal government.

I think we saw some movement in B.C. with the fires that they had there. It was a large fire season there. Recoveries have been successful in some areas, and it is something that we have promoted with the federal government that we should have the same treatment as well. This was a historic year for forest fires, and fires in general, in the province of Manitoba. But, the number that the member is speaking of will be a few municipalities that have an outstanding, on the water bomber policy side of it, around \$53,000.

**Mr. Eichler:** Mr. Chairman, this \$53,000 that is outstanding, is the Government going to pursue trying to collect that money or is it going to be written off?

**Mr. Smith:** It is something that we have met with the municipalities a number of times in a few meetings. We are trying to come to a resolve. Obviously, it is a policy that has been in place for a period of time. It is a policy, it is something that municipalities and the Association of Manitoba Municipalities are well aware of. We have been looking through the Department of Labour, trying to address the concerns that the municipalities do have with them and hopefully we can come to an agreement and conclusion on that.

**Mr. Eichler:** Mr. Chairman, we all know that fire and, of course, any emergency, we all try and pitch in and do all we can when those emergencies occur. When there is a water bomber that needs to be called in or any other disaster, sometimes we just jump at our last resorts and take whatever it means to get that job done. I think that the minister should maybe have a look at trying to assist the municipalities in recovering some of this cost because I know, one particular municipality of Armstrong, I believe that is about half their budget.

**Mr. Smith:** I appreciate the member's views. It is something that I am aware of through my department that I know is a concern for a couple of municipalities out there. Obviously, it is a cost recovery model. It is not, certainly, by any means a



model for a revenue source. In fact, it is handled through the Department of Labour through the Office of the Fire Commissioner, but I am aware of the issue and I have, in fact, spoken with AMM regarding the issue. We have looked at working together on some solutions in that area.

**Mr. Eichler:** We just have a few minutes left before we come back tomorrow and finish up. Is the beef development fund still part of your portfolio? Is it still in operation?

**Mr. Smith:** A portion of the beef development fund was positioned in our financial services area.

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**Mr. Eichler:** Mr. Chairman, how much money is left in that fund then, or is there a balance?

**Mr. Smith:** There was about \$200,000 allocated to that and slightly over \$198,000 utilized.

**Mr. Eichler:** The processing plant in St. Boniface that we are looking at for the co-op, can the minister elaborate a little bit if the farmers do not meet the criteria is there a plan B for the processing plant if the farmers just cannot seem to raise the money?

**Mr. Smith:** Obviously, this is an issue that has been driven by David Reykdahl and a number of the folks that have been in it from the start. It is something that is industry-driven or driven by the cattle industry. In fact, we are coming up on the date very shortly. I believe the 20th of this month it has been a year since we have been faced with the problem.

Obviously, they have recognized certainly the capacity has been limited here in Manitoba certainly over a couple of decades. We have been dealing with our largest trading partner for the industry. They are working toward hopefully a solution. I know they have been having a number of meetings right across Manitoba in this regard and raising considerable funding and dollars and support with the industry.

I know, moving ahead, that they will be looking at meeting the business plan that they had developed and created and I believe that they are working very diligently on that. Obviously, it is something that we are supporting quite substantially with support from the Province of Manitoba. The producers, as I have been to a number of the meetings, have basically said themselves that this is certainly something that needs to be industry-driven, and it is. The commitment needs to be there not only on the supply for a go-ahead if in fact Rancher's Choice is to be successful in purchasing the plant. The guarantee of supply, they have mentioned many times is critically important, which is why they want to have the producers involved and committed to that involvement working through a co-op form of system in purchase of part A shares in the corporation that they are looking at forming.

They are working diligently. I would say that in fact the success we are all hopeful for, certainly it is driven and been driven by the industry. We are there to support it.

**Mr. Chairperson:** The hour being 5:30 p.m., I am interrupting the proceedings of the committee. The committee will be recessed until 10 a.m. tomorrow (Friday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 13, 2004

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