

**Second Session - Thirty-Ninth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

**Official Report**  
**(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
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.
BLADY, Sharon	Kirkfield Park	N.D.P.
BOROTSIK, Rick	Brandon West	P.C.
BRAUN, Erna	Rossmere	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
BRIESE, Stuart	Ste. Rose	P.C.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CULLEN, Cliff	Turtle Mountain	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.
GRAYDON, Cliff	Emerson	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
HOWARD, Jennifer	Fort Rouge	N.D.P.
IRVIN-ROSS, Kerri, Hon.	Fort Garry	N.D.P.
JENNISSON, 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.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
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MALOWAY, Jim	Elmwood	N.D.P.
MARCELINO, Flor	Wellington	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McFADYEN, Hugh	Fort Whyte	P.C.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	Seine River	N.D.P.
PEDERSEN, Blaine	Carman	P.C.
REID, Daryl	Transcona	N.D.P.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SARAN, Mohinder	The Maples	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELBY, Erin	Southdale	N.D.P.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
SWAN, Andrew, Hon.	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 23, 2008

The House met at 1:30 p.m.

## PRAYER

## ROUTINE PROCEEDINGS

## INTRODUCTION OF BILLS

**Bill 27—The Shellmouth Dam and Other Water Control Works Management and Compensation Act (Water Resources Administration Act Amended)**

**Hon. Christine Melnick (Minister of Water Stewardship):** Mr. Speaker, I move, seconded by the Minister of Agriculture (Ms. Wowchuk), that Bill 27, The Shellmouth Dam and Other Water Control Works Management and Compensation Act (Water Resources Administration Act Amended), be now read for a first time.

*Motion presented.*

**Ms. Melnick:** This bill will establish a compensation program for damages caused by the Shellmouth Dam and by other water control works that may be designated by regulation. It also enables the establishment of operating guidelines and advisory committees for provincial water control works.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion? [*Agreed*]

**Bill 206—The Elections Amendment Act**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I move, seconded by the MLA for Inkster (Mr. Lamoureux), that Bill 206, The Elections Amendment Act; Loi modifiant la Loi électorale, be now read a first time.

*Motion presented.*

**Mr. Gerrard:** Mr. Speaker, this bill makes it an offence to vandalize election signs of candidates in provincial elections. A person who is guilty is liable on summary conviction to both a fine of not less than \$300 nor more than \$2,000 and imprisonment for a term of not less than 24 hours and not more than one year.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion? [*Agreed*]

## PETITIONS

**Manitoba Liquor Control Commission—Liquor Licence Fees**

**Mr. Cliff Cullen (Turtle Mountain):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly.

These are the reasons for this petition:

The Manitoba Liquor Control Commission has substantially raised the cost of annual liquor licences for restaurants, cocktail lounges and other Manitoba businesses.

The MLCC justifies this increase by stating that the cost of an annual licence is being increased to better reflect rising administration costs.

For some small business owners, the cost of an annual liquor licence has more than doubled. These fee hikes are a significant burden for business owners.

The decision to increase the annual licence fee, while at the same time eliminating the 2 percent supplementary licence fee payable on the purchase of spirits, wine and coolers, has the effect of greatly disadvantaging smaller businesses. Small businesses which do not purchase liquor from MLCC in large volumes will not receive the same benefit from the elimination of this supplementary fee. Instead, they are facing substantially increased costs simply to keep their doors open.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister responsible for the administration of The Liquor Control Act to consider working with MLCC to find alternative means of addressing rising administrative costs.

To request the Minister responsible for the administration of The Liquor Control Act to consider working with MLCC to revise the decision to implement a significant annual licence fee increase.

To urge the Minister responsible for the administration of The Liquor Control Act to consider ensuring that the unique challenges faced by small businesses are better taken into account in the future.

This petition is signed by Alice Parkes, Don Parkes, Drew Fraser and many, many others, Mr. Speaker.

**Mr. Speaker:** In accordance with our rule 132(6), when petitions are read they are deemed to be received by the House.

### **Lake Dauphin Fishery**

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I wish to present the following petition.

The reasons for this petition are as follows:

Fishing is an important industry on Lake Dauphin.

To help ensure the sustainability of the Lake Dauphin fishery, it is essential that spawning fish in the lake and its tributaries are not disturbed during the critical reproductive cycle.

A seasonal moratorium on the harvesting of fish in Lake Dauphin and its tributaries may help create an environment that will help produce a natural cycle of fish for Lake Dauphin, therefore ensuring a balanced stock of fish for all groups who harvest fish on that lake.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Water Stewardship (Ms. Melnick) to consider placing a moratorium on the harvesting of any species of fish in Lake Dauphin and its tributaries for the period April 1 to May 15 annually.

To request the Minister of Water Stewardship to consider doing regular studies of fish stocks on Lake Dauphin to help gauge the health of the fishery and to consider determining any steps needed to protect or to enhance those stocks.

This petition is signed by Delores Ferec, Rene Ferec, Debbie Pinette and many, many others.

### **Dividing of Trans-Canada Highway**

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

These are the reasons for this petition:

The seven-kilometre stretch of the Trans-Canada Highway passing through Headingley is an extremely busy stretch of road, averaging 18,000 vehicles daily.

This section of the Trans-Canada Highway is one of the few remaining stretches of undivided highway in Manitoba, and it has seen more than 100 accidents in the last two years, some of them fatal.

Manitoba's Assistant Deputy Minister of Infrastructure and Transportation told a Winnipeg radio station on October 16, 2007, that when it comes to highways projects, the provincial government has a flexible response program and we have a couple of opportunities to advance these projects in our five-year plan.

In the interests of protecting motorist safety, it is critical that the dividing of the Trans-Canada Highway in Headingley is completed as soon as possible.

We petition the Legislative Assembly as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider making the completion of the dividing of the Trans-Canada Highway in Headingley in 2008 an urgent provincial government priority.

To request the Minister of Infrastructure and Transportation to consider evaluating whether any other steps can be taken to improve motorist safety while the dividing of the Trans-Canada Highway in Headingley is being completed.

This is signed by Ken Chorney, A.M. Cotton, Trevor Lee and many, many other Manitobans, Mr. Speaker.

\* (13:40)

### **Long-Term Care Facility—Morden**

**Mr. Peter Dyck (Pembina):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly, and the background for this petition is as follows:

Tabor Home Incorporated is a time-expired personal care home in Morden with safety, environmental and space deficiencies.

The seniors of Manitoba are valuable members of the community with increasing health-care needs requiring long-term care.

The community of Morden and the surrounding area are experiencing substantial population growth.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Ms. Oswald) to strongly consider giving priority for funding to develop and staff a new 100-bed long-term care facility so that clients are not exposed to unsafe conditions and so that Boundary Trails Health Centre beds remain available for acute-care patients instead of waiting placement clients.

This is signed by Jake Reimer, Martha Klassen, Ike Klassen, Sharon Wieler and many, many others.

### Child-Care Centres

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

These are the reasons for this petition:

There is an ongoing critical shortage of child-care spaces throughout Manitoba, particularly in fast-growing regions such as south Winnipeg.

The provincial government has not adequately planned for the child-care needs of growing communities like Waverley West where the construction of thousands of homes will place immense pressure on the already overburdened child-care system.

The severe shortage of early childhood educators compounds the difficulty parents have finding licensed child care and has forced numerous centres to operate with licensing exemptions due to a lack of qualified staff.

Child-care centres are finding it increasingly difficult to operate within the funding constraints set by the provincial government to the point that they are unable to provide wages and benefits sufficient to retain child-care workers.

As a result of these deficiencies in Manitoba's child-care system, many families and parents are growing increasingly frustrated and desperate, fearing that they will be unable to find licensed child care and may be forced to stop working as a result. In an economy where labour shortages are common, the provision of sustainable and accessible child care is critical.

We petition the Legislative Assembly of Manitoba as follows:

To urge the Minister of Family Services and Housing (Mr. Mackintosh) to consider addressing the shortage of early childhood educators by enabling child-care centres to provide competitive wages and benefits.

To urge the Minister of Family Services and Housing to consider adequately planning for the future child-care needs of growing communities and to consider making the development of a sustainable and accessible child-care system a priority.

To urge the Minister of Family Services and Housing to consider the development of a governance body that would provide direction and support to the volunteer boards of child-care centres and to consider the development of regionalized central wait lists for child care.

To encourage all members of the Legislative Assembly to consider becoming more closely involved with the operations of the licensed day-care facilities in their constituencies.

This is signed by Dale Baldwin, Hazel Baldwin, Georgina Hamoline and many, many others.

### Crosswalk at Highway 206 and Centre Avenue

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

These are the reasons for this petition:

The safety of children crossing Provincial Highway 206 in Landmark has been a local concern for a number of years.

Provincial Highway 206 through Landmark is a busy route serviced only by pedestrian crossing signs where it intersects with Centre Avenue.

Safety at this pedestrian crossing needs to be improved before an accident results in major injury or fatality.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Infrastructure and Transportation (Mr. Lemieux) to consider approving the installation of an illuminated crosswalk sign at the intersection of Provincial Highway 206 and Centre Avenue.

This is signed by Jane Hansen, Stuart Lyder, Sue Herrmann and many other fine residents of Landmark.

### TABLING OF REPORTS

**Hon. Dave Chomiak (Minister of Justice and Attorney General):** Monsieur le Président, je suis très fier de déposer les rapports suivants: Manitoba Justice Supplementary Information for Legislative Review 2008-2009 Departmental Expenditure Estimates.

**Translation**

Mr. Speaker, I am very pleased to table the following reports: Manitoba Justice Supplementary Information for Legislative Review 2008-2009 Departmental Expenditure Estimates.

\* \* \*

**Mr. Speaker:** Tabling of reports? Ministerial statements.

Order. The honourable Minister of Finance?

**Hon. Greg Selinger (Minister of Finance):** Yes, with your permission, Mr. Speaker, I'd like to table—

**Mr. Speaker:** Order. Is there leave of the House to revert to tabling of reports?

**Some Honourable Members:** Yes.

**Some Honourable Members:** No.

**Mr. Speaker:** No? It's been denied.

**Point of Order**

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

**Mr. Kevin Lamoureux (Inkster):** On a point of order, Mr. Speaker, I do believe that there would be leave to allow the Minister of Finance to table his documents.

**Mr. Speaker:** Order. I had asked the House and I heard a direct no. So we'll move on.

**Mr. Lamoureux:** Mr. Speaker, I know it would be outside the norm, but maybe if you were to re-canvass the House, I'm sure that there would be leave to allow the minister to table the documents.

**Mr. Speaker:** Is there the will of the House for the Speaker to re-put—[*interjection*] Order, please. I need co-operation of the House. That's why it's very difficult to hear what's going on. I think this should be a perfect example for all members why we need to have decorum in this House.

Is there a will of the House for the Speaker to re-put the question on tabling of reports? Is there will of the House?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** Okay. It's the will of the House, so now I'm going to revert to tabling of reports.

\* \* \*

**Mr. Selinger:** Thank you, Mr. Speaker, for your flexibility and with the privilege you've granted me, I'll table the Supplementary Information for Legislative Review, '08-09 Departmental Expenditure Estimates. Thank you.

**Introduction of Guests**

**Mr. Speaker:** Prior to oral questions, I'd like to draw the attention of honourable members to the public gallery where we have with us today eight members from the 435th Squadron who are the guests of the honourable Member for St. James (Ms. Korzeniowski).

Also in the public gallery we have from Springs Christian Academy 54 grade 9 and 11 students under the direction of Mr. Brad Dowler.

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

**ORAL QUESTIONS****Manitoba Hydro Power Line  
Location**

**Mr. Hugh McFadyen (Leader of the Official Opposition):** Mr. Speaker, without the benefit of any environmental study or analysis and contrary to the wishes of 15 out of 16 communities on the east side of the lake, the Premier is forcing Manitoba Hydro to run the longer, more dangerous, more expensive line through territory that has been identified by Global Forest Watch as under greater threat than the boreal forest that he claims to want to protect in the eastern part of Manitoba.

I want to ask the Premier: Why is he directing Hydro to run the next bipole transmission line through boreal forest that according to Global Forest Watch is under greater threat than the boreal forest on the east side of the province?

**Hon. Gary Doer (Premier):** Mr. Speaker, the report was tabled in the committee last December. The member opposite had the opportunity to deal with the report from Mr. Farlinger. The Farlinger report outlined the advantages and disadvantages of the eastern route, the central Interlake route and the western route, further went on to say that the only specific recommendation was not to proceed down the Interlake route because of reliability issues. We obviously know that that would be, because it's already an existing right of way, the path of least resistance.

We know that all transmission routes are going to have opposition to them. Witness what happened in Alberta last fall. Witness what happened in British Columbia this spring where transmission lines were stopped by the government after they were initiated by the government because of, quote, environmental reasons.

\*(13:50)

Mr. Farlinger outlined all the advantages and disadvantages in the committee, Mr. Speaker. Also, in the committee, Mr. Brennan outlined the capital costs of one proposal versus the other. I still don't understand why the Leader of the Opposition is publicly using, often with taxpayers' money, the \$1.5 billion, when Mr. Brennan, just as recently as last week, wrote the *Brandon Sun*—I imagine he wrote other newspapers—and pointed out that number is factually incorrect.

I guess I'd ask the member opposite, there is a reason to debate this issue. It's very important to the public. That's why we staked out this position before the election campaign so the people of Manitoba would know exactly where we stood. But I actually think the people of Manitoba are entitled to agree or disagree with either side of this debate, but at least we should have factually correct numbers on the record so we can have an accurate debate.

**Mr. McFadyen:** Mr. Speaker, I know that the position of the NDP, which he has put forward, is that they're only going to waste \$640 million going down the west side of the province. That's what he's saying, only \$640 million. It reminds me of Jean Chrétien; it's only a few million dollars.

He says he's only going to waste \$640 million. He knows that it doesn't include the settlements with property owners on the west side whose hand has been strengthened considerably by virtue of the fact that he's now only left Hydro with one option. It doesn't include the cost of added maintenance for an extra more than 400 kilometres of line, all of which needs to be added on to the \$640 million. It doesn't include the reliability discount that we are going to be stuck with because we are selling a product that is less reliable to our partners south of the border than would otherwise have been the case.

So that's why I've said that the worst-case scenario—and also consider that this is the Premier who said Wuskwatim, the \$1.6-billion Wuskwatim project was only going to cost \$800 million. This is the Premier who said the \$300-million Hydro tower

downtown was only going to cost \$75 million. Now, Mr. Speaker, that is why I said in question period yesterday that the best-case scenario for the amount to be wasted is \$800 million. The worst case is \$2 billion. We're comfortable that the \$1.5 billion is a reasonable estimate, based on past experience and past statements.

We've also said that the need for conversion equipment would come with the need for Conawapa and Gull. If he can close the power sale with Wisconsin, which he hasn't done yet, if he can close it, we will acknowledge, and we will acknowledge today, that extra conversion equipment will be required. But that is completely outside of the \$800-million to \$2-billion estimate. If the Premier wants to be honest and accurate, he'll read the entire letter that Mr. Brennan wrote, which is that prior to the announcement of the Wisconsin deal there wasn't a need for it. After the announcement, that requires Conawapa and Gull, which requires conversion equipment. We've always taken that position, Mr. Speaker, and we'll take that position going forward.

Mr. Speaker, to the Premier, and I know he likes the little gotcha game where he takes an excerpt out of a letter but doesn't read the rest of the letter from Mr. Brennan. The fact is he makes reference to the Farlinger report, and page 9 it says: The western side routing will cross not only boreal shield, but boreal plains ecozones. The latter ecozone is considered to be highly impacted and at greater risk, according to Global Forest Watch, than the eastern forest. It says: An argument can be made that this region has greater urgency for protection of ecological integrity than the vaster boreal shield forest of the east side. However, this forest does not have the same profile and emotional appeal as the east side. That is what Mr. Farlinger said with respect to the decision.

So I want to ask the Premier: Given that it is clear that the environmental damage, from all the facts that we know, on the west is greater than the east side: 350,000 tonnes of greenhouse gas emissions, a forest that is under greater threat than the eastern forest, 60 kilometres more trees reducing the province's carbon sink, Mr. Speaker, I want to ask the Premier, in addition to that, why it is that Manitoba Hydro, contrary to promises that the Premier made in this House, is distributing brochures around western Manitoba that show the site selection, the conceptual location area, as cutting through six provincial parks and national forests on the west side of the province, including Riding Mountain National Park?

**Mr. Doer:** Mr. Speaker, Mr. Farlinger—and we released the report to the committee. The reports of the past done by Mr. Farlinger on reliability were kept in secret by the former government. We released it fully and it does make one specific recommendation on the Interlake site being based on reliability, and it gives pros and cons on the east and west site.

I can take quotes out of the Farlinger report. The member opposite, yes, could take quotes out of the Farlinger report. It does point out, Mr. Speaker, it also says—and I know the member opposite, he can quote one part and I can quote another. It says: Cause célèbre is also possible on the east side. It could draw national and international groups. A cause célèbre also potentially creates an economic risk related to export energy markets.

Now, let me point out, I know the members opposite have not sold a megawatt to export markets in the United States, but we have 500 megawatts in Wisconsin. We have a proposed 500-megawatt sale in Wisconsin. We have a 250-megawatt sale in Minnesota. I want to point out that every one of those sales will produce revenue beyond the capital cost for the people of Manitoba.

Mr. Speaker, in my mailbox I received a pamphlet from the Leader of the Opposition that stated that the cost was \$1.5 billion. Mr. Blatz, last evening, an engineer in favour of the east-side route, pointed out that the number is the same number as Mr. Brennan used. It's \$410 million, which has been honestly disclosed by members opposite. We can argue all the issues of the Farlinger report, but when can I expect in my mailbox the accurate number according to Mr. Brennan and Mr. Blatz and any other person looking at it, as opposed to the factually incorrect information that I got in my mailbox. When can we receive that?

**Mr. McFadyen:** He doesn't even agree with his own Finance Minister who wrote a letter to the editor saying that it was going to be \$640 million. So he comes in here; he says \$410 million. The Finance Minister says \$640 million. They've left out a bunch of other expenses, and those numbers are being quantified, Mr. Speaker.

The best-case scenario, as we have said, in terms of how much they're going to throw away is \$800 million and the worst-case is \$2 billion, Mr. Speaker. So I don't know why it is that he can't seem to get over the fact that whatever scenario we're

operating within, he's throwing hundreds of millions of dollars down the drain, and it's shameful.

Now, the other point that he makes—and every now and then it's a good idea to go back and check the facts, a little reality check. He's been making statements in the House about power sales under his government and the previous government. Mr. Speaker, 1999 Manitoba Hydro Annual Report: percentage of hydro revenues coming from export sales, 30.2 percent; 2007 Hydro Annual Report: percentage of revenues coming from hydro sales, 27.7 percent, an 8 percent reduction in the share of revenue coming off of export sales.

He talks about power sales. The only deal he's closed was a carry-on contract that was closed and completed under the previous government with Xcel Energy. He's announced three deals in the last year, Mr. Speaker, hasn't closed a single one of them. So every now and then reality has to come into the debate and if he wants to have a debate over facts, we are more than happy to do that.

\*(14:00)

Mr. Speaker, the Premier has said in his answers that there are pros and cons on the environmental impacts on both sides. Given that he's prepared to acknowledge that, why won't he put the east-side option in front of the Clean Environment Commission as soon as this fall. The work has been ready so they can get on with considering it. They're not even planning to put the west-side option in front of the Conservation Department until the fall of 2011. They can consider the east-side option starting in the fall of 2008, have it completely wrapped up in time for them to make their filing on the west-side option.

Why doesn't he just do what he says the reports says, put both options in front of the Clean Environment Commission and see which one wins?

**Mr. Doer:** Mr. Speaker, as I said, the quote from Mr. Farlinger deals very effectively with the whole issue of the economic risk: because it potentially creates an economic risk related to export energy markets, which we believe is extremely important. That is an economic issue along with the environmental issues that is discussed fully in the Farlinger report.

We believe the member opposite should understand that the Hydro staff that have been involved in negotiating these agreements are very competent people. We have a great deal of faith in

them. They've negotiated a 250-megawatt agreement in Minnesota which is before the committee right now. Yes, it's getting environmental scrutiny in Minnesota for actually issues dealing with 25 years ago. Yes, there is a 500- proposed megawatt sale in Wisconsin that will be scrutinized. The commercial deal has already been reached between the utilities. What are the issues that are going to be dealt with in Wisconsin? It's going to be the issues of environmental sustainability.

Mr. Speaker, I would point out that some of us were part of a government that negotiated an agreement to build Conawapa. Remember that project? It was negotiated. It was proposed. It was ready to go and the Tories mothballed it. They mothballed Conawapa. They mothballed Limestone. They want to mothball the sales to Wisconsin. They want to mothball the sales to Minnesota. We believe in building a future through hydro-electric development, and they're just going to nitpick their way to try to mothball this project. We're not going to let it happen.

**Mr. Speaker:** The honourable Leader of the Official Opposition, on a new question.

**Mr. Hugh McFadyen (Leader of the Official Opposition):** I thank the Premier for that rant. All he needs to do is take his shoe and bang it on the table and he'll have his Khrushchev impersonation absolutely perfect, Mr. Speaker.

I know he doesn't like to let the facts get in the way of a colourful presentation, but the fact is, Mr. Speaker—and he knows this, that it was a Conservative government that built Limestone ahead of schedule and under budget, and it was an NDP government that cancelled the Conawapa contract, leading to the litigation. He should call his friend Bob Rae who cancelled the Conawapa contract, and take a look at the NDP record on hydro.

Now, Mr. Speaker, the Premier talks about the international cause célèbre. He's worried about an international cause célèbre that may arise. Well, let's take a look at what the Farlinger report actually says as compared to how the Premier is misinterpreting in the House.

What the Farlinger report says is that there is likely to be international opposition: but the tenor of the debate may change as environmental groups can no longer point to a lack of First Nations support for

the east-side route as part of their opposition, and it could potentially place them in conflict with First Nations communities with whom they had previously partnered.

So what he says is that First Nations support the east side, as they do. The risk of an international cause célèbre goes away. So let's get on with it, Mr. Speaker. The fact is, the east-side communities support it for very good reasons. People on the east side are looking for economic opportunities, some of the poorest communities in our province.

The fact is that the environmental waste of the west-side route, 350,000 tonnes of greenhouse gas emissions, 40 megawatts of wasted clean energy, a less reliable grid, delays in construction, cutting through the most threatened part of the boreal forest according to Forest Watch, those are the issues that could stand in the way of power sales to Wisconsin and Minnesota. Those are the issues that Wisconsin, that wants to shut down its coal-fired plants may take interest in, when they've got a 30-megawatt plant operating in Wisconsin that could be shut down if we didn't waste 40 megawatts on the west side, Mr. Speaker.

Those are the issues. He's creating the risk. He's creating the danger. Why doesn't he do the sensible thing? Put the east-side option in front of the Clean Environment Commission this year. Allow them to consider it. Put the west-side option in front in the fall of 2011, in the three years of delay that have been created by their dithering on this issue. Let's put them side by side and let the Clean Environment Commission decide which option's better for the environment and which is better for the future of Manitoba.

**Hon. Gary Doer (Premier):** Mr. Speaker, the fact that the member opposite is able to stand up with a straight face and say, after all the *Hansard* would prove him to be wrong, that the Tories supported Limestone—they actually opposed it. They opposed it. Their surrogate editorial writers opposed it. They were wrong in history. Thankfully, it was built. And that's what we're dealing with. We're dealing with a mothball party. We're dealing with a mothball party.

On the issue of Conawapa, I recall the negotiations and the agreement on Conawapa. I also recall very directly the review that took place by the former Cabinet minister, Mr. Parasiuk, and when the NDP in Ontario was in office they proposed a delay in Conawapa. The members countered with a cancellation. That is clearly also on the record,

Mr. Speaker. History has shown that to be, again, the wrong decision for Manitoba.

Mr. Speaker, we believe in getting the billions of dollars in capital construction, the equity agreements on training with Aboriginal people that live and work in the north, getting those revenues that are available for 250 megawatts in Minnesota and 500 megawatts in Wisconsin. Clearly it does two things. It presents tremendous opportunity for the people of Manitoba. It's building a future rather than being a negative nabob. Secondly, it produces the result that his factual claim about a \$1.5-billion difference falls like a house of cards, as we've always maintained that his numbers are wrong.

When can I expect the correction that Mr. Blatz made last night at a community forum, that Mr. Brennan made in the newspaper, that Mr. Brennan presented to the legislative committee. Surely to goodness, if we have legislative committees and senior non-partisan officers of a corporation produce a number that's \$410 million, the people of Manitoba are entitled to that number, not a fabricated one from the Leader of the Opposition.

**Mr. McFadyen:** Mr. Speaker, I don't know if the Premier listened to the comments that I just made. I just dealt with the issue of the converter. I'm not sure why he's still ranting about it. The fact is, rather than these rants and phony demands for apologies, when he's the one who's about to flush hundreds of millions of dollars down the drain and compromise the reliability of Manitoba's power system at the same time as he leaves Aboriginal people out of the economic future of our province, if anybody owes Manitobans an apology, I would suggest that perhaps it's this Premier who's all talk, no action when it comes to Manitoba Hydro.

Mr. Speaker, will the Premier firstly—and there's no point even in asking him for an apology because we know we won't get it, but for all this reputation that he's built up as a seller of hydro, to take our export revenues from 30.2 percent to 27.7 percent really isn't a very good record for the last eight years.

\* (14:10)

Lot's of spin, a great big reputation built up from news conferences and term sheets and announcements, just like his Ainsworth news release—we all remember that one; Maple Leaf Distillers, that was one of my favourites, all the spin that he got out of that one. He's announcing things all over the place, and he's yet to close a single deal on

his own other than the carry-on agreement that was executed under the last Conservative government.

So I want to ask the Premier if he will do the right thing, because he's yet to respond to the question. Will he put all options in front of the Clean Environment Commission, including the east side which he's in a position to do as soon as this fall, so that we can have a full hearing on all the issues, have them dealt with in an open, objective forum and give Manitobans assurance that in the end the right decision is going to be made.

**Mr. Doer:** Well, Mr. Speaker, we put the options on the table before the last election. We've absolutely said, stated, Mr. Speaker, that it would be more expensive to go down another route. It's been quoted. The 3 percent number was used, I believe in the *Free Press*, three years ago in terms of costs. The Consumers' Association has used a comparable number this year. We would argue that that will be dramatically overcome with increased revenues now that we've announced the tentative Wisconsin sale.

Because of the market realities, Mr. Speaker, a term sheet has to be made public. That's what we did in Minnesota. That's what we've done in Wisconsin. We're following the rules of the market. We're dealing with private firms in Minnesota. We're dealing with private firms in Wisconsin. We're dealing with a public Legislature and a public Senate in Minnesota and a public Legislature and a public Senate in Wisconsin.

Mr. Speaker, both parts of that have to be approved, but history is clear. The members opposite have cancelled hydro dams. They've cancelled projects. They've been opposed to any growth idea.

We're the party of economic growth. They're the party of no growth, Mr. Speaker. It's very clear.

#### **Manitoba Hydro Power Line East-Side Meetings**

**Mr. Hugh McFadyen (Leader of the Official Opposition):** I know that the Premier specializes, believes in that old saying that you repeat a falsehood often enough, it eventually becomes true. But the fact is, Mr. Speaker, Manitobans are smarter than that. They know that his claims about the history of Hydro under Duff Roblin in successive Conservative governments is very much one of building.

I want to ask the Premier, with my final supp: Because the will and the desire of the Aboriginal

people in eastern Manitoba is so fundamental to this debate, he announced some months ago a nine-minister tour of eastern Manitoba. I wonder if he can just update us on how that's going.

**Hon. Gary Doer (Premier):** Mr. Speaker, before the former minister made the call on the issue of the boreal forest on the east side, we had some 80 meetings on the east side. We further had to clarify because there was an urban myth—I'm sure it wasn't created by members opposite—that, in fact, the road was going to be paid for by the transmission line. We actually asked that question, and it wasn't true. Back in committee, Mr. Brennan even talked about a separation on the road and a transmission line if it happened on the east side.

Then we were dealing with a second urban myth, created by members opposite, which the minister described yesterday, that they could own the transmission line on the east side, Mr. Speaker, as opposed to Hydro in terms of economic development. So, yes, we had to have 80 community meetings on the east side. We had those. We're continuing to meet. Meeting on the east side is an ongoing process.

I would point out, Mr. Speaker, that the Member for Rupertsland (Mr. Robinson) that actually represents that area is in those communities all the time. He's in touch with the people. He knows what's going on, and because of his leadership, not only are we trying to rebalance some of the issues that are before the Minnesota Legislature, and I appreciate his efforts in that regard.

Secondly, Mr. Speaker, we have announced money for the Rice River road that will be on the east side, not all the way up the lake but on the east side for the people. You can call it a highway or superhighway. You can create all the terminology you want. That is also very important to the people.

But one thing we're not going to do is promise something, that Hydro is going to pay for everything, when it was not going to do it. We had those meetings and we presented all the facts to the people. That's why those 80 community meetings took place before we made a decision. The decision we had made and the direction we were going was right in front of the people of Manitoba during the election campaign.

The member opposite had the choice, and you know what he did? He promised, in Virden, to take the highways money from northern Manitoba and

reallocate it to southwestern Manitoba. We don't say one thing in one part of the province and another thing in another part. We say the same thing everywhere.

### **Gage Guimond Death Inquest**

**Mr. Stuart Briese (Ste. Rose):** Mr. Speaker, 10 days ago I asked the Minister of Family Services to call an inquest into the death of two-year-old Gage Guimond, who died while in the care of this NDP government. The minister refused and tried to pass responsibility to the Chief Medical Examiner, but the truth is the minister has the authority to call an inquest.

I would like to ask the minister again: When is he going to do the right thing and call an inquest into the death of Gage Guimond?

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** Well, Mr. Speaker, I will, again, put on the record this quote: "Ultimately, the Chief Medical Examiner has to make the determination of whether an inquest will be done or not." That quote is from the Member for River East (Mrs. Mitchelson), the former Minister of Family Services, in June 1999.

Without regard to political parties, there has been consistent treatment of how inquests are called in the province of Manitoba, and that is to not make politically expedient, or political judgments, but to refer to the professional judgment of the Chief Medical Examiner, as the former Minister of Family Services has confirmed to this House.

**Mr. Briese:** Mr. Speaker, the act clearly allows the minister to call an inquest. A provincial judge needs to review the events that led to this tragedy and keep it from happening again. This is about children like Gage Guimond, Tracia Owen, Phoenix Sinclair, who died while in the care of this government. This was a government that was supposed to be protecting them.

Why is the minister refusing to do the right thing and call an inquest?

**Mr. Mackintosh:** Well, first of all, in addition to the long-standing practice of governments in this province, it should also be remembered that a critical, important part of accountability and justice is to ensure that the criminal proceedings proceed, Mr. Speaker, without regard to who would call an inquest. That is always reserved until after the criminal proceedings so as not to undermine those

proceedings, so as not to in any way provide arguments to the defence counsel that could lead to injustice. So we should also be recognizing in this House the importance of the subjudice convention in that regard.

So, Mr. Speaker, the issue of an inquest remains an open question. There are ongoing inquiries, and if outstanding questions remain, then—

**Mr. Speaker:** Order.

#### **Child Welfare Services Client Safety**

**Mrs. Mavis Taillieu (Morris):** On March 27, the Minister of Family Services promised to make safety the No. 1 priority for children in care, something that this NDP government has failed miserably at. It has been almost a month since he's made that promise.

Can the minister assure the House that today all Child and Family Services agencies are putting safety ahead of culture and family in practice and not just in theory?

**Hon. Gord Mackintosh (Minister of Family Services and Housing):** Mr. Speaker, the very foundation of a child-protection system has to be just that, child protection. Accordingly, it's I think incumbent, in light of the debate that has been held, not just in this House but publicly, to ensure that there is a very clear message right from the legislative mandate right to the front line that safety is job 1.

That legislation will be introduced very soon, Mr. Speaker.

\* (14:20)

**Mrs. Taillieu:** Mr. Speaker, the minister can stand and say that, but there's nothing on the order paper. There's nothing on the notice paper. There's no legislation to be seen. We have no assurances that the minister has even done anything that has even sent any directives to the authorities, to the agencies, to put safety as job 1.

Has the minister sent a directive to the authorities, to the agencies, assuring that safety is job 1 for children in care?

**Mr. Mackintosh:** Mr. Speaker, of course, safety has to be job 1. It underpins, it's the foundation of the child-protection system, but we're going to, for greater certainty, make sure that there's consistency between the authorities act, the devolution legislation passed unanimously by this House that clearly says

that's the top concern for Manitobans, and The Child and Family Services Act, and that legislation will be introduced in the next few days.

#### **Gang Violence Reduction Strategy**

**Mr. Gerald Hawranik (Lac du Bonnet):** Mr. Speaker, recently gang expert Michael Chettelburgh said that Winnipeg is a hotbed of gang activity and he predicts that the problem's going to get worse before it gets better.

Given this prediction, I ask the Minister of Justice: Why is it that the longer he is minister, the worse the problem gets?

**Hon. Dave Chomiak (Minister of Justice and Attorney General):** Mr. Speaker, I think the worst possible thing that could happen would be a government to say, oh, there's no organized crime and there's no gang activity going on, as happened in Manitoba during the 1990s when the gang culture really moved into this city, when it's been documented, when there was a gangland slaying in 1996 in my own constituency, and there wasn't the kind of surveillance and activity going on now.

I want the member to know that we are sitting on a committee with the federal government right now. It's setting up new Criminal Code legislation, led by initiatives by the former Minister of Justice who did a year- and-a-half review. Unfortunately, because of security reasons, a lot of that information has to stay—we cannot make it public but new legislation is coming for across the country. That's one of the reasons why we formed a partnership with Québec and Ontario to deal with gang problems.

**Mr. Hawranik:** Mr. Speaker, this minister doesn't have his facts right. That particular gang came into Winnipeg in the year 2000 and immediately set up shop in the constituency belonging to the Member for St. Johns (Mr. Mackintosh), then-Minister of Justice. That's the effect of this government.

Gang activities include drug sales. They include prostitution and the illegal firearms treaty. There are as many as 3,000 active gang members in Winnipeg, and Winnipeg has more active gang members per capita than the city of Toronto.

We have a massive gang problem here in Winnipeg, so I ask the Minister of Justice: Why has he failed to reduce the number of active gang members in Winnipeg?

**Mr. Chomiak:** Mr. Speaker, some recent additions to the residents at Headingley and Stony Mountain might say different than the member opposite as a result of some recent convictions. In fact, there's been hundreds of convictions.

Mr. Speaker, the member is citing information that I provided to him last year in the Estimates. There is active, ongoing surveillance. We set up interdepartmental, inter-police agencies to deal with this issue. It wasn't in place before the task forces. The various projects have undermined the leadership of the Hells Angels, at least temporarily, in this jurisdiction.

One of the first steps I did when I became minister was to partner with Ontario and Québec to share intelligence on gang activities, and we've gotten the federal government to agree to amendments to the Criminal Code that'll help every jurisdiction in the country where gang and organized crime is, in fact, the most serious problem facing Canadian security today.

#### **Bill 206 Government Support**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, last fall many MLAs left when I introduced a bill that would make it illegal to remove, deface, cover up or alter an election sign that's put up on behalf of a candidate during an election.

Sadly, over time, some politicians or their representatives have indulged in defacing and removing signs in the belief that it was acceptable. One Manitoba politician, in particular, who will remain nameless, even went so far as to pay a supporter to remove signs. It's time for politicians to dissociate themselves from common thievery and vandalism.

I ask the Premier (Mr. Doer): Will he support our bill to outlaw theft and vandalism of election signs?

**Hon. Dave Chomiak (Minister of Justice and Attorney General):** Mr. Speaker, I've been involved in election campaigns since the mid-1970s, and I have yet to be in a campaign where one candidate or another doesn't say that the other candidates have organized or unorganized attempts to deface or steal their signs.

Having said that, there are provisions in the Criminal Code. There are provisions in legislation to deal with that issue, but I have to tell the member, as

someone who has been campaigning literally since the 1970s—and I have been in 20 or 30 campaigns; I've run them across the country—I've yet to be in a campaign where I haven't heard the accusation made that the other side, no matter which political party it is, has paid someone to deface signs or has hired kids who have gone drinking to deal with signs, et cetera, Mr. Speaker.

It's an ongoing problem that I've seen in this jurisdiction and other provinces for well over 30 years.

**Mr. Gerrard:** Mr. Speaker, it is time to change the practice and for all MLAs to recognize that it's unacceptable. Last time when I introduced this, the MLA for Russell (Mr. Derkach) stood up and said, look, I caught a supporter of the NDP tearing and ripping down one of my signs.

We're not going to stand up and blame one party or another here. The fact is—

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

**Mr. Speaker:** Order. The honourable Member for River Heights has the floor.

**Mr. Gerrard:** Thank you, Mr. Speaker. The fact is that it's time to improve the practices we have. A scandal appears to be going on right at the moment with invasion by the RCMP of a party headquarters. We have things that we need to do here in Manitoba that will make sure we are ahead in setting a standard of integrity that's the highest in the nation.

Will the Premier act?

**Hon. Gary Doer (Premier):** Mr. Speaker, I also have read the Gomery report. I think it's instructive for all of us. I also noticed those huge signs that one couldn't miss out in the soccer fields north and east of Winnipeg with the Member for Springfield (Mr. Schuler).

I believe, first of all, that in Manitoba we have thousands of volunteers working for all political parties that are putting in lots of hard hours at work. I also think sometimes I have noticed on a Sunday morning that some people—actually I've noticed after Halloween there's the odd garbage can knocked down. I don't want to make it illegal to have Halloween.

I've noticed that there have been signs that have been wrecked, and I don't believe it's even a volunteer from another party. Sometimes young people, not young people, but sometimes people may

do a little vandalism. I don't like that; it's against the Criminal Code. That's where it belongs. If there's a specific allegation about anybody stealing signs, defacing signs, there is the police, Mr. Speaker.

I think the bottom line here is thousands and thousands of volunteers for all political parties really go out for what they believe in for the candidate they support, and I actually want to accentuate the positive parts of democracy and thank the volunteers that work for all of us to help get us into politics.

**Mr. Gerrard:** Mr. Speaker, I believe we can all thank our volunteers and do.

The reality is, if members will remember the last time I raised this, it was debated. The MLAs for Minto and Burrows stood and they spoke to say petty theft and vandalism and robbing of election signs are not really that important. Listening to the MLA for Minto (Mr. Swan), who should know better, it appeared that he was actually involved in vandalism and petty theft.

In Saskatchewan, they have moved already to make sure that there's a bill which recognizes that petty theft and vandalism of election signs are wrong, are illegal and are a punishable offence.

I ask the Premier to stand up and recognize, as people have done in New York, that getting rid of petty theft and vandalism comes—

**Mr. Speaker:** Order.

\* (14:30)

**Mr. Chomiak:** Mr. Speaker, we have a lot of substantive legislation that we are debating in this Chamber that deal with senior citizens, that deal with health care, that deal with matters of protection, that deal with personal safety, deal with First Nations people, redistributed income. We have a lot of issues to talk about.

One of the important things I think that's been done is to put in place teams that deal with graffiti. Something that's obscene is to go to a senior citizen's home and have their garage or their house sprayed with graffiti. We have teams of both volunteers and teams of people that have been sentenced to go to have to clean that up. I think that's important. I think respecting other people is important, and I think the member ought to respect other members' comments in this House when we debate legislation.

But let's get on debating legislation and respect one another and show to the public on TV that we're

dealing with matters of importance, not symbolic matters of bills that are already covered by other forms of legislation. We have other forums that can deal with things that are *[inaudible]*

**Mr. Speaker:** Time for oral questions has expired.

## MEMBERS' STATEMENTS

### 435 Squadron

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, 435 Squadron flew many missions transporting troops and flying essential rescue missions. On April 7, the squadron unveiled a memorial to those who lost their lives in the line of duty and 13 aircraft crashes that date back to the Second World War. I was pleased to join them in marking this important event. The ceremony marked the squadron's history of flying dangerous missions to save the lives of Canadians. Outside the theatre of conflict, this squadron can be counted on to help Canadians in distress.

Mr. Speaker, the 435 Chinthe Transport and Rescue Squadron lost seven Douglas Dakota transport aircraft to enemy action or accident between 1944 and 1946. This included incidents during hostilities in the China-Burma-India theatre as well as a crash in England after hostilities had ended.

Since 1946, the squadron lost six CC-130 Hercules aircraft in flying accidents in Canada. The official mission of 435's Transport and Rescue Squadron is to conduct air mobility and search and rescue operations. They are responsible for search and rescue from the U.S. border to the geographic North Pole. Even today, they undertake feats of heroism. The squadron returned just this morning from a northern rescue mission. This past year alone, the squadron evacuated 82 people from Tadoule Lake who were threatened by forest fire in July of last year. In 2007, Mr. Speaker, they conducted 65 search and rescue operations and rescued 32 people.

Two members of the squadron, Master Corporal Brian Decaire and Sergeant Darcy St. Laurent were recently awarded the medal of bravery for their role in a daring rescue in the Arctic named SAR Stranded. These men and women are truly heroes coming to the aid of their fellow Canadians.

Mr. Speaker, I would like to congratulate the commander at 17 Wing and organizers of the unveiling events. It is important for all of us to remember those who died while serving in 435 Chinthe Transport and Rescue Squadron. The

memorial will be a tasteful and timeless tribute to their lives. Search and rescue is a dangerous and difficult task to ask of any person. I know that the current members of 435 Chinthe Transport and Rescue Squadron serve with honour and are making us all very proud. Thank you.

### **Harold Buchwald**

**Mr. Hugh McFadyen (Leader of the Official Opposition):** Mr. Speaker, I want to thank the Member for St. James for those very appropriate comments. I know all of us in this House are indebted to, and very proud of those who serve in our forces. So I just thank the member for the comment, and it's a very appropriate and fitting memorial for the great bravery and sacrifices that have been made.

Mr. Speaker, my comment today relates to the passing of Mr. Harold Buchwald. I had the opportunity yesterday to attend his funeral, along with the Premier (Mr. Doer) and several members of this Assembly, and to listen to the great tributes provided by two close friends of Mr. Buchwald, as well as his son, Richard, who was a classmate of mine in university.

Everybody is familiar with the great career as a lawyer, the incalculable number of community contributions and the accolades that flowed to Mr. Buchwald from around our country and, indeed, internationally.

Mr. Buchwald was honoured for his lifelong achievements in 1993, when he was named to the Order of Canada. In 1994, he was presented with an honorary doctorate from the University of Manitoba and has a scholarship named after him.

For those who knew him, the litany of awards, degrees and recognitions do not even begin to encapsulate the breadth of Mr. Buchwald's giving character. He was particularly active within Winnipeg's vibrant Jewish community and was generous in donating his time and expertise to causes, both large and small. He would often collaborate with members of his law practice and others to move forward on many important projects for our province.

My most recent memories of Mr. Buchwald involve his very strong advocacy on a variety of causes that were important to him. I know the Premier and others have heard from him and knew him to be blunt and straightforward, articulate and passionate, and not one to shy away when he had a view to be offered.

So, I want to, again, commemorate Mr. Buchwald and express my sincere regrets, as well as the regrets of other members to the family of Mr. Buchwald. He has a great legacy of contributions to our province, and we will always remember and appreciate the kind of man he was and what he's done for the people of this province.

### **Girl Guides and Brownies Career Fair**

**Ms. Marilyn Brick (St. Norbert):** Mr. Speaker, I rise today to congratulate the Girl Guides and Brownies of Manitoba on the successful Career Day they held last month at Dalhousie School. I had the privilege of being involved in the event which saw roughly 60 girls, between kindergarten and grade 8, participating in discussions with seven women, including myself.

The girls were able to talk with women from a wide variety of career backgrounds in order to get a sense of the opportunities available to them as they grew up and they chose a career path.

The Canadian Girl Guides Association was incorporated 91 years ago on July 25, 1917. Worldwide the Girl Guides organization is the largest organization for girls and women today, with 10 million members in 144 different countries.

Girl Guides of Canada provides its members with opportunities to meet others, learn new skills and make a difference in their world. They are introduced to a wide variety of activities from horseback riding and snowboarding, to advocating for the environment, to learning self-defence.

Within this environment the girls are supported and mentored by the women who are part of the Girl Guides program. Self-esteem is fostered as the girls are encouraged to be leaders in their schools and communities and to speak up on issues that are important to them.

Mr. Speaker, the work of organizations like Girl Guides is very important, especially in today's world where young girls are faced with many social pressures. It was a pleasure for me to be able to spend the evening at their career fair and share with them what it means to be a woman in politics.

I would like to congratulate the leadership of the Girl Guides in Manitoba, in particular, Margaret Friesen, for an excellent career fair event and for the wonderful guidance they provide for the young girls in our province. Thank you, Mr. Speaker.

### Winkler Chamber of Commerce

**Mr. Peter Dyck (Pembina):** The business community in Winkler has benefited tremendously from the progressive attitude and hard work undertaken by the Winkler Chamber of Commerce. Winkler is one of the fastest-growing cities in the province and our local economy has led the way. For this I would like to thank President Ken Thomas and all of the members of the chamber.

Recently I had the pleasure to attend the Winkler Chamber of Commerce annual banquet, where the 2008 P.W. Enns Business Awards were presented. Leo Ledohowski, CEO and chair of Canad Inns, was the guest speaker at the awards banquet.

I'd like to congratulate Harv Thiessen, co-owner of WBS Construction, who was a recipient of the Business Excellence Award. Adele Dyck, of Star-7 International and Moonlite Auto Body also deserve congratulations for being recognized with Business Builder Awards.

Each of these businesses was nominated, not only for their business leadership and success, but also for the strong community involvement. These businesses have strengthened our business community and contributed greatly to the city of Winkler.

Mr. Speaker, the Winkler Chamber of Commerce has consistently maintained a proactive approach to development. They have worked hard to develop their extended network within the business community and with other parties. These relationships help to create new chances for collaboration and improve opportunities in our area. I would also like to commend them on their success in receiving competitive grant dollars and using these resources to further enhance productivity, reduce waste and offer support to the business.

\*(14:40)

Once again I would like to thank the local business community who has supported the Chamber and Winkler. They continue to offer opportunities that make Winkler an exciting, prosperous, and desirable place to call home. I commend everyone on the successes they have achieved and wish them the best as they work toward growing local business and our community. Thank you.

### Harold Buchwald

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I rise to pay a tribute to Harold Buchwald, who passed

away last week. Harold Buchwald, of course, was a partner and friend of Israel Asper and Yude Henteleff for many years, and from my position as Liberal leader, he played an important role in persuading Izzy Asper to become the leader of the Manitoba Liberal Party in the 1970s because he believed in his friend Izzy and in the cause of the Liberal Party in our province.

I had the opportunity of working with Harold Buchwald when we were working together trying to help build the potential for medical research in our province and, in particular, the Foundations for Health building which became the John Buhler Research Centre. Harold Buchwald then was a wonderful person, a joy to work with, very dedicated and very committed to improving medical research in Manitoba because he knew that medical research was the forefront and the necessary investment that was needed to improve health care in our province.

I have seen and met and talked with Harold Buchwald and his wife on many, many occasions but most recently had the chance to work with him on the effort to make sure that Upper Fort Garry was preserved as a major heritage site in Manitoba. While the members in the government were initially wanting to build or make sure there was a high-rise apartment there, Harold Buchwald and others like Jerry Gray had a different vision. Thankfully, the vision of Harold Buchwald prevailed in the end, and we're going to have a wonderful Upper Fort Garry site.

My condolences to family and friends, regret that Harold Buchwald has passed, and we're certainly going to miss him and his contributions to Manitoba.

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### House Business

**Hon. Dave Chomiak (Government House Leader):** Mr. Speaker, first, I wonder if I might seek leave of the House to recognize tomorrow, that is, April 24, between the hours of 4 and 6, in the House and both committees that there be leave to have no votes, no quorum.

**Mr. Speaker:** Is there agreement that tomorrow, on the 24th, between 4 and 6 p.m., in the committees that there be no votes or quorum calls? Is there agreement? *[Agreed]*

**Mr. Chomiak:** I also wonder, Mr. Speaker, if I might have leave of the House to announce that the Standing Committee on Justice will meet on Monday, April 28, 2008, at 7 p.m., rather than the usual 6 p.m., which is what I'm seeking leave on, to consider the following bills: Bill 3, The Highway Traffic Amendment Act, Bill 4, The Provincial Court Amendment Act; Bill 5, The Witness Security Act; Bill 7, The Child and Family Services Amendment Act; and Bill 20, The Gunshot and Stab Wounds Mandatory Reporting Act.

I would also like to announce that the Standing Committee on Social and Economic Development will also meet on Monday, April 28, 2008, and I'm seeking leave of the House to have the meeting at 7 p.m. rather than the usual 6 p.m. to consider the following: Bill 8, The Phosphorus Reduction Act; Bill 9, The Protection for Persons in Care Act; Bill 11, The Optometry Amendment Act; Bill 12, The Securities Transfer Act; and Bill 18, The Testing of Bodily Fluids and Disclosure Act.

**Mr. Speaker:** First of all, we'll deal with the time change. Is there leave to change Monday, April 28, from 6 p.m. to 7 p.m.? *[Agreed]*

Is there leave to change April 28 from 6 p.m. to 7 p.m.? Is there agreement? *[Agreed]*

So it has been announced that the Standing Committee on Justice will meet on Monday, April 28, 2008, at 7 p.m., to consider the following: Bills 3, 4, 5, 7 and 20.

Also, it has been announced that the Standing Committee on Social and Economic Development will also meet on Monday, April 28, at 7 p.m., to consider the following: Bills 8, 9, 11, 12 and 18.

The honourable Government House Leader, on House business?

**Mr. Chomiak:** I wonder if we might dissolve into Estimates-Committee of Supply.

**Mr. Speaker:** The House will now dissolve into Committee of Supply. We will have in the Chamber, Executive Council; Room 255 will be Agriculture, Food and Rural Initiatives; and Room 254 will be Infrastructure and Transportation.

Would the Chairs please report to your respective committee rooms.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### INFRASTRUCTURE AND TRANSPORTATION

\* (14:50)

**Madam Chairperson (Marilyn Brick):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Infrastructure and Transportation.

As had been previously agreed, questioning for this department will proceed in a global manner.

The floor is now open for questions.

**Mr. Ron Schuler (Springfield):** I'd like to thank the committee for the opportunity to ask a few questions. I've got about four of them, and they are dealing with highways issues.

I received a letter from the minister on March 4, and I'd like to thank him for his letter. It has to do with the intersection of PTH 15 and PR 207, and, basically, that's the intersection of the road that comes south from Oakbank and meets up with the Dugald Road, or Highway 15, right in Dugald. The minister mentions in his letter that the traffic counts—pardon me, that is 206. I apologize. I already have one of my numbers wrong. The traffic counts are going to be done in regard to that stretch of the road.

I'm wondering if I could just put, just for two minutes, on the record the concern about that particular intersection. Maybe the department could have a close look at it. It's an issue that's stemming in large part from the Sunrise School Division, and this is for the minister and his department. I'll keep it brief.

The Sunrise School Division school buses are housed in Oakbank at the middle school. They then have to pick up students and go south on Highway 206 and at PTH 15, which is just a two-way stop, they stop there, and I don't have the exact distance, it's probably about 500 metres, is a railroad track just north of PTH 15. So what happens is the buses back up. It backs up over the tracks. This is, basically, in the mornings and in the afternoons. We're asking for a controlled light for that corner and, basically, only for those significant traffic moments when there's a lot of commuter traffic, a lot of bus traffic, truck traffic, and because the buses are so long, it blocks any access to the turnoff lane. These buses have to keep going south on 206, crossing to 15, and most of

the other traffic is trying to go west on 15. It creates a safety hazard. The buses, especially, in the afternoon when the traffic, from the city, is going east, it creates a real safety issue with the buses trying to cross back and forth.

So I was wondering if I could ask the minister if he would look into this particular issue and, perhaps, look at the possibility of putting a controlled four-way light system in there. It is something I don't know if the R.M. has spoken to him about. I know it's an issue for the R.M. of Springfield and it is definitely an issue for the Sunrise School Division. If it would help matters, if the minister wants to comment, I would be prepared to talk to both of those municipal governments that, perhaps, they could even send a letter in saying, this is something they identified as an issue.

**Hon. Ron Lemieux (Minister of Infrastructure and Transportation):** As I stated in my March 4 letter, the department always monitors a lot of intersections that have high traffic. They're continuing to monitor the operations and the collisions at this intersection to see what may or may not have happened over a period of time. Certainly, based upon most recent traffic counts available, the traffic signals are not warranted at this time. I know I stated that in the letter. Traffic counts had been tentatively scheduled for counts in '07. I'm not sure why that didn't happen. That was in March '04, the letter I'm referring to. *[interjection]* Yes, '07 and '06. I understand.

I can certainly discuss this with my deputy minister with regard to '06, the intersection of '06, but my understanding is '06 and '07 were scheduled for traffic counts and monitoring what has happened at both of those intersections. I can clarify this with my deputy minister of my department but, certainly, the '07 intersections, lights are not warranted, but they are looking at doing more traffic counts this summer with regard to '07. To '06, I will check with my department to find out what's happening with regard to that.

**Mr. Schuler:** I thank the minister. Perhaps that's something the department could just send a note to my office.

The letter of March 4, minister, actually does say PTH 15 and PR 207. If the traffic counts don't warrant it, I probably wouldn't necessarily dispute that intersection. But it really is PTH 15 and PR 206, and that's the road that comes down from Oakbank, carries all the Cook's Creek traffic, any traffic. It's

sort of like the feeder route that comes down, you turn onto 15 and you head into the city. They get caught up with all the school buses. It creates that little bit of an angst, and the school buses are trying to cross 15 to go south to get to Ecole Dugald elementary school. All the buses, then, have to go to Anola. They have to actually turn east, and it all comes to that intersection because the buses are housed at Oakbank. It is creating a severe, severe problem there. My concern is that, someday, we are going to see a serious accident just because of the amount of traffic. I appreciate the minister already indicating he'll send that to the department and a simple note to my office would be appreciated.

I have another issue, and I will try to make this quick. I know there are many members who wish to ask questions. It has to do with, again, Highway 206. When you go north on Highway 206 from 15 up to Oakbank, the development of the town is slowly coming south. There's a new power centre that's gone in, a Co-op gas station, a lumber yard. On the west side are two developments going in, and then sort of on the east side, there's a housing development going in.

Some of the concerns that have been raised to me is that you still can do 100 almost right up to the town. The highway speeds have not changed with the growth of the town. I was wondering if we could have a study done. Even when you leave town, as you leave town and you hit Springfield Road, I believe already it's marked 100 kilometres an hour and that's almost, you know, town, at this point in time. If we could just have perhaps a study done on that and back off the increased speeds. Maybe back them off by half a kilometre or whatever is deemed appropriate by the department. Again, if the minister's department could just look into it. It is a safety issue because traffic is slowing down. There's not a turning lane to get into the power centres or the new developments and yet it's 100 kilometres an hour, just coming off 100 kilometres an hour at that point.

So, anyway, again, if the minister could have the department look into it, and if there's something that we should be doing as a community, then lay it out for us and certainly we will do that.

**Mr. Lemieux:** Yes, well, let me just mention to the Member for Springfield that it's the Highway Traffic Board that determines speed. I mentioned it to the R.M. of Springfield and also mentioned it to other individuals who approached me at different functions

that they have to put an application into the Highway Traffic Board to have them look at this particular area to determine whether or not speed should be either increased or decreased. I know he's asking for a decrease in speed, and the Highway Traffic Board does this on many, many occasions where they take a look at different intersections or different parts of road, and they're the ones who certainly make recommendations to me.

Just with regard to the previous point that the MLA was making with regard to Highway 206, the letter I received now he's making reference to was the March 4, '08, letter that dealt with PTH 15 and 207. I'm not sure if the MLA sent me another letter which maybe it's a different letter. I'm not sure, but I was responding to a letter dated March 4 which I responded to his letter on November 8, '07, to me asking about 07 and 15. I know that he mentioned 206 and 15; that's fine. We'll still look at it. We'll pass it on to the department to still look at that intersection.

But, with regard to speed limits, it's the Highway Traffic Board that does their investigation whether or not speed should be increased or decreased. So it's the R.M., the rural municipality or the Town that has to and should request of the Highway Traffic Board that they should take another look at the speed limit.

**Mr. Schuler:** Just a question on that one. Can individual citizens—can I, as the MLA, put an application forward and ask them to review it? I think that's what people are really looking for—obviously, the town has grown substantially since those signs went up—and have a review done on the speed limit. Is that something that I could request even as MLA?

**Mr. Lemieux:** Yes, I think any citizen can put forward a request, if they want to send a letter to the Highway Traffic Board. In fact, many individuals send letters to my department asking that something be done, but it's the Highway Traffic Board that determines that. I mean, they will consult with my department once they do their investigation or they look at what's going on with regard to a particular speed zone. But any individual, an MLA, city council, town council, R.M. can request that of the Highway Traffic Board. Sometimes they're asked multiple times. The Highway Traffic Board will go out and they'll take a look at a particular speed zone and they'll say, no, it's not warranted through all their investigation. Then a year later, they get another letter and then the year after that, they get another

letter. I mean, that's fine, but the Highway Traffic Board is often inundated with a lot of requests to either raise the speed limit or decrease it.

So, to the best of my knowledge, the Highway Traffic Board has not received any requests at all from the R.M. or any citizen or any individual, as far as I know.

\* (15:00)

**Mr. Schuler:** On to the next issue. I received an e-mail from a lady who drives on Springfield Road east of Highway 59. That's sort of driving past the Kitchen Craft, and then there are all the auto shredders.

The concern she raises in the e-mail is that there are a lot of trucks. They go through town and they collect refrigerators and steel and all kinds of metal parts. I have seen them at times, rather precarious, the way they've been loaded, and she feels that there's a serious safety issue. It's not a twinned road; it's a lot of truck traffic; and the big semis come and they sort of cross, and these pick-up trucks with their trailers—and the trailers are usually a pick-up truck that's sort of had the box cut off and it's been manufactured into a trailer—and they're piled high, and they shimmy and weave and wobble. It's just a concern, and I did want to raise it with the minister.

She has indicated in her e-mail: In the past two months, I have been almost hit numerous times and have suddenly had to move out of the way. She's concerned that there are school buses moving down there. Scrap, at times, has fallen out of the trucks onto the roadway ahead of me, and just wanted to know if anything has been looked into. I suggested to her that I would have the opportunity to raise it with the minister.

**Mr. Lemieux:** Well, just a couple of points.

Number 1, this is a serious issue. Some people will say, well, somebody has converted or customized some truck to haul a bunch of junk, it's no big deal. Some entrepreneur is trying to make a quick dollar. It's more than that, quite frankly, because if anyone has been paying attention to the news, they will see a tailgate flew off a truck in Ontario. It went right through a windshield and killed people.

So I take this question from the MLA very seriously. His comments are well taken because this

is an important issue of safety, and I do appreciate the question.

The only question I would like to throw back to the MLA for Springfield is, does he know whether this is a municipal road of the R.M. of Springfield or is it the City of Winnipeg road?

**Mr. Schuler:** Because the road does go basically from city into the R.M., I actually have no idea who has jurisdiction over it, and perhaps that's something that, again, if the minister just wants to take it as notice and have the department look into. It was just an issue and maybe it's as much as having the department send a letter to the scrap dealers. You know, telling the guys, you know, there is a point in time when you shouldn't be loading more on to your trucks. I think maybe that's what they're looking for, but if the minister wants to take it as notice I actually don't know where jurisdiction ends and begins.

**Mr. Lemieux:** Well, I won't take it as notice because it's either a City of Winnipeg road, R.M. of Springfield or East St. Paul. I know it's not a provincial road.

Number 2, I won't send a letter with regard to this issue, but will inquire to find out whose road that is, and we will certainly talk to that jurisdiction as to find out, you know, whose responsibility is it.

Your question is an important one because no one wants to end up with anyone being hurt as a result of someone hauling whatever it is.

Now, municipalities have by-laws on the way a load is—secured is the word I'm looking for. So I thank the MLA for Transcona (Mr. Reid) for providing me with that. He knows it well because that's not too far from his constituency as well. So I'm sure he's familiar with a lot of the scrap dealers and people who are recycling in that area. They make a good living from it, but, as was pointed out by the MLA for Springfield, we want to ensure that those loads are secured, no one is injured as a result of their customizing their vehicles, or whatever they've done to them to haul scrap. It's an important role they play, but we'll endeavour to see whose responsibility this is and we'll certainly be prepared to let them know that we've received a question and someone should be looking into it.

**Mr. Schuler:** I thank the minister for those comments, and, yes, those scrap dealers do an important job. I mean we're glad that they're picking up the metal and hauling it away and, again, would like to see it done in a safe fashion.

I have two more issues left, and I will move through them quickly.

Twinning of Dugald Road. I know that there's been an issue raised insofar as deer and lighting on Dugald Road. I know there are a lot of safety issues that have been raised with the department over the years. Any plans for the twinning of Dugald Road from Plessis to the Perimeter?

**Mr. Lemieux:** Highway 15 or Dugald Road is an important artery with regard to traffic coming in and out of the city of Winnipeg. We acknowledge that, and, of course, now with the twinning and the amounts of money we've put into twinning the northeast Perimeter, traffic has increased. People are using that as a way to go north or south or actually into Winnipeg, not only during summer when people are heading out to the cottage but also year-round, quite frankly, but we're certainly monitoring that particular stretch of road.

There currently is no plan right now to twin Highway 15 or Dugald Road but we certainly are monitoring that road closely, as was pointed out by the MLA's questions on the intersection of 207 and 15, and 206 and 15. That stretch is becoming busier and busier with the development that's taking place out there.

We acknowledge the boom that's happening in Manitoba, especially in the southeast, but I would just say that we continue to monitor this stretch of road. We know it's an important artery into the city and out of the city. Our department is really cognizant of that, and they're watching this particular stretch of road.

**Mr. Schuler:** No session would be complete without at least a couple of questions on PTH 15 bridge. It was one of those bridges that was cancelled, and I think that was unfortunate.

Any discussion about putting the PTH 15 bridge over the floodway back into the queue and having it replaced?

**Mr. Lemieux:** I thank the MLA for this question and I just want to, first of all, say, Highway 15 bridge is safe. The bridge that goes over the floodway is absolutely safe. Yes, it's starting to show its age a little bit, and our department is monitoring it and looking at this bridge.

I just want to say that this bridge was taken off the queue or off the list because, when it was taking a look at the expansion of the floodway, the

Floodway Authority looked at a number of bridges that the impact of the flow of water, the hydraulics of the water, if it would be impacted by a bridge that was low, that's the bridge that was deemed to be replaced.

This particular bridge is not deemed to have any hydraulic impact with regard to flooding, so that was one of the bridges that was taken off the list. I've been advised by people in the Floodway Authority, as well as my department, of these occurrences. I just want to make sure that I put that on the record for the MLA for Springfield (Mr. Schuler). I'm sure he gets a number of calls or questions every year about it, and I acknowledged in my previous answer to his question about the traffic on 15. It is a busy artery, but right now there isn't anything in our capital plan to be twinning that bridge or replacing the bridge, but I can say that we are definitely monitoring the bridge.

We've actually more than tripled our annual commitment for bridge renewal, and this is allowing a number of record projects to be completed this year. This is something that we're very proud of and the fact that, over the next five years, we're putting just under \$350 million into funding that will be spent on bridge construction. This is actually six times more than was spent in the '90s. It's a huge amount of money and it's going to be well spent and well managed.

I can tell you not only did we do that but, with regard to bridges overall, we've put a couple million dollars more annually for additional bridge inspections. I know the announcement of \$125 million that was made just last year on top of that \$4 billion we announced is a huge amount of money but we know that there's a need there. The government's committed to infrastructure renewal in this province with regard to infrastructure related to highways. We are committed to doing that all over the province, but this particular bridge is one that we're certainly keeping an eye on. It is safe, currently safe, but bridges only have a certain lifespan where they need some work. Either they have to be reconstructed, rebuilt or redecked, and that's something that will be determined over the years to come.

\* (15:10)

**Mr. Schuler:** My last question is: Is the bridge being scheduled for a retrofit? I had a phone call where someone indicated to me that the guardrails are basically rated for 50-kilometre-an-hour impact, and

that they should be upgraded to at least 100-kilometre-an-hour impact rating. Can the minister, if the information isn't here, if the minister could have the department put that together and send it to me. Again, it has to do with the retrofitting of it, and is the railing rated for up to 100-kilometre-an-hour impact, or is it just rated for 50 kilometres an hour? That was what I was led to believe. That's PTH 15.

**Mr. Lemieux:** In discussion with the engineers I have here on my staff, we've talked about the railings, as was the question. The design of the bridge was according to spec when it was the current railings. When or if the bridge is rehabbed or changed, the particular railing height will be according to what today's standard is. Standards change year to year, or even every five years, or every 10 years. That's the advice I've received from my department with regard to the particular railings on No. 15 bridge.

**Mr. Peter Dyck (Pembina):** Quick question here: Could the minister give us the status of Highway 32, the four-laning through the city of Winkler?

**Mr. Lemieux:** I thank the member for the question. It's a highway that our department and our staff from Portage la Prairie, out of their territory, is certainly monitoring and working with the City of Winkler on.

The community of Winkler is a fantastic community. It's a booming community, and it continues to grow rapidly with our fantastic immigration policy through the Minister of Labour and Immigration (Ms. Allan). It's something that this community will continue to grow.

In any community, no matter if it's Winkler, Steinbach, Morden, Altona, Carman, Headingley, Oakbank, Manitoba is in such a boom cycle right now that the population is growing. People are also choosing to move outside the city. It creates a lot of infrastructure challenges, quite frankly. It's not just related to roads. It's also related to sewer and water, water treatment, potable water, good clean water. So there are a lot of challenges on the infrastructure portfolio as a result of Manitoba's huge boom.

**Mr. Dyck:** I want to thank the minister for that answer. I looked up from last year's *Hansard* and it's similar. The memory is great.

The point being the city of Winkler continues to grow. It's in bad need of four-laning. It's not a huge area. I believe it's a seven-kilometre stretch. All I want to know is: Where are they at with the status? I know Winkler is growing. I do live there. I do know

that they need it, and they need it desperately. But I want to know where they are at with purchasing easements on the side of the highway, where they are at with their discussions with the City of Winkler, and, by the way, I do know where they are at, but I'd like that confirmed from the minister.

**Mr. Lemieux:** If I could ask the MLA just to repeat the end of the question. I'm sorry. I missed the end of your question.

**Mr. Dyck:** It's basically the same as the first. I want to know where you are at with the status of that highway, whether easements are being purchased, how far they are with that and how far you are in the discussions with the councillors and the mayor of the City of Winkler.

**Mr. Lemieux:** Well, thank you. It wasn't that long ago that I met with the mayor and representatives from that community. Usually we meet a couple of times a year to discuss a lot of issues, whether it's the growth, whether it's a K-Mart coming to the community, on different highways—or Wal-Mart, I should say—and I know the mayor, I believe it's Mayor Harder from the community of Winkler, has asked to meet once again, and I'm pleased to meet with him because we discuss all kinds of issues, including the new school that was just opened not long ago in Winkler that our government provided. So we're certainly willing to work with growing communities in Manitoba.

The stretch of road that the MLA talks about is probably about a, I would say, between \$20-million and \$23-million price tag on what they're asking to be done. There are a lot of challenges in Manitoba, a lot of roads that need to be fixed, and we acknowledge that. That's why the \$4-billion budget that we brought into place.

But we look forward to having conversations with city council and the mayor, and I know we had a Cabinet meeting there and a caucus meeting there a couple of years ago, and had a great discussion with many business people as to the challenges they're facing on the infrastructure file. We continue to work and consult with communities in Manitoba.

**Mr. Dyck:** I appreciate that comment. On the other hand, though, to be able to get to that new school, they do have to have the highway to drive on. Consequently, the traffic counts continue to go up. So I realize that there's a non-answer here, and I know that the City of Winkler, the mayor, they have been receiving the same answers. Yet you talk and

seem to boast about the growth that's taking place there, but not giving the infrastructure dollars that are needed.

So I realize the answer's the same as it was last year. I would encourage you to continue to take a serious look at it. It is a safety issue. As well, they are continuing to monitor the accidents that take place. These accidents are going up year to year because of the continued traffic, so I would encourage you to take another look at it and see if you can't speed this up.

The other question I have is regarding the Highway 201 that's a provincial road and just west of the village of Osterwick. Now, the Province took over this stretch of highway several years ago from the local R.M., and there are numerous complaints. I know the minister has received letters, as well, regarding the dust control. I know that the community is asking for several miles of dustproofing, and I'm wondering if the minister and his department have looked at that at all, and would consider providing this for the community.

**Mr. Lemieux:** We met with the R.M. not that long ago and we talked about the spot road improvements that need to take place and also the dust retardant or the chemical that needs to be used to put on dusty spots. We're working, of course, through our department, our office in Portage la Prairie, and of course waiting for their advice with regard to roads in their particular territory. But I have to tell you that the meeting we had with regard to a particular intersection just south of Winkler was a very good and, I think, productive meeting. It helped us understand a little bit more some of the challenges they had, not only with the dust and the kind of— it's a more technical answer than I have time to give here. But, essentially, the material that was used to build that road, that's on that road, creates more dust than the average road. It's a—*[interjection]*—shale. Yes, it's a shale. Thank you to the MLA. It's a shale base, and it creates more dust. It's no fault to anyone in particular, but that's the material that was used at the time, and we understand that so we're looking at what can be done to keep the dust down overall.

\* (15:20)

I just want to comment quickly about the MLA saying, you know, that it's important. The population's growing. It's booming in Winkler. We understand that, but we also understand that there are roads that go to and from Winkler, and people use Highway 2 and Highway 3. We're putting

approximately \$60 million into highways 2 and 3 and fixing up highways 2 and 3.

I know it's linked more to Carman-Morden and Souris and Melita, but I just want to say that we are putting monies into every different region of the province. I just want to say \$60 million is nothing to sneeze at, and PTH 2 and PTH 3 are receiving this investment because it's important and it needs it and it's something that was recommended by the department and we're doing something about it. But, with regard to 201, I know the department is looking at it. There are spot road improvements that are going to take place. They're also looking at the dustproofing material that needs to be put on there. I know they're working with the local R.M. to see when is that a good time to do or how many times to do it in a year and so on. So I understand that those discussions are ongoing. At least, that's what I have been advised.

**Mr. Dyck:** I would encourage the minister, though, to just talk to the department regarding the dustproofing. It is a real hazard for that community, and it is a growing village as well. You know, the dust just lingers within the village. I've been out there a number of times, and it's a health hazard as well, the way it's going. It's not a huge distance that needs to be done, but I would say, a mile, possibly, well, kilometres. I guess it would be about three kilometres that need to be done.

The other thing, for correction is that I appreciate the fact you're spending money on Highway 3 and No. 2, but the correction would be that people from Winkler or Morden, from my area, if they would take Highway 2 to Winnipeg, it would really be an extra distance. So, while it does encourage others to drive there and improve it for them, it's not being used. Well, the minister asks if it's okay to spend money. I realize that other areas need expenditures as well in highways. I will concede to that.

The other area, this is regarding the infrastructure and the whole issue of water within the R.M. of Stanley, and I see that you have your expert here on waterfication. I'm just wondering if he could indicate whether, in fact, the residents in the Rural Municipality of Stanley will be able to get hook-ups and get good, potable water piped right to their yards this year.

**Mr. Lemieux:** I thank the MLA for the question. Waterfication is really important to a lot communities and growing communities in Manitoba

and no different in the R.M. of Stanley. There are three projects, I understand, that are connected to this. The National Water Supply Expansion Program, NWSEP, as it's called is now extended for one year. It had run, or it expired, and so we've been told, at least we've been informed, that it's been extended for one year, and we thank the federal government for that. But we have not received any other details than that. It's hard to make commitments overall without having something more concrete on this particular program. So really that's where it stands now, and I know that our Water Services branch has worked diligently with many R.M.s to try to deal with a lot of the challenges that R.M.s are facing. We understand that they are under pressure as well, and we are trying to work with them the best we can.

This particular program, this National Water Supply Expansion Program, was over. It had expired, but the feds, as we understand it, have extended it. So this is very helpful with regard to the monies. We are just awaiting further word on exactly where this program lies and where the monies are quite frankly.

**Mr. Dyck:** Madam Chairperson, I would assume, then, that the minister's indicating that with the availability of this money and the details of it be announced fairly quickly that the department would allow the R.M. to go ahead and, in fact, bring the water to the yards and to the houses of the people living within the rural municipality. Is that accurate?

**Mr. Lemieux:** Well, let me just say, first of all, that last night many of my colleagues had the opportunity to meet with many of the representatives from the Association of Manitoba Municipalities. I understand also that the Conservative caucus met with them as well, and we had a great discussion and free flow of information going back and forth. One of their priorities is now that highways and roads and bridges are all taken care of. In politics it's what have you done for me lately?

What have you done for me lately is water, whether it's drainage, whether it's waste water, whether it's potable, good drinking water. AMM informed us that now this is their priority. Now we understand it. It's something that—priorities change, of course. Once one thing is taken care of, then organizations move on to something else. They told us they are happy with what's going on with regard to roads. They thought only \$3 billion would be put in over 10 years, that's all that's necessary. We put in \$4 billion. So now that that's checked off the list, they've moved on to water.

Just with regard to the R.M. of Stanley, there are approximately 69 other R.M.s that are also looking to tap into, no pun intended, the National Water Supply Expansion Program. You have 70 R.M.s that are all looking to improve their water systems which is understandable. So we really need to know on the long term where exactly this program is going, quite frankly, because there is a huge need.

Now a lot of rural Manitoba is represented by members of Parliament of the member opposite's persuasion. I am hoping that they will be able to talk to their minister of infrastructure and other ministers in the federal Cabinet and members of Parliament overall to impress upon them how important this program was.

Saskatchewan and Manitoba really were the only two provinces that, for the most part, really tapped into this particular program even though it was a national program. Doing away with a program like this really hurts Manitoba and Saskatchewan more so than other provinces, lesser degree Alberta. We would anticipate and would hope that this program would continue growing.

\* (15:30)

**Mr. Dyck:** Well, I want to thank the minister for the answer. I also don't want him to water down the question, and no pun intended on that one.

The issue still is that we do need water. I'll take it one step further, and that is even just the source of water for the city of Winkler and the Pembina Valley Water co-op by and large. I'm wondering what the minister and his department are doing to make sure that there is a secure water source for those communities as they continue to expand. I know that the minister has been applauding the fact that these communities are growing but I would hate to see that their growth would be impacted by the fact that they don't have the water that they need in order to continue this growth. I'm just wondering what the department is doing to make sure that they have a secure source of water.

**Mr. Lemieux:** I guess my case in point is made by him by saying when there's a boom, infrastructure needs increase. Winkler already is tapping in, of course, through the Pembina Valley Co-op and are getting water through Morris and maybe even Letellier. They've got a couple of water sources. It continues to grow. Their needs are going to increase as well and that's understandable.

My understanding is that there is a lot of R.M.s that are working together, not only part of the co-op, but to determine how larger growing centres like Winkler for example, even Morden to a lesser degree, are going to have good potable water into years to come. The answer of course to this is that the R.M.s will continue to work not only with the Water Services branch or Water Services Board but other communities, cities, towns and villages in the area as a regional challenge that they have and that's understandable.

I think all of us have been pleasantly surprised that the immigration policy that we brought forward and the boom that's happening in the population growth is tremendous, and we understand that the challenges that come with that. I can tell the MLA that we're certainly aware of those challenges, and we're doing what we can to help these communities work through it as I'm advised.

**Mr. Stuart Briese (Ste. Rose):** I heard the minister refer to the funding for those rural water lines. It used to be through PFRA, and I'm wondering if it still is and if it's the same amount of money. It used to be something like about \$5 million for the three prairie provinces, and because Alberta didn't use all theirs, we were able to drag a little back in here. I know your director for Water Services was very good at chasing that money down. Is it the same amount that you're talking about? It's a one-year extension, I presume. Will we be following up and trying to make sure that stays there into the future because it's sure been responsible for a lot of rural water pipelines?

**Mr. Lemieux:** On this particular program, we would agree that it's a valuable program and anything they can do to educate their cousins in Ottawa would be much appreciated with regard to the importance of this program. He is correct; the amounts are approximately right, but right now we're in early discussions. There is no dollar figure on the table. He is correct; Manitoba and Saskatchewan used to be able to ease a little bit over towards a little bit further east of Saskatchewan and Manitoba from Alberta because, essentially, we're the two provinces that tapped into this the most, and it was a very worthwhile program, as he would know, being president of the Association of Manitoba Municipalities. These issues were very important a number of years ago, as they are today.

**Mrs. Mavis Taillieu (Morris):** Madam Chair, I am welcoming the opportunity to ask a few questions of

the Minister of Infrastructure and Transportation because, among the many issues that are brought to me by my constituents, the condition of our roads and highways is one of the ones that is right up there as important to the people.

I want to start by just asking a few questions about Highway 75, and I do recognize that there's been a lot of work done on Highway 75. A couple of years ago, driving down that road was pretty treacherous, to say the least, and certainly there's been some movement by the government to address that and certainly upgrade that highway, but I think presently there are plans to do the construction of Highway 75 through the town of Morris. There were a few options, I think, available as to how that was going to happen, but I'm just wondering if the minister can say what stage that is at and how they arrived or how the plan is—what is the plan, I guess, in terms of raising Highway 75 at the north end of the town?

**Mr. Lemieux:** Well, first of all, let me just say thank you for the question.

Highway 75 is our major artery to the United States. This is an important piece to this puzzle that we talk about, this international, mid-continent trade and transportation corridor that we're working with our neighbours to the south of us, the United States and also Mexico.

This corridor, we believe, is really at the root of what's going to make Manitoba a prosperous province into the future, and all the way from Churchill, quite frankly, all the way through Manitoba into the United States and into Mexico. But, in order to do that, we need to have Highway 75 as our major artery, and we've put and budgeted approximately, I think it was around \$83 million to get a good start on that particular highway.

There are communities like Morris, for example, that is a large centre and which is right on Highway 75. We've had meetings with many of their councillors for the Rural Municipality of Morris as well as the Town of Morris, and we've talked to them about the kind of work that they need to do in their community. They talked about possible waterlines that need to be done, and we've asked them to submit a plan to us and keep us in the loop with regard to their waterlines because they're going to have to dig up Highway 75 and do some earth work there. So we want to make sure that we're working with them before we do anything with their main street, that if they're going to waterworks, make sure they do it

well in advance. In the past, other communities we've put in new highways and then three years later they dig up the highway, their main street, to put waterlines in.

So we're trying to co-ordinate this a little bit better, so we are working and the department is working with the community of Morris to determine what should be done with their main street.

Highway 75. There's more work taking place on Highway 75 this summer.

We are pleased with the work that's taken place so far. Not only from truckers, but tourists and Manitobans overall have been pleased with the kind of inroads we've made with regard to making improvements there. We have a ways to go yet. It's not done, but I think overall the plan is in place that we're happy with, and we just need to continue working with municipalities and communities along that route to make sure it's better to where we all wanted to see it.

**Mrs. Taillieu:** I certainly recognize that Highway 75 is a major corridor, a transportation corridor. Literally, thousands of transport semis use that highway as it goes through the town of Morris on a daily basis. Certainly, the town and the R.M. are looking at the infrastructure that has to go under the highway there to be done at the same time as the highway is torn up.

\*(15:40)

I think that their issue is, it being a major economic highway to the major city in the province and to other hubs, the traffic that's going through the town of Morris is actually traffic that's Manitoba traffic. It's not local traffic. So they've been looking for some kind of help to pay for the infrastructure that is pounded daily by the transportation vehicles that are going along the major route through their small community. If they were just a small community, not having the highway going right through them, they wouldn't suffer the stresses on the infrastructure that lays below the highway in the town. Their thought is that perhaps it should be somewhat of a Manitoba responsibility as well. So I'd ask the minister if that has been a consideration for the town of Morris and the cost of the infrastructure that's going to go underneath the major economic highway through the town of Morris.

**Mr. Lemieux:** I understand that, currently, the Town of Morris is seeking the services of a consulting engineering firm to determine what work is required

to their existing land drainage system. That's important, because our department builds highways and bridges and asphalt, and do roads, and hire people to do roads. I would say, traditionally, we do not do a town like Morris's plumbing. We don't do their drainage underneath the highway or road.

I know I sent a letter to the MLA on March 25 or thereabouts, middle of March, explaining this in a letter, that our department is certainly willing to look at what we can do with regard to their main street, that it's our responsibility, it's Highway 75. Yes, the MLA is correct. We have a lot of traffic going down Highway 75, a lot from, actually, truck traffic from Saskatchewan and Alberta delivering their goods through the port of Emerson-Pembina crossing. So a lot of that traffic goes through that community.

I'm just wondering if the MLA is saying that she wants a bypass to go around that community so it's not going through their main street.

**Mrs. Taillieu:** Certainly, the town and the people of the town have been discussing whether they would like a bypass. It has certainly been an issue that some people favour, and some people do not for economic reasons. I think there are arguments to be made on both sides. However, I think that would be up to the people who live in the area to make those decisions and then pursue that, and what they decide that they would like to have happen is where we would like to see it go.

Going back to my first question, I did ask about north of the town of Morris and over the river, the bridge, and the fact that that is a fairly low area. How is that area going to be addressed? How is it going to be raised to flood-proofing levels, and then how far into the actual town would that impact, that levelling, be, which would have to be, as it looks, a fairly heightened stretch of the highway?

**Mr. Lemieux:** You know, this particular stretch of road, whether it's the kilometre before or the couple of kilometres after, are all part and parcel of a plan that my department is certainly looking at right now, aside from the bypass.

*Mr. Daryl Reid, Acting Chairperson, in the Chair*

The MLA is correct. Some people want it dearly, and other people are saying that somehow they feel these trucks that are going through town won't stop at their grocery store or gas station, and it might have an impact on their business. That's something that has to be considered, for sure.

The plan I'm talking about is something, I think, that really is necessary. Last year, we put about \$35.5 million into 75, and then this year we're going to put in another \$16 million. Actually, Borland and Mulder Brothers need to be congratulated for the good work they did. Borland Construction and Mulder did a great job on that highway.

Sometimes the public criticize builders because they get paid a good buck and yet they don't deliver the goods. This happens on occasion, and it's regrettable, where you pay good dollars of taxpayers' money to have a job done and contractors do not deliver the goods. They may not have gone to spec, or something has happened with the quality of the asphalt or the concrete, and that's regrettable. But I would say 99 percent of the time we get good product and good construction from the companies we have in Manitoba. We should be proud of that.

More work, as I mentioned, is going to happen this year. It's out for tender right now. Over \$16 million more of work on Highway 75. And just getting directly to the question that the MLA asked, there is a plan being looked at right now to determine, do you start a kilometre before the town? Do you raise the bridge going over the Morris River? How far into town do you go then, if you raise the bridge? Also, what about the south end, as well? So the question is a good one from the MLA for Morris, because these are important questions and I'm sure her constituents are asking her this, but I can tell you right now, this plan that we're looking at, we want to make sure that we do it right.

There's a connection here with, also, what the Town of Morris wants to do with their drainage system, their sewer and water, or other works that they want to do. I haven't been advised recently where those discussions are at, but I know that all of these pieces will make the puzzle of making Morris's main street and the community much better. So we continue to work with this community. It's an important one. It's right on Highway 75. It's one of the few that sit right on 75, and have our 75 highway go right through the downtown as their main street. It's very, very important.

**Mrs. Taillieu:** I think that you said that work would be beginning this summer through the Town of Morris. So, to get into the town, of course, you have to go over that bridge and you have to have a plan, I think, in place to develop the section just north of the town. I know that people in the town have told me there have been surveyors doing some work, but they

don't really understand if that's from the Province or whether that's someone else.

I just would like to clarify, though, the actual plan to come from the north end and into the town because, obviously, if you're planning construction to be beginning in the town this summer, there has to be a plan to address how you get there.

**Mr. Lemieux:** I thank the MLA for the questions related to her community. I'm not sure whether or not the Town of Morris just doesn't have the money, right now, to do their drainage work, or where the hold-up is, quite frankly. It's something I can certainly look into, to find out where this is at, because the last time I had a meeting with the Town of Morris and the R.M. of Morris and the reeve from Morris, there was an issue related to the engineering. They've hired a consulting engineer to determine what their needs are with regard to drainage. I think that's where it's been held up. Actually, I don't anticipate any work happening this summer on the main street of Morris.

I understand that this is being held up, quite frankly, because the community is determining what they need to do. I'm not sure if the MLA knows, or has heard any different, but the last I heard is that they had not received any kind of a study back from the engineer that they hired to determine their drainage. I think that's the only work that might be happening. I'm not sure if sewer and water is also part of that as well. I don't know if the MLA can update me if she's heard anything different recently, but that's the last I've heard.

**Mrs. Taillieu:** I guess, I'm basically just asking for the engineering plan, because it is a difficult concept to raise the highway north of the Town of Morris and then have the structure come down again to the level of the main street in Morris. I know the minister knows what I'm talking about, because when you draw that, there's a very elevated stretch of the highway. So I'm just wondering what kind of engineering plan there is to make that happen and how far into the town it will go.

\* (15:50)

**Mr. Lemieux:** I guess I want to be, and I've always been straight with the MLA from Morris and, hopefully, other MLAs as well with regard to issues. As much as I know, I try to give them as much information as I have, and try to do it in a forthright way. Sometimes it's not always what someone wants to hear, but so be it. These are the facts.

Right now, there is not a complete plan put in place, engineering plan done by my department, as far as I know, at least that's what I've been advised recently. Part of this is trying to work with the community of Morris, trying to determine also what they want to do. In conversations we've had with them, some feel very passionate about bypassing that community; they feel the road should bypass it. Don't replace the bridge and don't raise the road; bypass the community totally.

Others feel that you could raise the road, 75 coming in, raise the bridge a little, not that it would go down to the middle of town; that's not what the road would do. I think it could be lessened than that; I mean the down ramp going off the bridge coming into the town heading south, but right now there's a huge debate as the MLA mentioned as to what people want.

Do they want it to go around town to the west or do they want it to go through town? Also, the other piece of this is what do they want to do with their infrastructure underneath Highway 75? I don't have a more recent update than that, just to say that they're not sure what they want to do, quite frankly, because they're still waiting for their engineer's study; they hired an engineer to look at the challenges they've got in the community.

**Mrs. Taillieu:** So there are no engineering plans then to look at raising the highway into the town of Morris.

Are there engineering plans to bypass the town of Morris?

**Mr. Lemieux:** There are no finalized plans right now. We're trying to work with the community, as I mentioned before. Part of it is that we're waiting to see what they want to do, quite frankly, but there are no finalized plans right now.

**Mrs. Taillieu:** The minister says there are no finalized plans but that leads me to believe that they have looked at the possibility of going around the town of Morris.

Can the minister confirm that that is something that they're considering?

**Mr. Lemieux:** I think that's hypothetical right now; we don't want to get into that. We're trying to go piece by piece, and that piece is their engineering consultant they've hired to look at what they want to do with their main street. That's kind of piece one, not that the department just sits and waits for

communities to complete that, but they've looked at a lot of different options.

There are different options to take a look at. For example, when people right now want to bypass Morris in time of flooding, they'll use the RTAC route of No. 3. They take 14 down to, I'm just looking at my map, 3 to 14 and then 14 back to 75. So they use that route right now in case, this year we're fortunate, no flooding, knock on wood, but there are a number of different routes that people use now on their own.

People have made suggestions of using Highway 200 and then using 201 to get onto Letellier Bridge and cross. So there are different routes that people are wanting to look at. There are many challenges related to many different options including that Letellier Bridge. There are environment issues related to Letellier; there are land issues related to Letellier. We're trying to get those clarified as well.

There are many different options, looking at bypassing Morris, but right now there's a lot of talk going on about this, and there's no finalized plan in place as to what to do with the challenges that the town of Morris has.

**Mrs. Taillieu:** Can the minister say if they've looked at a bypass around the town of Morris? I know that that has been a consideration; I know it has been looked at.

Is there an estimate of cost, what it would cost to bypass the town of Morris, as a bypass, not alternate routes that are existing, but as a newly constructed bypass around the town of Morris? What would be the projected cost?

**Mr. Lemieux:** I certainly don't have that figure at my fingertips, and I think that, quite frankly, I don't believe the department has either. They don't have that number. It would be large dollars as would even the improvements going through the town of Morris is big money, you know, new bridge included. So it's large amounts of money, certainly, larger than the \$16 million we're spending this summer. Yet, having said that, Highway 75 is a major artery to the United States and from the United States to Winnipeg. We have made a commitment, as a government, that we're going to tackle this challenge and, with a lot of support we've received from the R.M.s along that particular stretch, we are starting to make huge inroads with regard to the project, Highway 75.

**Mrs. Taillieu:** Okay, I'm going to move on to another highway now and ask some questions about

Highway 2 as it goes through my constituency from just west of Starbuck to—well, all the way through to the city of Winnipeg, actually. I've had some questions from constituents that live right near the town of Starbuck. I would just like to know what are the plans, how is it progressing? What is going to be happening on this stretch, east of Starbuck towards the city of Winnipeg, this summer and next summer? Or what is the plan?

**Mr. Lemieux:** Mr. Acting Chairperson, just a comment with regard to this project and it's one we're very pleased. I talked about it earlier with the MLA for Pembina (Mr. Dyck), PTH 2 and 3, I think it's around \$60 million that has been invested or is about to be invested into this particular stretch of road. Last year, we also put, I think it was around \$15 million, over \$15 million into that stretch, but this year, we're going to be going between, as I understand it, between Fannystelle and Springstein is the stretch we're working on. There's some shoulder widening that's going to be taking place and also another layer, another lift of pavement, is going to go between Elm Creek and Fannystelle. I think there's going to be another lift that needs to be put on.

But you know, the days I'm told, of what do you think of No. 2, phone Lemieux, are over. So I have to just say, I really want to thank Denis Rocan, who was the MLA for that area before. This gentleman was at my door, pounding down my door almost every day. Please, please, put money, Ron, into Highway 2, my constituents are saying to me. Highway 3 needs the work and please do some work around Headingley. So I really want to take this opportunity to thank Denis Rocan for his hard work as an MLA. Yet, you know, and I know the current MLA. I've had the opportunity to talk to the current MLA, and to me he appears like someone that is trying hard to do the job, very similar job that Denis Rocan did for his area.

\* (16:00)

But I have to tell you the amount of money that has been put into, invested into No. 2 and No. 3 is really important to us. We understand that the work needed to be done, and so I hope this answers the question that the MLA for Morris asked with regard to what pieces of work are being done this summer.

*Madam Chairperson in the Chair*

**Mrs. Taillieu:** Well, I'm sure somewhere in that lengthy answer there was some sort of answer, but I think that when people peruse *Hansard* and people

from the area are looking for some answers to some questions, they won't be particularly impressed with numbers or dollars or what we've done and patting ourselves on the back. They're particularly interested in how it's going to affect them.

I have posed the question to the minister in a letter. There are some people that live along that stretch, and they would like to know how it's going to impact on them, whether they will be able to have continued access to Highway 2. Some local farmers along that have access now, will they be able to continue to have that access or how exactly are they going to be affected? They have a lot of questions and not a lot of answers, and they're the ones looking for answers, so I'd encourage the minister to answer the questions that they pose.

**Mr. Lemieux:** Well, let me just say that, you know, this year, there are going to be hundreds of millions of dollars put into infrastructure in this province, and there are workers going to be working on the sides of the roads that we've seen just the other day, a worker that was severely injured. I don't think it was fatal, but a driver ran over a local city worker working on the side of a road.

So we're telling people, please watch out. There are hundreds of millions of dollars being put into infrastructure repairing our roads, so there are going to be people working all over the place around these roads. We don't want anyone injured, and the other part of this is, yes, there will be some inconveniences for people driving their vehicles, whether it's farm vehicles or whether it's your ordinary truck or car.

You know, you can't get away from it because there was a time in the 1990s where people were asking, we want No. 2 and No. 3 fixed. It didn't happen. We are fixing it, but it is causing an inconvenience for people driving on Highway No. 2 and No. 3 and No. 10, on 16, on 75. I could go on and on on all the highways where the work is taking place. So I regret that. I apologize for it. I know there's no need to apologize for it, but I know it's an inconvenience to people that they have to take a detour sometimes.

So we're just asking people, No. 1, have patience when you're driving around these workers so no one gets injured. No. 2, please have patience with the construction companies like Borland or Mulder or Nelson River, that do a lot of this asphalt work, and it's important. I mean, we're putting millions upon millions of dollars into these roads and we don't want anyone injured and we certainly don't mean to

inconvenience anyone because it will take them extra time to detour a construction site.

The reason I put this on the record, it's an important issue because people do raise this with us and raise this with our crews. People drive by and give them the finger as they're driving by, somehow that they're meaning to inconvenience people so we're just saying, look it, we need people to have some patience, drive carefully, slow down. You know, hundreds of millions of dollars are being spent on infrastructure and we don't mean to inconvenience anyone at all, so we're just saying, this is the other side of having so much construction going on in the province.

**Mrs. Taillieu:** Obviously, the minister misunderstood my question and went off on a needless rant about safety, which we all understand. Certainly, we recognize that when you have construction, yes, you are inconvenienced, but that was not my question. I don't think he understood my question.

The question was whether the people that have access now—and I understand, as they do, that they will be inconvenienced, certainly, during the construction phase. But the question is: Will they have access when the construction is completed? Will they continue to have the same access to Highway 2 that they have now?

They understand totally that during construction, yes, they will probably be restricted in some ways. Yes, there's inconvenience. That was not the question. The question is in regard to, will they maintain the accesses that they have now, or will they have to find alternate accesses to Highway 2, once the completion of the construction is done?

So I'm going to give the minister another opportunity to answer the question, because I do think that he misunderstood it.

**Mr. Lemieux:** No, I didn't misunderstand the question. I was just trying to get on the record about trying to ensure that people are driving safely, because we had someone injured just the other day because someone was working by a construction project and was run over.

So I just want to state that this is a two-lane highway. Under normal circumstances, nothing would change for any farmers or any other businesses. You would think that things would remain the same, unless, of course, if something is a real serious issue with regard to safety, then our

department may look at changing maybe an access route or something to make it better, not to make it worse.

So I hope that answers the question for the MLA.

**Mrs. Taillieu:** I want to ask a few questions about the temporary shoofly at St. François Xavier. When do you expect that project will be completed, and that dismantled?

**Mr. Lemieux:** Yes, with this particular infrastructure project, I'm advised, certainly, by July 1, by July long weekend, this should be finished. So we look forward to that. That's just one other construction project that is taking place in the province, and coming to completion, I hope, by July long weekend.

**Mrs. Taillieu:** I was driving that stretch of highway a couple of weeks ago, and at that particular time I noticed that the culvert that was replaced under the section of highway there was running. In fact, the ditch where the gravel shoofly is constructed was full of water. So I'm just wondering how that would have undermined the base of the gravel that was there, and whether there were any safety concerns at that time with all that water softening the ground and softening the base with all of that gravel and the highway constructed over top, because it was a fairly significant incline there.

**Mr. Lemieux:** The staff are monitoring this on a regular basis. I know people have recently driven over it. That temporary culvert was meant to take the water. This year the actual amount of water we've had overall in southern Manitoba hasn't been that great. So we just hope, as I said, we don't get too many snowstorms, or at least not too much precipitation over the next while, but it should be fine.

I'm advised by staff that are with me today that they've monitored this. They've seen it with their own eyes, and they're saying it was meant to accommodate exactly what it's doing.

**Mrs. Taillieu:** So the minister is confirming that there was some monitoring done and it was considered safe at all times, and it still is considered safe, and there will be future and further monitoring to ensure that it is a safe structure?

\* (16:10)

**Mr. Lemieux:** Well, no one can guarantee 100 percent, but, obviously, the department is going

to monitor the projects they do. They keep a close eye on them to make sure that nothing untoward is happening. If they spot something, they take care of it as quickly as humanly possible.

**Mrs. Taillieu:** Can the minister say what the total cost of both of those detours will be in total once completed?

**Mr. Lemieux:** Well, the specifics with regard to the detours are all built into the project of doing those box culverts or the culverts that are taking place. I know I drove on them, following trucks that weren't exactly following the speed limit as they were taking those routes, on my way to the Good Roads Association meeting in Brandon. They were fine. I mean, the traffic was flowing smoothly, but it's all built in as part of a cost.

Now, one thing that the department did do though and they made sure that this granular material that was used to build these routes is going to be reused. That granular material is going to be lifted, put back into trucks and used at other projects. So it's not a waste; it's not a throw-away with regard to the material. There was a lot of granular material dumped there, but that was the best route to go, as I've been advised by my department. It's been very successful and at least I have not heard any negative feedback with regard to that. But they're coming along really quickly and, you know, weather permitting, we'll be on time.

**Mrs. Taillieu:** Madam Chair, I think that last Estimates I did ask the question of projected cost. I think the minister said \$6 million. I just wonder if he can confirm if it's more than that today.

**Mr. Lemieux:** Well, I'm pleased to inform the MLA it's less.

**Mrs. Taillieu:** Can the minister then, be specific, because I did ask in my first question. He didn't answer the question.

**Mr. Lemieux:** Well, while I was answering the question, my staff was looking up the number. I didn't have it at my fingertips, and they have provided me the number. It's roughly around \$5 million. So that's what I've been advised by my staff.

**Mrs. Taillieu:** I know that the minister appreciates the fact that I stand in the House every day and read a petition on the highway from Headingley to Winnipeg. I know that he listens intently as I read the names because it's certainly names of people that are

frequently not from the community of Headingley, in fact are from all across the province of Manitoba. In fact, some petitions have not been allowed because there've been people from across the country that have signed that petition. Literally, hundreds of people from across this province, as they travel that stretch of highway, because it is a Trans-Canada Highway, when they hear about the number of accidents, and particularly the terrible accident that happened last fall, as I know you're aware of and certainly that was very tragic and we feel very badly for everybody concerned there because when people die in these accidents, it's just very tragic. I think that, when these things happen, we always look to what could be done to not have this happen again.

I know that this hasn't been advanced into the five-year plan as we had asked to be done, but I know that the minister is looking at it, and it should be something that will be addressed in the future. But I think the more important thing at this particular time is to look at what can be done right now before the Trans-Canada Highway is fully twinned, or divided there, I should say, in though some sections that aren't, because we recognize, first of all, that the community and the Municipality of Headingley has worked very diligently and worked with the minister in whenever land is acquired to make sure that land is available to be used for expansion of the highway there. So they've worked very, very well towards that and recognized the need for that.

But, certainly, the things that need to be looked at right now, I think, is what other steps could be taken to ensure that there is the best level of safety that can be provided along that Trans-Canada Highway? That's a highway, we see 18,000 vehicles daily, probably more, but it's also used for school buses, all kinds of traffic turns into the Downs there and turns into the Chapel Lawn funeral centre there, and certainly incidents occur when traffic is whizzing by each other on an undivided stretch.

So I'm wondering if the minister has actually taken my advice and looked at any ways of ensuring that there is complete safety along there during the time when construction is not being considered along that stretch.

**Mr. Lemieux:** Yes, I have been cognizant, certainly, of a number of issues that have been raised with regard to that stretch of highway that goes between Winnipeg and Headingley by the weigh scales, and a number of people have raised this to me personally as well.

We absolutely recognize that this stretch of highway is in need of continued attention, but this is what happens also, you know, when you don't look at the long-term solutions and you allow uncontrolled, continued development, which has further strained this stretch of highway. If you just let everybody just build, build, build without having a plan in place necessarily, it can cause this kind of situation.

I can tell you that we worked with the R.M., signing an MOU in 2001 to move forward on a planning process for this stretch of road, and there is money in our plan to continue some improvements. Granted, it's not right where we want to be yet, but there's rumble strips going to be put in this summer. I know we're going to take a look at other aspects, things that can be done in the short-term, and we have spent more than double the amount of money on that stretch of highway that was spent previously to us. We'll continue to work with the municipality, as outlined in our MOU, to purchase adjacent land and to continue to making improvements as developments occur.

Now, almost half of this stretch of road is done. It's been completed, and there's also a flex fund we have which the MLA has pointed out. We're certainly looking at different ways on how we can proceed. I mean, because of the highway traffic flows, we need to acquire private land. Any solution must be multi-staged really.

So we're looking at: divide the highway with a raised median; add turning lanes; install traffic lights and signing; and add service roads, and I mentioned, we'll continue to work with the great reeve from Headingley to make sure that happens. I know that he is very cognizant of the challenges that we face, but this stretch of road, as I mentioned, we've done about half of it, upgraded.

We are very proud, actually, of the fact that we worked on the Flying J intersection improvements, we've done the Husky Cover-All intersection improvements, the John Blumberg intersection improvements. Of course, part and parcel of that was fed money, too, so we must give credit to the government of the day. I believe that was the Liberal government at the time.

But we know that this is an important stretch of highway, and we'll continue to work on it—as there are many other important projects around Manitoba, whether it's the 18th Street Bridge in Brandon or the bypass around Forrest or No. 10 highway, you know, close to \$60 million.

There are a lot of projects that we're concerned with and we continue to work on as part and parcel of our \$4 billion into Infrastructure.

\*(16:20)

**Mrs. Taillieu:** I thank the minister for some of those options. I hope that we're going to see them soon because some of those things such as rumble strips may be quite helpful, I think, if those get installed right away.

I do want to say the minister did talk about uncontrolled development. I think if you look at Headingley, Headingley is the success story in this province since separating from the city of Winnipeg—which we have to thank Gary Doer for because he was the one, when he was previous Minister of Intergovernmental Affairs, that began the—

**Madam Chairperson:** Order. Members are to be called by their constituency or by their portfolios.

**Mrs. Taillieu:** Thank you, Madam Chairperson. Yes, when the Premier (Mr. Doer) was the Minister of Intergovernmental Affairs, he was the one that commissioned the first study which set Headingley down the path of becoming its own municipality. I think that the local council there and the staff of the Rural Municipality of Headingley should be commended for their care and control of the municipality since its inception in 1992.

Over those years, it's been, I would say, an extremely well-managed development plan and a very non-aggressive development plan, so for the minister to say there's uncontrolled development is just inaccurate. If you look at the development that has occurred in Headingley over the course of 16 years and averaged over that time, it's not that much. Continually, there are people are coming to Headingley, looking at Headingley as a wonderful, desirable place to live and are looking to be able to build homes there, and they are turned down because the people in the area do not want uncontrolled development. For the minister to say that and then blame that on the condition of the highways or try and tie the two together, it's just not accurate. So I just needed to clarify that for the record.

I know that I'm taking up more than my share of time here, so I just want a couple of more questions. I just have one question in regard to Highway 59. I know that there's been—certainly, some portions of Highway 59 have been twinned and upgraded, but I know that that highway that goes down through St. Pierre and St. Malo, it's a significantly important

stretch of highway because there's a provincial park in St. Malo. In the summertime there's a lot of highway traffic there. There's also a hospital in St. Pierre, so it's a very important stretch of highway.

I want to ask the question that, I think, the minister received a letter on, and that is, some of the people in the town of St. Pierre were looking for some traffic lights for safety reasons. Some of the intersections—I think there's four intersections in St. Pierre. I just wondered if he'd had any dialogue with the people in St. Pierre around that.

**Mr. Lemieux:** Well, I can just say, first of all, that this government is very, very proud about our record, quite frankly, with Highway 59. We're equally as proud as to what we're going to do with Highway 59. Our efforts are being concentrated more, I would say, to the north on Highway 59 and the twinning of Highway 59.

We've done some work—of course, not all of it that people would like to see on Highway 59 south. It certainly is a very busy—it's a busy highway. We understand that. It's much safer now than it was a number of years ago, now that we've twinned it, and we're pleased with that. We're concentrating more so to the north now on Highway 59. Just less than \$40 million, I think, that's being invested in 59.

I've had conversations with a number of people in St. Pierre and St. Malo with regard to the continued twinning. Also, the mayor of Niverville, who is very, very passionate about his community, is also very cognizant on how important it is to get that next phase done from Highway 210 that goes to St. Adolphe to, let's say, to Niverville corner.

I understand, and I've been advised that approximately 90 percent of the traffic to Winnipeg and from Winnipeg comes from Highway 52, the Highway 52 that goes to Steinbach. The majority of the traffic essentially comes from that intersection. I've mentioned this repeatedly to R.M.s and reeves and mayors along that section, that the challenge for any department, any government, quite frankly, is do you RTAC and twin a road, four-lane, all the way to the U.S. border?

I'm not sure what the MLA would wish to comment on that, if she thinks it should be twinned all the way to the U.S. border or not, but I know that when you are taking a look at the amount of traffic that goes from 52 to Winnipeg, or Winnipeg to 52, that's the bulk of the traffic. In years to come, that's the stretch that's going to have to be dealt with.

We are again pleased with our record with regard to twinning of highways. I believe that the challenge into the future for all governments is going to be not necessarily new highways being built, but the rehabilitation of many roads and fixing the roads that we already have. That's a huge challenge for governments across the country, not just Manitoba. We've got just under \$40 million committed to 59 over the next number of years, and 59 continues to get attention from this government which has been sorely lacking.

**Mrs. Taillieu:** Madam Chairperson, again I don't think the minister understood my question; I was asking about traffic lights in the town of St. Pierre.

Is that something that he's discussed with the town? In accordance to the letter that I know he received, will he have that discussion with the people in St. Pierre?

**Mr. Lemieux:** We have been fortunate to make announcements in that community with regard to waste water, with Minister Toews federally and spoken to Mr. Curé who is the mayor, I believe, of the community and had an opportunity to talk to him about this. They're looking at, rightfully so, safety aspects, but our department has been looking again at the warrants, if it's necessary, what to do in that particular community.

I mentioned about the amounts of money, close to \$40-million worth of money on Highway 59 primarily in the north, but we are putting over a million dollars into the southern portion from 23—I think that's the highway that goes to Morris—all the way to 52 heading north. We haven't forgotten about the southern end. We are microsurfacing or thin-lift overlays on that particular stretch, improving that stretch of road. We haven't forgotten about it but, again, a majority of the traffic I would say comes from 52.

I'm not exactly sure of the percentage but I know numbers have been thrown around: 90 percent, 80 percent. I'm not sure what the numbers are, quite frankly, on the amount of traffic but I know from Highway 52 that goes to Steinbach or to Mitchell, from that corner to Winnipeg or from Winnipeg to that corner, the bulk of the traffic does take place. I know those communities in St. Malo in the summertime, they are busy because they've got the cottages and the road is busy; there is no question about it. Whether the warrant is met with regard to traffic counts, whether they should have lights or other kinds of signage or devices to regulate traffic,

at this time I can't say because I haven't been advised by my department on what should take place.

**Mrs. Taillieu:** One final question and I believe that this falls under the Department of Infrastructure, but, if it doesn't, you'll tell me.

The women's jail in Headingley, does that fall under the Department of Infrastructure, and when is that slated to begin construction?

**Mr. Lemieux:** It does. Even though Government Services is no longer listed as part of the title of the department name, it still is Infrastructure, Transportation and Government Services. We have accommodation services; we also have government buildings and leasing and so on that take place under the Government Services' portion. That's still within Infrastructure and Transportation.

\* (16:30)

**Mrs. Taillieu:** I didn't hear an answer to the question about when the construction of the women's jail in Headingley was to begin, and that's the answer I'm seeking.

**Mr. Lemieux:** Now I understand that construction should start, weather permitting, in the summer of '09, I believe. Yes, it's part and parcel of the government services portion of MIT.

**Mr. Rick Borotsik (Brandon West):** I appreciate my opportunity to put some comments on the record, and certainly ask some very vital questions. I know I'm going to get some very honest and straightforward answers.

Before I do that, I'd just like to simply say, if the minister has promised the Member for Morris (Mrs. Taillieu) a bypass, perhaps he could continue finishing the eastern access bypass in the city of Brandon first before he offers other bypasses to other municipalities. We have, in fact, been waiting for this bypass to be completed. Actually, it goes back to Len Evans. I'm sure you recall his name on that side of the House. It goes back to him, and we still have a couple of major infrastructure projects that have to go forward for that bypass. So maybe you could look at the completion of that project before we talk about the bypass of Morris.

It was just simply a comment about the bypass, Mr. Minister.

I will get to certain other infrastructure projects that have been anticipated and identified for the city of Brandon. So we'll get away from the rural area for

a while. I was looking at the budget book, and it indicated that this coming fiscal year, 2008-2009, there will be approximately \$432 million in infrastructure projects, dollars expended. There was a breakdown there, and it was \$249 million for highways and \$172 million for the Red River Floodway. The \$172 million is going to be allocated to the floodway project—have you not seen the budget documents?

**Mr. Lemieux:** Well, let me clarify something for the MLA for Brandon West. First of all, there was no bypass promised to the MLA for Morris at all, but that is something that the community of Morris has been talking about, and there's a dispute. There are many people in the town of Morris who don't want a bypass to bypass their community. Some people want us to fix Highway 75 going right through town. Now there are large trucks going through that community. So, arguably, maybe it makes sense to bypass. But, no. No commitment has been made to bypass the community of Morris, nor has, you know—there is no plan in place or anything like that. So I just wanted to clarify that.

But, yes, we have made commitments with regard to the eastern bypass in Brandon. We've also committed to making sure that the 18th Street bridge is finished in Brandon.

The MLA is correct that an unprecedented amount of money has been put forward for infrastructure in the province of Manitoba. We're very proud of that, very proud of that record. Infrastructure, some of it, of course, is highways, some of it is bridges, some of it is also maintenance, some is airports, some is water-related capital. So there's a huge breakdown, but Manitoba is booming, and infrastructure is also booming in this province.

**Mr. Lemieux:** Well, there are two pieces to this. The MLA has heard me talk about the \$4 billion or \$400 million per year. The breakdown shows \$249 million in highway infrastructure. Yes, there is \$172 million for Manitoba floodway. They're not out of the same pot or the same fund. There are two separate funds of money. The \$400-million budget breaks down for the Transportation side. Out of the \$400 million that that comes from, there is total Preservation and Maintenance, which is \$156 million, there's Winter Roads which is \$9 million. So they're part B capital. They're all capital. But the floodway money is not coming out of the highways' pot of money. I guess that's the simplest I can make it.

**Mr. Borotsik:** Speaking of the floodway, however—*[interjection]* That's doubtful.

The floodway does show \$172 million being allocated for this fiscal year capital. That is an Infrastructure project, obviously, and all of the funding is going to come through Infrastructure, I assume. Can the minister indicate now exactly what the total amount has been expended on capital, including this fiscal year on the floodway and how much is to be anticipated and to be expended into the future? I know there's joint funding on this, but what is the total capital that is going to be required from the department?

**Mr. Lemieux:** I'll have to take that as notice, and I'll get back to the MLA.

**Mr. Borotsik:** If you would, I would really appreciate it. Just an aside to that, the Building Canada Fund, there's a pool of funds out there, infrastructure dollars that have been, actually, announced in a number of cases.

Can the minister indicate right now as to whether that program has been entered into by the Province of Manitoba, the Building Canada Fund?

**Mr. Lemieux:** Well, to quote the Premier (Mr. Doer), he's not going to sign the first document that's put under his nose. I agree with him. Yet the federal government has announced it and he's correct. They have announced, re-announced it, announced it and re-announced it a number of times. So we're really pleased that amounts of money are there for infrastructure in this country. It's been a long time coming. We're going to be pleased, as other provinces are. I believe seven out of 13 jurisdictions have signed on to the Building Canada Fund, three territories and four provinces, and four provinces out of 10 have signed on to the Building Canada Fund. Six out of the 10 provinces have not because they have various disagreements with the federal government on how that money should be spent, whether it's the criteria you put into curling rinks, arenas, sewer and water, bridges, roads, how do you want to spend that money? Various provinces have differences of opinion on how that should happen. So Manitoba is one of six provinces that have not signed on yet as far as, at least, my latest information is concerned.

I want to thank the federal government for putting together a fund that deals with infrastructure. They dealt with the municipalities, which is great. Now they have to deal with the provinces. The

federal government used to take approximately \$160 million in gas tax out of Manitoba, and they only put back \$10 million into the province. Most Manitobans say that's unacceptable. When people used to drive on Highway 75, they complained about the stretch of road on Highway 75. My response was, You know what? We're going to do the best we can. We're going to tackle it when the money is there. We made a commitment to do something about it, and we are. I-29, on the other hand, is paid 90 percent by Washington, not the state of North Dakota. Washington covers 90 percent of the cost in the state of North Dakota.

\*(16:40)

So we're pleased to see that the federal government has a fund. We're also pleased that the federal government said they would pay for half of the floodway. They made that commitment. Minister Cannon and Minister Toews were here right at The Forks over a year ago to make that announcement. We were really pleased to be there, the Premier and I, to stand beside them to make that announcement.

We have a disagreement with regard to that fund, the Building Canada Fund, on what kind of money should come out of the Building Canada Fund and what kind of monies should not, and those will be solved. Those questions we will resolve because we are willing to work with the feds, and they are willing to work with us. So we look forward to that time when we can sign off. We'll both be pleased to do so because costs are rising in infrastructure, and it's important that we get on to doing what we have to do with regard to improving our infrastructure overall. So we do have a disagreement right now with the federal government on those funds, but we continue to talk, and we'll resolve that, as our taxpayers would want us to do.

**Mr. Borotsik:** Are there infrastructure projects right now not being tendered because of the delay in the signature on the Building Canada Fund?

**Mr. Lemieux:** Well, the longer that disagreement and the issue is not resolved, it could have impacts. It may have impacts; I want to be careful. It may have impacts on costs of projects because every month that goes by, the cost of projects continue to rise. The federal government knows this as well as we do, and so we're going to work with them. We know we're going to solve this amicably because the taxpayers of Manitoba, as well as Canada, don't believe in their governments fighting with each other. Our approach

has always been to work with the federal government no matter what political stripe, and we know we're going to resolve this to the satisfaction of the federal government and ourselves.

**Mr. Borotsik:** Thank you, Mr. Minister, for those comments. Again, negotiation is a two-way street, and it seems that it would be certainly better off for Manitobans if those negotiations came to fruition so that we can in fact put infrastructure projects to tender. You're right. It's going to incur substantial costs if it's not done soon.

I would like to now switch gears, Mr. Minister, and talk about the infamous 18th Street Bridge, the one that was supposed to have construction this year, last year actually, there was supposed to be construction. A tender was put out from your department on November 29 of last year. It was extended from November 29 to December 7 of last year, and then it was pulled. It was cancelled, actually, on December 4, prior to the deadline of the tender coming due.

We had heard at that time that there were some issues with DFO. Quite frankly, DFO has come out and has indicated, with some vehemence, that it was not Department of Fisheries and Oceans that was the issue with the cancellation of that tender. Then we were told it was navigable waters, and I've talked to a number of people and it wasn't navigable waters that were causing the problems. Then we were told it was engineering problems; hydrology was the issue. In fact, it was an engineering problem perhaps that was put at the feet of your own department, Mr. Minister.

The question I have now is, when will the tender documents be put out for the next phase on that bridge, and is there expected to be construction between—should there be construction started this fall, and certainly can the hydrology and the coffer dams be constructed before next spring's flood?

**Mr. Lemieux:** I don't know if the MLA for Brandon West has a crystal ball, but I'm not sure if it's going to flood next spring. But I can tell you that this project in Brandon is something that people of the south-west can be very pleased with. Brandon is also another community, here we have another community in Manitoba that's booming, absolutely booming, and the Province, of course, has the challenges of booming communities and growing communities. Brandon is no different than many others around the province, and so we're investing about, roughly, \$25 million into those bridges.

So MIT has submitted a revised construction methodology that will reduce construction costs and, hopefully, improve efficiency. Also, the project itself will be tendered, I would say, late May; certainly, no later than July that they'll be out.

But what the MLA for Brandon West has to know is that this project will be completed, weather permitting, in 2010. He made reference himself to a flood, before it floods. Now, I haven't asked my department, what happens if it does flood? What happens if it floods next summer or the spring of '09? What happens if it floods in the spring of 2010? I mean, I'm not sure what impact this would have on construction, but every project that I talk about and every announcement I make, I preface my comment by saying, weather permitting, that we will meet these deadlines. The contract is going to be out and tendered and we are, weather permitting, hoping that by 2010 this project will be complete.

What the Member for Brandon West (Mr. Borotsik) did not mention is that we have moved another project ahead, quite frankly. It's the project of First Street and PTH No. 1A, actually. It intersects with Victoria Avenue. That particular project is going to get \$600,000 for intersection improvements and also a \$2-million overlay project that stretches the length of highway 1A, or First Street.

Now, that's Brandon getting roughly \$2.5 million or thereabouts that have been advanced for the city of Brandon, and talking to the mayor of Brandon at the announcement, he was very pleased to see that we were going to announce that money. Construction was still going to happen in the city even though the methodology had changed. That, overall, is going to improve this project in Brandon, and so, yes, Brandon is getting this project. Yes, you're getting \$25 million. In fact, you're getting \$27.5 million if you include First Street and Victoria.

So I just want to say thank you to the MLA for Brandon East for all of his hard work and the previous MLA for Brandon West for putting these projects forward and emphasizing on how important it is to a booming city that this infrastructure be done.

**Mr. Borotsik:** With all due respect, Mr. Minister, we'll trade the overlay on Victoria Avenue and First Street for a bridge. Believe me, if the minister has been to the community, he will recognize that the 18th Street bottleneck right now is not only a deterrent to that wonderful growth of my community, but it's also a hazard, a danger, a traffic

hazard. I'll ask the department if they have any data on traffic accidents at that bottleneck because I can tell you right now, it is the most dangerous intersection currently in the city of Brandon. Quite frankly, an overlay on First Street is not going to allay any of those traffic issues.

I can also say, Mr. Minister, with all due respect, it's a bridge. It's a bridge that's going over the Assiniboine River. It's not major rocket science, and not to have this department in a position, and the engineering of this department in a position, to complete that bridge on time, within a timely fashion, is, quite frankly, embarrassing to the department. I take great exception with the fact that you're now going to, you're now simply going to put over an overlay at \$600,000 and put our citizens of the city in jeopardy because you haven't got the ability to build a bridge over a river.

I should also tell you that, in Minneapolis right now, they're going to build a bridge that's probably six or eight lanes over a major waterway, and they'll have that completed before you'll put a four-lane bridge over the Assiniboine River. I find that absolutely astonishing that we don't have the engineering to do it.

I'd also like to say we're going to have a tender that's going to be put out by May or July. Why was the tender pulled in December 4? Why was that tender pulled, Mr. Minister? Why couldn't that tender have gone forward, and why couldn't we be in a position right now of having construction on that bridge?

**Mr. Lemieux:** Well, with all due respect to the MLA for Brandon West, we'll talk to the senior citizens that live at the corner of Victoria and First and see if they would like this project to go ahead. You want to talk about safety? I'll tell you, that is a good project for them. This is over and above a \$25-million investment in a two-lane bridge. So I would be willing to go anytime to those seniors on that corner of Victoria and First and see what they think about intersection improvements and also paving that road.

So what you're getting is \$2,600,000, and you're getting also a twin bridge for the Brandon community. You're getting both. You're not getting either/or.

\* (16:50)

With respect to engineering, I'm not an engineer and, with all respect to the MLA for Brandon West, neither is he. So I go by the advice I get from my

department, quite frankly, on these projects. We want to make sure we do it and we do it right. It's not a matter of let's get it done; let's slap up any wooden bridge across a river and then, okay, let's see how long it lasts. Is it going to last 10 years, 15 years? We want this bridge to last 40 years, and we want it to address the traffic concerns of Brandon.

So, with all due respect to the MLA for Brandon West, you know, when you're in Cabinet in 12 years' time when you form—16 years, then you'll have the opportunity to take a look and take advice from engineers in the department. I take exception at shots at the engineers in my department who are trying to do the best they can, and to the best of their ability, to ensure that these infrastructures are put in place in Manitoba, all over the province, not just Brandon. They've got a lot of challenges they have to deal with.

Having said that, Brandon is getting a \$25-million bridge, bridges. They're also getting 1st Street repaved for \$2 million and the intersection of Victoria and 1st Street improved for the seniors. What is wrong with that picture?

**Mr. Borotsik:** I go back to a simple question: Why was the tender cancelled on December 4?

**Mr. Lemieux:** With regard to the initial tender, I've been advised that the department had to take a serious look for the benefit of the taxpayer, saying, if we build according to the specs that they were looking at building, according to the tender they are looking at building, they felt that it wasn't going to be done right. So they decided to pull it.

Now I'm not sure, from the department, if this is done on a regular basis, or if this is just one occasion where this was done on a major project in Manitoba, but I can tell you that the idea and the advice I've received is, in order to do the bridge right, they decided to do the due diligence, the proper due diligence, and look into doing it right. That's the advice that I've received.

I have to go with what my engineers have told me. That's the advice I have received as a minister, and I'm taking my engineers in my departments' advice.

**Mr. Borotsik:** Who provided the specifications and the tender document to begin with?

**Mr. Lemieux:** First of all, the design was by a consultant, a hired consultant, to do so. In the end it all comes down to the department to determine

whether or not they either agree or they proceed with a design, and, ultimately, it's me; it's the minister.

We're saying that the due diligence that we did, we made the decision on behalf of the taxpayer, which the design may have cost the taxpayer even more for a project. We want to be on time, on budget, but, in this case, it wasn't going to be according to the time that we originally set out. We want to make sure that we're on budget, according to the project. So the department, through me, made the decision that this project will be completed in the summer of 2010. Well, if not the summer, certainly the fall of 2010, but this project is going ahead, \$25 million invested in this project.

It's moving ahead, and so what I'm trying to tell the MLA for Brandon West is that you are getting a \$25-million project as well as the other work that's being done in Brandon, also work on Highway 10 north and south. So the MLA for Brandon West may never accept the rationale, but I'm telling you the rationale that I've received from my department in order to move it ahead.

**Mr. Borotsik:** I accept the rationale, Mr. Minister. That's not a problem. I guess what I have some difficulty in accepting is that the department went out with specifications to build a bridge. They rethought the specifications. They withdrew the tender document. We are going to re-tender, which is effectively half a year later. With the delay of a year in the construction process, the specifications, I assume, and you can ask the staff, I assume the specifications that are going to go forward in this new tender document are going to be substantially different than what they were with the original tender document.

**Mr. Lemieux:** Well there has to be a difference; otherwise it wouldn't have been changed slightly. So, as I mentioned before, the methodology on revised construction that the department is looking at has changed slightly, so they're determining, by doing that, the longevity of a bridge and the structure itself will be there for many, many years to come.

It's something that we discussed not only with the mayor of Brandon but with others and to determine that we were doing the proper due diligence, not only as engineers and as an Infrastructure Department, but also on behalf of the taxpayer, to ensure if the same methodology, for example, was followed or the same design, it may have cost the taxpayer more money.

So we have an onus on us as a government to ensure that we are within budget and we're on time. This particular occasion we had to take a look at that and say, if there's some potential there of being over budget, we are not going to do it. We are going to instead move the project later by a year and ensure we get it right and build the proper structure that Brandon deserves and also live within our budget.

**Mr. Borotsik:** That's laudable, certainly, but I would also ask those same residents on Victoria Avenue and 1st Street and I would also ask the residents in the city of Brandon who are being impacted quite substantially by the bottleneck at 18th Street just how they feel about having construction delayed by over a year, Mr. Minister. So I don't think we should make that visit to the seniors home on Victoria because I don't think you'd like their answers.

A couple of things, and then I'll get off the bridge, but two issues with respect to this bridge. One of them is the specifications. As I understand it, there were some specifications that were quite onerous in the first tender, and that's why it was pulled, but I can understand that. I can understand looking at due diligence. I can understand looking at specifications. I can understand changing them.

As I understand it, one of the specifications had to deal with sulphite ions in the water that was going to be used for the concrete which could not be accommodated in the city of Brandon. Therefore, you weren't going to get any concrete. If you weren't going to get any concrete, you couldn't build the bridge. That's pretty simple, and I suspect that's why the tender was pulled in the first place. But can you tell me why your department blamed departments of Fisheries and Oceans to begin with as opposed to giving this answer which I accept? I accept the answer fully. Why did you blame departments of Fisheries and Oceans?

**Mr. Lemieux:** There wasn't blaming any department.

**Mr. Borotsik:** I'm sorry, I missed that. There wasn't any blaming of Department of Fisheries and Oceans?

**Mr. Lemieux:** No, there wasn't.

**Mr. Borotsik:** Thank you, Mr. Minister. I can pull the comments, and I'm sure that they're documented in the *Brandon Sun*. I would love to get those comments, but now is not the time to do it.

The second thing that I would like to talk about if I could, and I'm not that familiar with this, so I'm actually asking for information. It's called the IFTA. It's a requirement for fuel tax reporting. Farm vehicles and Manitoba farm trucks that go from Manitoba to Saskatchewan are required to make a report on—a fuel tax report. There are taxes that are associated with that, but it's my understanding that, in Saskatchewan coming into Manitoba, if you have a Saskatchewan plate and you're a farm truck coming into Manitoba, you don't have to file the same tax reports, the fuel tax report. It seems to be a bit of a dichotomy when, in fact, Manitoba farmers have to do it, their farm trucks that are moving into Saskatchewan have to do it, but farm trucks coming from Saskatchewan to Manitoba don't have to. Is there any type of resolve to that issue, or is there even an issue there?

\* (17:00)

**Mr. Lemieux:** I think it's the International Fuel Tax Agreement, but I'll have to take the question as notice. You might want to ask—maybe the Minister of Finance (Mr. Selinger) is probably the one better to answer this question.

**Mr. Borotsik:** From what I understand it is a regulation of the Department of Infrastructure, but I will definitely have the opportunity of talking to the Minister of Finance for any numbers of hours, so I will make sure that I bring that up to him.

Two issues that are local issues, and I do hope that the minister can shed some light on them. The minister is responsible for Government Services. As part of that, it's again accessing and putting out tender documents for the requirement for space. We have a department in Brandon, it's called the Manitoba school depository. They were and are, I understand, in the process of relocating from a facility which is on Richmond Avenue and 1st Street. Tender documents came out and I saw the tender documents and I was rather concerned, first of all, that there was a very narrow block of area within the community that the tender documents could be submitted from, and secondly, I don't know whether they've been approved yet or not, but I suspect that they are relocating somewhere else because they've been given notice at their existing location for the end of this year.

So can the minister and his department please shed light on two things: No. 1, why the restrictive tender document in the first place? Again, specifications said that it had to be a one-storey—

now, remember we're talking a school deposit, a book depository here, a library with substantial numbers of books, so the tender document did say at that time that it had to be a one-storey facility; and I wonder if they maintain those specifications going forward in the tender documents. So, are they relocating by the end of December and is it going to be a one-storey building?

**Mr. Lemieux:** Well, thank you for the question. The department of Government Services, a portion of MIT, often leases a lot of buildings, goes through a lot of different contracts, but we do work with the parent department. If it's Education, it's Culture, if it's Agriculture, we work with their specifications, and whatever specs they give us when a lease is coming up or even prior to it coming up, we work with them according to what they're looking for. My understanding, and what I've been advised is, we're going according to what they're looking for as a department.

**Mr. Borotsik:** As I understand it, the specification was for a single-storey building, and I suspect that, when the relocation takes place, you would maintain those specifications unless they were changed by the department, and I can't recall. I don't know. Unfortunately, I have no access to the documents, whether those specifications—specifications obviously do change. They change on bridges. I guess the question is, did the specifications change on this particular tendered document?

**Mr. Lemieux:** I don't know if the MLA is lobbying on behalf of some landlord that has the space or the current space. I would never want to impugn any kind of motive to your question, but I can tell you we work with many, many different departments. They give us the specs on what they're looking for. Sometimes they do change from year to year. Either expanded space they need or sometimes they need less, so we work with that. I've been advised that that's how the department has functioned under the Government Services portion that leased space for government or government departments.

**Mr. Borotsik:** I know the minister would never want to impugn my integrity because he couldn't do that; however, there was a simple question. Your department is responsible for the tendering based on specifications of a department and I appreciate that, okay? They know their use requirements better than you do. Did the specifications change is a simple question on this particular—

**An Honourable Member:** From what?

**Mr. Borotsik:** I'm asking. It was retendered; it went out. Did the specifications change?

**Mr. Lemieux:** With regard to this particular tender, initial tender went out, correct? It did go out; it came back very expensive. We went back to the department and said, do you need this space? This is what it's at. The client made the determination that they could live with less space and they're saying, we can use less space. We can do what we need to do with less space because the square footage that we're being offered is way too high. Then a retender went out, according to the reduced space that was needed.

To continue, my department advises me that what they did is they went out and they negotiated. Quite frankly, they negotiated. If it's under a certain amount, they can renegotiate and they did.

**Mr. Borotsik:** Renegotiate and negotiate, there are two terms here. Did you go out and negotiate outside of a tender document? Was it a negotiated deal that wasn't, in fact, tendered?

**Mr. Lemieux:** The bottom line is this. The client said, we don't need as much space as what was tendered out; we can use less space and do what we need to do with less because what came back was so expensive. The client said, we don't need to have all this space and we don't need to pay that kind of amount for the space. What was determined is that it was too high. So they went and there was a negotiation that took place, and they ended up with lesser space, as I understand it.

**Mr. Borotsik:** I take it that's the final answer, or do the staff have some other comments that they would like to make through the minister?

\* (17:10)

**Mr. Lemieux:** Just on clarification that I've received from the department is that the threshold is 10,000 square feet. If a department or an agency needs more than 10,000 square feet, you can tender it out; you can put it out. If it's determined that they need less than 10,000 square feet, they can negotiate and work with the landlords that are in a region or area to determine space. That's what happened in this particular case. Because it was over 10,000 initially, it went out, but then the department said, look it, we've got, you know, you have new staff, new people, saying we can live with less. This is far too much space that you're tendering out for. We don't need that much space. It's a huge amount of money. So, because it was less, the department then talked to the landlords, in fact, even the landlord probably that

had this particular building was part of that. As I understand it, the explanation from my officials to me, is this is exactly what happened in this particular space.

**Mr. Borotsik:** I appreciate the fact that the minister doesn't know the intricacies of this particular transaction. Your answers are very good, and certainly the 10,000-square-foot threshold, I wasn't aware that that was policy of the department, that anything under 10,000 does not have to be tendered, anything under 10,000 can in fact be a negotiated price with any landlord at that time.

The last question on this area, and I promise I won't bother you again: Do you, in fact, tender out space that's less than 10,000 or do you simply negotiate through your department? Do they negotiate all lease arrangements that are under 10,000?

**Mr. Lemieux:** I've been advised that under 10,000 square feet the department will negotiate. They'll speak to every landlord in a particular region or area, and they'll generally negotiate as opposed to putting out a tender for that larger—at that particular threshold. That has been the consistent approach that they've used so this is no different than what they normally would do.

**Mr. Borotsik:** Thank you for those comments. I appreciate them. I do have one other issue that the minister and I are working on, and I know I've skimmed the letter with respect to an aggregate lease up in The Pas. I do have a response, and I do know I've given the minister the letter. I do know that his staff, and certainly the deputy minister, is well aware of it and I know he'll get back to me after that. Thank you very much.

**Mr. Lemieux:** Yes, just to confirm, thank you, I did receive the letter from the MLA for Brandon West, and I provided that to my department. They're looking into it to determine—it's dealing with granular material up north and I do appreciate the heads up from the MLA and the department is looking into this right now. Thank you.

**Mrs. Leanne Rowat (Minnedosa):** My question is regarding Highway 355, the intersection and associated works that Minnedosa has been looking at. I believe the mayor has sent a letter to the minister asking for a commitment of funds to the safety improvements required on 355, Highway 10. That would be the entrance road to the industrial

park area, more specifically to the Husky plant entrance.

Just wanting to know if the minister's department has had a chance to look at that request. I know it's been before him in the past, and I do believe that the community has made it a very significant priority and safety infrastructure in their community.

**Mr. Lemieux:** I thank the MLA for the question, and I've repeated about the \$4-billion commitment we've made to infrastructure with regard to our highways and transportation, and out of that there's over a \$60-million commitment to Highway 10, I guess both north and south of the city of Brandon. The department has certainly been looking at the stretch north of Brandon, that includes going up to Minnedosa. There's been a lot of discussion as to should that highway be similar to the stretch between Minnedosa and Neepawa or in Neepawa and Minnedosa, with passing lanes shaving off the hills and valleys to make sure that the line of sight is much better. There has been a lot of discussion about what to do with that particular stretch. There has been no confirmed action as of yet; I can certainly state that that commitment that we made for over \$60 million for Highway 10 is definitely still there. We're certainly aware of that particular stretch of road. The department has been approached, as I understand it, by people, or possibly even elected officials from the area to discuss what solutions may be arrived at.

I'll have an opportunity to just speak to my staff for a couple of minutes, maybe while another question comes forward, just to determine if any action is going to take place this summer.

**Mrs. Rowat:** I believe this is a very significant issue. It has been before the Department of Infrastructure for some time. I believe the mayor has indicated in his correspondence, as well as to personnel within the department, that there is a very unsafe intersection. Trucks coming into the community, both from the north and south, are put in a very serious situation, should they have to brake quickly. They are very concerned that a life will be lost at that intersection.

I know the minister has, on several occasions I've heard him repeat that safety is paramount. I think that I'm giving him the opportunity to appreciate and comment on the significance of having the intersection and associated works considered sooner rather than later, especially with the amount of traffic

that's going to be coming down that hill and into the community.

**Mr. Lemieux:** I don't want to leave the MLA for Minnedosa with the impression that nothing is being done. We are certainly looking at it. The department has looked at doing some land acquisition for right of way, as well as design work. That's slated for this coming summer, as I understand it.

This project is not a small project. Looking at realignment and trying to get it away from the bridge is about a \$4-million price tag, approximately \$4 million. So it's not small. Yet I understand where she is coming from. You can't put a price tag on safety. I understand that. But we do, of course, need to do due diligence from our side to determine what is the best plan to make sure this is safe, the 355-10 intersection. The department is certainly well aware of this particular stretch. We have had many conversations with people giving suggestions as to what should be done.

Again, it's an over-\$4-million price tag for the fix. Yet, right now, what we have in place is the land acquisition for right of way and design work for this particular project.

**Mrs. Rowat:** Highway 340 and the bridge in Wawanesa, last Estimates I brought up the issue, and it hasn't gone away; 340 is still waiting to be paved.

It was interesting, in my visits recently to Shilo, meeting with the base commander and others, this is a topic that comes up every time we are in the community of Shilo and every time we are in the community of Wawanesa. It seems to be intensifying in discussion with ag producers along that highway, potato producers, who are very concerned that that road, that stretch of highway, is being overlooked by this government.

I guess the question I ask is, in the last Estimates I had indicated that there had seemed to have been some negotiation or offer put to the community of Wawanesa and, I believe, the R.M. of Oakland that, if the community would take over the bridge in Wawanesa, the maintenance ownership, I believe, they would consider paving 340. I guess I was a little concerned that there would be a give and take. If this is a project that they would consider paving then they should just pave it, instead of being negotiators of another infrastructure piece within their area.

So, if the minister could just comment on that, please.

\* (17:20)

**Mr. Lemieux:** Let me just say, first of all, the mayor of Wawanesa, when we did the fix on Highway 2 bridge, we really did appreciate the co-operation we received from the community. I know there is a heritage bridge there, and they were—at least I think I'm talking about the same bridge—through negotiations, looking at, if they took over that bridge, would the department contemplate doing some asphalt work on 340, I think it is. That didn't come to fruition at all. My understanding is that there are still discussions going on with regard to what approach to take. Nothing came of the negotiations in talking about what to do with the heritage bridge as well the asphalt work on 340.

**Mrs. Rowat:** I'll leave that for now. I will come back to that probably through other venues; maybe just on the side, talking to the minister on that.

Regarding signage on provincial highways. As he's aware, I have several provincial parks that are looking for proper signage in their community to access the provincial park at Rivers, as well as the Criddle-Vane Provincial Park off of 340. I know that the communities that are wanting signage for both of these provincial parks have been flip-flopped back and forth between Conservation and Highways.

So I'm going to start with you and then I'll probably bring it up again with Conservation. But if you could just give to me the status of your department's involvement in this, and I'm looking for some good news for my communities for some signage for those parks.

**Mr. Lemieux:** First of all, let me just say that the tourism aspect with regard to parks is very important for smaller communities, all communities, quite frankly. Signage, of course, if no one knows a park is there, how are they going to stop. The rationale is they need to be able to know something is there.

The policy of the department, I don't know it. I can get back to the MLA with regard to this. I can't help you with the good-news story as of yet, but I can find out what the policy is with regard to signage. I know different signage, I know we've worked with some communities with regard to signage, but they've had to pay. I should just find out what exactly the policy is first and let her know.

But to just get back, quickly, the answer from the previous question. It was over a million dollars to fix that Highway 2 bridge. The fix of the bridge, not the heritage bridge, but the other bridge that needed

to be fixed for the detour. It was over a million dollars to fix that.

But I will find out. I'll endeavour to find what the policy is with regard to signage.

**Mrs. Rowat:** Sorry, if the minister could also include the Star Attraction signage for the Reptile Gardens, as well, to be included. Not the Reptile Gardens, they're still waiting for Star Attraction status, but for the other Star Attraction for the Military Museum and the status on that, as well.

**Mr. Lemieux:** Yes, I'll look into that to find out with regard to the status. As I said, I'm not sure if it's my department or the Department of Culture, Heritage and Tourism or the Department of Conservation, who plays a role with regard to the signage for some of these sites.

**Mrs. Rowat:** When I was in Conservation last time, the minister had indicated that I should speak to you. So I'm going to keep flipping back and forth until I get a good-news story.

Regarding winter roads. I would like to ask the minister if he's had a chance to look at the First Nations winter road construction corporation proposal that was put forward by MKO.

**Mr. Lemieux:** First of all, let me just say that this is really a huge success story, because in 1999 we spent about \$1.8 million on winter roads and now we're spending close to \$9 million, I believe, just about 9. A huge success story with regard to winter roads. Of course, connecting all these remote and isolated communities is truly, very important to us, as a government. Many of the roads on the east side and throughout the north already exist. These roads are in place, and they are winter roads. The dilemma, of course, is crossing the ice or crossing rivers. So we've taken approximately 25 percent of those roads that used to cross rivers and lakes and streams, we've taken them off the ice and ensured that it would be much safer being off the ice. So I think it's a huge success story and what we've been able to do for a lot of these remote and isolated communities.

With regard to the specific document, I don't believe I've read this proposal. I mean, I can stand corrected, but I don't believe I've read this proposal, and I'm not sure when this would have come in or when this arrived.

**Mrs. Rowat:** Madam Chair, this document, the First Nations winter road construction corporation proposal was presented both to the federal and

provincial governments a while back. I know that MKO is very interested in getting feedback from this minister, considering 16 of the 30 MKO communities have winter roads, so there is a significant need for some attention to this.

The community is wanting to know how contracts are being awarded for these types of roads, and I believe that their proposal that they put forward would include a winter road co-ordinator, and I think that they do deserve this minister's attention to the issue. They have told me that they do believe that this proposal has been ignored, and they have also indicated that they've tried for several years now to have a meeting government to government or minister to Grand Chief on this issue and that they have been not successful in having a meeting scheduled. They have indicated that they've requested meetings but have gotten nowhere.

Can the minister indicate to me the last time that he has met with the MKO regarding issues such as this?

**Mr. Lemieux:** Well, I'm always pleased to meet with the good doctor, Sydney Garrioch and other Grand Chiefs and chiefs from northern Manitoba, but I'm really pleased to hear the opposition taking an interest in northern Manitoba. It's really heartening to hear this. This is not a shot at the MLA for Minnedosa (Mrs. Rowat). I mean, I sincerely mean this, that northern Manitoba does deserve our attention. I believe the future of this province in years to come will be the Port of Churchill, would be diamond mines and all the minerals that we're going to be getting in northern Manitoba. I think Manitoba will be much stronger for the attention we pay to northern Manitoba.

The reference that the MLA made to a document and so on, it was called something different. I know exactly what she's referring to. And this proposal was made. It was called—I can't remember the terminology that was used at the time, but I do exactly recall what their proposal is. MKO would like a cheque. They would like us to write a cheque to them and they'll take care of all the roads in northern Manitoba. Well, I mentioned to the honourable Grand Chief, that no, that wasn't on at that particular time. Currently, most of the First Nations communities get the majority of that \$9 million that's being put into winter roads. They actually do the construction. They're obtaining training as a result of the winter roads, and it creates a lot of—not economic development necessarily but

the training that needs to go with road work and so on. Sometimes they use another contractor to assist them and help them with the roads, but those dollars are going right to First Nations communities right now, individual First Nations communities that we work with and we negotiate with to ensure that these winter roads are done.

So, at the time I mentioned to Dr. Garrioch, respectfully, no, your proposal is not acceptable as it stands now, but we'll continue to talk and we'll continue to discuss this. It was a number of months ago. I can't remember the exact date that we had this discussion, but I was being forthright with him and telling him that I didn't want to hold out any hope for him to say that somehow the government would just sign a cheque and give him \$9 million and say, you do all the roads. The First Nations communities that we talk to and negotiate with on an individual basis feel that it's very important that it continue that way, as I understand it. So the process is working right now, and we continue to take more of those winter roads off of ice and off of rivers and lakes. It's a huge success story, but I do recall the proposal that Dr. Garrioch had raised.

\* (17:30)

**Mrs. Rowat:** Madam Chair, I am offended that the minister would indicate that we've taken an interest in northern Manitoba. I take my critic role very seriously, and I believe so does our leader take northern affairs very seriously and the issues that the communities are facing in the north. So I do take exception to this, and I do believe that MKO should have been given the benefit of having a meeting regarding this issue.

I do believe that, while I am hearing and believe the Grand Chief when he says that he has not been able to have a meeting with you regarding this issue and their proposal, I will go back to the Grand Chief and share your comments, and we'll go from there.

I guess my final question is, there's a report on the road to Nunavut. I'd like to know if the minister would be willing to file that final report with the committee here. I guess my concern with that proposal is that the route does not pass through the populated communities, such as Lynn Lake and Leaf Rapids. I'm quite concerned that a number of things, firstly that the status of the study has not been shared with Manitobans or with the Legislature. I'm also concerned, based on the answer to the last question, about the sort of consultation that has taken place

with the northern communities and just want to put on the record that I'm very concerned on how the economic benefits of an infrastructure connection for northern communities was examined, if communities like Leaf Rapids and Lynn Lake are not being included in this road proposal.

**Mr. Lemieux:** Let me go back two steps. First of all, let me just comment quickly. As I mentioned, I am not taking a personal shot at the MLA for Minnedosa (Mrs. Rowat) with regard to the north, but the record is clear and the facts are clear that her leader during the election campaign less than a year ago stated that, when he was asked by the media, where are you going to get the money for highways? Well, I'll take the money out of northern Manitoba.

Secondly, having said that, how does that show someone is standing up and showing leadership for the north if you're going to take money out of highways for southern Manitoba? That's the only point I was trying to make. Now, if people have seen the light and realized it was a mistake, I'm glad to hear you admit it because—

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

**Madam Chairperson:** Excuse me, order.

**Mr. Lemieux:** —I met with Sidney Garrioch on numerous occasions. How would I know about his proposal if I didn't meet with him? He raised it with me and I'm telling the MLA for Minnedosa I told him, no, that is not on. I'm not signing you a cheque for \$9 million and you can go and then you're going to be responsible for building all the winter roads in Manitoba. Today that wasn't on, and that's exactly what I told him at the time.

So, respectfully, we have met with Dr. Garrioch, the MKO Grand Chief, and will continue to meet with him. Maybe there's a request recently that came in that I'm not aware of, that he's looking for another meeting. We are open to meetings. We meet all the time with regard to, in fact, we had 80 meetings with east-side communities on taking a look at economic development on the east side of the province. We continue to talk to First Nations communities, and we're pleased to do so.

The Member for Minnedosa (Mrs. Rowat) will hear me mention in question period often about the comments that were made during the election campaign, about taking money out of northern Manitoba. I believe them to be true. I understand that it happened, and it was regrettable.

Let me just say that, with regard to the question to Nunavut road report, first of all, this was an initiative taken between the federal government, the provincial government and the Kivalliq Region of Nunavut to determine, to take a look at possible routes, if a road were ever to go beyond Thompson, for example, or Gillam or Flin Flon. Where would be the best location for a road in northern Manitoba? We believe, again, the Golden Boy points north. Well, north is where a lot of the action is going to be in years to come, whether it's diamond mines, whether it's uranium, whether it's the Port of Churchill with the interaction with Russia. We and other countries around the world know that the north has a tremendous future for it.

This study was prepared for the Kivalliq Inuit Association, and it was cost-shared, as I mentioned before. I think actually it's on the Web site. There is a Web site that actually lays out the—I'm sorry, I don't have that at my fingertips—I think the Web site lays out the different options they looked at, and now they're looking at the selection route. The route they selected was north of Gillam, I believe, going up to just west of Churchill and then going up into Nunavut and having to put another road off that Nunavut road to join up with Churchill. That was a decision that was made from an independent body as a recommendation to government.

Now, the price tag is huge to do a road a like this and the province of Manitoba could obviously not do it alone nor could the Territory of Nunavut. We're looking at over a billion dollars, closer probably to \$1.2 billion, to build a road like that. So huge amounts of money. The payback may be great in years to come. No decision has been made on—we accept the report or respecting the consultant's recommendation on the route selection. Anytime you come up with something like this, someone is going to be left out. There are many in the north that feel, whether they're in Lac Brochet or Brochet or Tadoule Lake, feel left out because the road is not up on the west side of the province.

Anyway, I believe it's on the Web site. I understand that the Web site is available and I can get that for the MLA.

**Madam Chairperson:** Honourable Member for Ste. Rose, but just before I do, I just ask members if they do have conversations they want to have, there's space at the back. It's just getting a little harder to hear the member who's responding.

**Mr. Briese:** I'll try and keep mine fairly brief. I know there was a pilot project that ran this spring from the middle of February, I believe, till the end of March with highways—inspections on certain highways in the province for 24 hours a day. I could probably name the highways, but I expect you know—I'd like to know what the cost of that program was and I'd like to know what the rationale was of using the \$250,000 snowplough trucks to run those inspections. I had a lot of feedback in my constituency on this very issue. The one truck was running from Newdale to Gladstone on perfectly clear, bare highway and you knew nothing was going to happen weather-wise, so I think it could have been run with a half-ton and they have got half-tons.

**Mr. Lemieux:** Just quickly before I answer this particular question, just to conclude what the previous question from the MLA for Minnedosa (Mrs. Rowat): With respect to winter roads and the proposal by Dr. Garrioch, my answer to the MLA was pointing out that, instead of writing a \$9 million check to Dr. Garrioch and handing it to him, we're working with individual First Nations, individual nations, government to government, in negotiating winter road projects. This is not to take away anything from Dr. Garrioch, but the system is working well working with individual First Nations, providing them the money directly so they can use the money how they see fit and having them become course-certified in a way that they will be able build these roads in a safe manner.

If they are not course-certified, then they have to look elsewhere to hire a contractor to build their winter roads. So, with all respect to the MLA for Minnedosa and to Dr. Garrioch, we are working with individual First Nations, individual nations in order to build their winter roads. This has been a long practice and, as I mentioned to Dr. Garrioch, this will continue as of that date of our meeting. We're open to meeting with him. If he's got other suggestions, other recommendations, we'd be pleased to hear it.

With regard to snow or taking a look at the status of a road or what state it is, we use all kinds of equipment, all kinds of different vehicles to monitor our roads. If one were to look out the window right now, you would see that it looks quite nice, but it may not be in that same situation in about six hours. It could change, and especially during the wintertime. You never know what is necessarily going to happen, but I just want to say to the MLA for Ste. Rose (Mr. Briese), we use different vehicles to monitor it.

\* (17:40)

Now, if this is a case, if this is ongoing, I would certainly be pleased to hear more about it because I know the point he's trying to make. Why would you use a huge piece of equipment just to go on dry pavement if that's all—you know, and you're supposed to be just monitoring the road, and there needs to be no snow banks removed, or anything like that?

But I do appreciate his comment, and also, essentially, his recommendation is what he's making. He's saying use a different type of vehicle to have these roads patrolled, and I thank him for that.

**Mr. Briese:** I am told, on fairly good authority, that there's probably only about 20 to 25 events a year that require the large equipment out there. I'm also told that some of those plough trucks, and this may be somewhat anecdotal, but had probably well over about 70 or 80 percent of their kilometres put on them not actually doing any actual spreading or ploughing. I think that is quite a waste. Those are fuel burners, those, so.

I'll move to a different question?

**Mr. Lemieux:** Well, I was just going to say thank you very much. I thank the MLA for Ste. Rose for allowing me just to conclude my comment maybe on that one. He's going to move to a different question.

A lot of these trucks, sometimes the big trucks go out because they carry salt and they carry sand as well, you know, just in case. If they do spot, if somebody has notified them by phone call, or whatever means, that there's a stretch that may be dangerous because of icing, sometimes the truck goes out. This is not to—

**An Honourable Member:** This wasn't the case.

**Mr. Lemieux:** Yes. As the MLA pointed out, this wasn't the case, but I thank him for that.

This is something that we always try to improve. We're always trying to improve what we're doing. If this suggestion helps in any way, I do appreciate it.

**Mr. Briese:** I understand some of my constituency pretty well falls into the northern area, too, and I know there was a little discussion here a while ago, but you've heard me reading some petitions in the House pertaining to the Crane River road, Highway 481. I have got most of my feedback on poor roads from the very north end of my constituency. Crane River is a PR; the other two are market roads. The one is the one that runs east of

Rorketon. The other one is the Birdinia road, which runs north just before you get to Alonsa.

I get constant, constant feedback on those roads. They're wearing out two sets of tires a year on their cars going out there. The Birdinia road, the water ran over near the north end of it until close to the end of June last year. This is when people are trying to—and it's a market road. It's half-shared by the Province and half-shared by the municipality. They can't move their livestock. They can't move anything because the water's still running over the road in the middle of summer, literally.

I don't know whether it's a highways office that's maybe not got the equipment, or may be not as diligent about looking after the roads, or whether these roads all really do need upgrade. I would ask what your plans are on those particular roads.

**Mr. Lemieux:** Just a quick comment with regard to market roads. Market roads are—we do help out with market roads, but to a certain limit. It's not 50-50 on anything. It's 50-50 to a certain amount. If R.M.s, for example, want to go ahead and they want to spend more, essentially, you know, that's a choice they make to invest more money. We will help them out to a certain point, but that would be it.

This particular road we're talking about, especially near Crane River close to the lake, I've been advised by staff who have been there just recently that the impact of their location, their geography, is not great for a road like that because it does take a beating. Spring times can be really rough, or even when there's rain. I think it's Mayor Morrisseau, Alfred Morrisseau. Mayor Morrisseau, I've had the chance to talk to him personally about this. He's a very passionate leader for his community. He is one, probably, the MLA for Ste. Rose has also talked to. He feels very strongly about his community, but, also, I believe, it's a Métis community next to a First Nations community, and they try to work together as well on snow ploughing and a lot of challenges they have. But this is just to let you know that I am familiar with the area and I know the people involved.

Again, the member mentioned about how his community is a northern community or close to it. I was under the impression that his leader meant north of No. 1 somehow. Everything north of No. 1, that's where the money would come from, and would go to everything south of No. 1. I'm not sure exactly where his boundary is, but having said that, I understand he sees the error of his ways, and you know what?

Everyone can make a mistake, and I understand that and I know he has. You know, I appreciate that very much, but let me just say that this particular road that the MLA for Ste. Rose is talking about is a road that is challenging. I have to be frank with him.

We are trying to find a solution. We're looking at do we apply more granular material. My engineers have been on that road just recently, and we're trying to find a fix. We haven't found it yet and, you know, our traffic counts are showing—at least the last one I think that I saw is not that great. There's not a lot of vehicles, but I understand the MLA's concern. You're talking about fire trucks, safety vehicles, ambulances that travel on that road, and you want to ensure that they have the ability to go back and forth without any hindrance. So I thank the MLA for that, and I hope he is going to also mention about Highway 68 and all the great work we've done in his constituency.

**Mr. Briese:** As a matter of fact, I'm not.

There are two ways on the Crane River Road on 481. It would be very helpful if even one end was improved. One end is considerably longer than the other. I believe it's about 30 kilometres one way and maybe 15 the other or something like that, but the First Nations, by the way, Crane River First Nations, have a grader. They've suggested that maybe they could do some custom work for the highways department and help maintain this road, and they've been turned down on that, too, at the last I'd heard on it. When you talk about north of No. 1 or whatever, I think I'm caught in no man's land, whatever you're calling north. I just wanted to raise the issue and I wanted to get your response on it.

There's one more small issue I would like to raise, if I may? That's on an interesting one to me.

I have a resident in my constituency that just purchased a 3,500 series truck, which is basically a one-ton truck, to pull their fifth wheel trailer, and they had a 2,500 truck on it before which wasn't quite heavy enough to handle the size of trailer they got, and they found out it has to be safetied every year, and I wondered why. I can see the safety needs on stuff that's on the road an awful lot, but these are vehicles that you wouldn't put very many miles on, and I'm wondering why the pleasure vehicles, or whatever you want to classify them as, wouldn't be exempt from those safeties.

**Mr. Lemieux:** Yes. The staff I have with me, just to let the MLA for Ste. Rose know, they're just looking

into this right now, so I can maybe give you a response.

Let me just say to him, respectfully, I made light of what his leader and the comments he made in the election. I want to be respectful to him because I know he's doing a hard job and he's working very hard for his constituents, and it was not meant to be disrespectful to him. Hopefully, he hasn't taken any slight to that. If he has, let me just say I apologize to him directly now because he's an honourable person, and I know he's working hard on behalf of his constituents. This was a shot at your leader. Your leader is not here to defend himself, and so I will wait for another time to take a shot at him.

\* (17:50)

Anyway, just to answer the question. Maybe we can talk privately afterwards? Just to get more details about this because it's a legitimate point that you raise, but we just need a little bit more detail to find out about the inspection.

**Mr. Briese:** I can see it where it pertains to Purolator trucks or things like that that are pounding the road all day. That's a different situation. Thank you.

**Mr. Kevin Lamoureux (Inkster):** Last year I posed the question in regard to Inkster Boulevard between Route 90 and the Perimeter. There's a just-under \$70-million commitment to make this thing happen. Madam Chair, 33 million-plus is coming from the Province. Last year when I posed the question, the minister had indicated that they were in the midst of planning and the designs. I would wonder if the minister can indicate when we can anticipate the shovel going in at this time.

**Mr. Lemieux:** Well, the MLA is correct. Manitoba has received just over \$33 million from the Asia-Pacific Gateway and Corridor initiatives. I should also say that Minister Emerson, the federal minister—I want to take this opportunity to thank him for the federal contribution. There's a couple of areas that we're looking at related to the Asia-Pacific. We believe we have more to offer and certainly more to receive in partnership from the feds, but the over \$33 million we're receiving from the Asia-Pacific Gateway is going to go a long way in twinning that PR 221, or Inkster Boulevard, to Brookside Boulevard.

There's also going to be a huge interchange at the Perimeter, and people are working on that too, a cloverleaf at the Perimeter, the west Perimeter. As far as I know, there's no design. It hasn't been

designed yet and it hasn't been completed. There are different alternatives that people are looking at, and, if I might expand— and I ask the patience of the MLA, just to explain a little bit. We're looking at an inland port; inland port looking at rail, trucking, and air. We're looking at possibly using it, looking around the airport. Inkster plays an important role in this, in that movement of traffic of trucks. So what we're trying to do here is to ensure that, in consultation with the business community, that we're going to ensure—whatever infrastructure we build there is going to ensure that it has the best, the most advantageous to business and to the airport and to the investors that are going to look at investing in the inland port.

So the MLA is correct. We received a lot of money and we are certainly working with our feds and our counterparts to move this project ahead.

**Mr. Lamoureux:** Given that it is a priority for the Province, can the minister give an indication as to when, at the latest time, that we would see this project under way?

**Mr. Lemieux:** First of all, we're going to take a look at—well, working, certainly, with consultants, our consultants, to commence the design. We have to do a design; once the design takes place, you need to put that in place in order for construction to take place. Probably the earliest I would say would be the spring or summer of 2010, would probably be the earliest, because right now we're also in negotiations with consultants to commence, so I'm just trying to think realistically. We're in the summer of '08 right now. As we get closer—I mean, I can give the MLA more accurate dates and times, but I'm saying, just off the top of my head, I can tell you that it looks like it's probably the spring or summer of 2010 when you would look at construction commencing. We're doing all the up-front work first and that takes a lot of time.

**Mr. Lamoureux:** Madam Chair, I would express to the minister, given the importance of that particular corridor to the entire province and economic activity, that it does deserve more attention and it's not the area that's inside my constituency, I must say. It's in a neighbouring constituency, but it does merit additional attention because of the economics and what it is that we're trying to achieve and the fact that we have 50-percent funding from Ottawa.

My following question would be: There's the portion which is in my area which comes from Brookside to Keewatin. Last year, I had raised it. I

was hoping to have some discussions myself personally with the City and must admit that I have not had that, but the question I have is: Has the department talked to the City in regard to Keewatin and Route 90 and the twinning of that road?

**Mr. Lemieux:** Well, let me just make a comment with regard to the MLA—you know, the reference about paying some needed attention to it. Sixty-eight million is pretty good attention, and the feds are giving us \$33 million, so it's not a 50-50 split. This is a project \$68 million and probably will be closer to \$70 million when complete. The feds are only giving us 33, so it's not 50-50. We're putting in the lion's share of this project, but we are paying attention to it. We know it deserves the attention, not only for safety reasons, quite frankly, with the trucks, but for economic development, for economic reasons, as I mentioned before about the inland port and the trucking industry that's located around Brookside and that whole area of the city.

With regard to conversations with the City, when we made our proposal to the Asia-Pacific Gateway fund, the City was part and parcel of many of our discussions because, as you've rightly pointed out, there's an extra piece of that road that is City road. Essentially, the agreement was we're taking of what is provincial road or provincial highway, and I'm not sure if in their long-term plan the City's addressing their portion, but I think, overall, when the discussions start to take place with regard to the Asia-Pacific Gateway, improving that artery for the inland port, I believe the City is going to address it. I can't speak for the City, but I know that many discussions have taken place with the City with regard to their portion, but also the feds are putting in \$33 million. We're pleased to get that portion out of the Asia-Pacific Gateway. We're also getting another healthy sum of money. I noticed that the MLA for Portage la Prairie (Mr. Faurichou) is here. There is the cloverleaf or interchange by Highway 16 and No. 1. That's also part of the Asia-Pacific Gateway monies. So we are pleased that we are getting some money out of that Asia-Pacific Gateway fund.

**Mr. Lamoureux:** Madam Chairperson, I guess, finally on this point, I would emphasize how important it is that, between the provincial department and the City of Winnipeg, there be some discussion to ensure that the twinning right from Keewatin go all the way to the Perimeter because of the traffic flow, and you will find that to do one without the other we would be really doing a disservice, not only from an economic point of view

but, as the minister's pointed out, in terms of safety. A good portion of that road I do travel on quite a bit and I can tell you, during rush hour, it is very scary with the number of trucks that are pulling in, in close cases that are there every day. About 15,000-plus vehicles, 2,000 a day, plus 2,000 trucks, there's a lot of traffic on that area. You even have an elementary school, Stanley Knowles, which is right at one of the prime corners of it, so there is a real need to see the City and the Province working together, given the very nature of Inkster Boulevard.

Having said that, my last question to the minister is in regard to the floodway. When the floodway was originally proposed, we were told that it was a one in 700-year project. I'm wondering if the minister can clearly indicate what is the years today. Is it still a one in 700-year project? Thank you.

**Mr. Lemieux:** Yes, well, first of all, let me go back to Inkster, as we call it, or 221, just to complete the answer.

Our proposal to the Asia-Pacific Gateway was to complete the whole piece, including the City piece. The feds told us no, we were just going to cost-share, and in fact they didn't pay half. It's \$33 million out of 68 of just the provincial portion and that's how their criteria—that's what they looked at. I just want to tell you that we looked at—we wanted to cost-share the whole works, including the City piece, but we were told no, that wouldn't be accepted. It's part of the Asia-Pacific piece. *[interjection]*

\* (18:00)

Yes. So I just wanted, you know, to acknowledge what the MLA is saying. It's correct. We feel that the whole piece is important.

Let me just say that another piece to the Asia-Pacific is that project by Portage la Prairie is a \$50-million project. The feds, out of the Asia-Pacific Gateway, are only putting in \$21 million, \$21 million out of a \$50-million project. So the Province of Manitoba is really stepping up to do our part—big projects, a lot of money. So we are pleased to do it; we're pleased to invest. But it certainly is far from 50-50, that's for sure. *[interjection]*

Yes, the floodway, right now I've been advised it's at 1-in-300-year flood level. That was the announcement we made last fall, I believe it was, that's where they were at. They've been progressing through the winter. It has to be greater than that. I don't have the exact protection that we're at now, but it has progressed and moved forward. In the very

near future, we'll be able to state where we're at. But, I know the goal is 1-in-700, and that's what we're going to do, on time, on budget, and it'll be 1-in-700.

**Madam Chairperson:** The hour being 6 p.m., committee rise.

### AGRICULTURE, FOOD AND RURAL INITIATIVES

\* (14:50)

**Mr. Chairperson (Rob Altemeyer):** Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of the Estimates for the Department of Agriculture, Food and Rural Initiatives.

As has been previously agreed, questioning for this department will proceed in a global manner, and the floor is now open for questions.

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Before we get to the questions, Mr. Chairman, there was a question yesterday on how many untendered contracts over \$25,000 that the department entered into in '06-07 and '07-08. There were four untendered contracts over \$25,000.

The first untendered contract was for the rental of audio-visual equipment for the forum in Brandon which is known as Capturing Opportunities. This was a sole-supplier contract with a local company residing in Brandon.

The second untendered contract was for a facility rental at the Keystone Centre for the forum in Brandon. There was a sole supplier, one contract.

The third untendered contract was MAFRI's contribution to the production of a *Great Tastes of Manitoba* television show that involves the industries, and it was the show that, if the member will remember, Judy Storey, who was with my department, was responsible for.

The fourth untendered contract was for video-conferencing equipment purchased for the Canada-Manitoba Business Service Centre. The purchase was made in conjunction with CTT for a joint project for small business.

**Mr. Ralph Eichler (Lakeside):** The first one that you talked about, the audio-visual rental for the video that was made, what was the amount of that contract, and has there been any feedback to your department as a result of that video on its usefulness?

**Ms. Wowchuk:** It's for audio-visual equipment and that is for all the audio-visual equipment that we need to carry on the conference. That was \$44,000.

**Mr. Eichler:** Just another question on the last one, the video for the Business Service Centre. What was that total tender amount, and has there been any follow-up on that video that was developed?

**Ms. Wowchuk:** That was video-conferencing equipment. Again, there was no video made. It was conference equipment that was purchased for the Canada-Manitoba Business Service Centre and that was done in conjunction with CTT. Our portion of that was \$25,500.

**Mr. Eichler:** So what percentage of the amount? How many departments went together at \$25,000 each?

**Ms. Wowchuk:** There were three partners in this project. Our portion was \$25,500. I see the Minister of CTT is at the table and I'm sure when you get to his Estimates, he can share the amount that he put in. There was also a portion put in by the Canada-Manitoba Business Service Centre. The equipment that was purchased is shared between seven different offices.

\* (15:00)

**Mr. Eichler:** I thank the minister and her staff for the information on those tendered projects. Certainly, it is very interesting to see where a large amount of our money that goes is tendered out.

I do want to move back to the figures that we've been using for income stabilization as far as the CAIS program. When we look back at 2006-07 and we look back at 2007-08, and in the budget for this year, and, of course, I know the department has been bombarded by requests and different organizations asking for increases there. In 2006-07 we had an estimate of \$48,905, the following year of \$51,405, and this year we have, in the two new programs, \$51,514. I did a Freedom of Information. I didn't have a chance to get it together, but my understanding is we've spent substantially more than that over the past number of years. I believe that we need to be having a look at that particular line and try and get a better understanding of why that particular department has been underfunded when it comes to the payouts as far as CAIS.

I know that before the CAIS program came out, we didn't have a true figure, but we certainly have patterns that we can follow rather than putting that

restraint on other departments having to come up with money at the last minute. If the minister or her staff could offer some insight into where this money is picked up from when there's a shortfall and whether or not we need to be changing that line in the budget so that she doesn't have to go back to Cabinet and ask for extra funding.

**Ms. Wowchuk:** Mr. Chairperson, when we budget, set our numbers in budget, it's based on federal forecasts, and we cannot budget for estimated, what we might think could happen. We could have a perfect year. If we had a perfect year, the numbers that the federal forecast gives us would be the right numbers, but the member is right. If you look back at the last few years, our expenditures have gone beyond what we budgeted, but we were dealing with some very unusual circumstances. BSE was one of those. Early frost, and then the last year, the pork downturn, which is something that nobody predicted would be as severe as it is. There have been years when we have had a very high number of unseeded acres due to excess moisture.

So there are all those factors, but those factors cannot be worked into the number. The federal government has a group of people that do forecasting. They do it based on long-term projections, and those are the numbers that we have. They provide them for us as we prepare our budgets, and that's the number that we print. And then, if situations arise that are different, we have to deal with it.

**Mr. Eichler:** Could the minister or her staff provide the numbers for '06-07, actually, it is '05-06, '06-07, and '07-08? I guess '07-08 wouldn't be available, but the actual dollars that were paid out under the CAIS program for the previous two years, '05-06 and '06-07.

**Ms. Wowchuk:** For '05-06, the program cost us \$120.5 million. For '06-07, to date, it has been \$88.7 million, but the member knows that people are still—all applications and all payments are not complete.

**Mr. Eichler:** Thank you, Madam Minister. You know, when we look at the numbers—and I understand the department's ability to try and come up with a proper number. But as a taxpayer and representing those people that are out there, this is when it should be looked at, because we rely on the past history of knowing that these numbers are quite a bit higher.

In fact, if the minister had '04-05 available, that would be interesting to compare because I think that looking at these numbers, we need to either mount a campaign in order to realistically budget for these items, rather than kind of an ad hoc committee going back to Cabinet to increase those or rob from Peter to pay Paul.

It's a significant amount of money. When you look at 2005-06, we had only budgeted \$51 million, so we're about 120 percent more than we actually budgeted, and that's a substantial amount of money to have to come up with.

**Ms. Wowchuk:** When the federal government is preparing these numbers, as I say, they do them on long-term projections, and it's very difficult to predict the future, what is going to happen in the upcoming year. So you have to go by the information you have. It is very much the same as disaster assistance. You don't plan for a disaster. You put in place a budget and then if a disaster arises, then governments have to deal with that.

But I was providing the member with some program numbers. I'm going to switch over to physical year numbers, and I'll go back a little bit. If you look at '03-04, the expenditure was \$52 million; '04-05, it was \$52.6 million. Then in '05-06, it went to \$143.1 million. Then in '06-07, where we are not complete yet, it was \$74.3 million that's been paid out. The member will notice that I'm giving a different number than I did earlier. But that shows that in those first two years when they were fairly reasonable years, we're pretty much on target, not much difference than what we had budgeted for.

But, when you get into unusual situations and you're faced with challenges, as we were in those two years because of some of the things that had arisen, then you have to put more money in. But you really can't be budgeting, saying, well, we might have a very bad year. You know, farmers are always optimistic.

The member knows that all the farmers right now in the grains and oilseeds sector are very optimistic with the prices where they are and are planning according to those prices. If things change, then they will change, and just as we are planning with the numbers that the federal government gave us, we are hoping that the situation will not change, that all will go well in the agriculture industry, and we'll not need more money than that.

**Mr. Eichler:** Well, I certainly appreciate the minister's comments. That's what the programs are certainly intended to be, is be a safety net, when in times we do need them, and we never hope that we have to pay out money, but I certainly take her comments accordingly.

I know that with the livestock market and the downturn it is in right now with the hogs and the cattle, in particular, I would be quite surprised that the number is significantly low unless the figures that we're using here, as far as budget is concerned, does that include just the 40 percent payout and not the 60 percent that's paid out by the federal government?

\*(15:10)

**Ms. Wowchuk:** Our budget—the numbers that I have been giving the member and the numbers that are in the budget book are Manitoba numbers. That covers our 40 percent of the program.

**Mr. Eichler:** With the former CAIS program, any transfer or any pay-outs made by the federal government, be it advances, not necessarily advances, but top-ups, so to speak, were declared as income for those producers before they triggered their CAIS payment. So the Province would actually not have to trigger their 40 percent pay-out based on that information, where the income that was actually paid by the federal government.

So we have \$60 million that's come in as a result of the cull program for the sows. Now, that's going to take some of the pressure off your budget. Did we reflect that when we did the budget process? Was the \$60 million anticipated or was that unbudgeted item?

**Ms. Wowchuk:** Mr. Chairman, the cull sow program was announced after the budget was prepared, and you always have to make those kinds of in-year adjustments when there are things like that that happen. But those we could not have budgeted for because we weren't aware that the federal government was going to offer the cull sow program, and these kinds of programs are always considered income.

**Mr. Eichler:** Very understandably how it'd be difficult to budget for these when the federal government does make the announcements and it's based on need and disaster accordingly. The minister had talked yesterday in her comments about the AgriRecovery program and disaster, and a number of these dollars that come from the federal government. I would consider these a lot of the disaster-type

payments when we're talking about the \$60 million in the cull program.

What are the estimates for Manitoba's share of the \$60 million into the cull program? Has the department calculated what that might transfer out to as far as income for the Province of Manitoba in order to save some of that money that won't be paid out as a result of the \$60 million?

**Ms. Wowchuk:** It's very early into the program and I know that there has been a heavy sign-up of producers in the first few days, so it's going to depend on what kind of uptake we have here in Manitoba, but normally when we're doing estimates of amounts that we anticipate coming from programs like this, Manitoba's share is about 10 percent. About 10 percent, so you could anticipate that, in this it would be, what, about \$5 million that would be coming to Manitoba producers.

**Mr. Eichler:** Thank you, Madam Minister. On the money that comes from the federal government, and again, coming back to the program that hasn't been finalized, on the recovery program, sometimes we ask the federal government—there were lots of times when we asked the federal government for help when we see an industry in crisis.

The minister talked yesterday about disaster being a 90-10 split, so how would the calculation look for us in those negotiation processes if the government's going to be extending, for example, \$60 million on the cull sow program that would be the non-negotiable part is the 90-10 split or what type of an illustration could the minister give us in order to help us understand why we're arguing over the 90-10 or whether or not that \$60 million would be calculated as part of the disaster?

**Ms. Wowchuk:** Mr. Chairman, the two are two different programs and the support program for the cull sow program is not the AgriRecovery program. The AgriRecovery program has not been—the details aren't available.

The member asks why would I argue for 90-10. I'm doing the job for the Province. It is my job as a member of Cabinet in Manitoba to try to get the best deal. There is a bit of history here. There is a formula for disaster assistance programs where it's on a sliding scale. Depending on the size of the disaster it goes to a higher level. If it's a very large disaster it can go to 90-10 and that's what we're trying to get.

We're trying to get the same kind of program that we have for other disasters for disasters in the

livestock industry. As I said, those negotiations are going on. Nothing is finalized. We do not have clear enough details on what the AgriRecovery program will look like.

**Mr. Eichler:** On the 90-10 split during the flood of '97, the JERI program that I believe was instituted along the same lines, but I can't remember or maybe the minister's staff would be able to help us find, is that the type of thing that we're trying to negotiate when you're talking about 90-10 split, something similar to that and to the JERI program that was done at that time?

**Ms. Wowchuk:** I would say that there are some similarities to the JERI program. That program had a lot of business interruption insurance in it. That was a 50-50 split program. So again that's different than what we've got on the 60-40 that is the split we have on other agriculture programs. As I said, it's not completed yet. A framework has been developed but a formal agreement has not yet been signed.

The objective is to help producers quickly resume business operations and to minimize the impact of short-term disasters. It will respond to disasters in a specific region or industry by providing rapid assistance, filling gaps not covered by existing programs.

So the intent is not to replace existing programs. The types of events covered would include asset loss where disaster financial assistance coverage is not provided, production losses for non-insurable losses including lost income during re-establishment, market loss for losses due to disruption of the market due to a disaster such as disposing of unmarketable products or delayed marketing in order to manage supply.

There are extraordinary clauses such as cleanup, disinfection, repackaging, quarantine, restoration of disposal costs, mitigation action taken to avoid asset losses or restoring market and consumer confidence.

It could also include transition to a new production where the disaster is not expected to be temporary and the event must be related to disease and/or natural disaster. This could include a border closure related to a disease event, but not a trade injury or low income due to market problems not associated with a disease or a natural disaster.

\* (15:20)

**Mr. Eichler:** Just for clarification, on AgriRecovery, so I understand the process, we have the

AgriStability, we have the AgriInvest, so if we did trigger an AgriRecovery payment because of a particular disaster, does that then have a clawback effect through the AgriInvest, because that would then be considered income as a result of that, or will that not be considered part of that actual income for that year?

**Ms. Wowchuk:** This is not intended to be a replacement for AgriStability. It's more about asset losses. It's not related to loss of income, so it won't affect it there, and it goes beyond. This will go beyond what you would be able to get through your AgriStability. It's for far bigger losses where you've lost your assets, where you've had to do a significant clean-up because of a disease. If it's something where you have to do a whole restructuring of business and you're out of business for a while, that's what this will cover. So it does not replace or cover the same kind of things as AgriStability.

**Mr. Eichler:** Could we define the term "business"? When we look at the livestock industry, is that considered a business? Is grain farming considered a business? Are we talking about the tire dealerships, the machinery dealerships? Do they fall in this category as well, or are we just talking about agri-business, so to speak, because that does have a huge variety of effects whenever we look at the overall total picture of agriculture?

**Ms. Wowchuk:** Just as AgriInvest and AgriStability are related to agriculture production, so, too, is AgriRecovery related to the farm production. The AgriInvest and AgriStability do not apply to the tire shop or the feedlot cleaner, and neither does this. It is about the agriculture production business.

**Mr. Eichler:** Would there be a premium based on AgriRecovery? I know some of the other departments, there is a percentage that's paid in through the AgriStability, I believe. Would AgriRecovery have a premium then that would be paid in, or would this be a complete based-on-disaster-only payout?

**Ms. Wowchuk:** There is no registration fee, no fees for this program. It's strictly a federal-provincial program that's set up to help when there is a disaster.

How would you determine a disaster? The process will be federal, provincial, territorial officials will assess an event and make recommendations on eligibility. Ministers from Canada and the affected provinces agree that the event is a disaster and eligible for AgriRecovery. A team of federal and

provincial officials is formed to consult with the industry to determine the extent of the problem, identify existing program gaps, deal with compensation and decide what compensation should be applicable. The Treasury Board and Cabinet approval is obtained, and each would have to be obtained in each jurisdiction. An appropriate administrative body would be set up to deliver the programs.

So there is a framework on how there would have to be agreement between the federal-provincial government. There would have to be discussion with the industry; then you'd have to work out the details on it. The scope of the framework would be smaller disasters, although the framework could be applied to large disasters with different funding arrangements. So there is where your funding arrangements are, and that's where the discussion comes in. How small a disaster should be 60-40 and how large a disaster should move to a high level of a different split?

**Mr. Eichler:** I guess my final question would be: There's no budget line for this particular program. At least, if there is, I might have missed it; it might be in a different department. Would that be coming out of the rainy-day program then? Because it's something that probably you may be able to predict. It might be used once in 10 years; it might be used once in a hundred years. We don't know, so where would that money then be coming from?

**Ms. Wowchuk:** There is no money budgeted for this yet because there is no program yet. We are still in negotiations and, when those negotiations are complete, then you could put a budget in place. Just as with other disasters, governments budget a certain amount but they always recognize that in some years they may not use it. In other years they may have to use more but, at this point I would say to the member, you cannot find a budget line because the details are still being negotiated.

**Mr. Eichler:** I do need to move on. Yesterday we were told that there are 47 positions that are vacant within the department at a net cost of \$40,000 each which is very much in line with that sector. That's just under \$2 million. How does that compare to previous years, and what happens as a result of that? Does that money then, or do you allow for that type of vacancy each year in your total budget cost?

**Ms. Wowchuk:** Mr. Chairman, there's always a certain amount of vacancy within any department but that's really just a snapshot in time of what's

happening at a particular moment. At the particular moment that ours was taken, it was a little high. This is higher than it normally would be.

\*(15:30)

The member asks, what happens if there are savings like this? It's used in the overall management of government. In our case, the member was talking about the significant increase we had to find to meet our requirements under the AgriStability. So the money that was not used to pay salaries then went in to meet other needs and, in this case, in our department, to meet our needs to address the needs of farmers in this program.

**Mr. Eichler:** I do want to move over to the Cattle Enhancement Council. If the minister could tell us, we know we had the 2006 report. We haven't seen the 2007 report. How much money is sitting in MCEC at this point in time?

I know when the minister announced the \$2 checkoff that it would be matched dollar for dollar. There has been some talk about increasing slaughter capacity within the province. If the minister or staff could give us an update as to where we're at dollar-wise, and what investments we may be looking at down the road for increasing slaughter capacity?

**Ms. Wowchuk:** This is one program that I was very pleased to be introduced to because producers had asked us to help them find a way where they could put dollars into the industry, because producers recognize how important it is that we increase slaughter capacity in this province, and they wanted to be part of the solution.

From September 1 to December 31, 2006, there was \$627,706 collected. Just under \$170,000 was refunded. That is a refund of 27 percent.

From January 1 to December 31, 2007, a little over \$1.2 million was collected. About \$325,000 was refunded. Again, about a 27 percent refund rate.

The '08 figures, it's early in the year, but the refund levy has dropped off to 16 percent, so more producers are leaving their money in the program.

We've made some adjustments on how their refunds can be made. We do not have the '07-08 report from the council yet. The decisions of how the council allocates the money are the council's decisions, not ours. I don't have specific loans or investments that the council has made available.

**Mr. Eichler:** My understanding was that the department had a representative on that board that would be reporting back to the minister for their share of the investments. It would seem strange that the government would be putting money in and not having any say or direction or report back of where this money would be, in fact, going.

So the minister is telling me that we have no accountability from this department as far as where expenditures are, and we have no idea of whether or not they spent any money, other than through administration?

**Ms. Wowchuk:** Mr. Chairperson, the council has an annual meeting. They provide an audited statement of what money is collected and how money is being disbursed. We do not have anyone on the board, and they report back to the Farm Products Marketing Council. That is the reporting mechanism, but there are other groups that have the same kind of levy that's collected. We do not have anybody on their boards either.

**Mr. Eichler:** So, is the minister saying then that comparing this to other checkoffs, I believe this is the only one that the department actually matches dollar for dollar. Does the department match dollar for dollar in other organizations, other than the \$2 checkoff?

**Ms. Wowchuk:** No, this is the only one that we're matching because we believe in the industry, and we believe that we do need slaughter capacity to be built in this province. We're committed to do that, and we told producers that if they put their money in, we would match them so that the processing industry could expand in this province.

**Mr. Eichler:** So the \$2 that you're matching, the numbers that you gave us were the 627, the \$1.2 million for '07 less the refunds. What's the total amount of money that was sent in as a matching contribution to MCEC?

**Ms. Wowchuk:** Mr. Chairperson, in the first year, when I talked about the 627,705, we didn't match that. We actually gave a grant of a million dollars to the council because, as I said, that was our commitment to support the processing and the slaughter capacity in this province.

For '07, we anticipate that our payment will be about \$1.1 million, but that's subject to the audited statement that the council has to provide us. Once we have that audited statement, we will be able to flow the matching dollars. As I said, if you subtract off

what the refunds were, it's in the range of \$1.1 million.

**Mr. Eichler:** So the other monies that were announced at the time of the \$2 checkoff, I'm trying to go from memory but I believe it was \$10 million. Has that money been flowed to them as well at the time of the announcement?

\* (15:40)

**Ms. Wowchuk:** That was a commitment of a \$10-million loan and since there has not been that much activity, they have not had to draw that loan down. But that money is available should there be a project to invest in. The council has access to that fund, and they can make loans to individuals or groups who might be looking at increasing slaughter capacity. *[interjection]* I'm sorry. Yes, it could be investments.

**Mr. Eichler:** So, the \$10 million, then, is not in the form of an investment, it's in the form of a loan from MASC to MCEC in order to assist a facility or a business plan that would seem viable by MCEC to access those dollars, but only in the form of a loan, not in the form of a grant. Is that correct?

**Ms. Wowchuk:** The council would have the ability to make an investment in a facility if they did their due diligence and found an individual or a facility that was going to proceed. They have the ability to use those funds to take an equity position in the facility to help it move forward.

**Mr. Eichler:** That money then, the \$10 million, for clarification, would come out of the MASC funding or is that a different department that would be set up?

**Ms. Wowchuk:** That money would come out of MASC.

**Mr. Eichler:** On the investments to date, has the Enhancement Council made any recommendations or asked for recommendations from your department in order to move forward with increasing slaughter capacity within the province of Manitoba?

**Ms. Wowchuk:** Mr. Chairman, the Enhancement Council would be responsible for receiving the application, for doing due diligence on the application, and the council deals with the clients on a confidential basis, so, they don't come to government. They do their own review. However, once they've done their due diligence, then, as they're moving along, if there are other issues that have to be dealt with such as infrastructure or things like that,

there would be some work done with the government to avoid duplication.

But, I want to point out that the Enhancement Council is an arm's-length body of government. It is not part of government, and they are the ones that do the due diligence and make the decision as to whether an equity position should be taken.

**Mr. Eichler:** I know it's the job of the committee that's been appointed by the minister and by her department to try and increase slaughter capacity within the province of Manitoba and make every effort to do so. I was wondering if it would be on October 9 that the Manitoba Cattle Enhancement Council announced a letter of intent to invest in Natural Prairie Beef, which is a Manitoba-based company, according to the press release that was put out, but the facility's in Saskatchewan. Can we have assurances, then, that money was invested, this \$1.2 million that was announced, that money actually flowed to Natural Prairie, or was it just an announcement? Was that money actually invested within the province of Manitoba to increase slaughter capacity here?

**Ms. Wowchuk:** Mr. Chairperson, it is true that there was a news release on investment in Natural Prairie Beef, but we are not privy to the transaction. We do not know whether that transaction is complete or not. They will do their annual meeting and at that time, they will indicate what actual investments have been made. As I said earlier, we are waiting for the annual report to clarify what the amount is that we have to flow to the enhancement council. We are waiting for their report so that we can see what investments they have actually made.

**Mr. Eichler:** I normally don't get political on these Estimate debates, this is probably my first one that I do ask that's political. My question here is, the board that's been appointed by the minister should be people that do sincerely want to increase slaughter capacity within the province of Manitoba. Yet we have a board member that was appointed by this government that came out on the 14th of this month questioning whether or not we need even a beef industry within the province. I would ask the minister if she has talked to this member because I know my cattle producers that I have been talking to find it very offensive that a member of this committee, that was appointed by this government, would come out and say that we don't need a beef industry in this province other than that of just a

natural beef. When we are looking at all Manitobans, I personally find this very offensive.

\* (15:50)

**Ms. Wowchuk:** The member said that he doesn't usually get political with issues like this, but, if I recall correctly, the member did try to make politics on this particular issue during the campaign. There were some people who had to call him to task on that, because they did not—these were people who were in the dairy industry, who were very concerned about changing this to a political issue.

That thought aside—you said you don't want to make it political, I'll try not to. But I just thought I would point out to the member that he did, I think, in a few cases, try to make this political, because I even know that they ran ads telling the people that they could withdraw their money, and, despite the fact that they ran ads, only 27 percent of the producers withdrew their money, because they believe in this.

However, the member is talking about an article by one of the board members. I have read the article. It's a thought-provoking article. She does not say—she's trying to get people to think about whether or not we do need an industry. I think that the cattle producers should be provoked a little bit to think about, do we need a slaughter industry in this province, or don't we? Do we want a slaughter industry in this province, or don't we? If you want one, then you have the opportunity to step up to the plate and be part of the solution.

The majority of cattle producers are, when you look at the numbers: 27 percent withdrawing their money, this year, in the first couple of months, only 16 percent. A little bit of thought-provoking once in a while is a good idea. I hope that every cattle producer reads that article and gives it some thought as to whether or not they really do want slaughter capacity, or do they want to be beholden to the industry in Alberta.

**Mr. Eichler:** We won't debate this in Estimates, but I do think it's very important that we do have members of that committee who have the best interests of each and every cattle producer within the province of Manitoba, because it was the intent of the committee that was established at the time, at least the press release stated that, that it was for all Manitobans, for all Canadian cattle producers, and not just of one particular sector.

So I know that the minister is right. I did talk about this outside of the Estimates process, and I certainly will continue to do that, and I will continue to work for our cattle producers.

I do think that we have an opportunity with the equipment that's sitting in Ranchers Choice that is in storage, and, if we have somebody who is indeed interested, we could certainly use the investments there that the Province has put in. I believe, again, if memory serves me correctly, last year, during this process, you said you had some \$7.6 million invested in Ranchers Choice, of which, I believe, there was 2 million or 3 million invested in equipment. We've probably got another million dollars invested in rental storage facilities that these are in, and now we understand that the equipment has to be moved, which would, again, create another cost to the Province.

Is the department planning on selling the equipment, or are they actually going to continue to leave that in storage?

**Ms. Wowchuk:** Mr. Chairman, I was very disappointed when all of the hard work that went into Ranchers Choice was not successful. There was a group of people who were very committed to increasing slaughter capacity. They ran into roadblocks and were not able to complete that project. They have declared bankruptcy, and there's a first meeting of the creditors at the end of the month. Once all of those issues are dealt with, then we can talk about the equipment and what will happen to the equipment, but until those proceedings are through, we cannot make decisions on the equipment. But it's always been my hope that, since we have this equipment in Manitoba, it's my hope that we would be able to use it in some facility, but we haven't been able to because of the state of the co-operative. Now that they are going through the process of bankruptcy, once that's completed we should be able to make some decision on the equipment.

**Mr. Eichler:** With regard to the storage of the equipment, what are the department's plans?

My understanding from, again, going back from last year, it was my understanding that the equipment did, in fact, belong to the taxpayers of Manitoba. There was no lien from Ranchers Choice or any organization on the equipment. So that does, in fact—correct me if I'm wrong—belong to the people of Manitoba, who are responsible for paying the rent, or is that equipment going to be moved to, and who is going to be paying—where will the equipment be

stored and housed and what precautions have we taken to see that motors and that type of thing aren't being stolen? Our understanding is that there have been a number of pieces that have in fact disappeared.

**Ms. Wowchuk:** Well, actually, the equipment belongs to Ranchers Choice until they complete the bankruptcy proceedings, but as a department, as a government, it's pledged as security to the loan that we have made to them. So, when they complete their bankruptcy proceedings, we will take that equipment as security, but, in the meantime, we want to protect those assets as best we can and that's why we have a lease agreement on a facility. Equipment has been moved into a facility to ensure that this material is adequately protected and, when the time comes and these bankruptcy proceedings are complete, we hope to realize some profits on the sale of that equipment.

**Mr. Eichler:** With the Ranchers Choice having first challenge or first channel on the equipment, does that ensure that, in fact, the equipment will be returned back to the Province, or are there other creditors that are, in fact, ahead of the Province that may be able to lay claim to it rather than enforced liquidation of the equipment, which would be second, I guess?

**Ms. Wowchuk:** No, there isn't. The others are all unsecured creditors and we have first position on that equipment.

**Mr. Stuart Briese (Ste. Rose):** Mr. Chairman, I would just like to try and get a little information on the Manitoba Agricultural Credit Stocker loan program and the arrears of that program.

I know, from information we've been able to gather, that the arrears run anywhere from \$2 million to \$4 million a year. I presume that the security is mostly the cattle. Those cattle aren't there that long. The cattle have disappeared. I'm just wondering what avenues you have of collecting those arrears.

\* (16:00)

**Ms. Wowchuk:** Mr. Chairman, if the member wouldn't mind we've made arrangements that the staff from MASC, the lending corporation, would be here next week. If we could take that question as notice or if the member could come back next week, then we'll have the staff at the table who can give us all of the information as far as the status of those loans. Would that be okay?

**Mr. Briese:** Yes, that would be good. I'll bring back the questions.

**Hon. Jon Gerrard (River Heights):** My question to the minister: There is some concern about the potential in terms of the hog industry of there being a bit of a domino effect—if there are quite a number of bankruptcies that these will affect not only the hog producers but the feed and people who supply feed, truckers and a lot of other companies. I wonder if the minister can comment on the situation and tell what her government is going to do to make sure that we don't have a domino type of disaster.

**Ms. Wowchuk:** Mr. Chairman, the member is accurate when he says that there is a very serious situation in the hog industry right now, where there are high grain costs, high Canadian dollar and there is concern about country-of-origin labelling. There has been a bit, I would say, an oversupply and the price has decreased.

The last few weeks there was a concern that the borders were going to close to weanlings to the U.S. Although no trucks were ever stopped, the price has gone down and people were very worried. In fact, there was concern as to whether some of the weanlings might have to be euthanized. That has not happened.

In fact, people are looking at how they can fill some of the other barns that are empty. Barns are empty because people aren't filling them because they can't make money. So the people who have weanlings are looking at how they can put their weanlings in those barns.

There's also been a bit of a signal from the U.S. that the weanlings are not going to be stopped. One of the processors is saying that they will still take the weanlings that grow out of, the weanlings to grow out to full-sized animals in the U.S. So there has been a bit of that.

There is also the federal cull sow program which is intended to reduce the herd across the country by some 10 percent and that we will see some reduction. It appears that in Manitoba—the program was just announced last week—7,000 sows have been signed up.

I was very pleased today to announce that we're going to do our part to ensure that all of that protein does not go into animal feed or pet food or into rendering facilities but, in fact, we made \$500,000 available to Winnipeg Harvest today to allow for the processing of about 5,000 of those sows.

So there is a lot of pressure on producers. Producers of pork are used to an up-and-down cycle.

That's just the way the industry goes. If you look at the charts of where prices are, they go up and down. It's just that this time, the price has gone down a little lower. There is a lot of concern about country-of-origin labelling and that's why we have been doing lobbying efforts and looking for the federal government to join in the lobbying efforts. The pork industry is doing a lot of work and some of those efforts have paid off.

Last week, we found out that it might not be as bad as we had anticipated but you know the pork industry came to us in January and said we are in a tough spot, we need cash flow. To help them, we put in place \$60 million in loans available. I know the first thing I'm going to hear is, why did you put loans; they don't need more loans. In fact, that is what the industry asked us for. They asked us for loans to help them carry through. Of that \$60 million that's been made available, about \$23 million have been approved or in the process of being approved. So people are taking advantage of the loans.

Also, there's another program. We talk about AgriStability, which is the farm program. Pork producers came to us and asked us if we would ask the federal government to allow for a targeted advance for Manitoba producers, which is an advance payment on their AgriStability, and we did. For 2007, the targeted advance, over \$51 million, has been paid out to producers. Then they asked us for a targeted advance, apply for a targeted advance for '08. So they're getting—'08 has just started, but they're able to target their money ahead of time and this amount hasn't been paid out yet, but under that targeted advance Manitoba producers would qualify for about just under \$38 million.

So there are various programs that are in place to help with cash flow and to try to help them ride out this difficult time.

**Mr. Gerrard:** Yes, the cattle industry is also going through some difficult times at the moment. In talking with a number of cattle producers, I know that the Manitoba Cattle Producers Association has been talking in terms of wanting help in the area of support for the environmental benefits that the cattle producers provide. There is a program in Blanshard Municipality which I think the minister is aware of that could work, but it would need some changes to be able to work well for cattle producers. The minister campaigned on introducing a province-wide ALUS program last election, but they failed to do that in this budget.

I would ask the minister why she didn't bring in that program this budget, in part as a way of helping cattle producers, as well as making sure that there is good support for the environmental benefits that farmers provide, and to improve, you know, the environment and environmental stewardship in Manitoba.

**Ms. Wowchuk:** Mr. Chairman, a few things. On the ALUS program, I want to say to the member, you know, the ALUS program is a pilot project here in Manitoba because it was our government and my department and me that pushed for this, to have a pilot project. *[interjection]* Prince Edward Island was part of that and they've just announced their project. This is a three-year pilot project. We're going into our third and final year. Once we analyze what the results are, what adjustments have to be made, then we can make a decision on what a program will look like.

\* (16:10)

The member talks about election promises. We ran for an election for four years, five years. You can't deliver everything in the first year and in particular, we can't deliver on this one until the pilot is complete and we have all of the information.

As well, this comes under the business risk management pillar. That pillar, the negotiations are not complete. There has been an extension of those programs, so there is no final detail yet on how the program will work or whether other provinces will buy into a national program. That's been part of our challenge when we bring it to the table. It's been Manitoba and Prince Edward Island, but there really hasn't been that much support because there is a concern of what it will be costing.

Cattle producers came to us and asked us to defer their BSE loans. They asked us for a payment and they asked us for a TB mustering fee. On the BSE loans, we deferred those loans and that makes a difference of about \$10 million in cash flow. We put in place \$14.5 million for the cattle producers in direct payment. The mustering fee, we put in place \$6 a head. We could have changed that to a acreage payment but it was our view that we could flow the money much more quickly to producers that had a cash flow problem by doing it on their production rather than doing it as an acreage payment. We could of just taken that same money, calculated an acreage payment, and then we would of addressed what the cattle producers wanted, but then we wouldn't have been able to do the payment.

But the issue of ecological goods and services is one that's very important to me and to my department. We continue to do our work. There's been a two-day visit to Manitoba by a Chinese delegation that has been to Blanshard to look at the project. There've been workshops. Gary Stoneham from Australia who is renowned for his economics and interest in ecological goods and services has been here.

So we are doing the pilot project. We are making people aware of this project, and when the project is complete and we've been able to analyze, we then will be able to move forward.

**Mr. Gerrard:** To the minister, I noticed that in the Climate Change Action Plan and the goal of reduction, I think it is on the order of three megatonnes or perhaps a little more that is needed to be reduced to get down to 6 percent below 1990 levels by 2012. I believe that agriculture is marked down as reducing by more than 600,000 tonnes of carbon.

Can the minister tell us which greenhouse gases will be reduced and what the plan is to reduce them and by how much?

**Ms. Wowchuk:** Mr. Chairman, this is a major issue, and it's a major undertaking of our government to meet Kyoto targets and reduce the carbon dioxide emissions. If you look at agriculture, there's no one major source of greenhouse gas. It's a soil management issue. We have about 20,000 farmers. So it's a very broad range of things that have to be done.

You have to look at soil management, livestock management. How do you reduce the methane gas from livestock? I'm told that nitrous oxide, on the soil side, is the major component, which is much more potent as a greenhouse gas than carbon dioxide. So, on the soil side, it has to be addressed through controlled release fertilizer, better placement of fertilizers, better application. There is new technology that is being developed in this way.

On the livestock side, you have to look at feeding methods, grazing rotations, lagoon covers. All of those things are things that we have to look at and implement to help reduce our greenhouse gases.

We have a strong woodlot program that is being enhanced, and this helps to sequester carbon.

We are very involved in biomass and research on biomass and looking at how we can reduce coal

usage by using biomass. In fact, we have invested in an intensifier, a PAMI, a piece of equipment that will be used to test out how we can make pellets, use straw up so that it's not being burned, but can be used for fuel. In fact, in another area, which is not directly in my department, but relates to agriculture, the fertilizer plant in Brandon, which is a large producer of greenhouse gas, is looking at working with us on biomass and how they can reduce their consumption of natural gas, replace it with biomass and then help in that area as well.

\* (16:20)

So there are many things that are being done, but I do want to give credit to our farmers. The date that is set—1990 is the date that was set when we're going to start to measure. Many of our farmers had moved to zero till before that. That's done. Because it happened before 1990, you don't get credit for that because that was the norm in 1990 when we started to count.

So there is a lot of work that our producers have done to reduce the greenhouse gases by doing zero till, but our producers are very much in tune and are working on environmental farm plans. I want to give them a lot of credit for the level of participation. Over 6,500 producers in Manitoba are participating in environmental farm plans; 8.25 million acres to date are being influenced by changes that they are making on their farms. Is there work to do? Yes, there is. Are our producers participating? Yes, they are. Is our department working with them? Yes, because we are taking steps to help them meet those goals.

**Mr. Briese:** Mr. Chairperson, some discussion over who was going next here, I think, but I want to direct my questions toward the fact that we do have a cattle industry that's in some difficulty right now, not as much difficulty as the hog industry, but there's definitely going to be a cutdown in the cattle herd in this province. I think it's going to be a significant cutdown. We're going to see probably quite a few thousand acres of marginal land because of the high grain prices, tore-up from permanent cover a pasture, and people are going to be trying to put it back into crop production.

This happened before; it happened in the early '90s. It took us 10 years to get it back to what it should be doing and that's producing grass for a cow. With the environmental issues you're putting forward right now, when we start tearing up permanent carbon sinks, I think that should be something that's

taken into consideration in what supports you put out there for that livestock industry.

I think there is some merit to some of the things that the Manitoba Cattle Producers Association was putting forward. I think there are some other approaches that can be taken that might even be in—I know it would be more on a municipal level, like at least a zero rating on assessment on the really marginal lands. Things like that could be an approach.

So I'd just like to hear your views. I think there could be, over the next two years, as much as a million acres of land that's in permanent cover torn up, and that has a tremendous impact on the environment and the carbon sinks, and I'd like to hear your views on that.

**Ms. Wowchuk:** Mr. Chairperson, I would hope the member is wrong, that people aren't going to take a million acres of marginal land out of cattle and try to grow grain on it, but ultimately the individual owns their land and they will make a decision. The member talked about them making that same decision back in the '90s and that didn't turn out so good because with the price of fertilizer right now and the input costs, it takes a heck of a lot of inputs to take some of that marginal land out of production and then try to grow a crop. But that's an individual decision that they will have to make.

As a government, as a minister, I don't think that I can compete; we could not have the budget to compete with the temptation to grow those higher priced crops that are out there right now. But people will make that decision, some of them will. But we work with producers on issues like how do they increase their revenues by going to grass-fed beef—where we're working on buying local, getting markets for grass-fed beef, and there's a lot of interest in that. So my department works with people on those kinds of things, but they have to make the decisions.

Environmental goods and services, they are very important. The pilot project that we're doing in Blanshard is very important because that will give us the information that we need when the pilot is over as to whether this is the right kind of investment. Once we have the pilot completed, we will be able to look at what changes have to be made. But producers do have good ideas. They've asked for a payment to keep their land in production and we could have taken the money that we put in a direct payment to them and gave them a payment for maintaining their

land in production, but it was much quicker, and we could flow the cash more quickly by doing the things that they asked for and that is defer the BSE loans, put up a direct payment to the producers. But there's no doubt the member raises a valid point, that this could happen and it will happen. I hope he's wrong on the extent to which it will happen.

**Mr. Briese:** Mr. Chairperson, I hope I'm wrong, too. But I think where I was wanting to go with that is I wonder if there's any consideration being given to an ALUS-type plan or start somewhere on it. Anything, I think, would have an impact. When we talk about carbon sinks and we talk about the meeting of the environmental targets, we're talking about something that is for the good of all of us. It's not necessarily just for the good of the agricultural person that's out there. So we put a bunch of rules in place, then we go merrily along expecting them to foot the bill. I think there has to be some direction from government that puts some public dollars into these programs because it is for the good of everybody. The push is coming. The farmer ends up pulling out the wallet and they need the backup from the general population. That can only come through government, in my view.

\* (16:30)

**Ms. Wowchuk:** Mr. Chairperson, I have to say that, as a farmer, as a former farmer, I agree that we have no way of passing on our costs. We end up being the ones as producers taking on big responsibilities, and farmers do a good job of protecting the environment. But the member talked about the need for an ALUS-type program, and I would say to the member that Manitoba is the leader on the national scene.

We are the only province with an ALUS-type program. We are the only province, along with Prince Edward Island, that's talking about ecological goods and services. We have a very hard time at the table trying to convince other provinces that this kind of program is a good thing. Ours is a pilot project. We have one more year to go, and I am hopeful that the evidence that we collect and get from this pilot will be useful to us as we go back to the national table and try to convince others that this is a good thing. It's for the good of society. We all have to contribute somewhat to protecting the landscape and ensuring that vulnerable areas are not put at risk.

This is one program, but I want to say as well that our government and our extension people have focussed on extension programs that support the beef industry, extension programs that help them reduce

some of their costs programs with different calving seasons, grass-fed beef. I believe that there is a huge market for that kind of product. We are focussing as well on developing markets with producers to get more local product. That will help us with our greenhouse gas as well. If we can reduce the transportation of food products and use more local products and get a few trucks off the road, that also helps us with carbon sink frustration. But the issue of alternate land use and ALUS is one that I am proud to say Manitoba has been the leader on.

**Mr. Briese:** Mr. Chairperson, I know in a couple of the other provinces there are some private deals going on where the people are actually buying carbon credit from farmers and trading them. At least I'm pretty sure that's happening in Alberta, but that's a little different than the government.

One issue, and probably you'll have to wait on this one until MASC is here, is the compensation on wildlife. Should I be waiting on that or can I ask a question on it here?

**Ms. Wowchuk:** Well, unless it's about the percentage, I think we could talk about percentage. But, if you are looking for specific details, we'd be better off to wait until Monday with that one. If you're talking percentage, we can answer that.

**Mr. Briese:** I would certainly like to talk about percentage for part of it. You know, we're compensated at 80 percent, and it doesn't matter whether it's a coyote taking one of the calves or it's ducks and geese pounding it into the ground.

I live beside a lake, and I've had an awful lot of waterfowl damage over the years. I did everything in my power over those years to keep that waterfowl off those fields. I had bangers; I had scarecrows; I had everything. They got so they just thumbed their noses at it. I always thought it was somewhat unfair because there were years, if my damage was less than \$1,000 a year, I didn't even put in a claim. I just didn't even bother getting an adjuster out to look at it. The years that I put in a claim were the years I had big damage in the \$3,000, \$4,000, \$5,000 range.

The same thing happens with cattle and coyotes. I think Cliff, my colleague here, will probably talk about coyotes and cattle too.

I'd like to know the rationalization on the 80 percent. I think it's unfair. We're all, once again, doing things for the good of the public. Ducks Unlimited, and the increasing numbers of waterfowl

we're seeing out in the country, and it seems like the farmers have to carry it on their back.

**Ms. Wowchuk:** There is a federal-provincial agreement. Under the federal-provincial agreement, we can only cover to 80 percent. If we go over 80 percent, it's strictly a provincial cost. No other province is going beyond the 80 percent coverage and, in fact, there are some provinces who do not have a wildlife compensation program. At one time, it was higher. That was in the last agreement. In one of the agreements that we had, on the type of programs, and in the agreement we could only go to 80 percent coverage. That was part of the agreement.

**Mr. Briese:** I know it was 100 percent at one time. I don't know the numbers, but I would think, even if the feds don't come in on the other 20 percent, maybe the province should consider it. Thank you.

**Ms. Wowchuk:** Given the budget that we have, I would ask the member which other program he would have me cut in order to have this kind of coverage. Somewhere I would have to cut.

I guess, I would say, I'm just reminded by staff that we do work under a national program. There was a time when we had the top-up, and we had other provinces who were concerned with our program. Of course, you can have agreement to go to 80 percent, then we will put the resources that would go into, to taking it to 100 percent, into another part of the industry.

**Mr. David Faurchou (Portage la Prairie):** I have returned to hear the answer to yesterday's posed question regarding MCDC, Manitoba Crop Diversification Centre.

**Ms. Wowchuk:** Could you repeat your question, please? I'd have to read *Hansard*. Would you mind repeating your question?

**Mr. Faurchou:** Yesterday, I had posed the question regarding the changes that are happening at MCDC within the funding and support regime for activities at the centres, both in Portage la Prairie and Carberry. I was wondering if the minister would be kind enough to update the members of the Legislature as to the changes that are actually taking place. I believe there's been a major retirement at the Portage centre, for one, Mr. Gerald Loeppky retiring. I don't know how many years Gerald has served the department through MCDC, but I know it's a great number of years.

\* (16:40)

**Ms. Wowchuk:** Indeed, there have been some changes. Mr. Loeppky has left. Mr. Loeppky was a federal employee at the centre, and his dedication and his expertise and his activities will certainly be missed because he did a lot of good work for us. But someone from the Somerset area was covering off that work last year to keep things going.

This is a federal-provincial industry agreement. It's coming to the end of its second year and the agreement is—*[interjection]* Second five-year agreement, that's right. So it's being negotiated again, but our department contributes \$60,000 a year in staff time to that facility and there is some discussion right now on the land. The land is owned by the producers. It's being transferred back, we understand, to the federal government. So there's work being done on that right now.

With regard to the Carberry office, it's our goal to move our GO Office there and have all of the crop diversification staff, people that work in that centre, come together in that Carberry office and have a crop diversification centre.

So we continue to work, but it's the next agreement that has to be negotiated and that's in process now.

**Mr. Faurshou:** I thank the minister for her response.

A third consideration to not only the provincial and federal agreement but there were numerous organization private contracts with the centre. Is that lagging this year because of the indecisiveness and the ending of the agreement?

**Ms. Wowchuk:** No, there is no lagging because a one-year extension has been negotiated until the next agreement is put in place. So there's no lag.

**Mr. Faurshou:** Yes, well, I will encourage the minister and the department to look to the benefit of the MCDC operations. I know that additional monies are being earmarked for Parkland Crop Diversification Foundation and Westman crop diversification organization. It is something that I hope can be recognized at the Portage and Carberry locations of the Manitoba crop diversification centre as well.

Now, if there's no further comment by the minister in this regard, I'd like to move on to the Food Development Centre in Portage la Prairie.

**Ms. Wowchuk:** Mr. Chairman, when we reorganized the department, and that's been an

ongoing process, we wanted to bring together all of those crop diversification centres.

The ones that the member mentioned are provincial only. The one at Roblin, the one at Melita and the one in the Interlake, those are the provincial ones. So what we did is did some reorganization and brought them together, the ones that are the partnership ones and the ones that are strictly provincial ones, so that we have better continuity between them. That's part of our organization. But there's a commitment to all of them.

**Mr. Faurshou:** I wonder if the minister might introduce the new face at the table.

**Ms. Wowchuk:** Before I do introduce the new person, I would say to the member, I'm really glad that he noticed that the provincial government has upped their funding. We still haven't had the federal government up theirs for these programs, and we're hoping that when we get agreements they will recognize them and put additional money in.

I'm very pleased to have Lynda Lowry, who is the chief operating officer and general manager of the Food Development Centre in Portage la Prairie. This is Ms. Lowry's first Estimates, and I welcome her to the table.

**Mr. Faurshou:** Well, thank you ever so much. I do appreciate the introduction. Lynda and I have met previously since her taking responsibility for the operations in Portage la Prairie, and she has acted as host to numerous tours, introducing the facility and explaining the mandate of the facility, as well as showcasing the tremendous technical attributes of the centre.

Can I ask firstly of current staffing, are we looking for additional staff at this point in time, or do we have vacancies? How is the situation regarding personnel?

**Ms. Wowchuk:** First of all, I want to say I'm very pleased that the member recognizes this as a very important facility. I'm very proud of the investments that our government has been able to make in that facility, because I believe that the future lies in further processing of agriculture products in this province. This facility gives us that opportunity.

With regard to staffing, we are fully staffed. This is a priority for us. We have 21 full-time staff, and five people who are on contract, working on projects.

**Mr. Faurshou:** In regard to staffing, I think the concern has been over the years that the actual sales

of the amenities—or the awareness of the amenities the Food Development Centre has, has been short-changed. So, actually, we're asking, has there been staff put in place that will get out and actually promote and make certain that the community is aware, in not only Portage la Prairie but throughout the entire province, of the abilities and capabilities of the centre, so as to more fully utilize the investments that the taxpayers of Manitoba have made?

\* (16:50)

**Ms. Wowchuk:** This is a very important issue that the member raises. In fact, we've just hired, as of January 1, a new business development officer to help with the promotion, and to work with other members on our staff to promote the facility and the opportunity for further processing, and to promote Manitoba products. Many of you will recognize the name of Eugene Warwaruk, who happens to be a farm boy who then went on to find a way to sell their own farm products through their own restaurant, Luxsolé, and were very successful. We're very pleased to have him on board because we think he has a lot of skills in promoting Manitoba products and convincing Manitobans that there are opportunities to use Manitoba foods and further process them.

**Mr. Faurshou:** I'm very, very pleased with the minister's response because I believe this is an area that was lacking, and I'm glad that the quality of individual that the minister speaks of has been able to be attracted to this position, and I thank the department for making the available resources to create this position.

Now, it was named that long-term tenants are part of the operation. I understand that there has been a parting of ways with one long-term tenant, and have there been changes made to bring on other longer-term tenants or are there still vacancies in certain areas of the centre?

**Ms. Wowchuk:** I also wanted to tell the member, relating back to the promotion of the facility, that everyone on our GO teams throughout the province has toured the facility, they know the value of the facility, and they are able to work more locally with the clients before they have to move to the Food Development Centre. We have a business development officer, but as well, there is the promotion of the facility and knowledge about the facility throughout the province through all of our GO offices.

There's always room for more improvement, but the facility is operating with the two clients per day, which is quite a reasonable level. But the goal is to move people in and out. You don't want somebody to be continuing on there. You want to help them develop their product and then move it on.

Having said that, we do have one long-term client, Great Plains Aseptic Processors who are in the plant and have a long-term arrangement to work. They also are doing packaging of other products, and that's been a worthwhile addition to the facility.

Of course, I would like to see four products a day or four clients a day, but that isn't going to happen. You build that clientele slowly. It is growing and there is room for more growth, but at the present time we're very happy where we're at with what we're at.

**Mr. Faurshou:** Mr. Chairperson, I know that we're always looking to grow the business and hopefully through the created business development officer's position we can do just that.

We have worked through the concerns that were certainly there a little more than a year ago regarding the Great Plains Aseptic in regard to the negotiations pertaining to dispensation of the utilities charges, and there continues to be a good relationship then at this point in time.

**Ms. Wowchuk:** Well, I think that relationship has come a long way. We, at the time, signed a one-year lease with them, and we are just about at the point of completing a three-year lease. So that speaks for itself, and I would say that we've been able to work through those things.

**Mr. Faurshou:** So we've got a fully staffed facility, and we're looking for more business. Though the situation that arose to a point of almost parting of ways between Great Plains Aseptic and the Food Development Centre, has that been addressed in regard to the equitable sharing of utility costs, whether they are working in the meat processing area, or the baking area, or the oil extraction reducing areas of the facility?

**Ms. Wowchuk:** The member is right. There were some issues, but the best way to deal with equitable sharing is to meter the use and calculate by meter, and that's exactly what's happening. Those differences of opinion have been worked out because we have been able to move to that method. As well, there are new individuals involved with the company, and that has helped to move these

negotiations along. But, again I say, you ask if it's resolved, and I say to you we have moved from a one-year lease to just about an agreement on a three-year lease. So the negotiations have gone well. The issues with regard to sharing in an equitable way have been addressed, and there is now a metering system and that seems to be working well.

**Mr. Faurshou:** I'm very pleased to hear that because it was a significant concern, being the building was constructed with state-of-the-art amenities, and the metering of the different suites was perhaps overlooked in the engineering. I think that it is always a concern of the tenant of the different suites that they pay their fair share rather than left wondering as to whether they're paying more or less than they should have.

Now, in regard to the facility, have we been active in the budding industry of wine production here in the province? I know that a number of years ago, there was development of the first labelling of wine here—the Rigby estates I believe was the name of it. In fact, it came to mind just as I walked by the MLCC in downtown Winnipeg and the front window display had very prominently placed Rigby estates wines.

**An Honourable Member:** So, the question is?

**Mr. Faurshou:** Are we licensed any more?

**Ms. Wowchuk:** We currently don't have any new clients that are looking at developing new wines.

\* (17:00)

**Mr. Faurshou:** I asked the question in regard to a recent touring of the Niagara Peninsula in southern Ontario, where corn fields and soybean fields have now been totally, almost totally, replaced by vineyards and that area of the country has made a monumental changeover in what cropping in that area and what yield, and so I thought this was an opportunity to say perhaps maybe we could be looking at the fruit industry here in the province of Manitoba and perhaps the greater value-adding of that commodity here in the province of Manitoba. Hence the question.

**Ms. Wowchuk:** Well, I'm glad the member had a tour of the Niagara Peninsula. I wish our climate was the same as the Niagara Peninsula and we might see some grape vineyards here. However, we do have a small fruit industry and there are some small fruit wines that have been developed, but I don't think that

we are going to develop to the level that the vineyards are in Niagara.

But I have to say to the member that I just came back from that area and I also saw some vineyards that were being torn up as well and going into some other crop, and I'm not sure what they were going into, but there's always a change.

You know, we always have new crops. We have new ideas, and we have somebody who has talked about, you know, maybe we could make wine from sea buckthorn, somebody else's that's talking about, you know, wine from some of the smaller fruits like blueberries, and other small fruits. So we're always open, but at this time we do not have clients that are interested in developing those products at this point. Our doors are always open to new ventures.

**Mr. Faurshou:** Well, I thank the minister for her response and her new manager, Ms. Lowry, joining us. I'm going to move on to irrigation, but I will, before I leave the Food Development Centre, want to encourage, also, the reverse communication to producers and entrepreneurs in the province that if the Food Development Centre hears of potential opportunities of value-added processing and we don't, as producers, yet crop that particular variety or crop kind, that this knowledge be shared with producers so that we can, in fact, take advantage of potential new crops here in the province.

**Ms. Wowchuk:** Thank you, Mr. Chairman. What the member has said is exactly what I am heading off to Brandon to do in capturing opportunities. That is about business, connecting businesses, telling them about the Food Development Centre, talking about what the opportunities are. That's what the Great Manitoba Food Fight is about. We're in our second year where we can promote Manitoba products, give processors a venue to display their product and, as well, we work with the Culinary Arts Institute to promote Manitoba products.

But I would encourage the member opposite, if he isn't tied to the House, to head out to Brandon for tomorrow or Friday and just see what capturing opportunity is all about and take part—you know, you can't take part in the Manitoba Food Fight, but you can be part of some of the sampling, and I'm very looking forward to it. I was very impressed with some of the products that came forward last year, and I believe a couple of those products have been taken to commercialization, and that's what this is about. How do we get businesses, people that have ideas, together with experts who can do it and then

link them to the Food Development Centre so that those products can be developed further. Our goal is to take this technology that we have, that we've built here and share it with as many as possible.

**Mr. Faurchou:** I thank the minister for her response and I do believe she is referring to Rural Forum, which was started in the Conservative administration. I appreciate that her government continues to support that undertaking. I do believe, and I hope, perhaps, staff are invited to—later, after we rise today, the Manitoba Restaurant and Foodservices are putting on a display to guests here at the Manitoba Legislative Assembly.

**Ms. Wowchuk:** I just want to say to the member that, yes, Rural Forum was started by the previous administration, but I would encourage him to come to Capturing Opportunities because there is a far different focus.

The focus now is very much focussed on business, linking people together, giving people the kinds of supports and the knowledge they need to develop their product, if it is a food product. So it is quite a different forum and very focussed on linking and building business, so I hope he has a chance to come.

**Mr. Faurchou:** Well, I do appreciate the minister recognizing that, and it is, indeed, incumbent upon all of us to look at what we are doing and trying to improve on our practices.

In regard to the GO Centre which the minister earlier alluded to, I think it is also very, very important that the GO centres, the ag reps' offices, if you will, are strategically placed to serve the producers of the province and be availing to the general public as well because we have to make certain that in these changing times and demographics, we try and have a presence to those persons that no longer make their way in the world through agriculture, and we're significantly less a percentage of the population than we have been in the past.

I know there are some GO centres that are still away off the beaten path, if you will, and I speak specifically also of Portage la Prairie, where the GO Centre is deep in the bowels of the government building.

If there is opportunity, I encourage the minister to look at re-allocating this office, perhaps closer to the agricultural services at the west end of Portage la Prairie where they make their headquarters and the

location of the crop insurance office as well. So I leave that with the minister's consideration unless she would like to comment.

**Ms. Wowchuk:** We're very actively looking at that and other places as well, because we believe accessibility is a very important issue. We also believe in a sort of a one-stop shop, one-window approach, and where we can bring services together, we will. That is one that at the present time is being considered but no decisions have been made.

**Mr. Faurchou:** Thank you ever so much, and I use Portage la Prairie as an example, being my familiarity with that area of the province.

Now, in regard to Portage la Prairie again, the government makes great light of their completing the task of attracting Simplot Canada to the province and the processing of potatoes, but during that consideration the commitment was made to Simplot Canada to add 50,000 acres of additional irrigated lands. I see reference of it in the supporting departmental expenditures and wondered how the progress is coming in regard to that program of adding 50,000 acres.

**Ms. Wowchuk:** Mr. Chairperson, I guess I would start out by saying that the potato industry is also one of those industries that's faced some challenges. There's been a downturn and who would think a low-carb diet that's advertised and floated around over television stations could have an impact in Manitoba? But, indeed, it did and there has been a bit of a downturn, there has been some reduction. The number of acres that goes into potatoes fluctuates depending on the contracts. The member will know that there have been some reductions in contracts and, hopefully, there will be some increases as he does his part in eating those French fries, maybe he can help out a little bit on that, too.

But the program has been active. Have we met the goal of 50,000 acres? No. We're still working on it but there is a lot of activity. If we look back over the last 20 years, the increase has been about 1,500 acres a year. So it is a slow progress, but there is continued increase. In 2006, there was 73,689 acres that were irrigated. Of those, a little over 55,000 were in potatoes. So the majority of the irrigated land is in potatoes, but the uptake on the program has been slower than we would have liked. I believe that's partly due to fact that there is uncertainty about contracts. Would I like to get to the 55,000? Yes.

**Mr. Faurischou:** Yes, and I do agree with the honourable minister that there has been uncertainty in the potato processing industry, basis a number of different factors. But a major contributor to some of the contracts being moved around from various producers is the demand for irrigation. Not only has it been a move to 100 percent of the acres must have irrigation available—supplemental water, if you will—to the production of potatoes, but the ongoing negotiations in contract as to the amount of available water is now a consideration because about three years ago we saw a situation where the dry weather experienced required upwards to eight and nine inches of supplemental water. Forgive my usage of the imperial measurement, but it caused significant concern regarding some producers that did not have that amount of stored water available and subsequently, their crops were diminished in quality because of the dry conditions. Obviously, there's always a variation dependent upon soil texture in the requirement of additional water, but this is of paramount concern to many producers because of the significant additional investment that's required in order to bring their holding ponds or reservoirs up from maybe providing three inches of supplemental water up to six or more.

So I would ask the minister if there's consideration to take another look at the program. Maybe there can be enhancements made so that producers can continue on in the potato industry without such a heavy burden of debt.

**Ms. Wowchuk:** Mr. Chairperson, this is a fed-prov program, but we have invited the industry. There is going to be discussion on how can we can work with them to meet the needs.

I want to share with the member a couple of issues when we look at the budgets. Last year's budget was \$600,000, and we ended up spending a little over a million dollars on the program, \$1,003,800. The amount of money has increased.

When I talk about the average, about 1,500 acres over the past 20 years, if you look at '06-07, there was 3,600 acres that were irrigated; in '07-08, there was 2,570 acres. People have been taking advantage of the program. In '04-05, it was 2,870; in '05-06, it went down to 900, though that might have been where the contracts were uncertain. So there was some decrease but, yes, this is an important issue and we will be having discussions with the industry on it.

**Mr. Faurischou:** I thank the minister for recognizing the importance of irrigation here in the province.

You don't have to go too far within the department's published articles to say that the two restrictions of bumper crops here in the province are, one being drought and the other being excessive moisture. Water is very, very important to us as producers.

I do want to ask, though, there was a consideration of interdepartmental communication regarding water storage projects, water distribution projects because the demand of water spans not only agriculture, but use for recreation, industrial, residential, so that engages other departments.

Is this interdepartmental committee in place and is the communication where the minister would like to see it?

**Ms. Wowchuk:** Certainly, the Department of Water Stewardship and the Department of Conservation are involved in the irrigation development program because there are licensing issues, and they have to deal with them. There are interdepartmental activities, but, if the member is looking for some formal committee that's there, there is no formal committee that's designated to deal with irrigation. There is a lot of cross-work that has to be done.

We talk about the need for water. I think one of the things that we really, really have to look at is reduction of uses of water too and the managing of water as we get into climate change and fluctuations of climate. We have to think about how we can reduce the amount of water we are using in many areas. I think that's a very important area as well.

\* (17:20)

**Mr. Faurischou:** I could not agree with the minister more. I would like her to recognize and notice the irrigation equipment that is operating in the fields currently, for the most part has been changed over to low-pressure, drop-nozzle type configurations that minimize evaporation. Producers are very conscious of the amount of fuel and energy that is required to operation these irrigation installations. It's important to all of us to recognize the need to conserve and make use of water in the most conservatory type of manner.

I thank the minister for the opportunity to participate, and my colleague from Emerson is anxious to ask the minister a number of questions.

**Mr. Cliff Graydon (Emerson):** Thank you, Madam Minister, for the opportunity, and thank your staff for being here today. I see you have a good turnout of your staff. I know that it's an extra burden to them to

be out here, how should I say, coaching you, but you're well coached.

I had the opportunity of listening to your deputy the other night. He did an excellent job on your behalf at Lockport, and he did it on a full stomach, too, I might add.

I'm just wondering, Madam Minister, if he actually brought you the gift, the parting gift that you were supposed to get.

**Ms. Wowchuk:** I saw it in the car this morning, and I wondered when he was going to give it to me.

**Mr. Graydon:** He should have known that I would bring that up.

However, on a more serious note, you talked earlier about the environmental farm plans. I have to say those have been terribly well-accepted throughout Manitoba by the producers and by the industry as well. I believe the major component was because they were personalized and confidential, that they have been accepted so well, and because I think the producers have taken a long look at what they were doing, and they had an opportunity to participate on a 50 percent or a 70 percent, 70-30 percent program to help offset some of their costs to address the environmental situations on their particular farms. However, the program needs to be carried on. I'm not exactly sure how long a program this is, but the producers have approached it with, it's a five-year or a seven-year program, because they don't have the type of money that's required to do all the things at one time, so they've done it piecemeal, and they have a plan in place, maybe a five-year plan, where they can bring all of the things that they have earmarked in their environmental plan up to speed.

Madam Minister, the question I would like to ask is, what length of time do you foresee this program carrying on?

**Ms. Wowchuk:** I would have to say, as well, that I'm very pleased with the uptake of this program. Some 6,700 agriculture producers throughout the province have attended workshops to date. So there've been a lot of workshops. Over 5,000 producers—5,200, in fact—have completed their environmental farm plans and have been issued with a statement of completion. That's a lot of producers.

It's a very good program. It's part of the APF funding. Because the non-business risk management pillar has not been completely negotiated, there's a

one-year extension that has happened. So it will go on for one year until we negotiate all of the details under the Growing Forward agreement, but this is one program that is being considered.

The member talked about my staff at the table, and I want to also recognize my staff that has worked very hard with the producers to get their environmental farm plans done. The staff of this department has played a major role in the completion and putting on the workshops. That has been done by the staff of this department and a lot of hands-on work right with the producers.

**Mr. Graydon:** Thank you for that answer, Madam Minister. However, with a one-year extension, and if my information is correct, the uptake on this year extension, we're only in April, the uptake on the program has been such that perhaps the program will be out of money by now. Is there some movement on the minister's behalf to pressure the federal government, or to, as you alluded to, signing the growing Canada fund? Is there some movement to move ahead with that?

**Ms. Wowchuk:** The member has talked about the success of the program, and I've talked about the number of people that have been in the program, but in fact, the program is so successful that the \$5 million for '08-09 has already been fully committed. That's the amount of money that we have for the program. The member talks about getting the negotiations done. The intent is to have negotiations completed by July. But, again, we have to be sure that Manitoba's interests are addressed and that we get all of our issues on the table. My staff is working very hard. There's a lot of time spent by the ADMs and directors working on these negotiations. I hope that we can have them completed. For the money that we have right now allocated to the program, with the extension of the agreement, we are fully extended.

**Mr. Graydon:** Thank you for that answer, Madam Minister. Could you perhaps tell me if the program, because it's out of money at this point, was that a carry-over of applications from '07-08 into '08-09, or are those applications all current '08-09?

**Ms. Wowchuk:** There was such an interest in the program that application forms, the workbooks, all of that part that happened, could not be completed in '07-08. You couldn't get all the work done, so that's why they've just rolled over into the next year. Because of the number of applications, all of the funds will be gone or fully committed. And that's

very good news. When you can get producers that involved and that committed to addressing environmental issues and doing an environmental scan on their farm, that means that they are very committed to the environment.

\* (17:30)

**Mr. Graydon:** I fully agree, Madam Minister, that the producers in the province, farmers, in all walks of life, have been totally committed to the environment. We that grew up in rural Manitoba understood that for many, many years. This has just helped them along to accomplish some of the goals. However, when I hear that it was a rollover from '07-08 into '08-09, are you saying then that you were out of money in '07?

**Ms. Wowchuk:** Well, as the farmer fills out their environmental farm plan, they do the workbook and then there's an action that has to happen, and not all of that can happen at once. So that's why there's a carry-over. You fill out the workbook, then you have to do the activity that's required before you're paid for a project where you have funds, but it has been so successful that approximately \$33.9 million has been distributed under this program. So there's a lot of money that's gone out of it, but the member's question was: Were we out of money? Well, no, it's just because producers weren't completely finished everything that they had to do. It carries over until they're finished their work.

**Mr. Graydon:** Madam Minister, thank you for that. I understand how the program works and I know that the applications that were made in November had commitments and those commitments would be honoured by February. I also appreciate—I should back up a little bit before I go there—I appreciate your comment on the \$33.5 million that you said has already been spent.

That probably indicates that there was between \$50 million and \$60 million spent by producers, which I think is a major contribution to cleaning up environmental issues, which may not have been big issues on the farm, but they were definitely issues and they've cleaned them up. I think that's been a huge commitment in the last year or so, considering what agriculture has been through, whether you've been through the floods and the excess moistures of 2003, '04, '05—in the grain industry or the cattle industry, which has never really recovered at all and has actually been deteriorating since '03 and, of course, the deterioration in the hog industry. I think

this is a remarkable investment on behalf of the producers.

However, if it weren't out of budget money in '07-08, and that was rolled over, then how much was the budget supposed to be for '08-09? Because this is a commitment now, from what I understand, it is a commitment from '07, was made in November, has been paid out in '08. I just need to better understand the total commitment for '08-09 by both the provincial and the federal government.

**Ms. Wowchuk:** Mr. Chairman, this was a five-year program. In the first couple of years the uptake was quite slow so those dollars just stayed in the program. There was a much higher uptake in the last two, three years of the program. In that budget we had allocated over the five years 32.5 million. We then added in, in the last year, an additional 1.4 million. So that brought the total up to 33.9 million. That was the amount that was in that program.

Now we are in the continuity agreement. That is the extension of the APF, and under that extension we get \$11.3 million for non-BRM programs and from that we have allocated \$5 million to this program.

**Mr. Graydon:** I understand your 5 million. I just need a better understanding. Is that just the provincial share or is that the total amount for the year?

**Ms. Wowchuk:** That is the total amount for the year and it is federal dollars.

**An Honourable Member:** Federal dollars.

**Ms. Wowchuk:** Yes. It is federal dollars.

**Mr. Graydon:** Well, then there is no provincial money in this. What we have is just provincial administration.

**Ms. Wowchuk:** Mr. Chairman, what we have here is the workshops. The technical work is done by the staff, and the best management practices comes from this pot of money that I said is federal money. Then we have other areas where there is provincial money that's considered matching money. Programs such as Covering New Ground would be an example of where we would have provincial dollars that would match, but this particular money is federal money. Our support is through the technical and administrative work and the workshops that are held.

There is a lot of staff time that goes into this program to help people with their plans and with the workshops, a lot of work that goes in.

**Mr. Graydon:** I certainly appreciate the staff that you had there. They were well-trained and very good at their job. However, I'm wondering if—and I'm going to name a couple of people that were working with FSAM. I don't know if they're on your staff or not, so the question is Alan Ransom and Wanda McFadyen. Are they on your staff or are they on the federal staff? How are they paid? Are they paid out of the \$5 million.

\* (17:40)

**Ms. Wowchuk:** Mr. Chairman, Alan and Wanda are not on our staff. They are part of the third-party delivery team, Farm Stewardship Association Manitoba, and their operating money comes out of the \$33.9 million. It's a fairly substantial amount of money that comes out to the operations of FSAM.

**Mr. Graydon:** Thank you, Madam Minister. I understand the program fairly well now, and I'd like to just put a few words on the record that Allan and Wanda have both done a wonderful job as well as your staff has. I think the program has been well-accepted, and I think a program such as that needs to be really looked at, to extend that program if there's still a requirement or a need for it. I believe the need is there and, until that need isn't being asked for, then I would suggest that program be extended because it, certainly, has had an effect. It's a positive effect.

I'm not exactly sure and I apologize. I wasn't here yesterday, but I apologize for that. However, if I'm covering something that was covered yesterday, I'd appreciate either the Chairperson or yourself or your staff tell me that, and I'll go back to Hansard for the answers.

The ALUS program that you talked about earlier today has a number of benefits. It certainly is a benefit to the grain farmer; however, to the cattle people it isn't going to have the same benefit that the grain farmers have. I'm wondering really, it would have to be modified before it would be beneficial to the cattle people. I think perhaps you are thinking, or if I understood you right, you're thinking was that it was a benefit to the cattle people. Maybe you can explain how you were thinking and I'll—

**Ms. Wowchuk:** Mr. Chairperson, before I answer that question, I just want to revert back to FSAM,

and I will say that I have had discussions with the board of FSAM. My goal is to focus as much as we can on the producer and use as much money as possible for programming for producers. My staff in my department do an awful lot of the work, and I want to look at how we can reduce the cost of the administration of the program and get more money into producers' hands. I would share that with the member.

With regard to the ALUS program and whether there or not there is benefit for cattle producers, I toured the Blanshard project last fall and, indeed, there was a cattle producer there who talked about this program increasing his availability of feed, grazing, increasing his ability to harvest hay. That's why we are doing a pilot project because, by doing a pilot project, we can then look at what the impact is on the grain producer, what the impact is on the cattle producer and if the program has merit. If the program doesn't have merit, and I believe it does, then what changes have to be made to address those needs? That's why you have to do a pilot, analyze it and then make some decisions about what changes have to be made.

**Mr. Graydon:** Mr. Chairperson, it works. I'm not opposed to ALUS at all. I just believe that it needs to have more flexibility for the cattle people; for the grain guy, it's pretty simple, straightforward and it's set aside.

The cattle people, however, deal with a feed situation. If you're in a drought situation, some of this land that's been set aside under ALUS, all of a sudden, becomes very important as pasture land. If you can run 150 cows on a small piece of land for two or three days, it makes quite a difference at the end of the year. If you can do that two or three times in a drought situation, when there's an excess of moisture, of course, then, you're not going to need that, and you won't be using that, and you wouldn't want the cattle in there. But there are times, and we go through those times in Manitoba, of drought that you need to have, and can utilize that, and it doesn't hurt the environment at all. It actually helps the environment. It doesn't end up with a situation where you're giving off an unwanted gas, a greenhouse gas from rotting material.

So, if there are some flexibilities built into the models and some direct compensation, I believe that it can work, but, if it's going to be rigid, I don't believe it has the benefit that you're foreseeing or that we'd all like to see. That's my point on that.

Maybe you can make me feel better about it. I'd like to feel better about it.

**An Honourable Member:** We'll have a group hug.

**Mr. Graydon:** Later.

**Ms. Wowchuk:** Mr. Chairman, the member opposite has identified some issues that have been raised by the cattle industry. It appears that grazing restrictions seem to represent the biggest barrier to adoption of ALUS projects by some producers. So those are the kinds of things that you have to work out.

But, you know, you've got the ALUS project, and you talked about grazing, feeding. That's why we're participating in a project with the Brandon Research Station. That's one that will allow for additional methods of supporting the cattle industry and enhance their ability to continue to raise livestock at a reasonable price. So you have the one side where you want to look at how you can give farmers some supports, and the ALUS project is one, but that may not always work. At the same time, while you're doing that and collecting information, the research work that goes on at those stations is also very helpful to producers.

**Mr. Graydon:** I feel so much better now that the hug probably won't be necessary. However, it could be still an option—

**An Honourable Member:** Don't mess up the opportunity.

**Mr. Graydon:** —but you'll have to take a number.

On a more serious note, the wildlife damages that were brought up—well, maybe we'll go back to the million acres that my colleague brought up that he felt was being taken out of pasture and taken out of production. I believe that we don't have an accurate handle on the culling program that's going on in the cow market today, in the cattle numbers. Manitoba being a province, basically a cow-calf province, we don't have a lot of feedlots in this province. So being basically a cow-calf province and a lot of marginal or semi-marginal land, with the number of cows that are going to market, I believe that our cattle industry is going to be deeply, deeply scarred for a long time.

\* (17:50)

I probably didn't realize how many were going to market myself, and I'm in the business, until this last weekend when I drove five miles. There've been over 350 cows in that five miles gone to market in

the last month. I know that that land is going to be broke up. I know that there's going to be erosion, both from wind and water, and I'm somewhat concerned, also. Perhaps some of your staff can tell me, when the Permanent Cover Program was introduced, and when that Permanent Cover Program, the \$75, when that program is over for most of the people that had signed up on it.

**Ms. Wowchuk:** Mr. Chairperson, the best we can recollect is that that was a federal program that was put in place somewhere in the mid-90s and I think it was you got a payment, but you were required to maintain the cover for 10 years. So, if it was mid-90s, a lot of that land probably is coming to the end of the requirement of keeping it covered and could be turned over.

**Mr. Graydon:** Madam Minister, I don't know when it was implemented and when they quit. However, I do know that it was administered through your department or through—it was administered through Crop Insurance.

**Ms. Wowchuk:** PFRA.

**Mr. Graydon:** Was administered through crop insurance. They were the people that came out and did inspection to see and to measure the land. Now, they may well have done that for PFRA, but it was their staff that came out and that could have been staff in lieu of money, but if your staff can find that out for me and get back to me, I'd really appreciate that.

The wildlife—

**Ms. Wowchuk:** If I could just say—you know, you're the first at this table who has stumped my staff. So they will go back and I guarantee you we'll get an answer because they just have the answers for everything. They know it all. And now you've stumped them.

**Mr. Graydon:** There's no doubt in my mind that she has an excellent staff. They have made her look very well for a number of years. It shouldn't be a surprise however, that I stumped them.

I'd like to go on to the wildlife claims. My colleague had mentioned deer and ducks and geese. In his area it was certainly a problem. Our area, of course, we've had a problem with deer as well, but the coyote population has—because the deer population has expanded and it did that throughout the whole province; it doesn't matter if it's in rural Manitoba or if it's in the city of Winnipeg, the

population has expanded and of course, then, so do your predators. They move at the same rate and expand very rapidly as well. In the last week, I've personally had two kills—wolf kills—on month-old calves. In the last two years, in our area, well, in fact last year, one guy within the first month had 35 kills.

We have to have some means of dealing with these. The compensation at 80 percent I don't think reflects the price at the time. It doesn't differentiate whether they're purebred cattle or whether they're commercial cattle. Many of us that are in the seed stock business, we have a lot of money invested in those. If that happens to be an embryo, I have over \$500 in that before it's born. When it's born, it's worth a lot more than that.

So, is there some way that we can differentiate for the seed-stock people, first of all? Then the second part of that question is, can we introduce some type of predator control that will be beneficial?

**Ms. Wowchuk:** I'll indicate to the member that, no, there is no discussion on differentiating at this time.

With regard to control programs, the Minister of Conservation (Mr. Struthers) has signed an agreement with the Trappers Association to do trapping, and I see one of the members across the way shaking their head, but there is a value for these, and there is trapping. I know you may be referring to cyanide and that's not something that's acceptable.

I will say something that—the member may tell me to go home. But my colleague from the Interlake is sitting at the table and my colleague at the Interlake raises sheep. My colleague from the Interlake has purchased donkeys, and you may say cattle producers, but there are different types of predator control that can go on. One of them is donkeys; another one is guard dogs. Around the Riding Mountain, we're doing some testing with guard dogs to see whether that can help with controlling. We're looking at those things. But I think that we have to be innovative and look at some of those other methods of controlling because the poison isn't going to be an option; it's not available.

So what are the other ways that predator control can take place? Everybody is looking at different things, and some of them use dogs, and some of them will try to bring in other species to help with it. In some cases, it works; in some cases, it doesn't.

**Mr. Graydon:** Thank you for that, Madam Minister.

I've used all of these now for the last five years. I had two kills last week. If I didn't have the donkeys, I would've had more kills.

One other problem that we have along the border is in Minnesota they've reintroduced the wolf, and it's unlawful to shoot a wolf or a coyote in Minnesota; it's against the law. So, what they've done now, they live-trap them, and they bring them up to the Canadian border, not exactly to the 49th, but within a mile, and they'll let them off in the Caribou County and those wolves just kind of find their way the rest of the mile because that's the way they were pointed when they were let out of the cage. So there is a severe wolf problem out there. They're running in packs now of up to 15. The Conservation people know that. They're not taking care of that.

Poison is an option as long as it's managed properly, because anything that's taken down with poison is not going far. So, if it's managed, you're there and you pick that up, and that's the end of the kill. If you don't manage it, of course, cyanide continues to kill and kill and kill. However, if it's managed properly it can work, and it has worked up until the last four or five years. They've quit using it, and the problem has just got out of hand.

The other problem is with the deer, and I'm not sure that it's your department, Madam Minister, but the deer in yard sites, in rural Manitoba, just total them. What kind of compensation would those people be awarded?

**Ms. Wowchuk:** I would suggest that the member raise that issue with the Minister of Conservation (Mr. Struthers) when he has his Estimates, because that's not an issue that can be dealt with by this department.

**Mr. Chairperson:** The hour being 6 p.m., committee rise.

#### EXECUTIVE COUNCIL

\* (15:00)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Executive Council.

Does the honourable First Minister (Mr. Doer) have an opening statement?

**Hon. Gary Doer (Premier):** Yes, Madam Deputy Speaker. The Estimates are pretty straightforward,

budgeting for an increase of 2.7 percent, consistent with the public service contract.

We certainly would note that the Manitoba Council for International Cooperation grant is in the Enabling Appropriations, but it's gone from \$500,000 to \$700,000. We have, also, from time to time, appointed people to be part of or had projects approved.

There have been some deputy minister changes, mostly confirmation of existing acting positions. You would note that Diane Gray is now fulfilling the role of Deputy Minister of Finance with the Trade and Federal-Provincial Relations. Mr. Norquay is in the Department of Water Stewardship, replacing Gerry Berezuk, who retired. He worked in the Department of Highways throughout the '80s and '90s. Ms. Heather Reichert is now the Deputy Minister of Advanced Education and Literacy. She is a CA and a former Associate Deputy Minister of Health, responsible for the Health budgets and finance.

So, obviously, there are a lot of issues the member opposite will raise, and I'm going to do my best to not go for the proverbial bait that I know he will so effectively try to dangle in the political waters of this Chamber.

Thank you, Madam Chairperson.

**Madam Chairperson:** We thank the minister for those comments.

Does the Leader of the Official Opposition have opening remarks?

**Mr. Hugh McFadyen (Leader of the Official Opposition):** Thank you, Madam Chairperson. I think I'd prefer just to go into questions. So is this the time to bring in the staff?

**Madam Chairperson:** Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) and proceed with consideration of the remaining items referenced in resolution 1.

At this time, we invite the minister's staff to join us in the Chamber, and once they are seated we will ask the minister to introduce his staff in attendance.

**Mr. Doer:** Yes, back for a return engagement, Maria Garcia, the financial officer in the Premier's office, and, of course, Mr. Paul Vogt, Clerk of the Executive Council. That's the staff.

**Madam Chairperson:** Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

**Mr. McFadyen:** I would propose that we go to global discussion.

**Madam Chairperson:** Is that in agreement with the committee?

**Mr. Doer:** I would love to discuss global affairs with the member opposite.

**Madam Chairperson:** The floor is now open for business.

We will proceed globally. The floor is now open for questions.

**Mr. McFadyen:** We'll just start by asking the Premier just to provide a rundown of the current list of political appointees to Executive Council and just indicate whether they're full or part time, and just highlight those that may have—names of those who may have departed Executive Council and those who may have joined Executive Council since last year's Estimates.

**Mr. Doer:** Well, as the member opposite knows, many people in the office are non-partisan, in fact, worked when the member opposite was the chief of staff in his capacity and others are at the will and pleasure—he had to take a pay cut to be the Leader of the Opposition, I know that—and others are political and I don't think we've broken them down in terms of political versus non-political, but there are a couple of new ones.

**Mr. McFadyen:** Present company excepted, of course.

\* (15:10)

**Mr. Doer:** Yes, my executive assistant has left and we have an opening that we haven't filled yet. David Ferris has left Executive Council, and Brent Dancy has moved in. Naline Rampersad is gone on maternity leave and is being replaced for her leave by Rachel Morgan. Jackie Friesen has returned to Cabinet Communications from mat leave. Mr. Copeland has been hired to replace Andrea Coulling as a policy analyst on a part-time basis. Jonathan Hildebrand, as you pointed out last year—and I didn't even know this—was acting, and we've made that permanent. Those are the changes in staffing.

The staff is comparable to the former premier's staffing. It includes secondments that are comparable, and it includes staff positions that are

comparable. That includes the vote dealing with the change in the Protocol office to Trade, and we're using Protocol more. We found, when we first came into office, that when Protocol wasn't engaged directly in a, kind of ambassador visit or a visit of royalty, we were underutilizing people that had skills dealing with trade and other outreach for Manitoba. The member would know that they're more involved in the community now. We thought it was a more effective use of their time and their skills.

Dwight Botting's operation, although he was in South Australia on a secondment for a period of time, and Nicole, in our office, whom he would know, was backfilling his position along with Karen Botting. But they're in a different department, but, certainly, they help us.

They're working on a visit that we're working on from the president of Ukraine. That's not been confirmed yet. We're working on a potential governor's visit that hasn't been confirmed yet. She will be involved, I promise you. As soon as they confirm, we'll confirm with you. Of course, Prince Edward is also coming. We still haven't worked out all the details of that visit. It will have a military appreciation session, here at the Legislature. As soon as we have all the details from Protocol, as early as we can, invite all members of the House to attend some of the sessions that we can.

But we are beholden to the various positions in terms of scheduling. But that's what they're operating on now.

**Mr. McFadyen:** I want to just put on the record my personal appreciation. I know it will be a reflection of the views of many others within our caucus for the great work done by the individuals in Protocol, whom we've all had the opportunity to get to know over several years. They really make us proud to be Manitobans. So I just want to say that. I don't know personally, or as well, the political staff, the Communications and Policy staff, that the Premier made reference to but, certainly, support the complimentary remarks made with respect to the Protocol staff and others who work him, and many others who work within Executive Council, who serve us extremely well.

Just on the two staff that have departed, and I don't know if I have the names exactly right here. I think one was from Communications and the other from Policy. I wonder if the Premier can just indicate whether they have left Executive Council to take positions elsewhere in government, here, in

Manitoba, either within a line department or a Crown corporation.

**Mr. Doer:** Yes, it was Karen Bryk. I was reading a note on the departure of Dwight Botting, so I apologize. Karen does a great job, but I just want to acknowledge that I was reading a note and speaking at the same time.

Andrea Coulling has left for a position outside of government. Mr. Ferris has got a position in the Department of Competitiveness, Training and Trade.

**Mr. McFadyen:** Can the Premier indicate if he's aware where it is that Mr.—I think it was Cooly? Coulling, where, if anywhere, he's taken employment since leaving Executive Council.

**Mr. Doer:** Andrea, she's working outside of provincial government.

**Mr. McFadyen:** Just for the record, the Premier made reference to the visit from the Ukrainian premier, and I just want to, for the record, note that it was the Member for Russell (Mr. Derkach) that the promise was made to with respect to participation. It wasn't on the record earlier. Get that on the record.

Could the Premier just indicate, dealing narrowly with activities within Executive Council, some of the work being undertaken by MCIC, which is funded through the budget at Executive Council, much of which we're familiar with, but I want to give him an opportunity just to outline how those funds are being expended and what sort of reports he's received on those expenditures.

**Mr. Doer:** In terms of the Member for Russell, he did a great job in the election dealing with the observer's status when there was quite a controversy between the control of Putin, and he single-handedly made sure that Putin did not have too much control. He and Doug Martindale, the Member for Burrows, ensured that the long arm of the former KGB chief, now former president of Russia, did not influence in the second vote as much as was alleged in the first vote. So Manitoba is well served by our democratic envoys, and I'm sure he'll be getting a medal of honour when the president of the Ukraine visits us.

At least I would recommend. I mean, I can only recommend to another sovereign state, but, yes, as soon as we know—we haven't got the details. I think it is proposed. Right now there's no media release on it yet. It is not confirmed, but we're certainly on the list of places that he may visit.

Secondly, the issue of MCIC in our Cabinet meeting with MCIC hasn't taken place recently. We're meeting actually in about a month, so we usually have an overview every year or two. They also present an annual report or two annual reports every year or two at the Legislature. I think they've been in the rotunda and all members of the Legislature are able to meet with the group. The MCIC, I think the ratio is 7 to 1. The funds that they raise for the various charities includes the Mennonite Central Committee, World Vision, Oxfam, CUSO, Canadian World Youth International Development Enterprises, Mennonite Economic Development Associates, United Church, Osu Children's Library Fund, Save the Children, YM and YWCA of Winnipeg.

Some of the projects they've funded is health care, HIV-AIDS, micro-credit business development, education, housing, agriculture, job creation, literacy. I know that the fundraising that took place in Africa for a library was started by a person who was located there and went out and noticed that so many kids had no books, and she used her contacts back in Winnipeg to raise money and work with the MCIC. It was quite moving to see the story about what was happening. A lot of unsung heroes in this group.

\* (15:20)

The Mennonite Central Committee did work in New Orleans and Louisiana. In fact, we funded, I think, one of the vans. The Enns family donated another van, an emergency response van, to the people devastated by the flooding in New Orleans after Katrina. Again, I could go on for a long time.

I have not visited an overseas project yet. I know Premier Filmon did visit some projects in South America, and he actually gave a long and poignant presentation in the early '90s. I think he went to the Rio conference on climate change, and then he also went and visited some of the projects. I do think they do great work, and I just think we're very fortunate to have a body like this.

The other area that I really think is an advantage for us is because we have such competent people that are volunteering to do the work. When there's a tragedy and there are people on the ground we're able to fund the tragedy and be assured that it's not going to some layers of middle people that don't allow the money to go to people.

It was actually interesting when I was in India about three years ago, the ambassador who'd worked

in South Africa and in India said that one of the groups that she was most impressed with was the Mennonite Central Committee. She actually told me that a large part of her will would be dedicated to the work they do because it was so effective. Of course, a lot of that is centred right out of here in Winnipeg, and I'm not just saying it because Paul Vogt's here, but actually I—

**An Honourable Member:** He's not here.

**Mr. Doer:** I'm not doing it for you either now that you've become an Obama Democrat.

I do think that it's kind of one of those warm feelings when you ever meet with him. So I'm looking forward to our next meeting. I don't know when the next open house is here, but they always have one, I think, every year and it's usually in the rotunda. You learn something every time you meet with them.

**Mr. McFadyen:** I appreciate the comments and I've asked the question, I think, in all three Estimates now that I've been part of just because I think it is important that the great work of MCIC be put on the record of the House. I share the view that they do incredible work raising money and then helping people in different parts of the world. I've had the pleasure of having conversations with various people associated with MCIC over the period of time since our last Estimates and continue to be impressed with the selflessness and the level of dedication.

It's one of these areas, if memory serves, and I stand to be corrected, I believe it was the practice of funding MCIC out of Executive Council, I believe, begun under the former premier and has carried on and been very well supported by the current Premier (Mr. Doer). It's a good example, I think, of one of those things that nobody can disagree on. So I thank the Premier for the answer.

Could the Premier, just coming back to—I know we've had a practice in the last two sets of Estimates and I think previously I've been provided with a current staff list for Executive Council. Could we be provided with that list?

**Mr. Doer:** I'll provide it tomorrow, yes.

**Mr. McFadyen:** Could the Premier indicate with the two new hires, one in policy, one in communications, replacing the two whom we were discussing earlier, where they were in terms of their previous employment prior to being hired with Executive Council?

**Mr. Doer:** I'll find out where the temporary person who's doing temporary work for maternity leave, I'll have to find that out. One individual came from Saskatchewan—[interjection] He worked for the Executive Council in Saskatchewan and maybe it'll help Mr. Mitchell, who also works for government, who's the line coach for the Bisons, because he actually was a former captain of the Rams and Huskies, and, regrettably, they won a lot of championships, football championships, so, if the member opposite wants to challenge us to a staff political football game, co-ed of course, we think we're well equipped. We've already beaten them in hockey so we could do a little bit better on the football side. But that's not why he was hired. He was considered fairly competent in Saskatchewan. But he is a political appointee, and he comes and goes at the pleasure of government.

**Mr. McFadyen:** I thank the Premier for that very candid response, and I know that there are former Manitobans now working in Saskatchewan, I think, with executive council. They seem to trade hostages at the border every now and then after elections. I don't know if that's what happened here, but, in any event, we know that this is part of the political life here in Canada.

So I want to ask the Premier, just on the matter of some recent out-of-province travel, if he can just provide a description of the various places that he travelled on government business since our last Estimates which, actually, were not a year ago, they were last fall, so I think it's just been for the last seven months or so.

**Mr. Doer:** I think we've had a couple of events tied to federal-provincial relations. We've had, when I spoke with the Christians and Jews in Toronto to support the nomination of the Asper family for that award, we also tied in meetings dealing with the Canadian Museum for Human Rights when we went to the Olympic committee for the committee to sign the document. We also had another event for the Canadian Museum for Human Rights. We had a previous meeting in British Columbia.

I do plan on making all the '07-08 travel available not only from Executive Council but, as I have in the past, making available the travel that is for functions from other departments when I speak on trade missions, et cetera, as we did in the past.

I haven't seen the draft document for the fiscal year yet. Last year, when I got one there were a couple of mistakes in it I wanted to deal with, and so

we're targeting a few weeks from now for the release of that document.

I think it'll be comparable, you know, to previous years as a macro number. The premiers' meeting was in New Brunswick. It now has an extra day because it has the Aboriginal meeting with the premiers. The western governors' meeting last year was in South Dakota. Governor Rounds hosted the meeting. The western premiers was probably the most expensive trip on North America because it was Nunavut. We flew to Rankin Inlet then across on First Air and then down from there. It's not an easy place to get to. I didn't eat the raw fish and got condemned in the *Globe and Mail* for that. But I've never eaten sushi so I wasn't going to start today.

So we can give a list. There's the trade mission. The major trade mission of the last 12 months was a trip to Manila. I had committed about eight years ago to go to the Philippines. There was a need to get our tourism agreement—or not tourism, immigration agreement—changed a bit. We did that with the secretary of trade and immigration. The new ethical standards in the Philippines, I think, are a good idea. I think they're targeted at other countries than Canada, but we need one for the Provincial Nominee Program.

\*(15:30)

I then went to Australia on a—and we'll have this all disclosed, as we said, in the press release. It was paid for by South Australia, to speak on climate change, but I did spend a day, or a couple of sessions with Channel 10, which is owned by the Canwest Global Group, and there was a team of people from Winnipeg as well. That was generally the magnitude of it, but I'll get the details of it.

**Mr. McFadyen:** Madam Chairperson, I thank the Premier for the undertaking on that disclosure to come.

Just with respect to the trip to the Philippines, as I understand it that was in February of this year, 2008. If you could just indicate who was part of that delegation.

**Mr. Doer:** Well, there were a number of business people from Manitoba and the Philippines. Manitoba actually has a regular trade mission to the Philippines on immigration and business from the Trade Department. So this year I joined it for a period of the time and about eight speaking engagements. There were business people, I'll have to get permission to release their names, but there were

business people there. There were people from the Filipino community there.

We met with, as I say, a number of Cabinet ministers. There was a little bit of political discussion going on at the time. The Senate was having emergency meetings on issues in the Philippines. We had very good meetings with the mayor of Manila and very good public events.

As I say, I know my predecessor has been to the Philippines, former Premier Filmon. I had never been there, and I joined the regular mission. They have a mission to the Philippines on immigration. They have companies that are interested in investing in the Philippines or having Philippine companies investing in Manitoba. So I joined that mission that takes place on a regular basis. As you know, Manitoba Trade and Immigration has delegations that go to countries with major numbers of people that come to Manitoba on the Nominee Program. They have delegations that go to Germany. I think Mr. Rempel and his team has delegations going to India and delegations going to the Philippines. So I joined that group and made a number of public-speaking engagements, including with the Philippine Chamber of Commerce.

**Mr. McFadyen:** Could the Premier just indicate who covered the expenses, the Premier's own expenses, in connection with that trip and who covered the expenses of the business people and others who were part of the delegation?

**Mr. Doer:** Well, the business people primarily covered their expenses. I'll have to get a breakdown. The expenses that I incurred was in the press release that we released publicly. I'll have to double-check the number.

**Mr. McFadyen:** Could the Premier just indicate which department those expenses would have been paid out of?

**Mr. Doer:** I'll double-check that. I believe it was Trade, but I'll double-check that. Again, we'll have all that disclosed shortly for the whole year. But there was a press release out on the trip before I went, and I believe the number used for the Philippine portion was \$4,000. I haven't looked at whether that ended up being correct or not. I also know we wanted to give a ballpark figure before we went. I like that practice. That's what former Premier Klein did and now Premier Stelmach does in Alberta. I think that puts the number up-front right away, so two days before I left there was a press release and there was a number in there. We buy economy

tickets. Sometimes we get bumped up. I can tell you coming back, I didn't. We weren't peaking too early in terms of luxury when it came to coming back.

**Mr. McFadyen:** Could the Premier just give an overview of the trip to Australia in terms of expenses: who paid them, who was part of the delegation and what official functions he attended and participated in? I believe, if I'm not mistaken, that was in January 2008 this year. Can we just confirm that?

**Mr. Doer:** Yes, it was after the Manila portion. It was a period of time after, because I took a holiday in between. So after that there was one day of business in Sidney with the ambassador and Channel 10, it was actually on Global, it's the television network purchased by Izzy Asper and owned by CanWest Global. We had a number of the CanWest executives there and they had a couple of functions and we had them in functions with the Ambassador and the High Commissioner of Australia and the Consul General.

Then the other part of the Australia trip, almost all of the airfare and expenses were with the conference on climate change and it will be again fully disclosed as part of my expenses, but I was a speaker and I got paid to speak. So I took a working holiday, I guess you'd say.

We also met with Dr. Garneau who's the climate change person appointed by Mr. Rudd. In fact, he was the former ambassador from Australia to China and he was Mr. Rudd's boss when he was in the diplomatic corps. Mr. Rudd now, of course, is Prime Minister Rudd.

I met with all the Australian premiers at a meeting. There was minister from Saskatchewan, a minister from Québec, a minister from Ontario, but I had a speaking engagement at a conference that paid my airfare from Manila to—I believe to Manila to Australia and then returned from Australia.

**Mr. McFadyen:** Premier, just indicate how much he was paid to speak at the conference on climate change in Australia.

**Mr. Doer:** Nothing, but I know other people that spoke got—I imagine, I got told some of them get paid. I, obviously, have never taken money for any speaking engagement I've ever had.

**Mr. McFadyen:** Did I not hear correctly? I thought you said in your earlier comment that you were paid to speak at the conference.

**Mr. Doer:** My expenses were paid. My speech was, as I say [*interjection*]. Well, I actually find sometimes if you are asked by people to speak—I don't think it's bad for Manitoba to be out there speaking and getting conferences where possible to pay costs. Costs being expenses, not on top of my massive salary increase that I received this last winter.

**Mr. McFadyen:** The Premier, I know will note, that no member of this House has taken issue with the salary change that came in this year.

**Mr. Doer:** Nor did I ever take issue with the former premier. In fact, I urged him to not, to be a little careful back in a previous time because you cannot out-hair shirt each other, but it was done in an independent way and we respected that. I appreciate the fact that everybody did, because today's short-term political comments are not worth the—some people that it costs a lot to be part of public life, and we all know who they are.

\* (15:40)

**Mr. McFadyen:** I agree with the comment and would just ask just in terms of the expenses related to the Australia trip, whether that is something that would be declared as a gift under our conflict-of-interest guidelines.

**Mr. Doer:** Yes, I haven't got the total number, but I will declare it. I've done that in the past.

That's my daughter; she's the only one that phones me. She's probably giving me the score of the Thrashers.

But that's really important. I had better make sure—I don't even know how to turn this thing off. She's the only one that could phone me. I wish she'd just text it; it's so much easier. She talks when they win, so that might be a good sign.

Sorry. Yes, I had one other one with pensions, an issue of health which I declared, and I'll declare this as well.

**Mr. McFadyen:** Madam Chair, I'll take the Premier's word for it. I think that might be an interesting tactic, though, for us to consider at one point, to have other members give us a phone call on these awkward questions. I say that in complete jest. I completely trust what the Premier (Mr. Doer) has said. I do receive those kinds of calls from time to time as well.

Could the Premier just—has he got his ringer taken care of there? All right. Just wonder if the Premier (Mr. Doer) can describe the purpose of a trip that he took with the Hydro minister recently to Minnesota, whom he met with and what was the topic or the topics of discussion.

**Mr. Doer:** Yes, the topics of discussion were to meet—well, Mr. Brennan initiated the trip. It was a recommendation that was made to us actually by Governor Pawlenty a year ago. Actually, some of the resolutions on Hydro took place during the election campaign. Mr. Brennan thought it was important, and I concurred, that we have meetings directly with the—well, I met with the governor on a separate meeting on bilateral issues. Of course, I had met with the governor in November at the Midwestern conference that he and Governor Doyle hosted. I think I was the only Canadian premier invited. I met with the governor. The group met with the head of the Senate, the chair of the Senate. We met with the various chairs and committee members from both sides of the aisle on the resolution that was passed in Minnesota last year.

Again, the initial concern was raised by the governor who doesn't—you know, there's a separation of different functions, regulatory functions between the governor and other members. We met with him and we met with the various committee members in Minnesota. I can tell you that Eric, Minister Robinson had gone down there earlier, and there was a lot of work done by people opposed to Hydro sales a year ago. Actually, it took place during the election campaign. It wasn't countered very well in my view and in the view of the governor and in the view of Hydro. So we didn't go down earlier because the committees were meeting this spring. To some degree, the issues were dealing with what happened in the 1970s and some of the issues around Hydro development from one community that is not part of the Northern Flood Agreement. They had prepared a very long video, and they had prepared a lot of material. There was a desire to have a balanced message coming from people of Manitoba. That's what we tried to do in Minnesota. The resolution of our trip is too early to report, but the suggestion that we do it was made by the governor, and I think it was a good suggestion.

**Mr. McFadyen:** As I understand it, the purpose was to attempt to convince legislators in Minnesota to make some policy changes to deal with policies that have been enacted that might inhibit, or prevent, or

in some way interfere with potential sales to Minnesota.

Can the Premier just be more specific about what those measures were that they were addressing in the course of these discussions?

**Mr. Doer:** Well, our goal was to provide a balance in what was being provided that most of us felt, and Hydro felt, and the governor felt, was very one-sided. We did it in a number of forums. I also spoke to the Minnesota Chamber of Commerce the next morning, and then before I met with Governor Pawlenty. So the first goal was to give a more balanced approach about what has happened with communities that have signed the Northern Flood Agreement versus communities that haven't, what is part of real challenges for Aboriginal people in communities that did not have hydro, and to try to look at everything that is challenging in terms of social and economic opportunities in some communities. To ascribe it all to Hydro is not entirely a balanced approach in terms of what was going on and what information was made available.

So, really, what will manifest itself out of the committees, I'm not sure. There's an energy committee, there's an environment committee, there are ways and means committees, there are lots of other committees. This is not the first time we've had to deal with this issue. We were down in the past with Xcel agreements that had to be renewed, and we got them renewed, but there was opposition. At that point, a person named Roger Moe, who has been up here, was head of the senate. But every time there's a new generation of political people in Minnesota, or lobbyists who want to support another form of energy, there are attempts to provide only a one-sided view. So Hydro recommended, and the governor recommended, that people who have lived and been raised in that area—as I say, the Member for Rupertsland (Mr. Robinson) was a member of Cross Lake and knows all members of the community quite well. The member was very helpful to providing a balance, because he probably could do a better job than anybody, any of us in terms of providing a balance.

I think what will happen at committee and how it will manifest itself and how it will deal with issues, I'm not sure, but as long as balance is part of the equation in making decisions I feel more confident on a go-forward basis. We don't go down there as much as some of the people only providing one side

of the view. They're down there a lot more than we are. That's not always economically healthy for us.

**Mr. McFadyen:** I would just say, in support of the general thrust of what the Premier is saying, that we would certainly want to encourage the Premier and the senior executives and board members of Hydro to advocate on behalf of Manitoba and Manitoba Hydro in the context of discussions outside of our province around the history of Manitoba Hydro development in our province, and to absolutely set the record straight in terms of the historical reality versus what others who may be opponents of Manitoba Hydro exports outside of our province might want to leave on the record, which is sometimes not balanced and accurate, as the Premier has pointed out. So we're certainly not questioning in any way the purpose of the trip.

\* (15:50)

I just wonder if the Premier (Mr. Doer) can just indicate whether the historic issues that he's referring to when he talks about the 1970s, and information may be put on the record by lobbyists and others outside of Manitoba, but what transpired in the 1970s. To be more specific, is he referring to the impact of hydro-electric dam construction with associated flooding and other impacts on northern communities?

**Mr. Doer:** I have not seen the video, but there is apparently a video that has been produced and was shown a year ago to people. I am aware that this happened also at an Xcel board meeting and again, people had to go speak at a board meeting when it was in Denver. It wasn't me but other people. There was a meeting in New York that tried to interrupt sales. There are people from Manitoba that are working with people in other provinces. I haven't seen the contents of their presentation, but what I gathered from people that I met with and what I gathered from other discussions including with the governor, it was pretty one-sided.

It almost took all of some of the Canadian history and ascribed it to hydro development. Then you got a situation with Limestone where it wasn't the same as Grand Rapids in terms of flooding and it wasn't the same as the Churchill River diversion. It was the run of the river dam primarily, so the Xcel power sale, which was originally the Northern States Power sale, emanated from the construction of Limestone.

Some of these things have to be put into context. I remember watching certain television stations when they would show South Indian Lake and say this is Limestone, which is not true. A picture is worth a thousand words, so it's easy, even for domestic purposes, to have something that wouldn't be entirely accurate.

I just think providing balance is a good thing. We're not going to change minds of everybody down in Minnesota, but it's not dissimilar to other utility projects. There's lots of activity at the regulatory bodies which are political. The commercial decisions are easy. With Xcel, the commercial decisions are easy, with Wisconsin and public service power. The commercial decisions made sense for the Nebraska-Manitoba line. I think that was one that Sterling Lyon was working on that never developed because of political—[interjection] What's that? [interjection] No, it was cancelled by Nebraska. I've talked to Governor Janklow, who was involved in it, but a very tragic accident after that with a motorcyclist. But he admits now that it was—the MANDAN line, I think it was. I don't know a lot about it. The bottom line is, providing balance is a good thing and that's what we try to do.

**Mr. McFadyen:** The Premier has made a few references to the video that was being shown south of the border, which, as I understand it, paints a very unflattering picture of northern hydro development. He made reference to Manitobans having been involved in the production. Without going so far as to have to name names, can he just confirm that he is making reference to individuals associated with Cross Lake, which is the community that has had the most contentious relationship with Hydro in the context of the northern flood settlement discussions?

**Mr. Doer:** I would have to check and see who produced it, the production. Certainly, Cross Lake First Nation has lobbied against hydro sales. That's on the public record. We're trying to deal with some of the issues in Cross Lake, the bridge that was awarded to them and not fulfilled. We're trying to deal with some of the issues in Cross Lake. There are people even—you know, there are people in Manitoba that believe there's still a gap between what is needed to be done and what has been done. I do believe that we've got to continue to work with them, but at the same time we don't have to acquiesce to a message that might not be balanced. Balance includes the legitimate impact of projects, but not claims that go beyond the impact of projects in the past.

**Mr. McFadyen:** There was a media report suggesting that there had been a failure on the part of Manitoba and/or Manitoba Hydro to file a report in Minnesota with respect to progress on the Northern Flood Agreement implementation.

Can the Premier indicate whether there was an obligation to file such a report? If the report was not, in fact, filed, what the reasons might have been for that decision to not file.

**Mr. Doer:** Well, I would leave that to the next committee meeting of Hydro. I don't want to speak for them on something that's required by them at a Minnesota committee. So I want to be very careful of what I say. There are lawyers everywhere; litigious lawyers, everywhere. So I want to be very careful.

**Mr. McFadyen:** Certainly, none of those in this Chamber, but perhaps elsewhere.

Can we get an undertaking, then, to get some kind of a report on why it was that that report was not filed in Minnesota?

**Mr. Doer:** Yes. I'll ask Hydro for a response to that. Again, they may have—well, I won't presume. I'll get that from Hydro.

**Mr. McFadyen:** On that Minnesota trip, when discussions were taking place with respect to the video and the other issues that arose from it with respect to the history of Manitoba Hydro's relations with communities in the north, was there any discussion on forward-looking projects, future and proposed and discussed projects?

**Mr. Doer:** We're pretty tightly timed in terms of the issues in front of the committee. They were also dealing with votes in and out of the House in the committee. So we're pretty focussed in on the questions related to the action taken a year ago in the committee before we were there. All of us, to different degrees, discussed the issues related to the questions they raised. You know, we were really out dealing with something that actually happened a year ago, and we, as I say, were tied up in the election campaign.

So the bottom line is that we dealt with issues that concerned them, and they raised to us because we had to be economical in terms of time, because votes were taking place, caucuses were taking place.

The Houses don't meet as much as we do, and they don't meet as often as we do. They are in and out of caucuses, in and out of votes, except for the governor. We discussed a number of issues on a

one-on-one basis, but, certainly, those who wanted to hear the other side had questions and we provided answers. We didn't try to add to what they were dealing with right in front of them. There'll be lots of—we're dealing with something that happened, and we couldn't manage last year, as I say, with the election. I got the letter, when the election was over, from Governor Pawlenty and that was fairly important.

\* (16:00)

**Mr. McFadyen:** In a similar vein, can the Premier (Mr. Doer) just describe the recent discussions in Wisconsin with respect to current legislative and/or regulatory hurdles that may have to be overcome in order to complete the sale deal recently announced with Wisconsin?

**Mr. Doer:** The Wisconsin members of the legislature, the various Democrats and Republicans, were up in Manitoba in October. The utilities were up in October. They visited both Winnipeg and northern Manitoba. The minister and I and Mr. Brennan, Mr. Schroeder and others had a meeting with them dealing with some of the issues.

Pursuant to that, I was invited by Governor Pawlenty and Governor Doyle to a Midwestern continent meeting where about 10 states signed onto something comparable to the western climate change exchange which, ultimately, we hope to use as the measurement for the building for the House. We had clear statements of principle on renewable energy, and Governor Doyle in Minnesota confirmed that part of his plan is to define renewable energy as including hydro-electric power, which was an objective of ours, because if you look at Secretary Bodman's proposal in the Bush administration, again lots of lobbying going on, but items such as wind, solar and energy efficiency are defined as renewable, but hydro isn't.

We wanted hydro-electric in the agreement we signed with the western governors. We want hydro-electric power in agreements we sign with the mid-western governors and, obviously, Québec is working on any kind of agreement they have with the eastern governors. So Québec, Manitoba and British Columbia are taking a consistent view that, when Minnesota sets a target of 20 percent of renewable energy by 2025, I think the date is, and it actually has a higher requirement for Xcel, that we define it as hydro-electric power which is going to be very good for Manitoba.

There are some, again, previous resolutions in Wisconsin. There are resolutions we're dealing with in Minnesota but, speaking as premier to governor, we have had the macro inclusion of the definition of renewable energy which, I think whoever's in this chair in 2017 or '18 when this deal will hopefully be realized, he's going to be very glad that that change was made. It will be very good for Manitoba.

The committees are different than the governors and the U.S. system is different than Canada, so there's work in committees—I don't want again to speak to the committees—but there are some issues we have to deal with in terms of local versus outside energy. We think, with the macro definition of renewable energy, the fact that Wisconsin is powered with 68 percent coal, that Manitoba's well positioned. We think we're well positioned for western Canada and we also think we're well positioned for eastern Canada.

As I said before, we're trying to sell three different places and trying to take the best agreement we can get, but they're all subject to lots of environmental scrutiny and environmental decision making in the jurisdictions. It was quite different 20 years ago, 10 years ago, even five years ago. At the Midwestern continent meeting, co-chaired by Governor Doyle and Governor Pawlenty, there were lots of comments from utilities that now reliability and price are sometimes trumped by environmental issues, even from sources outside of their state. These are private companies saying that this is part of their market research. It means you have to manage it. You and I have different definitions of how to manage things. That's why we have a democracy.

**Mr. McFadyen:** I certainly appreciate the need for Manitoba to keep its elbows up out there when we're looking at the influence of coal and non-renewable energy and nuclear and other competitors. I appreciate the fact that the Premier and others from the province are doing that.

I wonder if the Premier can just indicate—in his discussions with Wisconsin, his energy needs, as I understand it, are projected to continue to rise over the coming years. It will certainly be higher in 2018 than they are today. When the deal is operationalized with Manitoba, with the extra 500 megawatts coming from Manitoba, whether the intent in Wisconsin is to use that to phase out some of the existing coal plants or is it projected that it is simply going to supplement already existing energy generation in that state?

**Mr. Doer:** These are private companies. They have very strict financial requirements because they have to file public documents in financial areas. So, again, I don't want to speak to their corporate objectives. This is, for them, a commercial agreement that meets the standards set, in their view, by Wisconsin on a go-forward basis. I'll have to get the date in terms of renewable energy, but I think the target is of 2020 and 2025, and that very clearly fits into that requirement versus coal.

But this is an agreement, also, between a Minnesota utility and a private utility in Wisconsin. These utilities are not public utilities, so we are dealing with three utilities: Manitoba Hydro, the Minnesota utility and Wisconsin. We're dealing with three legislative authorities that sometimes override commercial considerations in the state of Minnesota, in the state of Wisconsin and the province of Manitoba. We're dealing with environmental assessment here in Manitoba for production. We're hoping that some of the work done at Conawapa that was delayed 20 years will be not too outdated. *[interjection]* Well, I remember Jim Downey. I won't tell you what Jim Downey said to me when he cancelled it, but you can imagine what Mr. Downey said to us. He always had a frank way of saying who was going to get the advantage. I won't repeat it. I know you have a Public Accounts Committee tonight, but if you were going to have one beer with the brewers, I would have told you. But you're not going to be there. I'll have your beer for you. I'm sorry I can't tell you the story. *[interjection]* That's good. But it's all part of my job description to have a beer.

Then, of course, there's the issue of climate change policies and renewable energy. So we have the governor of Minnesota that has a policy on renewable energy now which has been supported by the state legislature in Minnesota and the senate in Minnesota. The issue of Wisconsin, they have some other challenges in Wisconsin, but the renewable energy targets, in our view, that include hydro, as a definition, by the governor of Wisconsin, are very helpful.

**Mr. McFadyen:** I will be with the Premier to support our barley producers later on while others are in Public Accounts, so I'll look forward to hearing the story.

Just on the Wisconsin sale, can I just ask the Premier how the 2018 start date for that sale was arrived at?

\* (16:10)

**Mr. Doer:** Thrashers are leading 3-2 after the first period against Ontario, but that's not the end of the game *[interjection]* Never have your daughter have a boyfriend who plays hockey. I'm just kidding; it's not a bad thing. I'm sorry, what was the question? I'm preoccupied with the—

**Mr. McFadyen:** How you arrived at 2018 start for the Wisconsin sale?

**Mr. Doer:** Yes, Hydro arrived at it. There is a negotiating team in Hydro. I'm not part of it. We had a broad discussion about looking at the east, looking at the west, looking to south.

We had broad meetings dealing with all of those entities and their opportunities and risks, but the dates that Hydro—the dates are tied to their needs and Hydro's ability. Sometimes it ramps up after 2018 so I assume it's on either load projections or renewal energy requirements.

Again, I don't want to speak for the private utility because of their financial sensitivities but Hydro—and Hydro respects commercial responsibilities but it's based on need on the other side, price for us and capacity to deliver.

**Mr. McFadyen:** The reason I'm asking the question is that my understanding is that the need exists virtually today in Wisconsin. There's a lawsuit under way now led by the state of New York to stop states like Wisconsin and others from building new coal plants with demand increasing and the pressure that need exists. The reason I ask the question is because we are advised that that 2018 date was the earliest Manitoba Hydro could begin to export because of the delays in completion of Bipole III which doesn't have an in-service date until 2017. Does the Premier—can he confirm that that's the reason for the delay in the start of that sale?

**Mr. Doer:** I believe the lawsuit was filed—or maybe a different one but this is not the first lawsuit or maybe the one that was filed five years ago in the state of New York, Massachusetts, New Jersey, Pennsylvania. So there have been lawsuits dealing with coal for a number of years. I'm again not going to speak to the demand needs of the utility.

Conawapa, you know, and Keeyask are going to require major environmental hearings and hurdles and also the transmission line requires major environmental approvals. Any of these matters could be also tied up in the courts in Canada or tied up in

lobbyist action against it in the United States. So we think Hydro is coming forward with the most doable plan but I'm not speaking to the utility's needs.

The lawsuit, if this is a new lawsuit, I'd like to look at it but there have been other lawsuits before emanating from eastern United States. I think they go back at least five years, maybe longer, but if it's a new one it might be a repetitive filing or a different filing based on what happened in the different courts but it is a litigious society. There's 10 times the lawyers per capita in United States than there are in most other countries, so I'm not condemning the profession. I'm just saying it's a lucrative one down there.

**Mr. McFadyen:** Can the Premier just provide comment on—once these three announced letters of intent, their term sheets, assuming they get closed, and everybody hopes that they do, those deals close, what remaining capacity will there be for future sales, and what is the Premier's view as to the most likely markets for those sales?

**Mr. Doer:** Well, my view is that one should, in commercial discussions, keep one's cards close to their vest. We said before that we're negotiating on the east, the west, and in fact, the member opposite asked a question about the west just a couple days ago, might even still be negotiating there, you never know.

But the east, the west, south—we have something for sale. It's renewable, it's energetic, it keeps going. You know, it rains, it goes into the rivers, it goes down to the Hudson's Bay, you put a turbine on it. Some people say we should sell bulk water to the United States. I say we're doing it already over and over and over again with turbines.

So there are other opportunities, and I'm not going to—because, again, we're dealing with private companies. We are dealing in some cases with private companies. We're dealing in some provinces with potential private need people, or persons who need power. You've got different private companies interested in transmission outside of Manitoba, so there's lots of private issues going on with the public asset that we have.

I mean, the member opposite told us that the 250 megawatts a year ago was—18 months ago—was signed on the back of a cocktail napkin, and you know, that's the one that's causing all kinds of—I guess its some cocktail napkin because it's causing all kinds of debate in the Minnesota State legislature.

I guess it's more than a cocktail napkin that—or maybe he has a different kind of cocktail napkin than I have.

But you've got to go from term sheet, dealing with financial markets, to a contract, to approval. The commercial side is not a difficult issue. It is the environmental regulatory issues, that I know the member opposite has a different view of than I do. And that's his right. He has the right to be wrong. History will show. I won't be Premier in 2017.

**An Honourable Member:** Nope, write it down.

**Mr. Doer:** Write it down. Well, you know what?

**An Honourable Member:** I can agree with that.

**Mr. Doer:** Yeah? Well, you can. Who said that before, though? [*interjection*] The member sitting beside you has still got his speech in *Hansard* predicting we'd be a one-term government, so I always—I love to see my neighbour, you know, I almost got scared there, it was so close the last time. Geez, I was getting really worried about her.

**Mr. McFadyen:** Thank you, and we know that right to be wrong extends equally to all members of the Legislature, so I'm very pleased about that.

Madam Chair, just to the Premier again, of course, could he just comment on the appropriateness of the Minister of Conservation (Mr. Struthers) weighing in on the merits of the bipole location when that minister is the person to whom people would appeal, if there was to be an appeal, from any decision of the Clean Environment Commission.

**Mr. Doer:** Yes. I believe the appeal goes to Cabinet and so perhaps every question you ask now should be ruled out of order; I never thought of that angle, but thank you very much for raising that. If it's your view that I shouldn't answer any questions on the proposal, you can state that right now and I'll hold firm to that.

Yes, it actually goes to the Cabinet. [*interjection*] For major projects, it goes to Cabinet. So I'm willing to abide by your legal advice and not take any opinion from now 'til 2017 when it's completed. So if that's the legal advice I'm getting from you, I'll take it. Thank you very much and I'll use that tomorrow and we'll vote that tomorrow. Well, I'm sure you'll lead with it tomorrow, so.

\* (16:20)

**Mr. McFadyen:** Thank you. Certainly, legislative privilege will be an important consideration, so I would just say to the Premier that they're to free to say whatever they like in the Legislature, but he may not want to say anything about it outside the Legislature. That would be my advice.

**Mr. Doer:** My lips are sealed.

**Mr. McFadyen:** I think it actually might be better for the Premier's position if he didn't say anything on the issue rather than what he has been saying. In any event, that is a gratuitous shot which I shouldn't have taken.

Madam Chairperson, can the Premier just provide an update on the expected completion date and total cost of the new Hydro headquarters on Portage Avenue?

**Mr. Doer:** Yes, I'll take the question as notice.

It's going to be the most environmentally friendly corporate building in North America, and I'm pleased it's in downtown Winnipeg. *[interjection]* Well, you know, it won't be as expensive as the Centra Gas. Different people have made different decisions before.

It was proposed in a different location, and, as part of the merger of Winnipeg and Manitoba Hydro, which was also desired as a corporate objective of Manitoba, we did try to deal with the merger of Winnipeg and Manitoba Hydro. We did that and also amalgamated offices from Winnipeg Hydro, Manitoba Hydro into the new office building, and, you know, over time, people have been proven right and proven wrong.

People criticized us for the MTS development, and it turned out to be the right decision, I would suggest. In fact, I find, even Conservatives that voted against it, slopping their cocktail drinks over their left wrist as they go from suite to suite. There's none, of course, in this Chamber right now, and it's ended up being a good—and I point that out to them if I ever see them—but it has been a good venue.

I think people are going to be pretty proud of it. I think we should be proud of it, and we should have buildings like that in the downtown location. More people working creates a more vibrant community. It's not as cool as a beach in Point Douglas, but I think it's not bad, and might be even cheaper.

**Mr. McFadyen:** I'll most certainly look forward to getting those numbers tomorrow, if we can, on the tower. We don't need all the accompanying

commentary, as entertaining as it was. We do look forward to getting those numbers and comparing those numbers to what he said it was going to cost a couple of years ago and when he said it was going to be complete.

Madam Chair, could the Premier just provide an update on Wuskwatim and some explanation for why it is that it appears to be so far over the original budget projections and so far behind schedule?

**Mr. Doer:** Well, a lot of the work, preliminary work and training, in terms of clearing the site is being conducted, as we speak. I think it's got about 70 percent Aboriginal employment in terms of the existing site. Again, I don't want to prejudice the Hydro's bargaining position in the private sector. They're dealing with the private sector in terms of bids. They can do it in one piece or they can do it in multi pieces, and, again, I'll await their work on Wuskwatim and any announcements to come.

Certainly, we will respect the job Hydro commits or performs on our behalf, but, again, we're not negotiating that capital construction agreement with Wuskwatim. I would point out that in committee. I think there were questions raised about Wuskwatim and the transmission line. The present transmission accommodates Wuskwatim.

**Mr. McFadyen:** I can certainly understand not wanting to box Hydro in with respect to its discussions with current or potential contractors on that project and compromise its bargaining position, so that's why I asked the Premier why it is that he has so badly compromised their bargaining position on the location of the Bipole line.

Wouldn't it have been better to keep options open so that at least they would have the ability to negotiate with people who may have an interest in the land that the line may have to traverse?

**Mr. Doer:** Well, Hydro needed some certainty. If you read the Farlinger report, when they go through the advantages and disadvantages of the east, centre and west side, the last paragraph says that the government has to make some decisions on land-use policy and recommend that to the government. The government then stated its view back to the board, and, based on that, we didn't override.

The one recommendation in that last report was don't build it. Probably the easiest political route would be the Interlake which has already got right-of-way. It does point out the right-of-way we

already have on the west side, but there needs to be some certainty.

We also know that we have challenges south of us on terms of some of these issues, and these issues being broad, but the recommendation from Mr. Farlinger was that the government would state a preference, and so we did. It was very consistent with the preference we stated during the election, before the election, but it was a recommendation to government from the board, from Mr. Farlinger. I think if the member reads the last paragraph, it says that land-use policy is broader than just the utility, and, obviously, it is because it's been a matter of debate in this House.

History will show who had the bright vision of the future, and who was wrong.

**An Honourable Member:** Don't be judging.

**Mr. Doer:** I would wait for the history to judge us.

**Mr. McFadyen:** We, certainly, do look forward to that judgment of history. I would just ask the Premier whether, because we differ in terms of our interpretation of the Farlinger report, certainly, and we, certainly, differ in terms of our views on the route, but our positions are well-known on that point.

I just want to ask, much of the debate has been between the east side of the lake, which has been analyzed at great length by Manitoba Hydro and various governments over many years, and the western route currently being pursued by Hydro on the direction of the government, but can the Premier indicate whether there are any other options that could be viable that may be under consideration other than the two that have been the focal point for the debate to date?

**Mr. Doer:** Well, I answered in question period that we asked the question about the Interlake route, including water. It would be a legitimate question to ask, his—and Hydro, in briefing, said that wasn't viable. I mean technology has changed radically. I don't know, and I'm not going to guess. Hydro said they're going to go back and review Dr. Ryan's findings. I think that was a decision Mr. Brennan made, and he should.

I asked the question because I know what Newfoundland and Labrador are considering, and I know that there are lines in other locations in the world proposed. I asked whether some of the bottlenecks and reliability on the Grand Rapids area,

could that be managed with a combination of water-land.

\* (16:30)

I mean, we do know that even a transmission capacity being increased in East St. Paul was approved by a former government and then opposed when governments changed, because they are not—you know, they're opposed. I am aware of three transmission lines in the last six months that have been cancelled for environmental reasons after three to four years of work.

Can Hydro come up with a path of least resistance in terms of a transmission? So far a lot of people have looked at that, particularly when it's DC current, which doesn't have the line loss that you can partially manage with the new increased technology that's available now on transmission. We've asked all those questions. We obviously know that they have the capacity to evaluate, or hire people to evaluate, the different proposals and ideas.

I asked that question, actually, when I was minister of telephones. When we were eliminating party lines in rural Manitoba, I asked the question—I know Mr. Findlay took over the telephone system after, and I said, okay, we've got all this new wireless technology. We've got all this new cellphone technology. Please give me a report to make sure that we're not making a mistake, you know, on the payback period for the elimination of party lines, because it was absolutely essential in rural Manitoba that they had the technology for computers and other things that were coming in, and they had all this old technology, and, of course, the emergency issues and health care and other things. So they wrote back a report that a wire cost for the next 15 years would be cheaper than what is contemplated in terms of wireless technology. That report was submitted to me and, certainly, submitted to Mr. Findlay, when he was the minister of telephone systems, before it was sold off in the middle of the night. But it did look like that report held up. I've seen other reports on feasibility things that actually have not held up. I've seen other reports that have not held up over time. That one looks like the wireless technology has dramatically improved, but the payback period, I think, for the elimination of party lines to Manitoba Telephone System was about 15 years. So the return on the investment was adequate enough, but if wireless had been so much more effective five years later than 1987 it would have been—I'm sure the members of the Cabinet would have read that report

carefully in 1988, because I bequeathed it to them when they were coming in on rural telephone systems.

These questions you've got to continually ask. You've got to ask the questions, but you can't go by, you know, *Quirks and Quarks*, or whatever that show is, just, unless you don't have a feasibility study available to you. You have to have other people do it.

What's the name of that show? *Quirks and Quarks*. Great name.

**Mr. McFadyen:** I'm glad that the Premier made the comment about history proving people right or wrong when you consider the number of positions he's taken on free trade, MTS. I mean this is a company that now employs thousands of people. It's going into national competition for wireless, and, I think, share price is doing reasonably well, certainly compared to Crocus. I like that story better than the Crocus story that he's so closely associated with. But, in any event, we'll let history sort all of those things out. I agree with him on that point.

I want to ask the Premier whether, in light of the decision to have Hydro go on the west side, which is based on a risk analysis with respect to potential interests and property on the east side versus the west side, if he could table the legal opinion that he must have received before making this decision that would clearly spell out, according to the Premier, that the east side contains significantly more legal risk than the west side.

**Mr. Doer:** We've tabled the Farlinger report. We've tabled documents that have provided the member opposite with capital cost comparisons. If I've learned one thing, the tabling of the documents doesn't necessarily mean that those will be the numbers used by every member of the Chamber universally.

**Mr. McFadyen:** Do you recall the document that he tabled saying line loss would be 40 megawatts when he had been saying it was going to be, I think was, 26? He's right that sometimes these documents get misused once they're tabled. Not by us, though, I would note. He's made comments that he didn't think he could get approval to go down the east side. Could you clarify whose approval he would have required, other than the licensing bodies whose approval is required on either side? Whose approval was he referring to that he couldn't get to proceed on the east side?

**Mr. Doer:** Well, we have to propose it to the Clean Environment Commission, Manitoba. That has to have a federal-provincial component to it. All of that is subject to legal action. We also have to get a situation where customer relations are not affected. Those are all documented in the Farlinger report.

**Mr. McFadyen:** They are not documented in the Farlinger report. It identifies issues on both sides. It concludes that there would be issues on either side but to make a decision to proceed with a route that's dramatically longer, more expensive, less reliable, less environmentally friendly and takes longer to build, there must have been some pretty compelling analysis that showed that the west side was going to be a cakewalk in comparison to the east side in terms of approvals. So I wonder if the Premier could table whatever documents support that position.

**Mr. Doer:** Yes, we don't believe any transmission line, including East St. Paul, is going to be a cakewalk. *[interjection]* You used the term cakewalk. All transmission lines are opposed and I have said in the House and I've said outside of the House that it will be opposed. There has been two cancellations of transmission lines in western Canada, in other provinces, for environmental reasons. So in the last projects it took three or four years in the planning stages, the proposal stages, the feasibility stages and then the proposal stage. Both got cancelled by governments, one between Calgary and Edmonton and one in British Columbia. You have to look at every factor in the Farlinger report.

You can weigh it the way you want to, and that's your right to do that. We're going to use our judgement on all the factors he raises. It obviously doesn't say, do this or do that. I would say to the member that it has been a bit of an evolution in some of the reviews on different options.

I think in 1967 there was a proposal to go down the east side and the government of the day decided to go down the Interlake route. They said there was too much muskeg on the east side. That's in the archives as well. So former Premier Roblin made a choice not to go down the east side obviously for different reasons than we are because we are dealing with more dimensions and more issues. There was no such thing as an environmental assessment then. There was no such thing as major litigation then on environmental projects. The issues of regulatory bodies for export sales was not the same. So conventional using the old paradigms don't necessarily work for the future. Having said

that the report is out. I didn't write it. It was made available to the member opposite. It's the first one—you know, Hydro didn't make their report on reliability public when members opposite were around.

\* (16:40)

We're trying to tie reliability to increased revenue. It's obviously going to be cheaper to provide reliability for the people of Manitoba if you sell power. If you sell power to places like Wisconsin and Minnesota, the costs are going to come down dramatically. We actually believe that the billions of dollars that are going to be invested and the billions of dollars in revenue will deal with the obvious point that we've made all along about the—we've never tried to pretend, in this House or in the public or in the election that one route is cheaper than the other in the sense of alleging the west is cheaper than the east, we haven't, on the capital cost side.

But to compare them as equal proposals in terms of today's and tomorrow's dynamics, the member's got the right to do that. He's got the weighting and he's got the issues in the Farlinger report. We have the issues in the Farlinger report. The Farlinger report says that this is broader than just the utility because it deals with land use.

We're not sitting on the picket fence. We're not hiding the document. We're making a decision to build. We're making a decision to sell. We're making a decision for revenues, and we are more than pleased to let the people of Manitoba decide whether they want a future of building and revenues or whether they want to nitpick the project to death. That's what we believe.

**Mr. McFadyen:** There's that old Chrétien line about what's a few hundred million dollars. We don't consider it nitpicking to want to protect the next generation against that massive mortgage that he plans to leave them.

I guess, from that long answer, we'll have to assume he's got nothing other than the Farlinger report to support this multi-hundred-million-dollar decision to go west versus east, and even by picking one route over the other, tie the hands of Hydro and put them at the mercy of those interests along the western route. It just seems incredibly foolish. But, in any event, that's a debate we've had to date and we'll carry on with.

I'm just going to defer to the Member for Russell (Mr. Derkach) who would like to put some questions for the next few minutes.

**Mr. Leonard Derkach (Russell):** Two areas of concern that I would like to ask the Premier about, one of them being the Shellmouth Dam, which has an impact on a large number of people throughout the province. For that matter, it has a significant impact on the people in the city of Winnipeg, Brandon, Portage, has an impact more immediate on the people who are immediately downstream.

But it also has an impact on people who have developed cottages and lakeshore development along the shores of the lake. In the last couple of years, the waters have been kept unnecessarily high at the Shellmouth Dam, and I understand that having a consistent supply of water downstream is important, but it also has a fairly negative impact on the environment, specifically around the lake.

Last year, and I know this from not only talking to constituents who are building along the lake but also personally, that the shores of the lake are becoming littered with trees that are now falling into the lake because the water has been kept so high. It is also an experience of tremendous erosion along the banks of the now-Lake of the Prairies, and it's impacting on the developments that were allowed along the lake and certainly along some of the new developments. I would like to know, and I'm sure the people in the whole region would like to know and have been asking me, whether or not it is the government's intention to raise the level of the lake in the future or whether there is consideration for greater storage upstream on the Shell River.

**Mr. Doer:** I'm not aware of a specific proposal on the Shell River. I am aware that there's a concern the last time I visited about further drainage of lakes. I think it's the Deer Lake or another lake in Saskatchewan, not Deer Lake, but another one in Saskatchewan that we're concerned about.

A unilateral decision, drainage of another lake affecting water levels, that would be our biggest concern because there was a diversion project proposed that we were opposed to. We said to Minister Baird that this crosses boundaries, and therefore, he should be involved as federal minister. We are concerned that we get criticized sometimes from pastures for not drawing down enough water. Then, of course, there were the huge storms on the

west side, I believe it was last year, no two years ago, '06. I was up there then.

We have provided legislation which is modelled after the floodway legislation, to state, as a principle of law, that this is an asset that protects people downstream. It protects Brandon in terms of one-in-nine years. The levels being so low that the phosphorus and nutrient levels are too high, and nitrogen levels. One-in-nine years in Portage. It also provides flood protection for Winnipeg in the spring with both the running of water prior to the flood season and the storage of water during the flood season.

I'm not aware of anything on the Shell River. I'll take that as notice. I am aware that we're worried about another lake in Saskatchewan. On the issue of trees, levels of the lake, I'll get more information on that.

**Mr. Derkach:** This is probably one of the only rivers, major rivers in our province, that we have complete control over. Whether it's the Red River or Souris, those flow in from other jurisdictions. This is one that we have a significant amount of control over and can truly keep it as pristine as possible in terms of how we address the issues, not only at Lake of the Prairies, but downstream from there as well.

It's true that people in that region have suffered, at the benefit of people who are downstream from the river who benefit from either the protection of flooding or the adequate supply of water in the case of Brandon and also Portage. At the present time I know that PFRA are quite anxious to work with the Province to develop a series of leaf gates at the spillway in order to raise the lake level and also to have a greater supply of water for irrigation and other uses downstream.

The concern that arises out of that, of course, is that mitigation that was suppose to have been done through PFRA and the Province for people immediately downstream, has never been enacted. I know that the Premier can say, well, there was another government in place in the '90s and that never happened. But it does take the co-operation of PFRA to be able to do that. In the last couple of years they did, as a matter of fact, buy out a block of land in the Kamsack area which was also part of the mitigation back in the '70s and they didn't do that immediately below the dam, not to date.

I know this is an issue that will probably come to discussion of Cabinet and I'm wondering if the

Premier could perhaps elaborate on the long-term plans as it relates to water capacity on the Shellmouth Dam.

**Mr. Doer:** Well, generally, our long-term view on water in Manitoba is that anything west of us, including tributaries and creeks that go into the system, and drainage that has been raised, as you know, west of us in Saskatchewan over the last number of years. In spite of the fact that we've had a lot of high-moisture years, our longest-term issue is to actually retain more water in Manitoba. Even when we're arguing against unfair diversion of water into Manitoba, we know the water quantity. If you look out 20, 30 years, with the melting of the glacier in Alberta and some of the demands on the Bow River and some of the demands in the north Saskatchewan and other rivers, obviously, our biggest issue is to make sure that Manitoba's allocation of that water is not diminished, not weakened by provinces west of us.

\* (16:50)

In terms of the actual Shell River proposal, I'll have to take a look at it and the PFRA proposal the member's talking about. I know the last issue we had was, were the flood forecasts accurate enough two years ago?

Number 2 was the operation of the Shellmouth Dam. Could we have taken more water out before that huge storm hit? I know you have the same—if you can predicate God and whether it's going to rain or snow tonight, I think it's an interesting prediction.

Third point was the whole issue of having, because this is an asset to protect Brandon for water quality and and water flooding, an asset to protect Winnipeg as part of the three-pronged approach that was recommended by the commission that Duff Roblin had. One prong was the floodways; the second prong was the diversion in Portage; the third one was the Shellmouth Dam. I didn't think it was fair to have the Red River Floodway, operation of the floodway treated in one way for artificial flooding, and have the situation from the dam be treated as an act of nature in terms of the agricultural payments and disaster assistance. So we have introduced legislation today to treat the Shellmouth Dam situation as a provincial asset comparable in terms of artificial flooding to the issue of the floodway.

Nobody say anything. All those points you've raised I'll look at. I'm actually more worried in the

long haul on water levels being adequate enough on Lake of the Prairies, although I do admit that the fluctuations do affect, as the member said, docks, trees, banks, and we'll have to look at it.

**Mr. Derkach:** I thank the Premier for the answers because I think this is a genuine area of interest for people who live along the river and, indeed, here in Winnipeg.

When the Premier talks about the adequacy of water at the Lake of the Prairies, if he would go back to the master plan, and I don't know whether the Premier's ever looked at the master plan that was developed during the Duff Roblin days as it relates to the entire system, including Lake of the Prairies. As a matter of fact at that time, my understanding is that there was a dam engineered on the Shell River near Duck Mountain, which is away from any impact on the public, if you like, direct impact on the public because it's a very steep valley in the area which was intended to be used as a reservoir to maintain the lake level at Shellmouth, but also to be used as a reservoir in times of drought or inadequate water supply downstream.

No one since the '70s has really addressed the issue and, as the water issues become more critical in this province, I can't understand why our water engineering personnel would not go back to a plan that I think had vision not only for 20 or 30 years, but 50 years and beyond. I think in a situation where the impact would not be significant on the immediate surrounding area, once you take a serious look at that before even such things as leaf gates are considered, although leaf gates would be far cheaper, the impact of leaf gates would be far more significant than an upstream reservoir.

I just wanted to make that point with the Premier because I know that, when you talk about the health of Lake Winnipeg, the quality of water in our province, and, when we talk about a river we have sole jurisdiction over, if you like, these are issues that, I think, should be taken into account when you're looking at the systems.

**Mr. Doer:** Well, I did see from some of the people from his constituency over the years some of the original plans. We did focus in on the issue of trying to get away—I found some of the issues of compensation to not be fair because they were treated as something that happened on a very irregular basis, but happened on a regular basis, with the operation of the Shellmouth Dam, for the benefit of other people in Manitoba. It wasn't an act of God

in the operation of the dam. It was an act of man in the general sense, not in the specific sense, and human kind, rather. So we thought we should have some principle in legislation comparable of the floodway because why should we just do it in the Red River Valley and not on the Shellmouth Dam? So that's what we tried to do with the act.

The other issues of the master plan—generally, when I meet with people on water, I get half the people who want me to dam it and the other half who want me to drain it. I've often thought if we just let it go the way it was supposed to go, except, of course, for the floodway, the Shellmouth Dam, we might have saved a lot of money over the years. We spent a lot of money damming and draining water in Manitoba because it's a flat province, but you often think that sometimes—you know, you kind of ask yourself, sometime, I'm sure you did the same thing, you know—if we just didn't dam it, would we not have to drain it?

But, on the specific proposal, I'll take a look at it. I know there are lots of proposals on the Pembina River, as you know. There are ones on the Turtle River, as you know. So any time I meet with people they have a proposal to dam a river, but I'll look at that.

There was a lake in Saskatchewan. I'll have to get a status report on that because they were trying to sort of dump water out of that lake. It had a very high alkaline level, which I thought would affect also the Lake of the Prairies and the quality of water there. It's something I'll keep an eye on because we've raised issues in the past with Saskatchewan on unilateral action.

**Mr. Derkach:** I'd just like to touch on another area. I know we don't have very much time left, but the Premier, I know, is pretty much in tune with what's happening with the Saskatchewan potash corporation. I live about 30 miles from the location of a brand-new mine, and I understand more than one shaft is being sunk. I guess we're getting some benefit in the community from the economic spinoff of what's going on and the activity there, but, yet, I am saddened by the fact that we have a resource that is closer to the surface, one that has been tested for years.

The land has been purchased. The core samples sit in a huge warehouse in Russell. The deposit is owned jointly by Manitoba and by, I think it's BHP now. Although there were announcements last year that BHP would be spending some \$17 million in

exploration beginning in May of this year, there has been no activity taking place on the site. Yet, prices are skyrocketing in potash.

The Premier of Saskatchewan today announced that he is going to be aggressively pursuing the head offices for the world potash offices in Saskatchewan. Manitoba is sitting on the border. We sit on a significant resource, both in the McAuley area, the Binscarth area and also with the Harrowby site, and very little activity is happening. I'd just like to get the Premier to perhaps explain what his government is doing at the present time, because this has to be directed from the highest levels of government, I believe.

**Mr. Doer:** We spent a number of years trying to pry the 51 percent ownership back from a French Crown corporation, which I actually thought—it was kind of curious—I know the member opposite would not want this part of his legacy, but I was quite surprised that we actually had sold the interest to a French entity, François Mitterrand, and I thought that was a kind of counterintuitive action from what I consider to be Conservative ideologues on the other side, and they actually didn't want, they didn't care. You know, we actually had to spend some time.

\* (17:00)

Now the good news is we had to spend some time getting that ownership back from the French public Crown corporation to a private company, which we've now done with BHP. I actually did go to a meeting to try to get the 51 percent back and try to arrange a sale to a company that has capacity to develop the resource who is not in competition with the companies in Saskatchewan necessarily. They are looking at new technology for processing. Their profits are over \$10 billion a year, the company we're talking about. So they have the fiscal muscle, if you will, to proceed with a major project.

I think the people of Russell have heard about potash being mined for so many years that I'm not going to say anything because, as you know and I know, this has been promised too many times by too many people, and so my goal is to try to get something because, I agree, the price is there and every day it's worth more. These companies work on long-term plans. They don't work on short-term commodity prices, but we do have a resource and it's not just adjacent to Russell, as you said.

A couple of other communities could be affected very positively, but we actually spent too much time

trying to get it back from the French government. We did get it back, and we're now with a private company that will have the capital, but we have freed, we have moved it away from the Mitterrands' hands and yes, we've made it available to a good corporate company with lots of deep pockets.

I spent time in London with the BHP and I spent time in Paris trying to get the—not that that's a hardship post. I would argue that it was all work, but a few years ago it was definitely an objective of ours.

So we did achieve the first objective in getting it over to private ownership, 51 percent, and the second objective has not been achieved with them investing in the mine, and I would never ever say anything to the good people of Russell until we actually have more than peace in our time when it comes to potash, because I think they've had so many promises from so many premiers that they ain't buying it until they see it, but we have the conditions. We have the market, we have the company, we have the ownership.

**Mr. Derkach:** Well, I guess I have to be fairly serious about this project because it's—I mean, we could go back and argue how the sale of the 51 percent started, and I think it started in an administration prior to us coming to government, and I can trace it back that far. But I can say that, yes, it was concluded in the time of office when I was there and I was saddened by it, to be quite frank, because Canamax, who were the latest company involved, about five years ago or perhaps a little longer, did extensive core sampling. The anticipation was that the core sampling was the last phase prior to the development of the resource.

Those core samples now sit in a huge warehouse in Russell. I don't know if anybody has ever looked at them since then, and now we have the prospect of a company, BHP, who made an announcement last year, and I think the government put the news release out regarding the \$17 million that was going to be invested, and when we contacted the company regarding this investment they told us it was entirely private money and that there would not be just a look at the one site, but, indeed, several sites along the line.

I'm wondering whether the government now, when we look at what's happening in Saskatchewan and the fact that they're investing \$1.2 billion in one mine alone, and there are two being developed, and I don't know what the cost of the other one is, we certainly have to take note that this is a potential

economic boon for Manitoba in terms of the number of jobs that could be created for the province and also the economic implications that this would have for our province. I'm wondering whether the government, who is a partner in this resource, is prepared to put some money into the on-site development. The land has been purchased, a lot of the environmental work has been done. Not all the licensing is in place, but, indeed, there has been significant amount of work done, and I just wanted to know whether the Premier could give us any report.

Now, a lot of things have been promised in Russell. Some happened, many didn't. But this is one that doesn't just impact my community. I think this has an impact on our province and probably could equate to the development of a mine in the northern part of our province and have that kind of an impact.

**Mr. Doer:** You're absolutely correct. We believe for the last couple of years that prices have dictated a good capital investment. Some of the companies are working on the next generation processing, so they're on the one hand—and I know that they've looked at the core of samples, and they're also looking at different ways of dealing with potash. That potash will be developed. It is a valuable commodity, but I would not want to say when it's going to happen, how it's going to happen until it happens.

But would we put money into the site preparation? No. This company has got deep pockets and will make profit, and I guess we would have further discussions with them in terms of our equity and their investment. We know that the costs are going up to develop this resource, but the prices have gone up way beyond, in our view, the cost of breaking even, and, yes, we do believe that this should be developed. That's why we did spend some time and effort to try to get this thing—it frustrated me that this thing, we could see the prices of potash going up, it didn't just start, it's really gone up in the last couple of years, but you could see it happening over the last five or six years.

It just drove me nuts that this thing was just sitting there and some, you know, deputy director of the undersecretary of the Crown corporation in some—no, it was in France, France. It was never, you know, somebody's file that would, you know, the morning you get up, look at this file and read something else in the afternoon and it didn't have the oomph. So we think now, with the private sector having the advantage of profit, dare I say it, in the

mineral—we have moved it from the French government to free enterprise and it's a lot of investment.

I agree with you totally. It should be developed. It's going to be profitable. There's two sites, though, I would point out, and we don't want to say anything because these private companies are very careful and they have to be, again, very careful because they're dealing with the market and everything else on share price and discoveries and developments of mines and, you know, do the share prices exceed the market expectations or do they not. I know the day we were there they were announcing over \$10 billion profit and apparently I thought that was a lot of money. The analysis was they came slightly below the market expectation, so it's a different world, obviously.

And of course it's nice on the west side there. You get hydro-electric power swinging through there, I've got to keep the Leader of the Opposition off balance here. You never know whether that hydro line would be useful on the west side. We want to have a couple surprises in the next few years for the Leader of the Opposition.

Yes, it's a very serious proposal. We treat it seriously. We've spent a lot of time on it and I don't want to make an announcement on it until the company's ready to make it.

\* (17:10)

**Mr. Derkach:** Madam Chairperson, I just want to thank the Premier for taking a genuine interest in this resource because a province like Manitoba looks at other jurisdictions that are moving ahead, whether it's in oil development or in mine development in potash and other minerals. We just simply can't stand by and watch things happen in other jurisdictions and think that our province can move ahead without it.

I remember the Premier once said to me, when we had put a little Grow Bond out to a little place called Pizzey's Milling, he said that was small potatoes. I just want to tell the Premier that that little small potatoes just sold to an Irish company for millions of dollars, and that little Grow Bond has brought back to this province millions of dollars. I just want to say to the Premier I hope that his take on the potash mine is a far more serious look than it was with a little Grow Bond at the Pizzey's Milling site.

I'd like to turn it over now to our leader for questions.

**Mr. Doer:** The member opposite knows that the value of that asset and that investment just grew and grew and grew after 1999, and I'm glad to see the company did so well. But he obviously planted the seed. For that he should be credited. It took somebody else to harvest it, but we thank him for planting the seed.

Could I take two minutes?

**Madam Chairperson:** Is it the will of the committee to recess?

**An Honourable Member:** Five minutes.

**An Honourable Member:** Five minutes, yes.

**Madam Chairperson:** Five minutes, yes? *[Agreed]*

*The committee recessed at 5:12 p.m.*

*The committee resumed at 5:16 p.m.*

**Mr. McFadyen:** Thank you, Madam Chair.

Just turning to the infrastructure issues facing the province: just by way of preamble, I would say both I and also members of our caucus—I'm sure he is, too—are getting lots of questions from communities around the province about infrastructure projects and, in particular, the status of discussions with the federal government on the Building Canada Fund. There are lots of important projects around the province that are in holding pattern right now, pending the resolution of those discussions.

Can the Premier just indicate what is the status of those discussions, and just note, obviously, the concern that the passage of time is not necessarily enhancing our province's bargaining position with the federal government?

**Mr. Doer:** Yes, the Building Canada Fund, tabled on an Internet site, on their Web site, at least six months ago, the amount of money that was available to all provinces, on a per capita basis. We certainly support the amount of money they put on the Web site for Manitoba.

The discrepancy is between the announcement made by the federal government at The Forks in February of 2007, where there was a commitment made to the people of Manitoba to treat the floodway as a strategic project for Canada outside of the infrastructure agreement, and we accept that. We have proceeded on investments last year and this year on that basis, and we're continuing discussions

at the highest levels to resolve a gap between what we believe was the commitment to Manitoba and what officials have subtracted from the commitment.

So, the issue is a subtraction, which I think represents a real weakening of municipal infrastructure across Manitoba. I'll sign the document that was on the Web site. I won't sign a document that has a big subtraction sign on it.

**Mr. McFadyen:** What was the amount of the subtraction that the Premier's referring to?

**Mr. Doer:** Well, it was significant and it was so significant that you wouldn't sign it, either. It would be a weakening of Manitoba's municipal position, and we've always believed that the floodway, and the 50-50 investments in it, is good for Canada because if there is a flood, and if it takes place, the floodway enhancement actually saves the federal government 90-10 provisions. I think the member opposite, in his briefing to the Leader of the Opposition, is not going to be right on this 'cause I know his source is the briefing.

\* (17:20)

**Mr. McFadyen:** Going back to questions we were asking around the floodway project about a year ago and a little bit more than a year ago, we were asking questions about what agreement was in place at the time. As I recall, there was a response that there was an agreement that had been signed. I'm curious as to why it is that we would now have a discrepancy if the Province and the Premier were operating and spending money on the floodway on the basis of a signed agreement that was referred to over a year ago in response to a question.

**Mr. Doer:** Well, I can show you the video tape of the federal minister and the press release. It says money will not be subtracted from Manitoba's entitlement and infrastructure money from the federal government, full stop. That's the commitment that was made, that's the commitment we're going to keep.

**Mr. McFadyen:** Can the Premier indicate what his view is as to how soon the issue is going to be resolved and when he expects to be able to sign on to the agreement?

**Mr. Doer:** I would have signed the allocation on the Web site four months ago when it was on the Web site. I'm not going to sign with a big subtraction sign. It does affect projects that we support like the

Portage rec centre potentially. It's a wellness centre. I think it's going to be a health-care facility.

There are other projects the federal government is interested in. I was really worried about timing and I still am. I prefer to sign it earlier than later. We did get around one or two timing issues in the sense of infrastructure by advancing the federal, the kind of community fund, that was announced by the federal government. We used part of that for the processing in Brandon for the second shift. Even though it was a provincial announcement, the federal money that the provincial government can announce, we actually thought to keep a fair partnership. We gave credit to the federal government. We invited Mr. Tweed because it's federal money and it's being invested in Manitoba.

We also invested money into Neepawa. That was another project that was in the queue. We thought it was very important, particularly with country-of-origin legislation and other issues facing pork producers. That was \$20 million. I believe the final total was a part of our money for training for employees in Brandon and Neepawa, part of it the federal money. That dealt with some of the immediate pressure, but yes, there is pressure in municipalities. I believe that the public commitments made to Manitoba, I don't want any more or less from the federal government. We're trying to work it out.

**Mr. McFadyen:** I just note the comment from the Member for Steinbach (Mr. Goertzen) that included in that list should be the Steinbach industrial park as one of the projects being held up. I would ask the Premier, given the floodway project is being administered and managed by the Province under the Floodway Authority, I'm just asking the Premier as a point of clarification, was he interpreting his agreement with the federal government with respect to the floodway that essentially they had a blank cheque, that the amount of the federal contribution would just go up automatically with respect to rising costs in connection with the floodway, and whether that is the issue that is creating the current conflict with the federal government as opposed to an agreement for a set amount, a set federal commitment.

**Mr. Doer:** No.

**Mr. McFadyen:** If there's no signed agreement with the federal government on the floodway, what is the basis for the Premier's interpretation of his position on the agreement with respect to the floodway?

**Mr. Doer:** The bottom line is, we had a commitment on the announcement of money that was made by Minister Cannon and Minister Toews in a press release, in news reports, on a video. We have it said the money would be not affecting or would not be taken away from other infrastructure projects. It would be over and above its treatment, so we are just trying to resolve that issue. The floodway is proceeding with the amount of money the two levels of government agreed to, not above it. It's proceeding on time for 1-in-700 years' protection. It's also an asset that is good for the federal government.

*Ms. Erin Selby, Acting Chairperson, in the Chair*

One of the discussions back and forth, and we have dealt with three different administrations on this project. But one of the issues has always been, in our view, and that it is an advantage for the national government. If you have a disaster that's over a certain level, federal disaster assistance comes in at 90-10. We always believed that it was a great benefit to Winnipeg when Duff Roblin built it. If it had gone over the banks with a half an inch of rain or wind in '97, it would be billions of dollars, and it would be 90-10 federal government. So federal share of 665 or whatever number it is, I'm just trying to remember the right number, but the federal share is half of that. Our share is half of that. We haven't asked for anything more, and we also don't want to change the commitment, the public commitments given to the people of Manitoba. I would think the members opposite would want us to ensure that the public commitments made to Manitoba for a floodway wouldn't be subtracted for an infrastructure project in Brandon.

**Mr. McFadyen:** Thank you. I guess our concern would be that major projects are being undertaken, and the impression created that they are signed agreements when, in fact, they weren't, which leads to this sort of misunderstanding and delays and other important projects to the province, and also would want to say that we wouldn't want the decisions made at the provincial level to misspend money result in such decisions. It's not a question. It's a comment.

I'm going to turn it to the Member for Turtle Mountain (Mr. Cullen), who has a few questions that he would like to put.

**Mr. Doer:** The member opposite has made some points. He asked the question, is the money, quote: a blank cheque over and above 665? The answer is no. I'll repeat; the answer is no. I will repeat it again. The

answer is no. The issue of the floodway agreement affects Treasury Board minutes past and present. It also affects the decision made and the commitment made. Publicly, I will provide a press release to the member opposite. So we are trying to reconcile the political intent and commitment of the federal minister here in Manitoba, accompanied by the federal minister of Infrastructure. I have it on tape because there were four or five media cameras there for the press conference at The Forks. The commitment was made publicly to the people of Manitoba. There could be no greater contract than the people of Manitoba receiving assurances, which we have received prior to the announcement, that it would not be subtracted off of future infrastructure.

Some of these agreements the member is talking about wouldn't even have been around when the federal infrastructure program was introduced in the budget, I believe, after the floodway announcement was made in—I'll have to look at the chronology, but if I recall correctly, the budget in 2007, it was some time in February. I'll have to look at the chronology of the announcements. The federal infrastructure was announced, but I think the chronology was: announcement made by minister, commitment made by minister, budget announced by Finance Minister. I think it would be a real serious issue, if he was right and we were trying to go over 660, then his point is valid. We're not.

\* (17:30)

If the other issue is: should it be subtracted out of the infrastructure, you know, for Deloraine, Turtle Mountain, Brandon, Steinbach, Fort Whyte, River Heights, Selkirk, St. John's, Southdale—Southdale, got to get another nasty editorial at Southdale—there'd be a real problem.

I want to make it very clear. We're not asking for money over what we agreed to. I also want to make it very clear that we don't want to get anything more than what the federal minister committed to the people of Manitoba. I think it was a good commitment on his part. I want to say that Minister Toews made the right commitment in front of Minister Cannon. It was our assumption before he made that commitment that that was the commitment he would make, based on our internal discussions. That was in my briefing notes, getting ready for the announcement, that it would be outside of the infrastructure. It's reported accurately in the *Free Press*. It's reported accurately on CTV. It's reported accurately on Global. It's reported accurately on

CBC. It has been reported accurately on radio. It's accurately written and, I can assure you, federal press releases are vetted, vetted, vetted, and vetted again. They're vetted more than any press release I've ever seen, certainly more than the members opposite's press releases, I can guarantee you.

So that's all we're talking about. We're not asking for any more money than what we agreed to, and we're not asking for anything less than what Manitoba communities are entitled to. If there had been an assumption of subtraction, then it would have caused us a difficult challenge, because, do you go past one in 500 years and take that out of the infrastructure for Killarney? Do you take that out of Steinbach?

**An Honourable Member:** You don't give anything there, anyway.

**Mr. Doer:** Well, you know, you've got a college there, the community college in southern Manitoba. I mean, I can't believe—you're lucky that there's an institutional voting pattern for Conservatives, but some day that will change, because, you know, building that future in Steinbach. I can't believe how much we've done to build that community college in your community. Of course, when we met with the people who were proposing it, they said, well, we recognize the NDP's not peaking too early in this community—Paul Vogt was there—and, are we wasting our time? Are we wasting our time? They asked me the question. Well, we didn't vote for you. You know that.

The two people at Rosenort asked me the same question when we built the floodway there. But it made sense in the public interest. Sooner or later, we will convert each soul on the road to Damascus. One at a time we will convert them.

We put a lot of money in that southern community college. I actually don't believe there was a blade of grass moved before we got elected, not a tumbleweed moved, not a tumbleweed in Steinbach moved.

**An Honourable Member:** Albert did all kinds of good things in Steinbach. You know that.

**Mr. Doer:** He paved roads. We built mines. That's my answer. That's my final answer.

**Mr. Cliff Cullen (Turtle Mountain):** I do want to thank the leader for allowing me a few minutes here to question the Premier today.

I would like to point out to the Premier and to the Minister of Health (Ms. Oswald) that there was a great announcement in Killarney today.

**An Honourable Member:** Here, here.

**Mr. Cullen:** Yes, and it wasn't on behalf of the government. It was the fine folks from the community of Killarney, through their foundation, who have generously donated \$300,000 to the purchase of an ultrasound for the hospital there. In view of that, I certainly want to congratulate the great people in that community for the foresight and putting the money forward for that ultrasound, given the fact the Province wasn't there to support in any other endeavours.

My question, where I want to go today with the Premier (Mr. Doer), is in terms of the wind energy production in Manitoba. Obviously, wind energy can be a positive economic activity for some of the rural communities, and it has proven so in St. Leon. What we're finding is, obviously, private investment and capital, and it frees up capital for Manitoba Hydro to do the things that they can do.

There has been some discussion in some of the papers about a 300-megawatt proposal in the St. Joseph area, but there hasn't been anything concrete from either Manitoba Hydro or the Province of Manitoba, at least not that I have found.

My first question is, is that particular project in St. Joseph going ahead as some of the papers are reporting?

**Mr. Doer:** I'm shocked that the member opposite would want me to meddle in the decision of Manitoba Hydro about where to locate the windmills. You know, surely, surely not. I surely did not hear the words proposed—meddling in a decision of Manitoba Hydro as to where site windmills. Surely to goodness, it would be based on commercial considerations. I would point out that, unlike the behaviour of the former government to sell a potash mine to the French Mitterrand Socialists, we actually have got a system where the private risk is taken by the proponent, the capital risk is taken by the component, the capital costs of the wind is taken by the proponent. They then issue a price that Hydro would pay to put it on the grid and then they evaluate the proposals. It certainly doesn't get to us and we have set it up where it is private on the proponent side.

The member opposite was worried, my honourable friend the Member for Fort Whyte

(Mr. McFadyen), about us getting a Mitsubishi announcement before the last election.

The way it was constituted would have been a problem for the risk-takers that want to connect the wind to Hydro. So the answer to the question is that I don't know the answer to the question because we haven't made that decision, but I will inquire about whether Hydro is looking at it.

In terms of the first shot he took, he missed the net. First of all, I want to thank the people of Killarney in terms of raising money for the capital. I would point out that the operating costs are significant, and I'm not—we're not in a situation—and history is interesting because I remember communities, including my own hospital, Concordia Hospital, raised money; the Mennonite Central Committee raised money for the Concordia Hospital, a little hospital just in the, you know, the outskirts of then Winnipeg before it developed so much after '99, and raised all that money. Then the provincial government would not fund the operations of the CAT scan. I'm glad that we have the great investment made by your community on the ultrasound, and I'm glad the Minister of Health (Ms. Oswald) is working with the health authority to make sure that the bigger cost, which is the operating cost, is being covered by the regional health authority cost, is being covered by the regional health authority. I want to applaud the local community for raising that money, and I really want to applaud the Minister of Health for making sure the front-line staff will be there when they're needed by the people of Killarney. I think you should really go out of your way to thank the Minister of Health for that great investment she made.

**Mr. Cullen:** It was certainly an interesting response from the Premier, and we do applaud the people of Killarney for having the foresight to go ahead with that.

\* (17:40)

We've heard that the RHA, through the minister, will be providing some support there for that project. We're not sure exactly if that's new money or whether that's money that's going to be coming out of an existing program, so the jury is still out on that particular answer.

Just by the Premier's (Mr. Doer) answer, I just want to confirm that Manitoba Hydro, then, is responsible for making the final decision in terms of siting of these particular wind farms.

**Mr. Doer:** Well, we don't go around with a wind meter to try to determine where the best wind is, so point No. 1, where it's located, Hydro does that work with the community. Point No. 2, we don't tell the investor how much money to spend. Point No. 3, we don't tell them, then, what the cost of that kilowatt hour is going to be, and Hydro ranks the proposals. It has to rank it in two ways, I believe. I haven't been part of their ranking, but they rank the wind because you have to be at least 35 percent reliability to make it profitable for Hydro and—because there's a cost in hooking it up to the grid. There's a cost that they propose to Hydro. Hydro doesn't accept every proposal coming to it if it's X number of cents. There are two issues of cost that they have to deal with: one is the actual cost relative to what they can sell it to a consumer for, and the other issue is that, if there's drought and wind becomes the backup to Hydro, what the cost of replacement is relative to other fossil fuels, for example, natural gas whose prices have gone up in the last period of time.

So, no, we don't go out—Cabinet doesn't go out there with wind meters going looking for what the reliability is going to be. Well, we sometimes put our finger in the wind, though we don't measure wind. But you're quite welcome to go out there and measure the wind. Anytime you get more than 35 percent at the reasonable price, let me know. But Hydro does that work, and not the government. We do believe that we can afford to have backup for Hydro at a thousand megawatts, but it has to be evaluated by them and the capital costs have to be evaluated by the people borrowing the money to do it.

**Mr. Cullen:** Madam Acting Chair, there were a lot of proposals came forward on wind farm development in Manitoba, and it's a tremendous opportunity and a tremendous amount of investment dollars. But there's been a lot of frustration in terms of the process. My community, Killarney, Turtle Mountain area, they've been involved with a Manitoba company here for seven or eight years, and they have done a tremendous amount of research, you know, in terms of wind capacity and those sort of things. We know it's one of the best areas in North America in terms of the wind quality, if you will. We've had a tremendous buy-in from that community, too, and the lease arrangements have been made and they've done an extensive amount of work. But the frustration from their perspective is that it seems to be a fairly closed situation. It's not an open and transparent proposal process. It really

seems to be a skewed process, so there's a lot of frustration, not only from that community, from a lot of the other proponents in terms of really how these decisions are made and why they're made.

I know in your response you did get into it in terms of some of the reasons, some of the parameters that we're looking at and some of the ranking, but there are still a lot of unanswered questions and the frustration that's out there. So we would certainly like to see Manitoba Hydro provide these proponents with the ranking system and what they're actually looking at in terms of the process going forward, because these proponents are investing hundreds of thousands of dollars on each one of these projects, and to come away empty-handed is certainly leaving a sour taste in their mouth. Unfortunately, they're looking at other jurisdictions to invest in.

So that, I think, would be a very important aspect to put some of those questions to rest. I guess, in view of that process, is the Premier considering any other alternatives in terms of the process moving forward, or is Manitoba Hydro looking at any other alternatives in terms of the process moving forward, if there is going to be future development in wind farms in Manitoba?

**Mr. Doer:** Well, the issue of the ranking and the decision making that Hydro uses, I'll certainly defer that to Hydro when Hydro's before committee. I don't know whether you asked that question. Hydro has been before the legislative committee for about eight hours in the last six months, quality time, I might add, with the debate that has been going on. The issue for Hydro is twofold: one is what's the cost, what can they sell it for, and the other issue is what's the backup cost relative to other sources of fuel.

Hydro does have the reality of water power. We are in a desired position in terms of wind, and we are also in a very, very favourable position in terms of water, in terms of Hydro. So that doesn't make it as easy to do as some jurisdictions that have no water, like Texas, but lots of wind. Hydro has to use different criteria, both in terms of the cost of purchase versus sale and the cost of purchase for backup if water is not in sufficient amounts. I don't want to speak to how they rank and what order they use, but I'll ask that they go to the committee when the next time they go to the committee. I'm sure they've been there twice now in the last while. If there's anything more I can find out, I will ask them, but we have set up the framework for them to make

decisions. We have set up the long-term goal of 1,000 megawatts. We have worked on the tax policy and we like wind power, but we are not going to try and rank different proposals. I do recognize it costs money, but if we get a successful wind farm, the 100 megawatts at St. Leon is a very, very capital intensive but also very profitable operation for them if they have the right location for wind. But I'll take a look at the questions you've raised.

**Mr. Rick Borotsik (Brandon West):** Madam Acting Chairperson, I would like to thank my leader for this opportunity of placing some questions before the Premier of the province of Manitoba. As the Premier is aware, Brandon is a very vibrant community, the second-largest city in the province of Manitoba. As he is aware, I'm very proud of my community and its growth and its activity over the last number of years, particularly under the auspices of a previous mayor. Beyond that, he recognizes the city of Brandon sees itself as being a major force in this area, and we are contributing members to the province of Manitoba, although one of the reasons I'm here in this august House is because a lot of the constituents in my area felt, and still feel to this day, that Brandon perhaps has been treated as a second-class citizen in this province.

I bring to the Premier's attention one specific opportunity that should present itself to the community. That would be one of a private wine store. It doesn't sound like an awful lot, but the fact of the matter is it's more of a psyche than anything else. We do have the marketplace; we do have the individuals in that area who are capable of supporting a retail outlet such as that. There are a number of people who feel that because the city of Winnipeg currently has eight private wine stores that the city of Brandon should, in fact, be allowed one private wine store.

I would ask the Premier if he would look at the possibility of putting forward a request for proposals for the City of Brandon so that entrepreneurs—and I know the Premier is very excited about the entrepreneur spirit that we have in the province—that entrepreneurs, private-sector development, private-sector investment would be able to put forward their proposal for a privately run wine store that, in fact, is modeled here in the city of Winnipeg.

Is the Premier prepared to put forward a call for the request for proposals for a privately owned and operated wine store in the city of Brandon?

\* (17:50)

**Mr. Doer:** Madam Acting Chairperson, I have to say I was just shocked, absolutely shocked, when the initiation began to create private wine stores, and the former government created wine stores, I was shocked at the passivity of the former mayor of Brandon when those wine stores were created. I've gone back to look at the media coverage, and I never found any call for the mayor to allow Brandon to be less than second class to Winnipeg, that had the bishop's hands placed upon its brow and given the right to proceed with six or seven or eight stores. Now, we have never gone with anything more, but if we had been in office, and we had initiated the private wine stores, I would never, ever have treated Brandon in such a one-down position, and I would have expected, if we had, that a mayor would stand up for his constituents and demand that the wine store in south St. Vital and the wine store in The Forks and the wine store on Waverley and a wine store in, you know, the wonderful operation that's taking place at Taylor and Waverley, I can't understand why this did not happen.

Now, the—[interjection] You know, I like wine and I like beer, and I do not apologize. I would remind people, you know, if you have a religious background of the Christian variety, not that you should be just choosing that, but Christ's first miracle was the miracle of Cana. He blessed the wine at the wedding. So you may want to condemn me for admitting to having the odd beverage, but I feel I'm following my religious beliefs, and I think I'm safe in saying that.

I went back, actually, over the newspaper clippings on two issues: one is lotteries, casino, and I actually went over the wine store. I actually—now you—maybe the former mayor was speaking out on this, but it didn't seem to make any of the press in Brandon, so the toothpaste is out of the tube in terms of private stores.

Do we need to provide other capacity in Brandon? I'm always willing to look at that. We're building the Post-Secondary Education in Brandon; that's our vision. The member opposite's vision is wine, gambling, and I respect that, but we're building. I'm not announcing any more private wine stores, but I think Brandon—it's a fair question. When we first announced the seven or eight, Brandon should have had a fair shot so it wasn't treated in a second-class way to Winnipeg.

**Mr. Borotsik:** As I understand, the Premier (Mr. Doer) is still the Premier of the Province of

Manitoba, and, if he's capable of spending an extra \$1.5 billion by putting a Bipole line down the wrong side, surely he has the ability to take off his moratorium that was placed on the private wine stores in the province of Manitoba. I would suspect that he does have the authority, and, certainly, has the ability to simply call for a request of proposals for a wine store in the city of Brandon. I mean, like, if that's too difficult a task for the Premier, perhaps he could pass it on to the minister responsible for the Manitoba Liquor Control Commission. If he doesn't have that ability or that authority, I assume he doesn't have the desire to have a wine store located outside of the city of Winnipeg.

To be less facetious in the question and in the answer that was forthcoming, it is something. By the way, I left office in 1997. As I understand, the Premier's been in office since 1999. He's had almost 10 years to be able to fix an injustice, regardless of how it was implemented. If there is an injustice there, and he feels there is one, that one community in this province is being treated with inequity, why would the Premier not put forward a simple call for proposals of a wine store in the city of Brandon? I would like an honest answer. Obviously, he placed a moratorium. He doesn't want to see it expanded within any other communities.

Is there a valid reason as to why he won't look for Brandon to be the location of the next wine store, private wine store, here in the province?

**Mr. Doer:** I'm glad he's acknowledged that he was mayor till 1997. He was passive on the absolute decision to establish wine stores primarily in south-end Winnipeg, and ignore not only Brandon, ignore, one would argue, northeast Winnipeg, for example—

**An Honourable Member:** Or Steinbach.

**Mr. Doer:** —or Steinbach. So I'm glad he's acknowledged that he was very passive, because I actually think he missed an opportunity to say: Well, okay, Mr. Premier Filmon, you've declared seven private wine stores; surely to goodness, one of them could be in my community.

Now, the other issue the member raises is the same error that was corrected in the *Brandon Sun*. In the *Brandon Sun*, Mr. Brennan says that the project is not \$1.5 billion—and, by the way, it hasn't been spent. Secondly, it's only the \$400-million number which we tabled in the committee. Obviously, with the great sales that we have to Wisconsin and

Minnesota now, the capital expenditure will be paid for, not by the taxpayers and not by a wine store. So I would recommend strongly that the member opposite—we made a policy decision that, first of all, we would review the agreements reached with the private wine stores. There were some interesting agreements, some pretty generous agreements, in terms of overall revenue from the Province to the private stores—[interjection]

**An Honourable Member:** More or less generous than Pan Am Clinic?

**Mr. Doer:** The Pan Am Clinic's doing quite well. Secondly, we made a decision that we would not expand that further, not to northeast Winnipeg, not to Dauphin, not to Brandon, not to Portage, not to Gimli, not to Thompson, not to The Pas. I agree that one of those seven stores initially when it was established should have gone to Brandon, but we made a commitment in the election in '99 not to expand those stores by the number of those stores. We kept that commitment and we know it's a big priority for the member opposite. We respect the fact that that's a big priority. We're working on other things and we're keeping our word on the private wine stores.

**Mr. Borotsik:** Well, an equal priority for Brandon and certainly southwestern Manitoba, if the Premier's not prepared to resolve an inequity with respect to the wine store—and, as I said, it's not the wine store specifically; it's more of the ability to be seen as the second-largest city in this province and be treated with some respect. I guess that flows into my second question. I had many more questions, but the Premier obviously likes to talk about other issues, but this one would be is to treat Brandon with respect. He does have the ability and did have the ability to appoint a Cabinet minister from Brandon. He does have a sitting member. He only has one, by the way. The other one lost for obvious reasons. He has one sitting member and he decided at that time to basically thumb his nose at the city of Brandon and not place his sitting Member for Brandon East into the Cabinet.

So, if he wants to suggest that I sat back passively when looking at a minor investment into the community, I would suggest that the Premier was more than simply passive when he decided to pass over his sitting member and put him at the Cabinet table at which time Brandon would have had a voice at that Cabinet table and would have been able to pound on the desk and make sure that we were

treated with equity in all of the issues that are going to come forward to his Cabinet. So I wonder why the Premier didn't see fit to put into Cabinet his sitting member in Brandon as a Cabinet minister.

\* (18:00)

**Mr. Doer:** I want to point out the history. The first wine stores and proposals were called for in 1994, and I've looked back on his comments. Then it was the second proposal after that, and it looks like he was quiet twice over. So it looks like if it was a proposal made by the former premier, a Conservative, he was quiet, and if it's the issue of an NDP Cabinet decision, he pounds the desk. We have 35 people that could go in Cabinet. They're all qualified, and the 36th one is, of course, the Speaker, who has been elected. I would not want to prejudice that individual if he ever chose not to be in Speaker. He would obviously be the 36th person because somebody else would have to be elected, to be qualified for Cabinet. One of the great challenges we have on our side, and we have so much talent for Cabinet, that is—it is a pleasant problem, and I want to thank the member for his great statements about the qualifications of the Member for Brandon East (Mr. Caldwell). I think he is very qualified as a person, as so many others are.

I would suggest, the last time I heard somebody being sure about their political situation, I remember Paul Edwards sitting in the House, pointing, actually,

at Greg Dewar or the Member for Selkirk (Mr. Dewar), saying he's going to lose the next election. The Member for St. James was defeated and the Member for Selkirk lives on.

**An Honourable Member:** He's still not in Cabinet.

**Mr. Doer:** So we're all one vote—I would suggest—well, he's got a tougher job than Cabinet; he's the Whip. That's the toughest job at any side. I would suggest to members opposite that we're all one vote behind, the Member for Brandon West (Mr. Borotsik) included. He's one vote behind, always in his seat. He's promised a lot of things in Brandon West. We'll do everything we can to make him deliver on some of them and make sure that the Member for Brandon East gets all the credit for doing it. I thank him for his question

You know, we have a team of 35 people in Cabinet. Everybody is involved in decision making. We're not Conservatives. We don't have the two-tier government. We have one team rowing this boat for the benefit of Manitoba's keg together.

**The Acting Chairperson (Ms. Selby):** The hour being 6 p.m., committee rise. Call in the Speaker.

#### IN SESSION

**Mr. Speaker:** As previously agreed, the hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 23, 2008

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>		<b>Oral Questions</b>	
<b>Introduction of Bills</b>		Manitoba Hydro Power Line McFadyen; Doer	908
Bill 27– The Shellmouth Dam and Other Water Control Works Management and Compensation Act (Water Resources Administration Act Amended) Melnick	905	Gage Guimond Death Briese; Mackintosh	913
Bill 206–The Elections Amendment Act Gerrard	905	Child Welfare Services Taillieu; Mackintosh	914
<b>Petitions</b>		Gang Violence Hawranik; Chomiak	914
Manitoba Liquor Control Commission– Liquor Licence Fees Cullen	905	Bill 206 Gerrard; Chomiak	915, 916
Lake Dauphin Fishery Derkach	906	Gerrard; Doer	915
Dividing of Trans-Canada Highway Taillieu	906	<b>Members' Statements</b>	
Long-Term Care Facility–Morden Dyck	906	435 Squadron Korzeniowski	916
Child-Care Centres Driedger	907	Harold Buchwald McFadyen	917
Crosswalk at Highway 206 and Centre Avenue Goertzen	907	Gerrard	918
<b>Tabling of Reports</b>		Girl Guides and Brownies Career Fair Brick	917
Supplementary Information for Legislative Review 2008-2009–Departmental Expenditure Estimates–Justice Chomiak	907	Winkler Chamber of Commerce Dyck	918
Supplementary Information for Legislative Review 2008-2009–Departmental Expenditure Estimates–Finance Selinger	908	<b>ORDERS OF THE DAY</b>	
		<b>GOVERNMENT BUSINESS</b>	
		<b>Committee of Supply</b> (Concurrent Sections)	
		Infrastructure and Transportation	919
		Agriculture, Food and Rural Initiatives	950
		Executive Council	972

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