



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

| Member | Constituency | Political Affiliation |
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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 17, 2001

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Manitoba Hydro Lines Routes

Mr. Ron Schuler (Springfield): Mr. Speaker, I beg to present the petition of Jeff Niesobisz, Gary Kohut, Robert Leperre and others, praying that the Legislative Assembly of Manitoba request that the Minister for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

Kenaston Underpass

Mr. Frank Pitura (Morris): Mr. Speaker, I beg to present the petition of Art Wiens, S. Zacharias, L. Peters and others, praying that the Premier (Mr. Doer) of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

Mr. John Loewen (Fort Whyte): Mr. Speaker, I beg to present the petition of Diana Fawcett, J. McClellan, Ed Grzenda and others, praying that the Premier (Mr. Doer) of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

READING AND RECEIVING PETITIONS

Manitoba Hydro Lines Routes

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

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

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

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

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

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

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

PRESENTING PETITIONS

Kenaston Underpass

Mr. Ron Schuler (Springfield): I ask for leave to revert back to presenting petitions, and if I can also have leave to present the petition on behalf of the honourable Member for Charleswood (Mrs. Driedger)?

Mr. Speaker: Does the honourable member have leave to revert back to Petitions and table for the honourable Member for Charleswood?
[Agreed]

Mr. Ron Schuler (Springfield): Mr. Speaker, I beg to present the petition of Al Morley, James Van Deventer, V. Madsen and others, praying that the Premier (Mr. Doer) of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

* (13:35)

READING AND RECEIVING PETITIONS

Kenaston Underpass

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

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

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

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

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

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over 8 tons of emissions and cause approximately \$7.3 million in motorist delays every year.

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

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

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

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

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

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

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4

million in fuel, pollute the environment with over 8 tons of emissions and cause approximately \$7.3 million in motorist delays every year.

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

Mr. Ron Schuler (Springfield): Mr. Speaker, I ask for leave to do the reading and receiving of the petition for the Member for Charleswood (Mrs. Driedger).

Mr. Speaker: Does the honourable member have leave? *[Agreed]*

I have reviewed the petition of the honourable Member for Charleswood (Mrs. Driedger). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Mr. Speaker: Clerk, please read.

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

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

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

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over 8 tons of emissions and cause approximately \$7.3 million in motorist delays every year.

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

* (13:40)

INTRODUCTION OF BILLS

Bill 29—The Residential Tenancies Amendment Act

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): Mr. Speaker, I move, seconded by the Minister of Education, Training and Youth (Mr. Caldwell), that leave be given to introduce Bill 29, The Residential Tenancies Amendment Act (Loi modifiant la Loi sur la location à usage d'habitation), and that the same be now received and read a first time.

Motion presented.

Mr. Smith: Mr. Speaker, this bill proposes to amend The Residential Tenancies Amendment Act to increase the exemption period for rent regulation for newly constructed rented residential buildings from five years to fifteen.

Motion agreed to.

Some Honourable Members: Oh, oh.

Introduction of Guests

Mr. Speaker: I would like to draw the attention of all honourable members to the public gallery, where we have with us from River West Park School 36 Grade 9 students under the direction of Ms. Heather MacLeod. This school is located in the constituency of the honourable Member for Charleswood (Mrs. Driedger).

Also, I would like to draw the attention of all honourable members to the Speaker's Gallery, where we have with us today His Excellency Kim Sam-hoon, Ambassador of the Republic of Korea at Ottawa.

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

ORAL QUESTION PERIOD

Mountbatten School Aging Buildings Program

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, in 1999, the former government announced a long-term commitment to the Aging Buildings Program by extending it

to 2003-2004, with an additional commitment of \$30 million for needed school renovations. Monique Ethier, a parent whose child is enrolled at Mountbatten School has advised us that the Aging Buildings Program which was supposed to fund projects such as the promised upgrades of Mountbatten School was in fact cancelled earlier this year. Can the Premier please explain why he has cancelled this important school restoration program?

Hon. Gary Doer (Premier): Mr. Speaker, the capital committee dealing with public schools was obviously involved in this, plus the Minister of Education (Mr. Caldwell). I think you will find that the allocation for improving educational facilities in Manitoba, which is 100 percent paid for by the provincial government has gone up, many of the projects have been of renovation nature as opposed to some new capital. We think it is equally important to renovate the existing schools in Manitoba to ensure that they are safe, that they are energy efficient, that they are conducive to good education.

As the member may or may not know, for every worthy project that has been proposed in any given budget year, there is only a fixed amount of money. We always know that there are lots of projects of merit, but there is only a finite amount of money and you cannot on the one hand talk about the fact that our investments in funding for health and education were about 3 to 1 ratio for tax reductions. We think that is a very balanced approach.

Mr. Murray: Mr. Speaker, the Premier talks about new revenue expenditures of \$6 for every \$1 of tax relief, to be accurate, but over the course of the next couple of years the \$30-million extension of the Aging Buildings Program was supposed to fund school renovations, roofing projects and system replacement projects. The Premier has stated on many occasions, and I quote: I am responsible for all financial decisions. I would like to ask the Premier to explain why the \$30 million of much-needed school renovation projects are now deemed not important to his Government.

Mr. Doer: Mr. Speaker, the total funding is quite a bit more significant than when the

members opposite were in government. Also, when we came into Government we not only had underfunding on one level of public education on the operating side, we had undersupport on the property tax side and we had a smaller measure of capital investment on the capital side.

We have also had a huge weakness in terms of post-secondary capital. We had a proposed community college expansion program with no capital money in the budget, Mr. Speaker. We had the University of Manitoba with an Engineering Faculty that had a roof that was leaking. We had the U of W heritage buildings that were in a rapid state of decline, and so, on public schools, community colleges, post-secondary education, we have invested in the future. Those investments are within the Budget.

I know every second day the member opposite talks about tax reductions. The other second days he talks about spending increases. We have a balanced approach where we live within our budget.

* (13:45)

Mr. Murray: Well, Mr. Speaker, I think it is important to recognize, at least we do on this side, that the Aging Buildings Program is a needed initiative. This Government recognized that last year when they committed to funding four projects. While three of those projects are moving forward, the fourth project which was committed, Mountbatten School, has suddenly had their project pulled. Can the Premier explain why the Minister of Education broke his promise to provide the school with \$150,000, and can he explain where the rest of the \$30 million has gone?

Mr. Doer: Mr. Speaker, the specific questions of projects are contained within the Budget. I am not sure whether the Estimates have been reviewed yet in the Department of Education or will be reviewed, but I am sure that is a relevant question in that project.

The bottom line is there will be a full accounting for the \$30 million. I recall seeing a considerable number of schools, literally very, very many schools, that were being renovated, electrical work, roofing work, security work,

classroom work that was conducted in many, many Manitoba schools. But we have a budget. It is higher than members opposite had, but it is a budget that we are going to stay within.

Yes, there are many good projects out there. There were many good projects for 10 years at the universities and the community colleges, and there were many good projects when members opposite were spending \$2 million and \$3 million on public education. We will live within our budget. It means saying yes to very many good projects and not being able to accommodate all the projects.

Mountbatten School Aging Buildings Program

Mrs. Louise Dacquay (Seine River): Mr. Speaker, we know that Mountbatten School has not received the promised \$150,000 from the Aging Buildings Program for their upgrading project. In fact, parents and children have now learned the school is under review for closure as of June 30, 2003. Can the Minister of Education explain to the parents and children of Mountbatten School, many of whom are in the gallery with us today, why their school has yet to receive the promised funds?

Hon. Drew Caldwell (Minister of Education, Training and Youth): I do appreciate, in a very profound sense, in an environment with limited resources, that this is a very difficult issue. I do empathize with parents in this issue, in fact with parents throughout Manitoba in terms of the public expenditure of dollars in the public school system. The analysis and view of the Public Schools Finance Board, Mr. Speaker, the body charged with evaluating such requests, and evaluating all projects in the public school system, however, is one that I support.

Mrs. Dacquay: Why does the Doer government place such little value on the potential disruption of the lives of children who currently attend Mountbatten School?

Mr. Caldwell: The closure of schools are fundamentally the responsibility of local authorities, the school divisions throughout the province of Manitoba. The members opposite know that.

Mr. Speaker, during the 11 years that members opposite were in office, a number of schools closed across the province. It had no bearing on members. It was a decision taken by communities in consultation with their locally elected officials, the school division. School closures are very dramatic events, but they are fundamentally events that are determined by communities and are responsive to demographics within that community.

Mrs. Dacquay: Mr. Speaker, is the Minister of Education prepared to settle this issue today and honour his commitment to Mountbatten School?

Mr. Caldwell: Mr. Speaker, this Government does have a commitment to the people of Manitoba. We have a commitment to do due diligence. We have a commitment to be fiscally and educationally responsible in all our decision making. This debate allows me to put on the record that in the last 18 months this Government has put \$127 million into public school capital across the province of Manitoba.

Mr. Speaker, 18 months, \$127 million. When members opposite were in office who cared ostensibly about the state of capital resources in the public school system, we had allocations of \$18 million in '94-95, \$23 million in '95-96, \$20 million in '96-97, \$24 million in '97-98. In four years, they put in less than half that this Government has done in the last 18 months.

* (13:50)

Mountbatten School Aging Buildings Program

Mrs. Joy Smith (Fort Garry): Mr. Speaker, during Estimates last year on July 10, the Minister of Education sat across from members on this side of the House and noted that several schools would receive funding under the Aging Buildings Program. The minister stated the names of the schools and the exact amount of funding each school would receive.

Can the minister advise if Sisler School received \$1.4 million, Beausejour Elementary School received \$100,000, and Fort La Bosse School Division received \$600,000 under the

Aging Buildings Program, as he indicated during the Estimates on July 10 of last year?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, I will have to review the Estimates from last year, but I will say that the capital support in this year's funding announcement, support of \$76 million, \$76.6 million in this year's capital support—the largest, incidentally, in the history of the province of Manitoba—which was designed fundamentally and targeted fundamentally at the legacy of ruin in terms of our mechanical systems, in terms of our roofing systems, in terms of our electrical systems, in terms of the classrooms of the province of Manitoba.

There was no oil changed in that car for 11 years, and this Government is investing significant capital dollars at historic levels in changing the oil that members opposite let lapse over 11 years.

Mrs. Smith: Mr. Speaker, clearly, we are not talking about car oil changes today. What we are talking about is a school, Mountbatten School.

How does the minister justify to the parents and the children sitting in the gallery today from Mountbatten School, the parents and children whose school was on the list for funding during last July's Estimates, how does he justify to them that they are not going to be receiving this funding when he gave them his word they would be receiving it?

Mr. Caldwell: Mr. Speaker, I am sorry members opposite did not understand the metaphor, but the reality is that this Government is investing the highest rates ever in this province's history in the renewal of our public school infrastructure. The reality also is—

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

Point of Order

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

We have given this minister plenty of opportunity in the previous questions. He danced on those ones, but clearly if he was listening to this question it is called Mountbatten School.

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

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, the answer was being provided, but the minister was cut off by the Opposition. He is in the course of giving an answer.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, I am sure he has a point of order for provoking debate. I am sure that the honourable minister was just about to answer the question. So I will give the opportunity to the minister to answer the question.

* * *

Mr. Caldwell: Obviously, Mr. Speaker, on this side of the House we believe that public resources are very precious. They should be expended in a fiscally responsible manner, in an educationally responsible manner. In terms of the decision making in terms of how those resources are allocated, the Public Schools Finance Board has my full confidence.

Mrs. Smith: Mr. Speaker, is this minister willing to close Mountbatten School, willing to force the children into another location, willing to dissolve the hub of the community just because of his inability to stand by his word?

Mr. Speaker: The question has been answered. Is there another question? The honourable Member for Fort Garry, on a new question.

*(13:55)

Mrs. Smith: Mr. Speaker, Manitobans are quickly learning that they cannot trust what the Minister of Education tells them. To refresh his memory, I would like to table a copy of Hansard from July 10, 2000.

This part of Hansard, Mr. Speaker, says there are a few more projects under Aging

Buildings, and I quote: I will just go over them very quickly. In Winnipeg, Sisler School is receiving \$1.45 million; in St. Vital, Mountbatten School is receiving \$150,000; in Agassiz, Beausejour Elementary, phase 2 is receiving \$100,000; Fort La Bosse School Division is receiving \$600,000, for a total of \$2.3 million on that score.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for Fort Garry, with her question.

Mrs. Smith: On a new question, Mr. Speaker. Can the Minister of Education confirm now that on July 10, 2000, and the Hansard is right in front of the minister, he stated that under the Aging Buildings Program "Mountbatten School is receiving \$150,000."

Mr. Caldwell: Mr. Speaker, yes, I can. To date, \$150,000 is available for the project under the 2000-2001 Budget.

Mrs. Smith: Is this minister aware of section 19 of The Public Schools Finance Board Act which states that the minister's decision, and I quote, is final and binding, and take responsibility for this decision that has been made?

Mr. Caldwell: Mr. Speaker, I am aware and I also have full confidence in locally elected officials at the divisional level to make decisions. I have full confidence in The Public School Finance Board to provide the best advice to the department and to myself on decisions around public schools financing and the financing of capital projects. I am more than willing to take responsibility for the stewardship of \$76 million in the capital projects around the province.

This is an issue that affects every community in this province. It affects every school in this province, 730-odd schools, tens of thousands of students, and we will as a Government invest responsibly, in a fiscally responsible manner and an educationally responsibly manner for every school in this province.

Mrs. Smith: Will the minister then take full responsibility and honour his word, and provide

the funding to Mountbatten School as he promised last year?

Mr. Caldwell: We are not dictators on this side of the House, and we are not making policy going on the fly, as members opposite seem to be doing, in terms of tax on one hand, cut on another hand. We cannot have expenditures being driven by whim, Mr. Speaker, as members opposite seem to indicate. To date, \$150,000 is available for this project under the 2000-2001 Budget.

Mountbatten School Aging Buildings Program

Mrs. Louise Dacquay (Seine River): This minister is doing nothing to appease the concerns of the students and parents at Mountbatten School. He cannot live up to his word, and now he is stating that it is in a different year's Budget.

I want to draw to the minister's attention the Annual Report of the Manitoba Public Schools Finance Board, dated June 30, 2000, which lists the major capital construction projects approved by PSFB during July 1999 to June 2000. Number 6 on the list is St. Vital, Mountbatten School renovations, Aging Buildings Program. Mr. Speaker, I will table that document.

My question to the—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for Seine River, with her question.

Mrs. Dacquay: My question to the Minister of Education is: Did the Minister of Education politically intervene and overrule the decision of the independent Public Schools Finance Board that approved the \$150,000 for Mountbatten School?

Hon. Drew Caldwell (Minister of Education, Training and Youth): No, Mr. Speaker.

Mr. Speaker: The honourable Member for Seine River, with her first supplementary question.

Mrs. Dacquay: Mr. Speaker, my question to the Minister of Education is: Who are the parents to believe? Where is the money?

Mr. Caldwell: The St. Vital School Division did make a request to the Public Schools Finance Board in the 2000-2001 Budget. Mr. Speaker, \$150,000 was made available for this project. The revised cost of the project came in substantially more than that. The Public Schools Finance Board deliberates on the global picture for all schools in the province of Manitoba, makes determinations based upon what is best for Manitoba, what is best for the public school system. The St. Vital School Division, the current enrolment of the school is 64 students. The St. Vital School Division estimates a further decline in numbers over the course of the years to come. That is part of the deliberation on any school decision around the province of Manitoba. The decision of whether or not to keep a school open or closed—

Mr. Speaker: Order.

Mr. Caldwell: Thank you, Mr. Speaker. The determination on these issues are made at the local school division level with community input. There is a two-year period for deliberations. I find it passing strange that a week ago members opposite—

Mr. Speaker: The honourable Member for Seine River.

Mrs. Dacquay: Mr. Speaker, my question to the Minister of Education. Did he review the proposal made by the St. Vital School Division as a priority one project, which stated for their justification of the project that the classroom size and the student enrolment was remaining stable and increasing slightly on a year-to-year basis?

Mr. Caldwell: Mr. Speaker, I have respect for the advice that we get in the office, the Minister of Education's office of the Public Schools Finance Board, the advice of the publicly elected, locally elected school trustees and school divisions. I do find it passing strange that a week ago members opposite were screaming about school board autonomy. Now they want me to overrule school boards and public finance boards.

Arena/Entertainment Complex Public Consultation

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the Premier. I see the True North arena proposal as a positive and exciting development for our province. I am also

a strong believer in community input and the potential for individual citizens to contribute good ideas which can enhance the long-run potential of the arena project. As the *Free Press* editors have emphasized, it is important to take care that we squeeze all possible public advantage out of the True North arena.

I ask the Premier when the three levels of government will be holding public hearings to get input into the arena proposal, so that citizens can have a chance to help to improve and enhance this proposal to the best possible advantage of all Manitobans.

Hon. Gary Doer (Premier): Mr. Speaker, we are receiving a lot of suggestions from the public. I think there is a lot of general enthusiasm for the proposal. The proposal, or the idea of the proposal, was in various concept forms for the CentreVenture discussions that took place publicly a few years ago. I guess it was a year and a half or two years ago. There were public hearings on downtown. Some of these ideas were there.

There are a number of businesses that are involved now in how they can take advantage of a proposed new entertainment centre. There are a number of other suggestions, particularly around, not the heritage of the building, but a lot of people have a sentimental attachment to either the statue or the Grill Room or some other parts of the existing building, how can we incorporate that into the new building.

So the advice is coming in, in this Legislature on a daily basis, I suppose, and from the member opposite. There have been general discussions on downtown revitalization. We listen very carefully to any specific suggestion that the public is going to make.

* (14:00)

Mr. Gerrard: Mr. Speaker, my supplementary to the Premier.

I ask the Premier: Does he not believe, in view of the amount of public money involved, the size and significance of this project to Manitoba, in the desirability of an optimum result for all Manitobans? Is it not fundamental

to the democratic process to allow citizens to have input to improve this project and to have the best possible result?

Mr. Doer: Mr. Speaker, we are continuing to listen to the public. The overwhelming sense is this is an extremely positive idea, extremely positive framework, extremely positive set of financing on the agreement, particularly with no risk to the taxpayer for capital overrun, team operating loss overrun, or overruns in the operating of the team.

We have agreed, in principle, to community access to the facility for a set number of days. We have asked, and the team owners, facility owners and the private owners have had discussions with the United Way. We have had discussions with high school hockey, and as I understand it, the United Way is listening to the public on ideas for public access to the facility.

Mr. Gerrard: My second supplementary to the Premier. I ask the Premier, when the proposal as it stands now would be to use approximately one-third of the days of the year in the arena, why the Premier is reluctant to hold public hearings so we can get input from citizens on how we might be able to use it the other two-thirds of the days of the year and have an even enhanced project for all of Manitoba.

An Honourable Member: Jon is still not applauding.

Mr. Doer: Jon is not applauding. I will not comment on that. I could not possibly comment on that.

Mr. Speaker, 70 percent of the money for this and 100 percent of the risk is coming from the private sector. We have agreed, the City, the federal government and the Province, to certain capital infrastructure investments in exchange for community access. Those issues of community access will be in the public with the connection of the United Way, and we believe that every day is an opportunity for the public to speak. We are getting lots of good ideas about the proposed entertainment centre that is being built primarily by the private sector but with support from the public sector, and we certainly listen to every suggestion from the public.

If the member opposite has any ideas, we are more than willing to listen to them. I think it is important that public access in particular for us is enshrined in the spirit of this proposal and in the words and actions of the proposal as it goes forward in a positive and optimistic way for the future of our community.

Mountbatten School Closure

Mrs. Louise Dacquay (Seine River): Mr. Speaker, Monique Ethier, whose child attends Mountbatten, wrote these words to the minister, and I quote: A government that deprives our children of their right to the best education and disenfranchises their community should hang their heads in shame, for they do not value children or their education.

The minister has yet to respond, and I will table the letter.

My question to the Minister of Education: Will he meet with the parents of Mountbatten School today and explain to them why their school is closing despite his promises to the contrary?

Hon. Drew Caldwell (Minister of Education, Training and Youth): As members opposite know, school closures are decisions of the community and the school boards; they are not the authority of the Minister of Education. In fact, the Member for Springfield (Mr. Schuler), when he was a trustee, closed McLeod School in his own constituency, so they have experience from that.

Point of Order

Mr. Ron Schuler (Springfield): Mr. Speaker, *Beauchesne's* 417 says that answers should not provoke debate. I did not promise \$100,000-plus for a school and then close it, thank you, like this minister did.

Mr. Speaker: Order. The honourable Minister of Education, Training and Youth, on the same point of order.

Mr. Caldwell: On the same point of order, Mr. Speaker. We are discussing the issue of school

closures and who has authority for it. The authority is the school board's, and I want to put that fact on the record.

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

* * *

Mr. Speaker: The honourable Minister of Education, Training and Youth to respond.

Mr. Caldwell: The question itself, the preamble to the question discussed about the letter that was sent to my office by Ms. Ethier and the support for this Government for the public school system, Mr. Speaker.

In 1992-93, the Government committed \$22 million to capital works in the public school system. In '93-94, members opposite committed \$18 million. In '94-95, it was \$18.3 million. In the last 18 months, this Government put \$127 million into the capital projects around this province. We are rebuilding the public school system.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): *Beauchesne's* 417: Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate. Mr. Speaker, all this minister is speaking about is building. We are talking about him ripping down a school.

Mr. Speaker: The honourable Minister of Education, Training and Youth, on the same point of order.

Mr. Caldwell: The same point of order, Mr. Speaker. The reference was made to commitments to the public education system and building our public school system. I am putting some facts on the record as to why we are having to deal with renovation projects virtually throughout this province.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House

Leader, I would just like to remind all honourable ministers that according to *Beauchesne's* Citation 417; answers to questions should be as brief as possible, deal with the matter raised and to not provoke debate.

* * *

Mrs. Dacquay: Will the Minister of Education please review The Public Schools Act which clearly states that it is the Government's final authority to close schools.

Mr. Caldwell: Of course, Mr. Speaker, I am constantly in review of The Public Schools Act, in fact, all issues that pertain to my portfolio. I have to say again, though, we respect, on this side of the House, the authority of local school divisions to make decisions in conjunction with their communities. Members opposite cannot have it both ways. They cannot in one session, when there is nobody in the gallery, scream about local autonomy, and then play to an audience and say, no, you have to intervene. We will place confidence in locally elected officials in the Public Schools Finance Board.

Mrs. Dacquay: My supplementary question, Mr. Speaker, is to the same minister. Why is this minister closing Mountbatten School, and will he meet with the parents today?

Mr. Caldwell: Mr. Speaker, we are not closing Mountbatten School. We are taking advice from the local authority in conjunction with their community and the Public Schools Finance Board. The member opposite knows that I am in Estimates today, and therefore my schedule is—

Mr. Speaker: Order.

Point of Order

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, on a point of order. If the Minister of Education (Mr. Caldwell) needs a half hour from Estimates, I am sure the members on this side would be prepared to allow him that half hour to meet with the people of Mountbatten.

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

I would like to remind all honourable members, when rising on a point of order, it

should be a breach of the rules of the House or for unparliamentary language. I would just like to remind all honourable members.

*(14:10)

Mountbatten School Aging Buildings Program

Mrs. Louise Dacquay (Seine River): On a new question, Mr. Speaker, given the fact that I am absolutely positive leave would be given, will the Minister of Education meet with the parents of Mountbatten School present today to explain why he committed \$150,000 and then refused to give them the money?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, I have no problem with that whatsoever. My door is always open.

Mountbatten School Aging Buildings Program

Mrs. Joy Smith (Fort Garry): Mr. Speaker, clearly today, the Minister of Education has danced around the issue, in and out. Will the minister acknowledge that the Estimates process is a process where the minister clearly states the intentions of the Doer government when it comes to the funding and the capital projects on hand for that year?

My question to the minister, Mr. Speaker: When the minister meets with the parents of Mountbatten, will the minister explain to these parents why he is dancing around the closing of the school when, in effect, he promised—he laid it down in Hansard—that \$150,000 would be given to Mountbatten School so they could keep it open?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, I put on the record a few times today that \$150,000 was made available for this project during the 2000-2001 Budget year.

The \$150,000 obviously was not sufficient to cover the cost of needed renovations to the school, Mr. Speaker. The revised cost was substantially higher than what was acceptable by

the Public Schools Finance Board. Obviously, the Public Schools Finance Board is not going to approve projects in that sort of circumstance, where you are over budget.

The letter that went to Mr. Bruce, the chair of St. Vital School Division last year, quote: The project identified above is subject to detailed assessment by the Public Schools Finance Board which will forward its recommendations to me for a final decision by government.

Mr. Speaker, the Public Schools Finance Board, in administering the \$76 million that was granted by the Province this year responsibly, fiscally and educationally, has made a determination that the Mountbatten School is over budget, and the deliberations are now at the St. Vital School Division.

Mrs. Smith: Clearly, Mr. Speaker, this minister is lacking current information. Will this minister, when he meets directly after this time in the House, when he meets with the parents, commit to keeping an open mind and listen to the current information that he is not aware of before he makes his final decision?

Mr. Caldwell: Mr. Speaker, everybody on the Government side of the House has an open mind. Everybody on the Government side of the House is committed to working with and consulting with the people of Manitoba in making decisions on every portfolio, something, I might add, that was in stark contrast to the previous government in this House.

In answer to the member's question, I am meeting with the parents; I am not meeting with the member opposite.

Mr. Speaker: Time for Oral Questions has expired.

* (14:20)

MEMBERS' STATEMENTS

Mr. Gabe Langlois

Ms. Nancy Allan (St. Vital): It is a privilege for me to recognize a constituent of mine, Mr. Gabe Langlois, for his spirit of volunteerism. Recently Gabe received the Premier's Volunteer Service Award in the individual category at the 18th

annual volunteer awards luncheon. Known as Dancing Gabe, he received this prestigious award in recognition of his energetic commitment and devotion to Manitoba's sporting community. Gabe volunteers at many games on Winnipeg's professional sports teams as well as the Winnipeg International Children's Festival and at the St. Vital YM-YWCA. I would like to take this opportunity to thank the sports organizations for their support in providing Gabe access to events whenever he arrives.

The Premier spoke at the luncheon, congratulating recipients and Gabe, and paid tribute to family members who support volunteerism in their community. I know, from my short time with Gabe and his mom, this is a very dedicated, special young man whose mom is very proud of his contribution to our community. I was honoured to sit with Gabe and his mom at the volunteer luncheon and congratulate Gabe for his contribution to volunteerism. Thank you, Mr. Speaker.

British Columbia Election Results

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, yesterday the people of British Columbia went to the polls and overwhelmingly kicked the NDP out of office. By winning a staggering 76 of 79 seats available in the province, Premier-elect Gordon Campbell and his Liberal colleagues have ended 10 years of NDP-style, tax-and-spend government. In its most recent budget, the NDP government rejected tax cuts for the people of B.C. As a result, the people of B.C. rejected the NDP government. Canadians are beginning to recognize the folly of electing NDP governments. While they promise the moon and the stars during elections, they fail miserably when it comes to delivering on those promises, all too often catering to the special interest groups who got them into power.

Gordon Campbell and his colleagues ran on a platform of meaningful tax relief, debt repayment and free enterprise. Campbell promised a new era for B.C. and an end to 10 years of wasteful, mismanaged spending by the NDP government. His platform was wholeheartedly endorsed by the people of B.C., again, as an indication that Canadians are growing tired of

paying the price, quite literally, for the misguided actions of the NDP governments elsewhere. I want to take this opportunity to congratulate the newly elected Premier on the stunning mandate he received last night. I wish him well as he and his colleagues begin a new era and bring financial responsibility to the people of B.C.

Mr. Speaker, now that B.C.'s NDP have failed to achieve even official party status, their loss should serve as a lesson to the current Government in Manitoba. While you can fool some of the people all of the time and all of the people some of the time, you cannot fool all of the people all of the time.

Narcisse Snake Tunnel Project

Mr. Tom Nevakshonoff (Interlake): Mr. Speaker, it is my pleasure to rise in the House today to report on a very successful underpass project which was put in place in the Interlake last summer and is paying off in a big way today. I am referring, of course, to the Narcisse snake tunnel project, which saw the installation of a number of piped tunnels through the roadbed of Highway 17, approximately 15 miles north of Inwood. The tunnels assist the red-sided garter snake in their travels to and from their den areas across a stretch of highway which has been the death of probably millions of these animals over the years.

The situation was becoming critical as recently as two years ago, with estimated numbers dropping from a peak of around 75 000 to a low of just 15 000. There was a major winter kill over the 1998-99 season that followed a very destructive extended fall season in '98, during which approximately 25 000 animals died on the highway. The tunnels, installed at very little cost, thanks to the co-operative efforts of local citizens and government staff from the departments of Conservation, Highways and Manitoba Hydro, saved the lives of approximately 7000 to 8000 snakes last season. Additional fencing and tunnels will be put in place this season, thereby ensuring that this unique site will be around for years to come.

The site is well known around the world. When I was there last week, a team of scientists

from Oregon State University was doing research there. Dr. Robert Mason, an authority in the field, said that our project in Narcisse is one of the finest examples of a successful tunnelling project that he had ever seen. Mr. Speaker, I want to congratulate the many individuals who have worked on this project and thank them on behalf of the people of Manitoba for their exceptional efforts in a very worthy cause. Thank you, Sir.

École Tuxedo Park 75th Anniversary

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, yesterday afternoon I had the opportunity to bring greetings on behalf of the Leader of the Official Opposition (Mr. Murray) and my caucus colleagues in the Manitoba Legislature on the very special occasion of the 75th anniversary of Tuxedo Park School, now known as École Tuxedo Park.

I had a wonderful opportunity of having tea with several alumni, most of whom attended the school in the 1930s, my father being one of those people, Hugh McDonald, my aunt, Betty Green-Armytage, Mrs. Hunter, Don McCarthy, Barb Cannell, Betty Jane Wylie, Roy Parkhill and many others. I thank them for their wonderful stories of the history of Tuxedo school.

In 1925, in response to a petition put forth by the residents stating a growing need for a school to educate 21 girls and boys in the Tuxedo area, Claude Hewbach and J.H. McDonald, my grandfather, hired architects to draw up plans for the schoolhouse.

The original schoolhouse was built in 1926. It had two classrooms and one teacher named Maud Hill who taught 15 children in Grades 1 to 8. The population grew with the development of Old Tuxedo. By 1932, there was a need to add two classrooms to the building. The southern two rooms were built behind original classes.

A major change occurred, Mr. Speaker, in 1984. Tuxedo Park School became a French-immersion centre. All of the signs, books, even teachers had to be replaced. The name changed to École Tuxedo Park. Mr. John Lamb became the new bilingual principal. The school population rose to 265 people.

In 1988, two portable classrooms were added. In 1990, Madame Diana Fabas-Pirie became the first female principal the school ever had. In 2001, the school celebrates its 75th anniversary. Many people hold a special place in their hearts for this school, the students, the staff, the parents, and I hope that it lasts at least another 75 years.

Mr. Speaker, I would like to thank principal Diana Fabas-Pirie, Jeannette Keating and hundreds of volunteers who contributed their efforts.

Félicitations et bonne chance pour encore soixante-quinze ans de succès à l'École Tuxedo Park. Merci.

Translation

Congratulations and best wishes for another seventy-five years of success to École Tuxedo Park. Thank you.

Glenlawn Collegiate Art Display

Ms. Linda Asper (Riel): I invite members of this House to visit Glenlawn Collegiate's artwork on display at the Pool of the Black Star in this building for the month of May. You will find an exhibition of over 50 significant drawings, etchings and paintings. These works illustrate our young people's talent and creativity as future contributing adults in Manitoba.

Glenlawn Collegiate's visual arts program also has a school exhibit of a project on simulated stained glass, much of which is on display on the school's windows. Students worked with a medium called liquid leading, imitating stained glass. They created everything from abstracts to more concrete pieces.

The art program at Glenlawn is due in large part to Cloyd Barth, art teacher, who is completing his first year as a full-time teacher in the program. He has been successful in introducing new mediums to the students such as liquid leading, soapstone carving, dry-point etching, glass bead making and lost-wax carving. Students are able to express themselves through art by more than just drawing.

Congratulations to Mr. Barth and his students for their creativity and success in the visual arts program. Bravo to Donna Bulow,

principal, the staff and students at Glenlawn for their support of the program and the display. This success story is one example of the fine work by staff and students being done in St. Vital School Division. Thank you, Mr. Speaker.

ORDERS OF THE DAY

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, before returning to Committee of Supply, just to reiterate, there is no sitting tomorrow, of course, as a result of a decision yesterday.

Mr. Speaker, would you canvass the House to determine if there is leave to adjourn at 5 p.m. today?

Mr. Speaker: As previously announced, there will be no sitting tomorrow.

Is there agreement to adjourn the House at 5 p.m. today? [*Agreed*]

Mr. Mackintosh: Mr. Speaker, would you also please canvass the House to determine if there is consent to vary Estimates by moving Family Services and Housing and Healthy Child Manitoba from 254 into the Chamber to be considered before Executive Council? That is for today only.

Mr. Speaker: Do we have unanimous consent of the House to vary the sequence for consideration of Estimates by moving the Estimates for Family Service and Housing and for the Healthy Child Initiative from Room 254 to the Chamber to be considered prior to the Estimates of Executive Council? This change is to be effective for this afternoon only. *Agreed?* [*Agreed*]

To resume Committee of Supply. Mr. Deputy Speaker, please take the Chair.

COMMITTEE OF SUPPLY (Concurrent Sections)

EDUCATION, TRAINING AND YOUTH

* (15:30)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order? This section of the Committee of Supply will be

considering the Estimates of the Department of Education, Training and Youth.

Does the honourable Minister of Education, Training and Youth have an opening statement?

Hon. Drew Caldwell (Minister of Education, Training and Youth): Thank you, Mr. Chair. I do have an opening statement.

Mr. Chairperson: Proceed.

Mr. Caldwell: Mr. Chair and committee, it is a pleasure to be here again for Estimates. This is my second experience at the Estimates process. I found last year's process very interesting. It does give myself, the department, the Opposition and the public a kind of broader perspective on the activities of the Department of Education, Training and Youth—in fact, a broader perspective on government policies and portfolios generally, I think, that is very useful from an educational perspective, certainly for my own education as well as my colleagues who sit in at committee meetings. So I look forward to this year's Estimates process.

I was a little awe-struck last year by the whole ordeal, but as we went through the process, I warmed to it. I did find it very valuable, as I said, from my own perspective, in terms of my own education on educational issues in the province of Manitoba.

This last year, Mr. Chair, was a very significant, in fact, historic one for education in Manitoba. In January—I think it was January—the Department of Education and Training, my previous portfolio was split into two departments. I retained education and training with the added responsibility of youth; and my colleague the Honourable Diane McGifford was given the portfolio of Advanced Education, which specifically relates to the colleges and universities of the province of Manitoba.

That division between advanced education and public education and training is something that has occurred in many other jurisdictions across Canada, and it was a first for Manitoba. It provides, I think appropriately, for added Cabinet voices around educational issues. I think it does provide in the public mind assurance that

Government is committed and focussed in a very serious way on the public school sector, K to Senior 4, the training sector, and in fact the youth sector, through my department; and focused on specifically the college and university sector, the post-secondary sector on behalf of my colleague the Honourable Diane McGifford.

In fact, the feedback that we have received around that historic change—the separation of the two departments—has been very well received by the K to Senior 4 and training sector, as well as the post-secondary sector. The universities and colleges do appreciate having a minister who can focus her time specifically on their needs, and certainly the public school system, independent school system; and the training sector appreciate having a minister that can devote his full attention to their needs. So it was an historic split. It is a split that has been received very positively in the field, and indeed I think, having experience with the Education and Training portfolio encompassing all sectors of education in the province of Manitoba, I do appreciate, on a personal level, the ability to focus and train my attention specifically on the K to Senior 4 and training sector.

*(15:40)

We continue to work very closely, obviously, on educational issues with the two departments. We have approached this separation of the two departments in a very fiscally responsible as well as educationally responsible manner. We share a deputy in Dr. Ben Levin. We share some departmental functions in terms of the administration of our departments. We work very closely together—in fact share the southwest wing of the main floor of the Legislature here. My colleague the Honourable Ms. McGifford and I meet on a regular basis, both inside of our offices as well as in the hallway coming to work in the morning and attending meetings. We do have an Education wing in this building now, which is also quite unique. That was a major historical change in the way that the Province of Manitoba approaches education. It was a very important and well-received change and does allow for a great deal of focus on the two areas, the post-secondary and the K to Senior 4 level, to be attained.

To help guide the two departments in our activities, Advanced Education as well as Education, Training and Youth share a number of goals. We do want to, in a meaningful way, improve success rates for our programs and institutions in the province of Manitoba. We want to enhance program offerings across the province, and we want to enhance success rates for young Manitobans, both in our public school sector and our post-secondary sector, as well as enhance the abilities of our institutions, whether they be public schools or colleges or universities, in enhancing success rates, in providing the best possible resources and infrastructure for enhancing success rates in the programs that are offered for young Manitobans.

Our first goal was improving success rates for our programs and institutions. Secondly, we wish to expand the range of people we serve in the province of Manitoba. This Government believes very strongly in the philosophy of lifelong learning. The past 18 months have seen the initiation of the Healthy Child Initiative to address the needs of prenatal to Kindergarten entry, or Grade 1 entry, as the case may be, until public school entry. We want to be able to expand the range of people we serve outside of the public school system. When students graduate from Senior 4 or if they leave the public school system previous to graduation, we want to be able to accommodate the philosophy of lifelong learning and be proactive in that area throughout the life span of Manitobans.

Our third goal together is to better integrate and support knowledge and skills development within economic and social priorities for the province. The Doer government believes that an educational policy is a keystone of economic development policy, of health care policy, of social justice in our province. The investment that this Government has made in both the public school sector and the post-secondary sector in the 18, 19 months it has been in office has been tremendous. It has been at historic rates, and it is one that we are very, very proud of as a government.

The fourth goal in terms of guiding our two departments is a goal to build the capacity of institutions and the community at large to support learning. This hearkens to the

philosophy of lifelong learning. It also I think underscores the very real belief that expanding capacity in terms of education does expand our capacity as a province to achieve sustainable long-term economic growth and to achieve sustainable long-term improvements to the health of our population, our social health, our economic health, dare I say, our mental health as a province.

The fifth goal, helping guard our two departments, is to build a learning continuum across the province so that there is seamlessness between institutions and seamlessness between entry to the K to Senior 4 system or upon graduation from the public school system or exiting the public school system, some continuum between the workplace and/or the college or university stream. So, as I said, we are very, very proud of our record over the past 18 months. First and foremost, we are very proud of our record of openness, communication, dialogue and consultation.

In fact, Mr. Chair, I just left a very positive meeting with parents from Mountbatten School in St. Vital Division that was precipitated by occurrences in the House this afternoon. I thank members opposite for giving me leave to delay Estimates by almost an hour to have that meeting. I was very, very pleased. It was a very, very important meeting, but I was very, very pleased that leave was given to be able to meet with parents from St. Vital School Division on the issue of their school. Again, I would like to thank the members opposite for granting me leave to be able to meet with parents.

So, first and foremost, we are very proud of our dedication to openness, communication and consultation. In fact, while I am on that point, I guess I should say, too, that I have been in every region of the province since being appointed minister. I meet regularly with the provincial bodies that represent the public education field around the province of Manitoba, and meet regularly with the Manitoba Association of School Trustees, with the Manitoba Association of School Superintendents, with the Manitoba organization of School Business Officials, with the Manitoba Teachers' Society, with the Manitoba Federation of Independent Schools and with the Manitoba Association of Parent Councils.

Indeed, I was speaking at their convention this past weekend. Last night, I was very pleased to speak at the Canadian Association of Principals, which is meeting. Their national organization is meeting in Winnipeg this year. I was very pleased to speak to the assembled delegates last night.

So I have had a very, very busy and pleasurable experience over the last 18 months getting into the schools of our province, getting into the classrooms of our province, getting into the board divisional offices of our province and indeed getting into the homes of parents of our province, who are interested in building public school excellence in the province of Manitoba. It has been very, very gratifying and very pleasurable for me to learn more about the public school system and the views of those who support our public school system, whether they be teachers, parents, trustees, children or community members at large.

We have instituted in the department over the last 18 months regular meetings with stakeholder groups. As I said, I met with the MAST executive yesterday, the MTS executive earlier this morning, and MAPC, Manitoba Association of Parent Councils, on the weekend. We have regular meetings established with stakeholder groups, so we are moving forward together with the best advice that the field can offer us on matters that deal with the promotion of educational excellence in the province, and matters that deal with policy around creating an environment for improved educational delivery and improved educational programs in our province.

On May 5, earlier this month, the department hosted a conference on a public schools agenda for the province of Manitoba, which was the culmination of seven regional meetings that were held during April and March throughout the province. To bring together in one room, in one tent, as it were, parents, students, trustees, superintendents, teachers, and other stakeholders around the creation of an educational agenda in our province of Manitoba.

Most important, Mr. Chairperson, and what I get the most pleasure from is in fact visiting our schools throughout the province and our

communities throughout the province and seeing first-hand the very, very good work that teachers, trustees, parents and students do together in promoting educational excellence in our communities and throughout our province. It has been a real learning experience for me, and a real pleasure to get meaningful and thoughtful advice from parents, from trustees, from teachers and from children about what is important to them in our public school system, what we can do to improve our public school system, and what we can do to change existing policies and practices to better deliver a meaningful education in our schools.

Mr. Chairperson, with regard to actions that have been taken by the Department of Education and Training, and now the Department of Education, Training and Youth more recently around public schools in our province.

First and foremost, Mr. Chairperson, our agenda has been determined by meeting our election commitments. The Premier (Mr. Doer) has stated, and indeed I have stated myself, that a commitment made will be a commitment kept, in our public school system. In fact, indeed, right across government, and that is what has been guiding so much of my activity over the last 18 months, is meeting election commitments that were made in the 1999 election campaign.

* (15:50)

We set upon ourselves a very ambitious mandate in the public schools system, and we want to proceed with that mandate, given the support that Manitobans gave to our Government, the mandate that Manitoba citizens gave to our Government during the September 1999 elections. I am very much a believer in keeping promises, keeping commitments that were made, and indeed that has been the focus of much of our activity.

Having said that, I will review, just briefly, some of the commitments that were made and some of them that have been achieved during the brief time that we have been in office under this first mandate.

In terms of operating funds for the public school system, Mr. Chair, we as an opposition

party made a commitment to peg the level of support for public schools operations to the rate of economic growth in our province. That was a very significant commitment in that it would provide the public school system with a stable basis with which to make operational decisions, long-term stability in terms of their ability to make, the divisions' ability to make, school divisions' ability to make, operational decisions on a year-in, year-out basis.

The previous protocol for public schools operating funding announcements through successive governments in the past has been on a year-in, year-out basis, that the minister would make an announcement of operating funds, and really there was no assurance as to what level of support the public school system would receive until that announcement was made. By pegging the public school's funding announcement to the rate of economic growth in the economy, it provides assurances to school divisions, one, that there will be an increasing level of support in the context of the growing economy, and that there would not be cuts to the public school system.

Secondarily, it allowed school business officials, secretary, treasurers and trustees, in making their deliberations to be able to model increases based upon a .5% increase, 1% increase, 1.5% increase, 2% increase, 2.5% increase, depending on what the rate of economic growth in the province was so that they can plan and make long-term planning two, three, four, five years out, with some assurances of stable funding support from the provincial taxpayer.

So the pegging of operating funds to economic growth has been a very significant structural change in the public school system. We are leaders in Canada in this regard. I am very, very proud to be part of a government that has made serious long-term commitment to providing increasing operational support, increased operational support to our public school system.

In terms of capital funding, which was a big part of our discussion in Question Period today, in the past two years, the Doer government has committed \$127 million to capital infrastructure improvements in our public school system. I

know that sum, I do not know if I have it with me, that sum of money, in the last 18 months, is an extraordinary amount. It is the largest in Manitoba's history. Again, I am very, very proud that the Doer government is investing at the highest rates ever in this province to the support of our public schools capital infrastructure. That is the mechanical systems, the electrical systems, the roofing systems, the windows, the structural systems of the schools throughout our province.

The capital support as well as the operating support that is being provided for our public school system is at historic rates in our province, and, as I said, I am very, very proud, as are my colleagues, to be part of a government that does place such importance and such value on investing in education because, in a very fundamental sense, we do believe, as a government, that an investment in education is an investment in economic growth. It is an investment in healthy communities. It is an investment in the young minds and spirits of Manitobans.

Another commitment that was made during the 1999 election campaign which has been met was a cancelling of the end-of-year standards test for Grade 3 students in the province of Manitoba and the institution of an early year Grade 3 assessment, which would allow young Manitobans' difficulties and challenges in literacy and numeracy to be met in co-operation with the teacher, the parent, and the child throughout the school year.

* (16:00)

We felt it was very, very important the school year be utilized to improve young Manitobans' numeracy and literacy skills. We have put in place a model for assessment that does provide for the student to improve his or her skills throughout the school year through a program devised between the parent, the teacher and the child. We will shortly be announcing changes and improvements for next year to improve the quality and utility of the Grade 3 assessment.

This was the first year for this particular alteration in assessment, moving, as I said, from the end-of-year standards test to an early year assessment that does allow the school year to be

used to improve skills for young Grade 3 students. We anticipated in making this change, which was quite a dramatic change, that it would require a two- to three-year rollout.

I am pleased to say that, through consultation and dialogue with teachers throughout the province of Manitoba, we will shortly be announcing improvements to better enhance the quality of the assessment and the value of that assessment for young Manitobans.

We also made a commitment to restore balance in collective bargaining, to restore a wider scope to bargaining between teachers and trustees in school divisions across the province. We achieved that last fall—last summer, I should say. It seemed like fall. We did not leave this building until August last year.

As you know, being the Minister of Education, while my colleagues were able to take their summer holidays in September, I am afraid that September is a very busy time for teachers, and ministers of education. I was immediately put back to work after the Estimates process was concluded last year. My colleague from Dauphin says it was good for me. He is right, it was very good for me, and kept me out of trouble and instilled a discipline in me that I did not know I was capable of.

At any rate, we did, as a government, restore balance and collective bargaining through Bill 42 last year, which was a commitment that we had made pre-election and followed through with post-election. There was a commitment during Bill 42 made to have a commission on class size and composition. We felt that it was very important to have a public discussion around the issue of class size and composition in our province. The commission is undertaking its work as we speak. Dr. Glenn Nicholls has been named commissioner. I know that he is looking forward to having a very meaningful, thorough, thoughtful public discussion around issues of class size and composition in our public school system.

We made a commitment, going into this first mandate, to undertake a Healthy Child Initiative that brought meaningful policy development and program delivery to the children of the province

of Manitoba. Together I am working with my Cabinet colleagues in Family Services, in Justice, in Aboriginal and Northern Affairs, in Health, to work together towards creating many, many initiatives that are focussed on the youngest Manitobans between the ages of in utero to entry to the public school system.

In regard to the public school system specifically, we are creating parent-child centres in schools across the province that will help facilitate both the development of community schools and the development of a healthy transition between preschool and the public school system.

There are also many, many smaller items that we have been involved in since assuming office 18-19 months ago. Everything from pedestrian crosswalk enhancement; school children crosswalk enhancement, in terms of creating better visibility in terms of signage and alertness for motorists approaching school zones; improvements in school buses; additional support and funding support for professional development in our public school system—which is a very important matter of concern for parents and for teachers and, indeed, for all of us who are concerned about the delivering of the best quality of public education possible.

We have further supported the Manitoba Association of Parent Councils in our province, as well as a mediation project for the Manitoba Association of Parent Councils. We have provided for some changes in high school programs and will be providing more around the issues of distance education, which is very important in our rural and northern communities in terms of providing the opportunities for dual credits; which is particularly important, I think, Mr. Chairperson, for those students who need enriched programs; those students who are capable of achieving success in our colleges and universities in the high school context so that young Manitobans can achieve dual credits for program offerings in universities and colleges in our province when they are in Grade 11 or Grade 12. To give opportunities to students that have very high skill levels and very high motivational levels to succeed educationally in our province. We have also enhanced community service opportunities in our high school system,

opportunities to challenge for credits in our high school system, all of which are designed to make the public school experience for young Manitobans and high school students, in particular in this case, more enriching and more meaningful for those students.

The Special Ed Review Implementation Branch of Government is underway and undertaking some significant action. I am very proud again that we have achieved an implementation phase for the Special Ed Review, and I would be remiss if I did not credit the members opposite for undertaking the Special Ed Review during their tenure in office.

I think that all of us in the House are concerned about providing quality special education opportunities for young Manitobans. *[interjection]* It is a very good idea. My colleague notes that it is a very good idea. I am very pleased that the two governments—the preceding government and this Government—have worked with a very, I would say, identical—I was going to say similar—philosophy in terms of undertaking the Special Ed Review. We are now moving forward with the implementation phase of recommendations that came through during that review process.

With regard to the Special Ed Review implementation, we are very interested as a Government in supporting fetal alcohol syndrome and EBD initiatives around the Special Ed Review as well as many other recommendations of the 40-odd that came forth.

The Special Ed Review implementation team does have an interactive Web site up and running as well as a handbook into the public school system which has achieved a number of very positive responses from the field. I know that there are parents in constant touch with the Web site on an interactive level being able to communicate with the Special Ed Review team and offer advice and get immediate feedback and a dialogue that frankly was not previously available for Manitobans outside of the Perimeter Highway on issues of education.

So I am very, very pleased with the work that has begun by the Special Ed Review team and the response that has been received from the

public and particularly parents around this Special Ed implementation.

As well, Mr. Chairperson, in terms of meeting our commitments, we have teacher pension legislation pending around the idea of cost of living, COLA, around the provisions for providing meaningful pension amendments on a wide variety of issues. That legislation will be proceeding in due course.

In the Training sector, in terms of actions we are very, very proud of our employment record since achieving office. At 4.7 percent, Manitoba's unemployment rate for the first quarter of 2001 was the lowest in the country, and I likely should be making a ministerial statement in that regard, Mr. Chairperson, because it is a very, very proud figure for Manitoba to achieve.

Our youth unemployment rate at 8.7 percent, Mr. Chair, is 3.9 percent lower than the national average in Canada. So from a training perspective, from an employment perspective, Manitoba, during the first quarter of 2001, was the best in the country with the lowest unemployment rate in Canada. For our youth unemployment, our rate was, as I said, 3.9 percent lower than the Canadian average.

So we are very proud of that and, as I said, I likely should be making a ministerial statement on that, although I am reticent to take up the time of the House making statements like that.

An Honourable Member: Well, maybe a member could ask you the question.

Mr. Caldwell: Perhaps. Perhaps a member could ask a question on that particular matter.

We are committed to supporting individuals and businesses to meet the opportunities and challenges of the Manitoba labour market, and I am very privileged to be the co-chair of the Forum of Labour Market Ministers nationally with the Honourable Jane Stewart, Minister of HRDC, for the federal government. So in a very real sense, Manitoba is a leader in meeting the opportunities and challenges of both the Manitoba labour market and more broadly the Canadian labour market. So we are, both nationally and provincially, leaders in meeting

the opportunities and challenges of our labour market.

* (16:10)

Support for this commitment is through a number of initiatives. I will briefly touch on a few. The training strategy and consultation process broadly throughout the province has been something that has been very exciting to me, and very exciting for the department to enter in on in terms of strategizing around how best to expend resources on meeting a training strategy that will, in a real sense, meet the present and future needs. Particularly the future needs of Manitoba's industry, Manitoba's businesses around developing a labour market that is meeting the needs of business and industry and around meeting the training and educational needs of those who would participate in Manitoba's labour market.

I was very proud, again, a couple of weeks ago, to be joining the Premier (Mr. Doer) at Winnipeg International Airport at the Air Canada hangar to make a significant announcement around training for the aerospace industry in Manitoba. The aerospace industry in Manitoba is ranked third in Canada in terms of its importance, and we want to strengthen opportunities in the aerospace industry in the province. These are very high paid, high skilled occupations that are very attractive from a value-added perspective, and very attractive from the perspective of new economy in terms of information technology and in terms of cutting edge engineering. These are jobs that are extraordinarily good for the Manitoba economy generally, and extraordinarily good for individuals who avail themselves of the opportunities in the aerospace sector. We do have a very, very strong partnership and a dynamic partnership with our friends in the aerospace business—in the aerospace industry in the province of Manitoba.

We are strengthening in opportunities in international education as well. International education in Manitoba is a multimillion dollar enterprise that brings to Manitoba large amounts of money from other countries in the world. That is very, very good news for our economy in the province of Manitoba when we can attract students from international locales, be it Hong Kong, Malaysia, United States, England, places closer to home and far afield.

I think this provides Manitoba with two important things. It provides young Manitobans with an opportunity to understand a larger context than Manitoba, or indeed Canada—understand realities that are international.

It also allows, I believe, opportunities for young Manitobans to experience locally other cultures and diverse opinions, diverse cultures, in a Manitoba context; affords them an opportunity to make friends and engage themselves in opportunities outside of the borders of the province of Manitoba.

It is something that is very near and dear to my heart. I have had a tremendous opportunity to travel internationally myself over the years. Spent a number of years outside of Canada, myself, visiting many, many countries in the Third World and in the developing world, as well as the developed world. I think, from my own perspective, that has broadened my personal horizons tremendously and allowed me an education that is not always available to young people in Manitoba—or indeed young people anywhere.

So strengthening international education for Manitoba and for young Manitobans is a very, very positive thing in terms of drawing resources to this province through the recruitment of foreign students in our colleges and universities. Indeed, in our public school system, as many school divisions have undertaken. I believe the Member for Fort Garry (Mrs. Smith)—her school division in Fort Garry—has a very ambitious international education program. These are very, very positive things for young Manitobans and for those who come to Manitoba to enhance their own learning skills from other countries internationally.

On the apprenticeship sector, we continue to expand our interest in apprenticeship programs in Manitoba. There are a number of areas of apprenticeship that are under active consideration to expand apprenticeship opportunities for young Manitobans, and allow businesses to participate in a very co-operative fashion in the development of apprenticeship training programs. Again, to meet their current and future labour market needs.

Mr. Chair, we have in the adult learning centre area moved from a nominal student-based funding program to a program-based funding protocol, which ensures quality of delivery of programs across the system, so that adult learners across the province can have some assurance that the program, that they enter into in adult learning centres, there is some assurance that the program delivery will be a quality program delivery, wherever they may be located—Brandon, Winnipeg, Thompson. There is considerable expectation that outcomes are part of the justifications for support of adult learning centres. That was a very, very significant step, moving away from a nominal per capita funding model to a funding model that respected and very much placed a high focus on the quality of the programs that were being delivered to adult learners.

So we will continue to develop these initiatives and these plans, as well as many others, over the coming year and the years ahead, both in this mandate and future mandates. It is a very exciting time in the educational arena in Manitoba, the post-secondary level and the public school level, at every sector and on every front. This Government is investing, as I mentioned earlier, in the operating side and in the capital side, in the public school sector, in the post-secondary sector.

There have been some very exciting initiatives on the capital side with supporting the universities and colleges of our province. Be it the Princess Street campus for the Red River College, downtown Winnipeg or the Engineering Building at the University of Manitoba. Or the nursing building at Brandon University, or the Student Union Building at the Collège universitaire de Saint-Boniface or Wesley Hall at the University of Winnipeg. All these are major capital undertakings on the post-secondary side as well as the major capital undertakings at the public school side.

In the last 19 months, the Doer government has committed and invested over \$127 million into public schools capital, on the operating side allotments to the public school sector and the post-secondary sector at historic levels. We are encouraging attendance in our post-secondary system for students graduating from our public school system through a very comprehensive

plan of tuition reductions; a 10% tuition reduction implemented last year, and sustained this year, enhanced bursary programs, partnership with the federal government to integrate the Millennium Scholarships with these programs. It has paid very real dividends, double-digits in some cases, in increases in enrolment in the last 18 months into our post-secondary system from our public school system.

So, working together between the two departments, Advanced Education and the public education system, that is Education, Training and Youth, we have put some very, very meaningful changes in place. Both in the policy and investment levels that will benefit Manitobans today, and well into the future, will promote economic development in our province, will promote healthy communities in our province, will promote social justice broadly, an educated population broadly in our province. That is something that this Government believes very strongly in, and indeed has become recognized as leaders in Canada in terms of its educational investments.

Of course, none of these initiatives are possible without tremendous hard work from the staff of the Department of Education, Training and Youth, as well as the staff of Advanced Education. I have been very, very privileged to work with extraordinarily dedicated people in the Department of Education and Training, people that believe passionately in public education, believe passionately in striving to improve and enhance educational excellence in this province, and work tirelessly towards that goal of providing the best education system possible for the people of Manitoba. In fact, we look internationally in terms of how we model education in the province. We want to be the best in the world in Manitoba in terms of public education. We are constantly striving for improvements and to enhance best practices.

I want to thank the staff of the department for working with me, and it is a privilege to work with them together to build educational excellence in this province. More broadly, Mr. Chair, I would like to thank the hundreds and thousands of parents, teachers, trustees and students in the public school system who strive to make Manitoba the best it can be.

Mr. Chairperson: We thank the Minister of Education, Training and Youth for those comments.

Does the Official Opposition critic, the honourable Member for Fort Garry, have any opening comments?

Mrs. Joy Smith (Fort Garry): Yes, Mr. Chair.

Mr. Chairperson: Please proceed.

Mrs. Smith: It is indeed a pleasure to sit here. My comments will not be as lengthy as the minister's. What I am more interested in, Mr. Chair, is getting some information on the table. There are numerous things that I have looked at during this Estimates time, during the Supplementary Information for Legislative Review 2001-2002 Departmental Estimates, and there are a few questions I have there.

* (16:20)

I would say that during the course of the time that the present Government has been in power, it has indeed been a pleasure to work with the current minister. I even appreciated the day he brought me a cup of coffee. I thought that was just great. *[interjection]* Wonderful.

Having said that, I want to commend the Department of Manitoba Education and Youth. All of the employees of that department do work very, very hard. Without them I have to say publicly there would not be the kind of expertise that we do have here now. I think their experience and the kind of commitment they have to education does a lot to assist the present minister, and to assist us all in helping out in the education system here in Manitoba.

There are definitely some new things that have come into the educational field here in the province of Manitoba, and we will be covering those new ideas as we go through the Estimates process. It is not my wish to put political statements on the Estimates record. It is more my wish to find out information about the kinds of programs, the kinds of spending, the kinds of initiatives that the present minister has put forward. I thank the minister for his presentation today, and I thank the minister for meeting with

the Mountbatten parents. That was very good to take the time to do that.

Having said that, I think what I will do is go into the logistics of what is happening in Manitoba Education and Training, because over the course of time we will be addressing some issues because of the changes that are there. As you know, the former government, and I daresay I know that the present Government, both of us have been very keen on providing the best possible education for the students here in Manitoba. I guess the reason we have the differences and similarities is because we are of different political parties. Having governed, we will govern according to our own philosophies and according to what we think is best for the students of Manitoba. But I do believe this present Minister of Education, as the past minister, has very much had the good will and the education of the students here in Manitoba at heart. The present minister touched on the testing issues, touched on other aspects that have been changed since the advent of the members opposite to the position of power in the Government of Manitoba, but there are also some similarities and some changes we make as we go along.

Mr. Chair, during the course also of the last Cabinet shuffle it was good to see that Today's NDP went back into history and borrowed from the government of the late Walter Weir to place youth within the departmental title. I commend you for that because that is something that I think is a very, very good move. I would remind the committee that it was in 1968 that Premier Weir appointed Don Craik to the position of the Minister of Youth and Education. So it is a recycling, as it were, of the name.

The creation of the new Department of Advanced Education might be something innovative on the part of the people opposite. However, this is no different than the action undertaken by the previous NDP governments with the creation of the department of colleges and universities and the department of continuing education and manpower. Basically, we are seeing here now a recycling of former NDP policies that was expected. As we see the minister evolve in this year 2001, we do notice that there are a lot of similarities with the former

NDP philosophies and routes that the NDP government does take.

It is regrettable, therefore, that the only answer that Today's NDP has for the field of education is resorting to the structures from the 1970s. I think it is regrettable they have wasted so much time in opposition only to present solutions that have been proven ineffective in the past. I would encourage the present Government to think of new and innovative ideas and perhaps borrow from the world-class educational practices that we have seen here in the year 2001. Although I must acknowledge history does build a foundation. It is just regrettable that so much of it has been taken and put in place once again. So it is rewritten or plagiarized from the former Pawley government education initiative and from other governments as well.

My concern is with the operations of the office of the deputy minister, and what I would like to do with the permission of the minister is to—my objective is not to prolong Estimates. We know from last year's Estimates that I think we had a really very helpful and very good dialogue from both sides of the House, and my goal is to get pertinent information that is needed. So I will be using the same style as I did last year. I would like to in the beginning, with the Chair's permission, have a global discussion under Administration and Finance.

* (16:30)

Also, even though we talk about some lines, I would like to get through the Estimates with the pertinent questions that are needed and then pass everything at the very end. So, basically, I do not want to waste the minister's valuable time or play any games. What I would like to do, as we did last year with your permission, is just go through things in the most concise manner to get the kinds of information that is needed, if that is all right with you.

Mr. Chairperson: Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for the department in the Committee of Supply. Accordingly, we shall now defer consideration of item 16.1.(a) and proceed with consideration of the remaining items referenced in Resolution 16.1.

At this time, we invite the minister's staff to join us at the table, and we ask that the minister introduce the staff in attendance. Honourable Minister, would you introduce your staff?

Mr. Caldwell: Just before I do, Mr. Chairperson, I am glad that the Member for Fort Garry (Mrs. Smith) is not going to be political during her remarks during this Estimates process. I appreciate that, and I do appreciate her reference to former Premier Walter Weir and his initiation of a minister with responsibilities for youth, as well as her comments with regard to advanced education.

Just quickly introducing staff, we have with us today to my immediate left Ben Levin, Deputy Minister of Education, Training and Youth, as well as Advanced Education; Claude Fortier to Ben's left; and near the back of the hall Jack Gillespie. I would like to thank you all for being here.

Mr. Chairperson, the member asked to have a global discussion as per last year, and we found it very difficult being that there were 50-odd appropriations in the Supplementary Information for Review, given staff and so forth. I would prefer to go through it line by line, although I would be willing to entertain some latitude towards the item for my salary if she wishes to discuss areas that may require a more global approach. But, given what we experienced last year with staff coming and going and so forth, it is, I think, very unfair for staff to be on call or on edge or waiting for Estimates, although I appreciate the member's comments that she wishes to get through it more quickly this year. Last year we were here for quite awhile.

So I would like to go through the appropriations, if we could, line by line. I guess there are six main appropriations and thirty-one subappropriations, the deputy has just advised me. So I would like to go through them appropriation by appropriation, although, as I said, there can be some latitude if the member wishes to explore more broadly during the last section.

Mrs. Smith: Mr. Chair, I would point out that to make it a little easier for staff and so nobody is missing, I would like to do the global just in

Administration and Finance, from 16.1.(a) to 16.1.(b). I do not want to get into Native Education Directorate or anything like that.

There are some global questions that I have. I understand the Minister's Salary will be discussed at the end, and that is just fine, but I do have some questions concerning the minister's office and some boards and commissions, and with your permission I would like to just ask them now and get it over with, if that is okay.

Mr. Chairperson: Is there agreement that we will have a global discussion on 16.1. with the understanding that we will leave the Minister's Salary to the end? We will start at 16.1.(b).

Mr. Caldwell: Mr. Chair, that is appropriate on those two items, just with the understanding—and we did this last year—that if there is something that we cannot answer today in that regard, that there be some understanding that we can get the appropriate information from staff. The member is nodding her head in agreement, so that is fine.

Mr. Chairperson: We will commence global discussion. We are open for questions on 16.1.

Mrs. Smith: Well let us start off, my concern is with the operation of the office of the deputy minister. I would acknowledge Deputy Minister Levin. I think he has done a fabulous job. He is a very knowledgeable man, and I welcome him here at the table, but I do have some questions about his workload.

Under the previous administration, there were two deputy ministers responsible for the education in the province, one mandated to education and one mandated to post-secondary education. This system provided sound management of the programs and policies of the Government.

Now, could the minister advise how the workload in the deputy minister's office is now split?

Mr. Caldwell: I, too, am extraordinarily fortunate to have a deputy minister of the calibre of Doctor Levin. His reputation is international, and the insights he has to offer for both the

public school sector and the post-secondary sector, the insights he has to offer in those are tremendous.

I know that when I attend national meetings of the Canadian Ministers of Education, my colleagues around the country are agog that I have such a deputy of such calibre and skill and wisdom. So I feel very, very fortunate. In fact, Dr. Paul Cappon, the executive director of the Canadian Ministers of Education, remarked at the last ministers' meeting to my colleague the Honourable Diane McGifford how fortunate we both were to have a deputy of Doctor Levin's calibre in Manitoba and, moreover, how absolutely fortunate we were to have Doctor Levin working for the people of Manitoba out of the minister's office.

So I echo the remarks by the member, that we are indeed fortunate in Manitoba to have someone of Doctor Levin's ability and reputation representing the interests of the people of Manitoba in terms of education. I note that Doctor Levin is blushing right now, but it is indeed a privilege to work with Doctor Levin.

In terms of Doctor Levin's workload, my feeling in terms of the administrative changes that we made last year at the deputy minister level, and I have to be honest about it, I felt that we were administratively heavy at the senior level when I was appointed to the minister's position.

That was a decision and the prerogative of the previous administration to have two deputies in the department. We felt and I continue to feel that one deputy is appropriate, and ADMs, assistant deputy ministers, should be the senior level of management for the public school, post-secondary side and indeed the college expansion.

In the 1980s, we did have in the province of Manitoba one deputy minister for the whole department, education and post-secondary education, so it has been done before in terms of having one deputy. Certainly, it may be dependent upon the individual and the individual's skills and capacity for understanding and work that determines that, but I have not found in the year and a half that we have been in government that there has been any deterioration or negative

consequence or impact from having one deputy; in fact, quite the contrary.

The feedback that I have received is that it made efficiencies and opportunities to have access to the deputy and the minister from the field, from the colleges from the public school system. It enhanced those opportunities. It enhanced efficiencies by making an administrative decision that went to one DM.

Mrs. Smith: I understand that it again is a recycling of the former NDP government's policies, and I do acknowledge that Doctor Levin has all the skills anyone could possibly need for the position he is taking right now. I do commend you for that, Doctor Levin.

* (16:40)

Having said that, though, I would like to rephrase my question, Mr. Chair: Could the minister please advise how the workload in Doctor Levin's office is now split? How does he split his workload between the two levels?

Mr. Caldwell: Doctor Levin does have one executive assistant for the post-secondary and an executive assistant for the public school side. In terms of the workload, the workload for the Department of Education, Training and Youth and the Department of Advanced Education has not substantively changed with the split in the department. The same pressures, the same needs are there. What you have is a minister able to focus his or her attention specifically on that area, but, in terms of the programs undertaken and the activities of the deputy, they remain essentially consistent with the previous year, with last year. The deputy, during the time when there was one department, placed his attention on the matters of the day and the agenda item of the day, and that essentially remains consistent with the split department.

Mrs. Smith: Could the minister indicate whether additional resources of any sort have been provided to the deputy minister's office in this fiscal year in order to ensure that his responsibilities and that of his office can be maintained? Of course, it is no reflection on Doctor Levin; it is just that I need a complete

breakdown of new people that have come into to assist Doctor Levin in his job.

Mr. Caldwell: As I indicated, I guess, briefly in the last answer, when I was appointed to Cabinet as Minister of Education and Training in October 1999 and did an assessment of the staffing at the senior levels in the department, I felt that we had too much bureaucracy, frankly, in the minister's office in the senior levels. We did make a decision to reduce the bureaucratic the numbers of full-time staff at the senior levels with a view to freeing up those resources in the bureaucracy, freeing up those resources for the classroom. So that was a decision that was made very early in my tenure.

We were very fortunate, and the members acknowledge, we were very fortunate to get an individual of Doctor Levin's calibre. I am not razzing him this time. He truly is an extraordinary man with extraordinary skills. I appreciate him each and every day whether he knows it or not. Certainly I am gratified when I meet with my colleagues from around Canada who echo those comments, being familiar with the tremendous volume of literature that Doctor Levin has been responsible for publishing and writing over the last number of years.

As I said, that may be a consequence of the individual we have. Another individual may have other needs, but in terms of Doctor Levin's capacity for work and his capacity for thoughtful management of education in the province of Manitoba is second to none.

To answer specifically the question, there have been no new staff allocations for Doctor Levin with the division or the department.

Mrs. Smith: I thank the minister for that reply. Mr. Chair, could the minister then please provide a listing of the staff that works under the minister's office and a listing of the staff and resources under Doctor Levin's office, and perhaps point out the ones that overlap because, according to what the minister has just said, I would imagine that you share those staff.

Mr. Caldwell: In my own office, Mr. Chairperson, we have working for me specifically three secretaries in the office: Pearl

Domienik, Debbie Milani and Wendy Van Loon. I also have two staffers that work for me in my office, Jonathan Richert and Annalea Mitchell. That is the staff contingent in my office.

For the deputy minister, the deputy has in his office Diana McClymont, Nicole LaRoche, Yolande Choiselat, and Juliette Sabot working for the deputy. So the total complement is nine.

Mrs. Smith: Thank you so much. That sounds very reasonable. I understand the workload and the paperwork that goes through the office and the cases that go through the office need that kind of support.

Could the minister advise whether a working relationship has been developed between himself and his colleague, the Minister of Advanced Education, in order to determine a proper working relationship and allocation of resources for the deputy minister's office?

Mr. Caldwell: I have known the Honourable Diane McGifford for a number of years. We have an extraordinarily good working relationship previous to her appointment to Cabinet, in fact previous to my election to government, when she was critic for Culture and Heritage in years past and I was a city councillor in Brandon. So I have been familiar with the Honourable Diane McGifford and her work for a number of years. We do have an extraordinarily good working relationship. Ms. McGifford, as the member may know, Doctor McGifford, frankly, was a professor of English previous to becoming an elected member at the Legislature. I believe she instructed at the University of Winnipeg as a professor in the Department of English.

We have, as I said, a very, very good working relationship, and are in regular dialogue around issues pertaining to education in the province of Manitoba in a formal sense and in an informal sense.

The establishment of the Education wing of the Legislative Building here, with the main floor of the southwest wing of the building being entirely given over to education, I think has been a very, very positive structural step in terms of

integrating the public school system with the post-secondary system. Oftentimes, in fact, in terms of the traffic that comes to my office, or the traffic that comes to the Minister of Advanced Education's office, there is a drop-in on both sides.

When people in the post-secondary system visit and meet with the minister, they will often stop into my office and comment on issues of interest to them as post-secondary educators, in terms of how we can better accommodate an easy transference or enrolment in their progress from the public school sector, in a formal and informal sense. I have to say primarily in an informal sense, but in a formal and informal sense, the Minister of Advanced Education and myself work together very, very closely on a regular basis on many, many issues.

It has been quite refreshing, frankly, to have two members of Cabinet devoted completely to educational issues and a colleague in Cabinet that I can share insights with, and who can share insights with me. I think it has been very, very positive. In fact, I know it has been very positive. I have been very pleased with the way it has rolled out.

Mrs. Smith: I thank the minister for that insight. I would agree that having that section dedicated to education and the teamwork, is huge. It is really very helpful for both.

I know with any department that is reorganized there is always some additional costs that have to be incurred. Could the minister advise the members of this House as to the costs associated with the reorganization of these departments, at the deputy minister's level?

Mr. Caldwell: In terms of the deputy minister's office, Doctor Levin advises me that there was no cost change in the deputy's office. In my office, there has been very, very little. Letterhead and envelopes, but we are using up the existing stock of the Minister of Education and Training's envelopes and letterheads. So those will be replaced as we run out of existing envelopes, and so forth.

As for the Minister of Advanced Education, I think there was some cost associated with hers,

but they are likely best left for her appropriation. I do not know if she has been in or not, but if you want, we could get that information from the Minister of Advanced Education.

In terms of our supplementary information on our Estimates, there has been no cost to the deputy's office and very minimal in this office. That would be more of a matter of courses when we run out of letterhead or envelopes anyway.

Mrs. Smith: Thank you very much. I would appreciate it if you could get me those costs.

Could the minister advise whether he, as minister, or the department recommended the split of functions?

* (16:50)

Mr. Caldwell: I am sorry—

Mrs. Smith: Could the minister advise whether he, as minister, or the department recommended this split of functions?

Mr. Caldwell: Sometimes I wish I had that much power; other times, I am glad I do not. No, it is the prerogative of the Premier (Mr. Doer) to undertake these things, and indeed that is the case here.

Mrs. Smith: Could the minister indicate whether this structure will now be permanent, or whether there will be a deputy minister of Advanced Education appointed in the future, now that you have things up and running and have the different initiatives that you are trying to approach?

Mr. Caldwell: Well, as I said in reply to the member a couple of questions ago, I am very happy how this has played out in terms of redirecting resources from senior management to the classrooms of Manitoba, from my perspective. There are no plans at present to do any further senior management structural changes.

Mrs. Smith: I will now move forward with some other questions that are related to the minister's office. Could the minister provide for the information of the Committee of Supply a

list of the boards, commissions and agencies and their status, active or inactive?

Mr. Caldwell: We do not have it here with us today, but I will bring it tomorrow and we will table it then.

An Honourable Member: Tuesday.

Mr. Caldwell: Tuesday, yes, thank you.

Mrs. Smith: To clarify that, the next time the Committee of Supply is sitting you will have that, and I thank the minister for that.

Mr. Chair, could the minister advise as to the number of appointments he has made, either with the approval of Cabinet or by ministerial appointment?

Mr. Caldwell: Just to clarify, is that to boards and commissions, Mr. Chair?

Mrs. Smith: Any appointments that you have made, either by Cabinet or by ministerial appointments, so that covers an umbrella.

Mr. Caldwell: Just to clarify again, in terms of appointments to boards, commissions, is that what we are looking at?

Mrs. Smith: Yes, that is exactly it.

Mr. Caldwell: Yes.

Mrs. Smith: Going back to the original question, I need to know, this side of the House needs to know, the number of appointments that have been made with the approval of Cabinet or with the ministerial appointment, and that is in boards and commissions; any appointments that have been made under the minister's or deputy minister's jurisdiction.

Mr. Caldwell: We can provide that. If I could clarify, going back to what time, because obviously there has been a split since January and there would be different appointments made by the Minister of Advanced Education (Ms. McGifford) vis-à-vis myself, although most of them, if not all, do go to Cabinet. If it is since the split, since January, since the split.

Mrs. Smith: To clarify, I would like any of those appointments made since our last Estimates.

Mr. Caldwell: That does clarify. Yes, I would be pleased to bring that forward.

Mrs. Smith: Would the minister be able to have them for next day, when we meet in Estimates again next day? I suppose that would be Tuesday.

Mr. Caldwell: It may be a bit difficult because we are at the beginning of a long weekend and it would only give one working day. In fact it would be Tuesday they would be working at it, so maybe Wednesday.

Mrs. Smith: Could we say, just to accommodate staff, by next Thursday?

Mr. Caldwell: Sure. That is very generous. Thank you.

Mrs. Smith: Mr. Chair, could the minister indicate what criteria he has established concerning the appointment of any individual to the various boards and commissions of the department?

Mr. Caldwell: There really is no set criteria that is articulated. I believe we are doing this across government, and what I try and do specifically is twofold: One to accommodate skill sets that are deemed to be desirable in the administration of the affairs of the responsibilities of the individual board or committee. So I try and make appointments based upon how those appointments are going to benefit and the skill sets are going to benefit the individual institution. A secondary consideration is that we want to achieve, in Manitoba, representation that is broadly representative of the geography of the province of Manitoba, the gender realities of the province of Manitoba, and the ethnocultural realities of Manitoba. So our boards and committees are a reflection of the broad population of the province, and most broadly of all, an interest and willingness to serve the public through boards and commissions.

Mrs. Smith: Thank you for that answer. Mr. Chair, on October 18, 1999, the Government

appointed Joanne Cerilli to the boards and commissions co-ordinator. This position is housed in the Department of Labour. Could the minister indicate whether the co-ordinator or any of her staff are consulted concerning appointments made by the minister?

Mr. Caldwell: The consultation that takes place for boards and commissions is pretty broad. I oftentimes seek advice from my home community in Brandon, from various people literally. You know, this may seem odd, but I will be having coffee with people sometimes, and I will make an inquiry about people so it is a very broad-based consultation that goes into any committee member that may get an appointment to a board or commission. Of course, boards and commissions primarily are the responsibility of Cabinet, and for the most part, we do have a fairly good process of seeking wide and broadly based advice on appointments.

Mrs. Smith: Mr. Chair, I thank the minister. I just have some further questions. Is Joanne Cerilli any relation to the member Marianne Cerilli, and I cannot remember whether she is the member from what section perhaps—*[interjection]*—the Member for Radisson. Is there any relationship between Joanne Cerilli and Marianne Cerilli or the Member for Radisson?

Mr. Caldwell: I really do not have the foggiest idea. I do not know.

Mrs. Smith: Would it be possible for the minister to bring back that information next day?

Mr. Caldwell: Neither of them is in our department. I suppose it would be possible, but neither is in our department. I do not even personally know Joanne Cerilli. I do not know what she looks like or anything. So it is not really our purview.

Mrs. Smith: I thank the minister for that answer. Perhaps for both of our knowledge, it would be good to see if there is any connection there in relationship to those two people.

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

AGRICULTURE AND FOOD

* (14:40)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Agriculture and Food. Previously, this committee agreed to proceed through the remaining sections of this department's Estimates in a chronological manner, with some flexibility. Consideration of these Estimates left off on page 31 of the Estimates book, Resolution 3.4. Agricultural Development and Marketing. The floor is now open for questions.

Mr. Jack Penner (Emerson): Yesterday we left off in the area of livestock, and some of the projects that we have focussed on. I think we had some significant discussion yesterday about the effect of comments made, both negative and positive, and the ability for the province to create wealth through value-added processing, and those kinds of issues.

I think that leads us to the next series of questions. I look at the issue of food and food processing in the province of Manitoba. We had, I think, come to a conclusion yesterday that we had probably merged, sold out to, or amalgamated in one form or another our hog processing industry into one major killing operation. Although there are a few smaller killing operations, which I think are the result of many years of developmental work done by the Department of Agriculture, by individual entrepreneurs that had a vision that they could in fact provide finished products to a buyer's market out there, and I think that has proven relatively successful.

I wonder if the minister could give me an indication as to what direction she has given to the Food Development Centre in how she envisions that centre to work in co-operation to further enhance the value-added initiative in the province of Manitoba.

Ms. Wowchuk: Before I answer, I would like to introduce Pat Scott, who has joined us at the table. Pat is the General Manager of the Food Development Centre.

The member talks about food processing and continued value added, and certainly that is an important direction that we are going in. We believe that there is a tremendous diversity of primary production here in the province. We have some value added, but there is the opportunity for continued value added. If you look at hog processing and we have the slaughter of animals, but there is interest from other companies and other individuals who are interested in looking at how we can add value and create specialty products and meet the demands of markets throughout the world. That is quite an exciting step that is being taken.

If you look at the Destination 2010 that we talked about earlier, the statement in Destination 2010 says: Manitoba Agriculture and Food must work with producers, investors and processors to research and develop new products and undertake new and expanded processing initiatives and to launch other value-added initiatives. A co-operated effort between our department and partners is essential to seizing emerging opportunities for expanding Manitoba's value-added production and processing.

Under the strategic actions, when you look at the statement it is: We will support basic and applied research in support of new diversification and value-added opportunities through the Government of Canada, the Food Development Centre, the Faculty of Agriculture and Food Sciences at the University of Manitoba and other partners.

Looking at those comments, the member asks about the Food Development Centre. The Food Development Centre does play a very important role in this venture that we look at where we can continue to add value and meet the needs of consumers. So through this centre the objective of the centre is to provide up-to-date, unbiased technical information to the agrifood industry with emphasis on leading-edge technologies in product and process development. Also, the objective is to provide education and training to industry through technical seminars and workshops, to provide technical and federally accredited pilot plant services for the production of safe and wholesome food products. Also, to create the awareness of value-added processing of the agrifood commodities,

to promote the creation of a seamless agrifood development process within Manitoba Agriculture and Food, from idea conceptualization to product marketing.

So it is the whole range that the centre works on, and I think that this an area of growth for Manitoba and an area of tremendous opportunity. We have the Minister of Industry and Trade joining us at the table, and her department, along with our department, works very closely to build and look for new markets, not only for the raw materials but for the processed product, and to continue to build on that great resource that we have here in the agriculture industry in Manitoba.

Mr. Jack Penner: I was hoping that the minister would enunciate a personal vision that she might hold. I have read the Destination 2010 document that she read portions out of just a minute ago. I look at the strategic actions portion of the 2010. She says: We will promote agriculture awareness in public education and Internet-based information with the use of newer technologies and with partnering involvements such as Ag in the Classroom.

* (14:50)

That was an initiative, I think, that the previous government had put in place a number of years ago, and had strategized and enunciated the use of newer technologies. Then the documents goes on to say: We will work with our partners to produce agricultural resource materials and launch awareness initiatives for the farming and non-farming public.

I think that is an admirable statement. Yet, in all fairness, it is very often the farm community that leads the development of new technologies, new industries, new processes, the building of new machinery, designing new machinery for the application of new approaches in agriculture. That is the primary sector. I would also venture to say that the lack of the private sector side of leadership is one of the failures of this document.

I am talking about your strategic actions, the working closely through private sector initiatives. I think it needs to be recognized. I know that the third statement says: Working together

with industry partners, but I think we need to give a lot more credit to the leadership of the private sector and individual initiatives. How that has driven our sectoral base, it is really important that we recognize that.

I had hoped that the minister would lay out a bit of a larger vision of her own, instead of basically repeating what we have seen in the department from the previous administration, laid out by a previous minister for a longer period of time. There really is very little new here in this document. There are strategic actions that have been around for a long time, as on page 19. I do not say this in a critical manner, but when one develops visionary documents or so-called visionary documents and when one strategizes I think it takes a minister's vision to put her or his visionary stamp on these kinds of long-term documents.

So I say that is why I asked the question: What is the minister's personal view of where we should take agriculture and secondary processing and the value-added initiative in this province, and how would she perceive that should happen? What kind of direction is she giving to her Premier (Mr. Doer)? What kind of suggestions is she putting before Cabinet that would see a new era develop in agriculture and would tend to lead us to a greater degree of so-called designer products in the marketplace?

Ms. Wowchuk: Madam Chairperson, when the decision was made by our Government, by the department, when I said to the department I wanted to work with the industry to develop a vision of where we would be in agriculture in the next 10 years, this was taken very seriously by the department. The department involved a large group of industry people in this process, and a tremendous amount of work was put into it. When you develop a vision, you work with the people in the industry.

The member started out by saying that we have to give a lot of credit to those people in the industry who take leadership roles, the ones who develop new technology, the ones who develop new products. That is what we did. The department, through the regional offices, through a management team, worked with the leaders in the industry.

I encourage the member to look at pages 22 and 23 where we have listed the consulted industry partners, and there is a wide range of partners. I think that amongst this group of people there is a wealth of information and knowledge and vision about the things that we can build on in agriculture, on how we can continue to reuse the resources that we have here in Manitoba to develop products, to develop new crops and build on what we have, whether it is in the livestock industry, whether it is in the grains industry or whether it is in the value-added industry. All of these are important sectors.

The member, if he was in this position, may want to do this in a different way. He may want to consult with people and then write his own report. I want to tell the member that that is not the way I work. I asked the department to consult and to get their views on what they saw as the vision and the future of agriculture in this province. The industry came back with what is in this document. So it was written in partnership with industry, with farm families, with our Ag reps from all of the regions, from the different sectors of agriculture that we have.

The Food Development Centre was involved in it, the Women's Institute was involved, Egg Producers, the Emu Association, flax growers, forage seed growers, Pork Council, poultry council, Keystone Agricultural Producers, National Farmers Union, Can-Oat Milling, Manitoba 4-H Council, the woodlot program, all the banking institutes, the CIBC, Bank of Montreal. Municipalities were all involved in it, cattle producers. Educational institutes were involved in it. Federal organizations were also involved. Peak of the Market.

So I am quite proud of this document, and I am proud of the work the department has done on it, and I am proud of what the industry partners have done on this. We have certainly had a cross-section of all aspects of the industry, and they have pointed out some of the challenges that we have but they have also pointed out what the opportunities are in this one.

The member expected that it would be my vision. I think my vision is reflected in this document, because I believe that there is a

tremendous opportunity here in Manitoba. We have a huge land base, we have good soil, we have a low cost of production, we have adequate water and we have some very creative people. We have a wealth of knowledge within the people that are involved in the industry. We have a strong work ethic amongst Manitobans. We have visionary thinkers. We have people that are prepared to invest and what we are working on is partnering with industry, with agriculture, and looking at what is needed in the world market. We are looking for investors from outside of Manitoba, as well. I have to tell the member that there are many that look at Manitoba as a good place to invest and are interested in partnering, not necessarily with government, but with other people who have resources here in Manitoba.

* (15:00)

There is a tremendous opportunity to diversify into different crops, to diversify into livestock operations, but there is also the opportunity to use the resources that we have at the food development centre, and build on the resources that we have at the food development centre, so that we move to that next stage of agriculture and agrifood. We are not only the producers of raw material that is exported to other countries, where they then get the value added. This is an opportunity for us to look at the world market, look at what the demands are. We have a hog industry here in Manitoba. We have Maple Leaf that is a kill facility and processing to a certain level, but there is the opportunity to look at markets around the world and look for that next level of processing.

We have a vegetable industry that can be built on. We have forage industries, and we have a bean industry. I was quite amazed when I was at a food show, and I saw beans that were canned, and it was a very nice product. There was a whole variety of different beans in one can, and I know the variety of beans that we grow here in Manitoba.

This product was on the display from Québec. I thought: Oh, what an interesting product. I started to talk to them about it. In fact, the beans had all come from Manitoba, but were being processed in Québec. I look at that, and I

say: Well, if they can do it, why can we not do it? Why can we not get that next stage of value added in this province? I think, very clearly, there are huge opportunities to build on the resources that we have and expand in the area of research and development of food products, but always working in partnership with our industry. I know that there are people in the industry who, in this process of consultation, expressed interest in that, and we have had many discussions with people who are looking for other opportunities, and who think that Manitoba is a good place to invest. I know that this will grow in Manitoba.

Mr. Jack Penner (Emerson): I would ask the minister whether—and she talks about some of the things that are happening in other provinces. I reflect on that, and I was listening to a report this morning of an industry in Saskatchewan. I think it is called, Miller Industries, a pork processing plant that was about five years ago in real difficulty. It attracted a few new partners. I believe, Schneider is one of them. I am not sure whether it is Miller, or whether it is Mitchell. It is Mitchell, that is right.

Just a day or two ago, it reported a \$48 million net profit. The turnaround has been nothing short of dramatic. Because they brought a few new partners in, I believe, Schneider and Roynat became the partners in that industry, and brought new processes on being—they actually stripped 1400 carcasses, or the meat off the ribs of the carcasses, in an hour; 1400 carcasses in an hour. Since then, Madam Chairperson, it has become the major processor of pork in the province of Saskatchewan.

The only reason I raise this is that I think if we work closely with industries and individual entrepreneurs, we can achieve a great many numbers of things. I am glad the minister of resources and environment is sitting at this table today. We need the partnering of many different cross-sections within government, different departments in government, and we need the resource base in order to achieve our potential. We need, I believe, the Food Development Centre; it is an excellent tool to get us down the road because there are many small entrepreneurs that have products that need testing and support and direction. I think the Food Development Centre, if given the proper tools, could be tremendously influential in helping us devise new technologies and methods of manufacturing

and marketing of products that we can produce in this province.

I am concerned that we constantly keep looking for the big bang, the large industry, to attract. I think the last one was that big to-dos are made about when a Simplot kind of a corporation announces a new potato processing plant, which we all welcome, because the potato industry has demonstrated that it can become a very large employer and become a very large user of products that we produce better in this province than anybody else does. I think the potato industry has demonstrated that time and time again, and I believe that is why industries such as Simplot are looking at development and those kinds of initiative.

I want to ask the minister, specifically on this Simplot potato processing initiative: Is she concerned about the delay that was caused, announced by Simplot in that they have actually delayed the actual construction? They have given indications that it might be because they were not able to meet the environmental requirements and studies, and I think they indicated that the time period that they had allotted for themselves or been given were too short. So has the minister any concerns that this might be another industry that might not happen in this province, or is she satisfied that it is just a delay?

Ms. Wowchuk: The member raised a lot of points, and I am going to try to address all of them. I will go with the Simplot potato processing. That is certainly a very exciting announcement for this province and one that our department is working very closely with the producers to ensure that they can be ready when the plant comes on line, but I think the member talks about the delay, and really it was nothing to do with Government. The company made a decision, and perhaps they were a little bit ahead of when they could actually get things done. It was not that the Government had put in anything that would delay their operations. It was the fact that they might have been a little bit overexuberant and realized then that they could not get their plans together.

Quite frankly, although I would be concerned about the delay, on the other hand,

this gives producers, gives us, as a department, the opportunity to work with producers to get the growers on line, to be sure that the irrigation is in place and that the number of acres that are required, that people are ready to produce that. We always want to see things happen earlier, but, in this case, it was a matter of being properly prepared. I do not look at it as a negative. I look at it as an opportunity for better preparation and the producers being ready for the first stage and then also being ready for the next stage that will be required for the next phase.

The member talked about not always reaching for the large projects. I could not agree with him more, because I think many times there are small projects but we also need the large projects, but we need the small projects as well.

* (15:10)

If we look at the Food Development Centre, the Food Development Centre focusses on smaller producers. You look at what has happened with the saskatoon production, and the work that the Food Development Centre has done in that area. The Food Development Centre would welcome the opportunity to do some work with the larger companies and hope that we can be involved with Simplot, or any of the other processing companies as they develop their product.

The intent is to help smaller companies get started in their product, get them on their feet and then work with them further in. All of those are important and many of the companies that my colleague the Minister of Industry, Trade and Mines (Ms. Mihychuk) meets with, many of the people that I meet with, are many times people who have a small idea, people who might be creating only a small number of jobs, but you know, if you get several companies creating 20 and 30 jobs, that is just as important as one company creating 100 or 200 jobs.

We are interested in any company that wants to come to Manitoba and take advantage of the environment in Manitoba, of the labour force that we have in Manitoba, the work ethic that is here, the product, the raw materials that we have in this province to build on. All of those are

important to us, and the Food Development Centre works in partnership with those people.

A Government and our Government believes that all of those sectors, the large processors. We welcome Simplot, Maple Leaf is an important sector of value added in this province, but those other companies as well, the ones that are processing the saskatoons, the ones that are processing carrots, and the ones that have different ideas of value added. The hemp industry and the product that has been developed with the Food Development Centre with people in the hemp industry are all very important.

Our vision of Manitoba is not only big companies; it is a wide variety. They can go all the way from a cottage industry or someone who is supplementing their income right on the farm or in a very small community, to the huge companies that bring hundreds of jobs to the province. We want to continue to build on the resources that we have in this province and particularly in agriculture. I outlined to the member the other day the many companies that are looking in Manitoba to add value to our agriculture products.

With respect to Mitchells Foods, I am going to check on that one, on the comments that the member made and get back to him. I think what the member might have heard as well on that one was that Saskatchewan Wheat Pool is involved in it and they are selling off their shares, and the value of their shares may have been in that range of several million dollars. I could be inaccurate. I will check on that, and the information that I find I will share with him.

Certainly Mitchells Foods is one of those companies that Saskatchewan has that adds value to the meat products, and those are the kinds of companies that we are having discussions with as well, not only in the hog industry but in the beef industry, and there is also an interest in a variety of large and small animals that we raise here in this province which could be a source of value added.

I want to tell the member as well—he asked what the role of the Food Development Centre and my vision of that centre—that when he looks at the numbers and the increase in the Budget for

the centre, there is a definite commitment to having that centre play an important role in the growth of the food industry in this province.

Mr. Jack Penner: I think what I heard this morning was correct. Their net profit was announced this morning at somewhere in the neighbourhood of \$45 million. There was no mention made of Sask Pool shares in the news release. I am just saying to the minister what I heard this morning on the newscast. I think what they referred to on CBC this morning was that Mitchells was one of these companies that actually produced designer foods and had been proven to be tremendously successful in that area. I think there is an opportunity there for us, and that is why I raised this during the discussion on the food lab that we have in the province. I think we have a golden opportunity to work in partnership with industries that could develop and manufacture products that would be very acceptable to countries such as Japan, China and other Asiatic nations, and maybe we do have an opportunity to in fact manufacture them in such a way as they would like to see them manufactured.

The reason I wanted to talk just very briefly about the manufacturing opportunities, I think parts of Manitoba have demonstrated an ability to grow products and produce products that are different than we did 20 years ago. I think there is a real opportunity to look at further processing in many of these areas. The only need that I see, one of the lacking needs that I see, and the minister of resources is here, is the need for assured water supplies in these areas, and we do not have that.

I look at the south-central area of the province or the southwest area of the province where a great deal more could be done. The southwest, I believe, has a tremendous potential for the potato production, but there needs to be a much greater supply of water for that area, the same as the southern area of the province. I reflect on the discussion we had this morning and the briefing that, if we took the initiative and joined partnerships sometimes with our neighbours to the south, we could create water storages that would give a much greater degree of supply and assurance, long-term assurance to producers in towns and villages in much of southern southwestern Manitoba.

So I think we need to, at some point in time, look at that and look at the potential we have for manufacturing and then fully utilize the Food Development Centre as an initiative to drive that sector, because nowhere have we, I think, got better opportunity than in that whole area of further processing. I think that was identified during the value-added task force work that they did, and if you look at that report, it clearly indicates where the opportunities lie in this province. It is, indeed, in the meat sector and the specialty crop sector, and further processing and manufacturing in that area was clearly identified by virtually everybody that came and presented or was part of the discussion that we had during that period of time. I think we had some 28 or 30 meetings, hearings across the province at that time.

So I would encourage the minister to take a broad-based view of that, and maybe she could encourage her Cabinet colleagues to designate a bit more money to the Food Development Centre and encourage greater activity in the development of products and manufacturing processing in that area because therein lies, I think, some tremendous potential.

I think we missed the boat six, seven years ago when we had an opportunity to establish a pasta processing plant in this area. The people who were doing it went to Alberta to look at the equipment out of an old plant. The Premier of Alberta heard that they were coming, met them and asked them what would it take for you to operate the plant that is currently here in Alberta, and we lost through that process the pasta producing plant. I think the American farmers have proven how successful they can be in that industry. We were always told that you can never compete against the Catellis of the world. The American farmers proved that they can more than compete against the Catellis of the world, and I think we have similar opportunities in many other areas.

* (15:20)

So I ask the minister whether she is intending to encourage an expansion of the use of the food labs that we have and working much more closely with individual producers and companies to look at value-added processing and further processing in this province?

Ms. Wowchuk: I guess the member should look at the Agriculture budget and the budget for the Food Development Centre. I would have to say that the numbers speak for themselves. There is an increase from \$912,400 to \$1.3 million. If the member looks at the funding to the Food Development Centre during his government's term of office, there was underfunding and not a vision at that time to use the Food Development Centre to its full potential. Certainly over the years the opportunities to use that centre have been slipping away. We believe that the Food Development Centre is a real asset. We have put some additional funds into it, and we will continue to work. When you look back at the history of what has happened I think the steps we are taking will benefit. We will see the centre grow and it will benefit processors and producers in Manitoba.

The member talked about designer foods that he has heard about in Saskatchewan. I want the member to know that we have some designer foods here in Manitoba as well. In the poultry sector, Granny's, Dunn-Rite are producing designer products that are getting very good reviews on the market. When you look at some of the Saskatoon products that have been developed at the Food Development Centre, there have been requests for them for some very unique niche markets around the world. So the potential is there and we can develop designer foods. As I said to the member, stay tuned. There are other companies that are looking at Manitoba, and hopefully we will be able to build on those.

The member talked about small clients, and I wanted to tell him that 80 percent of the clients at the Food Development Centre are smaller companies in the range of 10 employees. The Food Development Centre is actively involved in 280 projects, and those involve approximately 132 clients. So there are many projects going on at the Food Development Centre.

One of the comments the member made is kind of a bit worrisome for me. The member said he sees tremendous opportunity for growth in food development in the southern part of the province. I agree with him, in the southern part of the province there is tremendous opportunity for growth, but I have a much broader vision of

food development and the agrifood industry. I think there is opportunity right across the province, not only in the south, but right across the province. We have to start thinking in those terms that, yes, in the southern part there are certain advantages, but Manitoba goes much further, and the opportunity for agriculture growth is much beyond that. So I say to him, yes, I know there is opportunity in the south that we can build on, but we have to think about central Manitoba, we have to think about northern Manitoba. When you think about climate change, I think that is one of the things that we have to think about as well. What is climate change going to mean for us? Let us think far enough ahead, as these changes take place, to look at the broad land base we have in this province.

The member also talked about water and the need for water and that water was part of our future. That is definitely true. That is why our Minister of Conservation (Mr. Lathlin), who is also here at the table with us, has initiated the study of the Assiniboine River, to look at the volumes of water that are there and how they can best be used in a sustainable way so that we have a long-term resource.

We have a good supply of water in many parts of the province. We have a good land base in many parts of the province. So I look at this not only in what we have in southern Manitoba, but I also look at the rest of the province as a real opportunity. I look at the Dauphin area as an opportunity, quite frankly. I look at the Swan River area, where I would like to see some economic growth, but I also look at The Pas, where there is an agriculture industry and look at ways we can build on that.

We have a responsibility to ensure that we use the water and the soil in a sustainable way. I strongly believe that those are resources that we have that we have to use and manage so they are there not only for our generation, for our children and our grandchildren and beyond that. Those are things that we have to look at and look with a broad vision of Manitoba and how we can build on our resources.

Again with the Food Development Centre there is a project that the Food Development

Centre has worked on with the Swan Valley Regional Secondary School. They have developed a Creole sauce that is developed with the Food Development Centre and is being produced right in the school in Swan River. I find that quite exciting, a Creole sauce. Students have worked on this, and this has just given this group of students the confidence that they need that they can do things no matter where they live in this province.

There is a new project with Keewatin Community College working on wild edible products. We have a wide range of edible products here in Manitoba that we are not harvesting or taking advantage of. Many of us who come from rural Manitoba are quite excited about the morels that are growing out in the rural area right now. There is an opportunity to harvest, to process and to sell those products. There are many, many other edible products that we do not even recognize as valuable. So the Food Development Centre is working with Keewatin Community College on developing those products and moving beyond.

In Lynn Lake there is a smoked fish product. Again, our fishing industry is one that faces challenges sometimes, but, again, we can add value to those products as well. I guess I tend a lot of times to focus on the agriculture products and look at how we can build on those, but there are many, many other products that we can build on.

You look at the potato industry. Although the Food Development Centre is not involved in this one, the potato industry will be an opportunity for expansion in southern Manitoba. There is also an opportunity for parts of the province that are not close enough to the facility. That is in the seed industry. That potato seed industry can be moved to any part of the province. I think it is an advantage for us to move the seed industry away from the area of production, because there is a risk of disease.

There are the opportunities to expand, although in the south it may be close to the facility where the potatoes are raised for processing. There are opportunities right across the province. We are going to take advantage of those opportunities, but I talked about the small

facilities that the Food Development Centre works with. They also work with larger facilities. They did work on behalf of a large potato processor to test for GMOs. So those are the kind of things. It does not matter what the size of the company is, the Food Development Centre is there to work with them and bring opportunities for value-added to this province.

* (15:30)

Mr. Jack Penner: I am really quite amazed and astounded that the minister would attempt to be critical of a member asking whether she would, in fact, favour the establishment of a reliable water source for industrial and commercial and growth area. Yet she directs her comments in such a way that it brings a negative effect to the question that was asked. I am extremely disappointed in the minister. She almost leaves the impression at the table that she does not like southern Manitoba. I think that is unfortunate for a minister to try and leave that impression by her comments to this committee.

The only reason I asked the question in the way I asked the question was because I believe that it is imperative that we develop water storage basins to allow for the expansion and the industrialization and the growth to continue in this province, specifically for value-added purposes. I quite frankly know that we have areas in the province that have tremendous opportunity for expansion in those areas. We must, in my view, take all matters of relevance into consideration when we do those kinds of things. There is no question that there is tremendous potential in this province way beyond where we currently are today, but it will take an overall visionary approach to develop that to its true potential.

Quite frankly, Madam Minister, I believe that all areas of the province have equal opportunities if they choose to utilize what they have got in their area and the opportunities they have in their area. I am not about to sit here and dissect it or criticize. The only reason I asked the question about southern Manitoba is because that is where I live and that is where I have seen a tremendous change in attitude and direction. I have seen a tremendous expansion in diversification in that area, not because they wanted to, because they were forced to.

There are some tremendous opportunities in southern Manitoba in areas of spice production, in areas of vegetable production, in areas of very specialized small commodity production, the pharmaceutical production, production of pharmaceutical products that could be used, and all those kind of things. We even grow watermelons and all kinds of spices. There is tremendous opportunity to grow all kinds of things from onions to potatoes to carrots and peas and beans and garlic. I mean, there is a tremendous opportunity for garlic production, but it needs that next step to be taken, because many of these products need to be processed. They have not got a shelf life of a hundred days; they have a shelf life of three or four days.

The only vegetable production that can take place now is for the table market. You know, Larry McIntosh has demonstrated that there is tremendous growth in that area and opportunity for growth in that area. I think Larry McIntosh and Peak of the Market have done a tremendous job in expanding the exporting of many of those products to a much broader area than we used to, but we need that next step. We need water to go the next step, and that is where the Food Development Centre comes in. They are the pivotal group that I think can drive that initiative. The next step then is to utilize what you have in the Swan River area that few other areas have. You have an ability to grow things that I do not think you have even touched on yet in the Swan River area.

I think that we have an opportunity to grow and produce things in The Pas area. When I was the minister, I spent a lot of time over there, working with people, to work on that Polar project to bring that next stage of development, which has been a tremendous asset for The Pas area, but, if you want to go the next step, Madam Minister, you are going to need a bit broader vision than what you have just demonstrated in your comments. I am offended. I am offended by what you said, Madam Minister, in trying to make my comments view as if they were just very narrowly focussed and directed.

We go back to the comments made, that you read into the record about an editorial. We have seen people take the initiative and produce things that could not be produced, were not

even perceived that could be produced. We have seen people with a bit of vision take the hog sector in this province and develop it, yet, I see, Madam Minister, that we have, in a news release—

Madam Chairperson: Order, please. Could I remind both sides of this table to address each other through the Chair?

Mr. Jack Penner: Thank you very much, Madam Chairperson. I am sorry, I did not reflect properly on procedure.

Madam Chairperson, I reflect on what we have just seen announced today, when Minister Lathlin announced \$50,000 in funding for the Manitoba Eco-Network. One of the partners in the Eco-Network is Hog Watch. Hog Watch has done everything in their power to put a stop to the expansion of the hog industry in this province.

It states in this document they are a clearinghouse for information and action on hog barn proliferation. There is, so far, not even close to being a hog barn proliferation in this province. The Eco-Network and Hog Watch through the Eco-Network, every hearing that I have attended, they stand there and put incorrect information on the record. This minister, this Government, is providing public money funding to organizations such as that, that will do everything in their power to stop the development of those industries. I think that is terrible. I think the minister should reflect closely on who he funds.

I think, Madam Chairperson, that we need to very closely assess and evaluate how we move forward in value-added production in this province and very often primary production. I think there is a tremendous opportunity throughout this whole province, but we have too many people using documents such as this that turn an industry into what they would perceive as an eyesore and an environmental disaster. When I read this document, the price we pay, which Hog Watch, by the way, is using as material for reference as to why we should not continue the expansion of the hog industry in this province. I think it is terrible that the minister will fund that

kind of an organization whose only objective is to put a stop to hog production. I think we need to seriously reflect on where this province is coming from. On one side of the mouth they expound, they talk about the values of processing, of the expansion of the hog industry; on the other hand, they fund organizations that try and put a stop to the expansions. I mean, tell us where you are at, please, because the minister is not clearly indicating, her words are not indicating the actions that her Government is really taking. That I think is unfortunate.

* (15:40)

Again, I think the minister, maybe she wants to withdraw some of her comments about southern Manitoba, because I believe southern Manitoba has a tremendous potential, as does northern Manitoba, as does eastern and western. I think the eastern part of Manitoba is a clear demonstration of what can in fact be achieved if you allow the livestock industry to flourish in this province. But Hog Watch is definitely trying to put a stop to that kind of development.

If you look at the Steinbachs, and if you look at the Landmarks, and if you look at the huge livestock developments that have taken place over there, have they been a detriment to the environment? Not at all, Madam Minister. As a matter of fact they have enhanced the environment. They have enhanced the environment, they have enhanced the social activities in those areas, and they have enhanced the economic activities in those areas. You need only look at the towns and villages and communities over there. You do not see the migration of people out of that area; you see the migration of people into that area.

I think one need only go to Landmark and look at Landmark Feeds and the large expansion they made in the area of packaging, minute formulations of feed additives, and are exporting that now. That has become a major export industry. Again, it would not have happened had we not had the livestock expansion that we have seen over there.

Virtually all our supply management sector is in the southeast part of the province of Manitoba. Do you hear a great deal of well

contamination because of nutrient contamination of their water supply? No, you do not. The tests that the minister's own people are doing currently demonstrate that if you properly deal with manure management in a proper way the nutrient uptake by plant material is much greater than the application of the most natural fertilizer that we have in the province, which is manure. It is one of the most natural fertilizers. Yet when I see this group that we are now funding through provincial funding, I am appalled. I am quite frankly appalled, and I think the minister and her Government really need to rethink who and what they are funding, and to what end.

So I ask the minister: Is she going to encourage the further funding of organizations such as Hog Watch that have done nothing positive to encourage the production of and the expansion of the livestock industry in this province?

Madam Chairperson: Once again, please address your questions through the Chair.

Ms. Wowchuk: You know there is a saying that goes: Methinks he does protest too much. I think the member is a little bit sensitive because I talked about the broad range of opportunities there are for agriculture production in northern—

Mr. Jack Penner: No, I am sensitive because you negated the issue that I was really raising—

Madam Chairperson: Order, please. Please, each member give the courtesy of listening to the person who has been recognized.

Ms. Wowchuk: The member is a little sensitive because I raised the issue of opportunity for agriculture diversification across the province. When his government was in power, the North was really, really ignored, and the member was—

Madam Chairperson: On a point of order, the Member for Emerson.

Point of Order

Mr. Jack Penner: Again, Madam Chairperson, the minister is up to the same tactics. She is saying the North was really ignored. The huge development project that we took on when I was

the Minister of Natural Resources, the Polar project development at The Pas, the development in the minister's own home town to expand the Ducks Unlimited project in The Pas area, the North Interlake development that we did, the Cooks Creek development that we did, and many other projects that we took upon to enhance the agriculture community's ability in those communities to survive, the flood protection that we did, the support that we gave in 1988 to Swan River and to The Pas to rebuild after flooding in that area were a true demonstration of government concern.

She now sits here and wants to put on the record that the previous government ignored northern Manitoba. I think, again, the minister needs to apologize to this committee.

Madam Chairperson: The honourable minister, on the same point of order.

Ms. Wowchuk: Yes, Madam Chairperson. If the member had let me complete my sentence, I said the previous government ignored the North, and I wanted to say "with respect to food development." I outlined some of the opportunities and the things that can be done in the North and some of the steps that we have taken.

Madam Chairperson: As far as the point of order goes, the honourable member does not have a point of order.

I would like to take the opportunity to point out that a point of order should not be used to ask a question, dispute the accuracy of facts, clarify remarks which have been misquoted or misunderstood, or raise a further point of order. A point of order should be used to draw the Chair's attention to any departure from rules or practices of the House or to raise concerns about unparliamentary language.

The member from Emerson, on a further point of order.

Mr. Jack Penner: I am not going to challenge the Chair's ruling, but I say to the Chair that in fact I really did have a point of order, because I was trying to correct a statement that the minister made and a point she made, and I think that is why points of order are raised, that we do it immediately.

So I say to the Chair be careful on how you rule because we will challenge your ruling if you are not consistent.

I say that I raised the point of order only to correct the minister's statement that she made.

Madam Chairperson: I would repeat a point of order is not in disputing the accuracy of facts. You were disputing an accuracy of facts. I stand by my decision. It was not a point of order.

* * *

Ms. Wowchuk: Madam Chairperson, rather than upset the member, I will get back to the comments that he raised earlier. He felt that I was neglecting southern Manitoba when I was pointing out the opportunities in other parts of the province.

With respect to water storage basins, certainly there is a need to look at those things. The department does work with producers on water storage, and we can discuss that further when we get under the Irrigation section of this Budget. The member raised the Pembina River yesterday, and I indicated to the member that there have been discussions between the Soils and Crops branch and people across the border to talk about what the opportunities are, and that is an issue that we take very seriously.

The member also talked about funding of other organizations and other organizations put inaccurate information on the record. Well, you know, I think we in this House and in this Legislature sometimes tend to get carried away, and there are times when members of this Chamber even put inaccurate information. But we believe very much in a balanced approach and the opportunity for people to share their views on what is happening in the province, and I think it is healthy to have diverging views and have information come to the table and then have discussion on it, but I would not be of the view that we should ask people not to make comment if they have different views than we have. We live in a democratic society, where everyone has a chance to put their views forward. We debate them, and people make their choices on that.

We talked about the opportunities for vegetable growing in this province, and certainly the vegetable industry, Peak of the Market has had six record years of production. That production continues to grow, and there are further opportunities. There is also the opportunity to add value to those products that are grown here in Manitoba, and that is the place that the Food Development Centre can play a role. I welcome any discussion with any of the producers who might want to use the resources at the Food Development Centre to add further value. That was why I pointed out to the member the Swan River school project, where there are vegetables being turned into a sauce. It is being very well received, and I wish them every success. But there are more things that we can build on.

I would like to take this opportunity, Madam Chairperson, if I might. The member asked the question yesterday about the number of permits issued in Manitoba, the number of livestock ones issued, and I have the numbers, the total permits, and then they are broken out for the Interlake. In 1999, there were 56 permits issued. Of those, 24 were in the Interlake. In 2000, there were 82 permits. Of those, 35 were eastern Interlake. The member is implying that the hog industry is not growing, that there have been barriers put in the way. As I bring the information to him, I want to indicate that, as we get more information as to where the other barns are located, where the permits have been issued, I will provide that information for him. He talked about the eastern part of the province. Yes, there is a lot of livestock in that area, but I think that there are other opportunities in other parts of the province as well, and other people are looking at it. Intergovernmental, Conservation and Agriculture are all working on a united front to ensure that this industry can grow. We have made some changes, but they have been changes that have been supported by the industry and municipalities. I anticipate further growth, and there has been no indication of a slowdown in the number of permits that have been applied for.

Mr. Jack Penner: Madam Chairperson, can you ask the minister whether she would want to tell this committee why her Government would fund an organization such as Hog Watch when their only intent has been demonstrated so far to be to

put a stop to all further hog barn development, that clearly their intent is, in fact, to do exactly that, to stop the development of hog production in this province. They have clearly asked the minister to put a moratorium on further building of hog barns. I find it very interesting that the minister would fund an organization, that this Government would fund an organization with public monies when they are in fact trying to do only one thing, and that is to put a stop to further development of livestock in this province.

Ms. Wowchuk: I want to clarify for the member, Madam Chairman, that it was not this department that funded this Eco-Network. It was through Conservation. It is my understanding that there is a wide variety of producer groups that are involved in the organization. I believe OPAM might be part of that organization. I do not have the whole list of the membership, but, again, the member is talking about a decline, their recommendation of a moratorium on the hog industry. If the member read the report from the Livestock Stewardship Initiative, the panel also recommended a moratorium. We have indicated that we are not going to implement that recommendation, because we think that with proper management the industry can expand and that there can be growth in the livestock industry in this province if it is done in a sustainable way and if we work together with municipal officials and the various departments working together.

* (15:50)

We have a large land base in this province. We have a large supply of water. There is the opportunity for livestock production to grow in this province, so the member has an issue with a particular organization that is part of Eco-Network. I would ask him to take his concerns to Eco-Network as well and perhaps raise the issue with the Minister of Conservation (Mr. Lathlin) for further discussion. I say to the member again, he continues to imply that the hog industry is not growing in Manitoba. I want to tell the member that from 1999 to 2000 there was growth.

We went from 56 permits being issued in 1999 to 82 permits being issued in 2000. The steps that we have taken as Government have been encouraged and supported both by the industry and by the municipal officials.

Mr. Jack Penner: I just want to make sure that I understand the procedure that this Government has. When we were in government, when we made a contribution to an industry or whatever, when there were contributions made, it was our government that made the contribution.

Now I ask the minister: Is she a member of this Government? Is she a member of the Cabinet? Was she part of the decision making? Was she part of the decision making that granted the Eco-Network \$50,000? Is she aware that the Hog Watch is not a producer group, that their request of the Government of Manitoba has been to put a moratorium, in other words, to put a stop to the expansion of hog production? Is she aware of that? Was she aware of that when she agreed in Cabinet to granting the Eco-Network a \$50,000 grant to further their Hog Watch's initiative to put a stop to hog production in this province?

The minister indicates that I have said that there is no growth in the hog sector. That is not true at all. I have never said that. *[interjection]* I have not said that there is not growth in this hog sector. I have asked her time and time again whether she can give me the number of approvals licensed that she has approved over the last two years, and obviously she did not understand that. I asked this a number of times yesterday, whether she could give me the number of approvals that have been licensed last year and this year. She gave me the overview of the numbers of hog expansions but not the numbers of the actual licensed approvals or the permits.

So I ask the minister now: Did she not recognize when they put \$50,000 in the hands of an organization that had asked for a moratorium on hog production, in other words, put a stop to hog production in this province, that they were funding the very organization that she is now saying is a detriment to the expansion of the hog industry?

Ms. Wowchuk: I am not quite sure whether the member was not listening to my last answer, but the member yesterday asked for the number of permits issued, and I told him yesterday, Madam Chairperson, that I did not have the number of permits issued, but I gave him the number of hog

placements that we had in this province. I guess the member was not listening to my last answer, because in my last answer I said to the member in 1999 there was a total of 56 permits issued in Manitoba, and of those 24 were in the east Interlake region. In 2000, there were 82 permits issued, 35 were in the eastern Interlake region.

We do not have today with us the breakdown of the balance of those, but when they are available I will provide them for the member. Obviously the member was not listening to my last answer, so I have provided him with the information again.

Mr. Maguire: I was only wondering if the minister could indicate, out of that \$50,000, how much would go towards—I mean, there are a number of organizations that were represented under the Eco-Network. I wondered if it is an equal breakdown to each of the organizations, or can she indicate to us how much an organization Hog Watch would have or how much credibility she gives them in regard to wanting to fund the stopping of the hog industry in Manitoba?

Ms. Wowchuk: Madam Chair, that grant is not provided by my department, and I would ask the member to have discussion with the Minister of Conservation (Mr. Lathlin). Each department has granting ability to a certain level of funding, and this is a grant that has been provided to the Eco-Network.

The member talks about the stopping of hog production, that this is a recommendation from this group. I am not sure that it is. But we had the same recommendation from the Livestock Stewardship Initiative group. I want to recognize the people who worked on that committee. They are: Dr. Ed Tyrchniewicz, Mr. Nick Carter and Mr. John Whitaker, who did a tremendous job of reaching out, listening to the public and talking about the growth of livestock in Manitoba and what the opportunities and challenges are. We are certainly working on that report and working at how we can implement the recommendations as a joint effort between three departments, and one that we are looking very closely at. We certainly appreciate the work that those people did. We certainly appreciate the comments by industry, all aspects of the livestock industry, and from municipal as well as residents of Manitoba.

They made a recommendation that there should be a moratorium put on the hog industry. I do not think that is a reason to discredit the panel. We have indicated that we are not accepting that recommendation, but I can also tell the member that there are many people who write to my office and express a concern and indicate that they want to see a moratorium put on the livestock industry. We have chosen to take another route. We have chosen to work with municipal leaders, with people in the industry, to work at ways that we can ensure that industry grows in a sustainable way, and that the resources we have in this province will be there for future generations to continue in the livestock industry and to live in rural Manitoba and contribute to the economy of this province.

Mr. Jack Penner: A few further questions on the livestock industry. There was an article in the *Southeast Agri-Post* on the 30th of March which says: Manitoba weanlings keep heading south. They talk about the export of hogs weighing 50 kilograms or less, and having risen from .6 million head in 1997 to 1.27 million head in '99 and 1.44 million head in 2000.

* (16:00)

The minister talks very flamboyantly about the increase in hog production in the province and very glowingly about the further possibility. On the one hand she funds an organization that wants a moratorium, on the other hand she talks about the expansion of the industry, and yet here we have an article that talks about the detrimental effect of the large number of weanlings heading south and a major killing plant in the province that cannot get enough products to run two full shifts.

Has the minister any thoughts on what could be done to encourage the finishing of those weanlings in this province to see further expansion of our processing industry in this province?

Ms. Wowchuk: Madam Chairperson, the production of hogs in Manitoba has certainly increased, and I indicated to the member yesterday that in 2000 Manitoba marketed 5.4 million hogs. In 2001 it is projected that 5.6 million hogs will be marketed for slaughter in Canada, will be marketed in Canada.

The member raises an important issue, and it is one that we have discussed and one that we are concerned about, about the number of weanlings that leave this province and are not being finished. But I have to say to the member the farmers are making difficult economic decisions. They are making a decision to sell their weanlings rather than to finish those hogs here in Manitoba.

Madam Chairperson, the other issue is the capacity for finishing here in Manitoba. The finishing barns have increased. The average over the past five years has been 296,000. That has grown in the past year to around 413,000. So the capacity to finish hogs is increasing in Manitoba.

We certainly hope that will grow, but ultimately it is an economic decision that farmers are making. Farmers are making a decision that rather than finish those weanlings, that they can make more money selling them early. There is no way that government is going to step in and say, yes, you will finish those hogs in Manitoba so that they can be sold. It is the farmers who have made the investment. They have to make the decision. We have certainly had the opportunity to have discussion about this matter with the processing facilities here in Manitoba, and I hope that with the new finishing capacity here in the province and the continued growth in the finishing barns that we will see those numbers turned around and we will see more of those hogs finished here in Manitoba and processed in Manitoba.

Mr. Jack Penner: Madam Chairperson, I think that, if the Schneider operation would have seen the expansion that we thought was going to happen when we left government, the producers would have taken from that a measure of confidence that. I think there was an uncertainty created when this Government allowed the Schneider operation to slip out of their hands, and that caused a rethinking, I suspect, within the hog industry. I ask the minister if she could tell me how much of an expansion and how many feeder barns they have licensed for construction last year, and I am talking about the feeder barns, the finishing barns.

Ms. Wowchuk: I want to indicate that because the Department of Agriculture does not do the

licensing of the barns, it is the Department of Conservation that does the licensing of the barns, we do not have those numbers here. As we get the balance of the information for the member, we can also get him that information as well, but I want to indicate the number of hogs finished in the province has grown, from an average of 296 000 going up to over 413 000. That is growth, there are more finishing, there is growth.

I want to also say to the member, the member talks about the loss of Schneider and how this has had a negative impact on finishing. I want to tell the member that in 1997 there was about 600 000 weanlings leaving the province. In 1999, there was about 1.27 million hogs leaving the province. That was before there was any discussion about Schneider. Producers were making an economic decision. Producers have investments. Producers have to get a return for their work, and they were making the economic decision to sell a weanling. Quite frankly, I have talked to some of these producers and they were getting a better contract. They were getting a better—and they signed contracts. Some of these producers are still in contracts that they signed with a variety of companies and have to live out those contracts.

When those contracts run out, they will make their decision as to whether it is viable to finish those hogs. If they can find markets for those hogs at a reasonable price here in Manitoba, they will do that. But with the growing number of finishing barns in Manitoba, I hope that we will see that turned around and we will have the opportunity to have those hogs not only finished in Manitoba, but also processed in Manitoba.

Mr. Jack Penner: What I hear out in the field does not give me the kind of encouraging views that I would like to hold. What I hear in the field is that some of the finishers are thinking about converting to weaner barns, and that is the exact opposite to where we I think need to go to give the security to the processors in this province of supply that they need. I am wondering what discussions the minister or her department are having with producers and the industry to try and get some assurance in this province that we can build the supply that will give the assurance

to the processors that we need, and/or even encourage expansion of the processing industry in this province. Is the minister truly committed to seeing the industry expand to the point where we could have a significant assured long-term processing industry in this province?

Ms. Wowchuk: I do not know how many times I have to say this, or whether the member wants me to fall down on my knees and swear to him that I am committed to the expansion of the livestock industry in this province. I have stated many times that there are huge opportunities here. We have a large land base. We have a good water supply. We have a workforce in this province. We have people, we have farmers who are looking to diversify. We have a low cost-of production, and we are working with the industry to ensure that that industry expands in a sustainable way. We are looking for additional value-added, not only to the slaughter of livestock, but also the hogs. We hope to expand the beef industry as well, because it is not only the hog industry that is important to Manitoba. It is the beef industry. It is the sheep industry. It is the poultry industry, goat industry. All of those are important, and we want to build on all of those so that we have more growth in this province and more value-added and more opportunity in this province.

* (16:10)

The member talks about whether we have met with the industry and processors. I have to indicate to the member, Madam Chair, that we have had discussion with the industry. Quite frankly, I think that the processors have a certain responsibility in this as well to give the producers the confidence when they finish their hogs in Manitoba that they will get a fair return for their product.

These decisions are based on economics. The farmers are making decisions on where they can get the best return for their product. They have made the decision and signed on to contracts to markets outside this province. We would like to see that turned around so that we would have the finishing and the processing in this province. I think when you look at the numbers, there is some hope that that will happen, because there is an increase in finishing spots in this province.

Ultimately, farmers will make the decision based on their finances as to what level they will raise their hog and to what level they will sell them. So there has to be communication and discussion not only with the farmers but with the processors and give the confidence to everyone that they can get a fair return for their product.

Mr. Jack Penner: Madam Chairperson, I am truly elated that the minister has been converted on the road to Damascus. I think when one looks at her previous comments when she was a critic for Agriculture, they were at times very negative on the expansion of the hog industry in this province. I think we have now seen truly that this minister has seen the light and has seen the benefits of the expansion of the livestock industry in this province. We are very pleased, quite frankly, that the minister has become a convert.

We would encourage her, as an industry, to keep on promoting livestock development in this province, because we believe, as we did when we were in government when we started this whole initiative, that there were tremendous opportunities and possibilities.

Many people have said it is not impossible for this province to grow 10 million hogs in this province. I am going to ask the minister whether she believes that we could expand, that there is an opportunity from an economic as well as an environmental point of view that we could in fact expand without environmental detriment to the overall province to a number of 10 million hogs in this province.

Ms. Wowchuk: I would ask the member to check Hansards from the time when I was in opposition, Madam Chair, because if the member would check my statements, there has been no conversion on the road to Damascus. I have said and continued to say from the beginning of my term here that I think that there is real opportunity in this province but that we have to do this in a sustainable way and be conscious of the environment and be sure that we are protecting the soil and water that God granted us and sustain it in a way for future generations to use. I have always said that, and I think that there is opportunity. With our land base and with the water that we have in this

province and the skills that we have amongst our producers, there is a tremendous opportunity for expansion. Ultimately, it will be the producers who will decide whether it is worthwhile, whether they can make a fair return, whether the investment is worthwhile for them to further the expansion of the industry. If you look at the numbers of permits that have been issued, there is confidence amongst the people of Manitoba that there is opportunity, and I think that we will see continued growth in the industry.

Mr. Jack Penner: I asked the minister whether she is convinced, and, if she is not, what is the number where we should limit production? Is she convinced that we could, in fact, go to the 10-million number in hog production in this province? Is that her view?

Ms. Wowchuk: Madam Chairperson, you know, the member is wanting me to quote a number of what I believe the capacity is of this province, and I think that is a very hypothetical situation and very hard to predict. It depends on what kind of processing facilities we have here in Manitoba. The number of 10 million was out when there was going to be two processing plants. Now I believe, on a double shift, Maple Leaf's number might be 8 million, but it depends. Ultimately, the processing sector will decide on how many hogs they can process, and the producers will then make an economic decision whether it is a worthwhile investment for them.

When we talk about processing, there could be hogs. We know that there are hogs coming from outside of Manitoba right now to be processed. Quite frankly, it does not matter where they come from. It is the jobs that are important, as well. So the number of hogs will be determined both by the processors and by the industry and by the producers. It would be very difficult to say what the number is that we can produce here in Manitoba, because I do not think that there is really enough work that has been done to this stage on what the capacity is of Manitoba for production.

We also have to look at other areas of production, and certainly there is a huge opportunity for cattle in this province. When you look our land base, Madam Chair, we have a

large land base that can be used for cattle. There is a tremendous interest in sheep, and our department is working on various projects to see what the benefits are of raising cows and hogs in close proximity. There is a huge world out there, a huge population that is going to be looking for a protein supply, and Manitoba, given our land base and our soil, has the opportunity, with our low costs of production, to play a part in that.

I would not want to pin myself down to a specific number and then somewhere down the road see that the opportunities are much greater or that there might be opportunities in many other species of livestock.

Mr. Jack Penner: From an environmental standpoint, does the province have the environmental capacity to produce 10 million hogs in an environmentally sound manner.

*(16:20)

Ms. Wowchuk: When you look at the fact that we are raising right now somewhere over 5 million hogs in Manitoba and you look at our land base that we have, I think that we do have a large enough land base that we can increase hog production, cattle production and other species of livestock in a sustainable way as long as we follow guidelines and that the regulations are followed.

The member knows full well that the whole issue of livestock and water are an issue that will continue to come under very serious scrutiny, given the incidents that have happened in other provinces. We are going to have to work very diligently with other departments to ensure that the growth that happens, no matter where it is in the province, happens in a sustainable way.

Mr. Jack Penner: The last point the minister makes is an excellent one. I think there was a period of time when the department and government in general assumed that we could very easily in an environmental fashion double our livestock herd in the province. I think that is fair comment. I think when one looks at some of the water issues that we have seen lately in some communities, Madam Chair, whether it is in Ontario or Saskatchewan, it almost becomes clear now that it was probably an urban centre

that at least contributed to the cause, although we do not know that. It is unfair to make comment on that until that is well established, because we do not want to be guilty of pointing fingers at some-thing that is not real.

In Ontario, in the Walkerton situation I think there was comment made initially that blamed a livestock operation for the problems, although that has never been demonstrated, as far as I know, that that in fact has been the case. I think it was probably unfairly done as well over there. However, many of us have significant concerns, environmental concerns, not so much what happens on the farm. Let me put it this way. The concerns come from an area of blame that is very often not substantiated.

One has to wonder sometimes whether we are unfairly pointing fingers at the farm sector for environmental difficulties that occur from time to time because they are the easy target. They are, as a group, not able to defend themselves properly, because they are a group of individuals and individual producers, and each one of them acts differently than the other. None of them would have the resources to defend themselves properly in the context of a full-blown environmental investigation and hearing.

So the agricultural sector becomes the easy target when we look at environment, and I think very often very unfairly, because, as stewards of the land, farmers, in my view, have done a much better job than many other people in society. I say people.

I drove by a town not too long ago where the river had a few weeks prior to that totally dried up. I drove by, and here is this little stream of water running down at the bottom of the riverbed, and I said, where could the water have come from, because there was no rain during that period of time? Then I just turned around and I said, I will follow this and see where the water is coming from. One of the towns had opened its culverts of its lagoon and was dumping their lagoon into a ditch, and the ditch ran into the stream and the stream ran into a river and so on.

We sometimes forget that, whether it is human or animal, excrement is basically the

same thing and yet we treat it differently. In our environmental rules and laws we treat it differently, as is demonstrated in Saskatchewan whereby the sewage lagoon is situated upstream of the town that it serves. Similarly I think we have those kinds of events go on from time to time and those kinds of situations. Yet we as society pay very little attention to it, seldom ever point fingers at it. Yet when we see or hear of or smell the smell of livestock production we are terribly concerned. Yet, when an industry in a town emits a smell, does that concern us much? Look at the city of Winnipeg. When you live beside an industry or not too far from an industry, there is a certain odour that comes out of many of these industries. Are we concerned that much? One needs only to go to St. Boniface sometime.

One needs only to go to Brandon at times or for that matter in Altona where there is an oil-crushing plant that has a certain odour to it. Are we concerned with the odour? Not that much. We comment on it from time to time, but we never really point the environmental finger, do we? Yet when farmers, when our livestock producers who are in my view and in most cases some of the most environmentally conscious people in this province as well as maybe the country, maybe the continent, we point fingers at them and accuse them of all sorts of mismanagement and all kinds of things.

I think we need to be careful. That is why I raised this whole matter of why we are funding an organization such as the Eco-Network whose membership is bound and determined to put a moratorium on the production of livestock in this province until further notice. I think that is unfortunate because I think we should sometimes review very carefully what these organizations are up to and what their true agenda really is because we do have tremendous potential in this province.

We have always known that someday the federal government would move to dissolve and do away with the Crow benefit support and support levels. I have been maybe one of the leaders that said, if we would have never had the Crow we would have a different western Canada today. I am fully convinced of it. We are currently, as we speak, because of those

changes, making significant changes to the way we do business in this province. If the Crow benefit would have remained, I do not think we would have had the livestock initiative that we have seen in this province. I really do not believe that because the benefit to the feed grain producer or the user would not have been as large as it is now. The value of that product would have been increased by up to a dollar a bushel in his hands without having to do anything further to it than to harvest it, bin it and ship it. Harvest it, box it and ship it.

You have heard me say this when I was a farm leader in the province, that that is what we were good at. Yet we are demonstrating now that we are as good or better than we were at boxing and shipping to actually producing and processing and shipping. It has added a much, much greater value and benefit to our society so far and without having had the detrimental, negative environmental effect that many accused the industry of having on Manitoba.

Mr. Doug Martindale, Acting Chairperson, in the Chair

I say this because I am very concerned when governments start funding organizations for whatever purposes. I have to wonder then why this Government would not put a whole bunch of money into the hands of the Keystone Agriculture Producers. And yet we do not. We fund the Eco-Network. Why? Why do we not fund the general farm organization that does a tremendous job of supporting the agricultural industry, the agricultural industry that provides huge numbers of jobs to Manitobans, the industry that provides an economic base for schools and hospitals and all those kinds of things, for retail sector and for rural communities to expand and survive? Yet we fund the Eco-Network. We fund Hog Watch, whose only agenda is to put a stop to it, to put a negative effect into the economy of rural Manitoba. So I say to the minister: think very carefully. Tell your colleagues in Cabinet to think very carefully before they grant an amount of money to an organization whose only intent is to be negative. I think we need to reflect on that.

* (16:30)

I want to ask the minister a few other questions about southwest Manitoba and the

decision that she and her Government made not to provide support during the 1999 flood event to those producers that were flooded out and could not harvest a crop. I know that the minister has said and producers have said it was a mistake for Crop Insurance to extend the seeding deadline in that area. The reason they are saying that is because the previous Conservative administration put in place a \$50-an-acre unseeded acreage payment to that area and now are reflecting on that, saying: If we had not seeded, we would have been better off by \$50 an acre than we were after having seeded a crop and harvested very little of it. That is fair comment. I have a great deal of sympathy for them because many of us might be faced with that same situation in this province this spring. We do not know that.

The minister of the day, Harry Enns, announced that he would put a program under Crop Insurance that would provide non-seeded-acreage funding as the base part of crop insurance when he was still the minister. He made that very clear at a meeting in Melita. There were better than 3000 people there, that he would provide that programming, and it was encouraging to see that this Government, when they took office, in fact proceeded with that initiative. I congratulate this Government for having done that because I think there was a need for that kind of programming.

But I want to ask the minister whether it is still the intent of this Government to rethink what they said no to in Manitoba in light of the fact that in 1988, in the Swan River area, within three weeks of appointing a ministerial group, on June 3, in Swan River, the decision was made to compensate for the damages that had been done by flooding in the Swan River area. Is she willing to rethink her position of those farmers that were flooded in 1999, and will her Government give further consideration to providing at least some type of funding such as a 50-50 cost-shared program through REDI and others that helped the Business ReStart program, that might have forestalled the closures that we have seen in the town of Souris? Is the minister going to recommend that her Government reconsider her decision on that?

Ms. Wowchuk: Mr. Acting Chairperson, the position that our Government took when we took

office was no different than the position taken by the previous government. The precedent was set during the flood of the Red River Valley. The flooding costs were covered. We have taken that position, as the previous government did, that the southwest part of the province should be treated the same as the Red River Valley. We have also said that a JERI program should be put in place for the southwest part of the province.

On both those issues, the federal government has refused. That is very disappointing, given that documents have been found through Freedom of Information by Mr. Rick Borotsik, who is the member of Parliament for that part of the province, indicating that the federal government was provided with information that this indeed was a disaster and this area should be treated the same as the Red River Valley was treated. Based on that precedent that was set, we continue to hold the position that the federal government has responsibility to this area. The federal government has denied their responsibility and has refused to participate in a program, whether it was 90-10 or whether it was 50-50.

It is quite unfortunate that the federal government would cover the Red River Valley, which just happened to fall during the middle of an election and was a much better photo-op with all of the water that you saw covering miles and miles of land, versus what we saw in the southwest part of the province.

As well, we do not think this should have been treated any different than the ice storm in Québec, or a hailstorm in other parts of the country. We continue to raise the issue. In fact just this year the Minister responsible for Emergency Measures and for Disaster Assistance, the Member for Thompson (Mr. Ashton), finally got a meeting with Mr. Eggleton to talk about this issue. Again there is refusal, I know, on the part of the federal government to recognize this as an area that should be compensated.

The member talked about the Crop Insurance and the issues there. I think whether or not the date of the Crop Insurance should have been extended, that is something we cannot deal with. It happened. Government made a decision.

They thought that it was the right decision to make. Now producers are not happy with it. There are many decisions that government makes. When you look back at it, maybe it was not the right decision. Hindsight is 20-20 vision. I do not think there is any purpose in talking about whether or not that deadline should have been extended.

With respect to the Crop Insurance, I am very pleased that we were able to make the decision to put in an excess moisture insurance through crop insurance. I know that this idea had been floated around for a couple of years. There was the opportunity to bring that insurance in. The previous government did, and I am told that the previous government was discouraged by the people of the southwest part of the province, who did not think that would be an advantageous thing to do. That is behind us now. We made a decision when we said during the election that we would change the Crop Insurance so that there would be excess moisture insurance. We have done it. I hope that producers do not have to collect on that insurance this year, but there are parts of the province that are quite wet, and all of us hope that the sun that we see out there now will continue to shine and the temperatures will rise so that people can get out on the land and not have to take advantage of a particular program.

Certainly that program is in place now. The whole issue of the southwest part of the province and the lack of support on the part of the federal government is very disturbing, and it is quite unfortunate that they do not treat all disasters in the same manner. It has been suggested by my colleague that the federal government should be reviewing the guidelines that they have in place to ensure that there is equitable treatment across the country, no matter what the timing of the disaster is. People should know, when a disaster strikes their area, no matter what the disaster, whether it is rain or fire or an ice storm, that they will all be treated equally.

* (16:40)

Mr. Jack Penner: I am a bit surprised at the minister's response, because there are some inaccuracies in the response, and sometimes it takes the initiative of the provincial government

which is in fact responsible first and foremost to its citizens. I think that is what is lacking here.

The initiative that was taken in 1988 in the Swan River area was taken by the Province. There were four ministers that flew into Swan River, visited the minister's home farm, it was her brother's farm that we visited, which was ripped right in half by the flood event. There was a deep gorge cut right across the province, some 20 feet deep in places, and I personally stopped there to see it. There was a question at the time, when we visited Swan River, whether DFA would in fact cover that event, but there was no question in the minds of the ministers that it had to be repaired. There was no question in the minds of the ministers that visited Swan River that there needed to be a decision made. There was also no question in the minds of those ministers that the individual producers, such as Mr. Harapiak, could not afford to repair the damage done to his farm, who was, I believe, the minister's brother, and so the decision was made at Swan River. Only within three weeks of being elected, we made the decision, maybe somewhat in ignorance, that the cost would be covered, and we would say to the people, repair and submit your bills. We said you have until the end of June to submit for projects that need repairing actions, and so we fixed it. Only five or six years later, were we told by the federal government that they would in fact participate in those repairs, but they did.

But it was a provincial decision that was made by a group of ministers on the spot, and that, Madam Minister or Mr. Acting Chairperson, was an indication of true caring by government—a government that was not afraid to make decisions.

That, Mr. Acting Chairperson, is the difference between a Progressive Conservative government and an NDP government. That has become very clear to many observers in this province, that the decision-making capacity or ability or will was in fact much greater under a Progressive Conservative administration than it is under the NDP, because the NDP government had a tremendous latitude during the flood event to make the decisions, to cover the damages and to cover the losses, yet they did not. They chose not to. They chose to hang people out to dry, and

there are many who have lost their businesses because of it.

In 1997—I want to reflect on what the minister said—there was a decision made to cover the losses of input costs that have been incurred prior to the flood event. Those areas that were under water for a significant period of time, and I will not put the exact number of days, although I know it, on the record, because it can be argued, but there was a decision made to cover the cost of fertilizer loss and/or chemical loss due to land being under water for a significant period of time. Those costs were covered. That decision was made by the provincial government, to cover those costs.

There was an agreement struck later; yes, there was. It was done by the provincial government. The agreement was struck later that the federal government would cost share only if the provincial government would cover the cost of the Restart program that the federal government had initiated through Western Diversification. That is how it was initially announced. So there was negotiation later on as to how those costs would be covered. We came to agreement that all of those costs would be cost shared on a 50-50 basis.

I want to remind the minister, however, that the first indication by the federal government during the flood event, which was during the election campaign, was that there would be \$5,000 extended to each person that had business losses. They would get a cash amount up front of \$5,000. Later on those people were told, sorry, that was just a cash advance like a Wheat Board cash advance, and you have to pay it back later. All those monies that were collected back by the federal government later went back to Western Diversification, the \$5,000 advance. It was just a borrow, a loan.

Many of us who applied for that and got it thought that we had \$5,000 to help us do a whole series of things on the farm or in business. It was not. It was a cash advance which was paid back later. That is fair ball. I think it was still an indication by government that there was at least a heart out there or at least an election campaign going on that somebody wanted to win, and maybe that is the reason that decision was made.

I do not know that, but I suspect there might have been some involvement. Maybe there was a sandbag too many thrown by a certain person that recognized maybe something had to be done. I do not know. Maybe we can ask that person that when he comes to Winnipeg in the near future, whether there might have been that consideration.

However, I want to go back to the statement I made about Swan River. There was a provincial government decision made. There were provincial government decisions made in 1997 and in other flood events and in the fire event of the Interlake area and the fire events of '88 and '89. There were provincial decisions made, and only years later the federal government agreed to cost share.

I think this NDP government, Mr. Doer's government, had the ability to make that kind of decision. That would have helped tremendously, would have helped tremendously those people who suffered a major, major setback. Both businesses and farmers would have had a very significant benefit if this Government would have chosen to or dared to make the decision, yet they did not.

* (16:50)

So I ask the minister, in retrospect, whether she would go back to her Cabinet, be willing to go back to her Cabinet and suggest to her Cabinet that they in fact rethink their position and, even as an afterthought, go back and pay out to those producers the losses that they incurred during that year. I suspect that would have a much greater impact to individuals who were affected by the flooding of 1999 than any other payments that are going to be made after the fact.

I think you still have an opportunity, Madam Minister, you and your Government, to make amends by demonstrating that you in fact do have heart and you do have sympathy, and that you do have an involvement in the lives and communities that were affected by disasters. It is not all just the federal government's decision, it is also a provincial decision, and it is absolutely apparent that lack of leadership was the reason why decisions were not made.

So I ask the minister are you going to go back and try and convince your colleagues that we should rethink that position.

Ms. Wowchuk: I think if we reflect a little bit, 1997 was an election year. Although the member may say that he and his government were taking leadership, we know that the federal government was falling all over themselves trying to put some money in and trying to take advantage of the election. That is exactly what happened, and the member is well aware of that, that given it was an election year, there were all kinds of money coming into the area.

The member talks about lack of leadership. I can tell the member that it was his government that was in power when the situation developed in the southwest part of the province. When we took office, we addressed the situation immediately. The Member for Thompson (Mr. Ashton), who is the minister responsible, on November 29, very soon after taking office, wrote a letter to Mr. Ron Duhamel on this issue. He said, and I quote part of the letter, that he is comparing the Red River Valley to the southwest part of the province, and he said, I quote: I believe that an agreement and the use of such program models as the Western Economic Diversification Canada jobs and economic restoration initiative and the Business ReStart, which helped Manitobans in the aftermath of 1997 Red River Valley flood of the century, would provide an effective means of developing the assistance that the western Manitoba region now so desperately needs.

For the member to say that there was no leadership on the part of this province and no action taken, I want to tell the members at this table that is completely inaccurate. There has been follow-up discussion. I was in fact at a meeting with Mr. Axworthy, Mr. Vanclief, Mr. Duhamel. My deputy minister was at the meeting, along with Mr. Ashton, where we tried again to raise the issue to get the same kind of treatment for the southwest part of the province as for the Red River Valley. We were told, point blank, no. There was no money. They were not putting it in. They were not putting it in at 90-10; they were not putting it in at 50-50.

That is quite unfortunate that the federal government took that decision, because there

was, through Freedom of Information, the Member for Brandon-Souris, the federal member, received documents that the federal government actually did know that there was justification for the federal money, to put money into this. Had the federal government come through. Definitely. We were prepared to put our money in. There are still some outstanding credits from the money that has been put into the southwest of the province that we think the province should get credits for.

I guess I want to also remind the member there has been a lot of money put in, and it is across the province. Now this does not separate out the issue of the southwest part of the province, but there is money that has gone from CMAP 1. There will be money that goes through CMAP 2. That is some money that will go into the area. It does not address the whole issue of difficulties in the southwest part of the province.

Certainly I have had the opportunities to meet with businesses in the southwest. Our Premier (Mr. Doer) has had the opportunity to meet with producers in the southwest part of the province. We have said clearly to the people of the southwest, whether it be weed infestation, whether it be the debris that is on their land, all of those things should be covered, just as the federal government covered the ice storms and flooding in other areas.

Again, I say to the member he would imply that it was the Province in the Red River Valley. I think not. I think it was, if memory serves correctly, the federal government that came forward and set the precedent in the Red River Valley with that flooding. The federal government has a responsibility and they have neglected their responsibility to address a disastrous situation in the southwest part of the province. That is where the responsibility lies.

This Government has lobbied the federal government, has indicated quite clearly that we are willing to put our money on the table, but we are not taking over the responsibility of a federal government when they have set a precedent in another area. They were advised. Mr. Acting Chairman, the federal government was advised that there were options for them.

Information obtained through the Access to Information Act revealed that during the summer

of 1999 federal officials provided the government with two possible program options to help southwestern Manitoban farmers who suffered through one of the worst natural disasters this province has ever witnessed in the spring of 1999. Agriculture and analysts stated at the time the water saturation of the area was worst for the farmers than the 1999 Red River Flood in terms of actual acreage under water. However, the federal government chose not to implement the recommendations.

When you think about it, the southwest part of the province flood was more serious than the Red River Valley because in the Red River Valley the water came, ran off, farmers got support from the federal government, but they were also able to plant a crop. They were able to plant a crop. In fact I think they took off quite a good crop that year.

In the southwest part of the province farmers were encouraged by government to continue to seed, because the Crop Insurance day deadlines were extended. They put some crop in. They then had a very poor crop. The costs of trying to take that crop off were burdensome for those farmers, but there was also the whole other issue of weed control. All of those issues are still there. There is the issue of the economic downturn in the area. Again, had the federal government recognized and not chose to take a different position than they did during the Red River Flood, it would be a different situation for those farmers. It is unfortunate.

The Member for Thompson (Mr. Ashton) was just recently in Ottawa and met with Mr. Eggleton and discussed this issue again, but to no satisfactory answer. I am disappointed that the federal government has chosen to take this position. We continue to lobby on behalf of all producers in Manitoba. Certainly the grains and oilseeds sector is one that we heard a lot about when we had our presentations made before the Standing Committee of Agriculture of the Legislature, and there are still effects that are felt because of the loss of income in that area. It only stands to reason that you would see a downturn in some of the numbers. When you take close to a million acres out of production for one year and then the following year still have very

serious weed problems to clean up, then there is no doubt that this has had a negative effect.

* (17:00)

We continue to work, Mr. Acting Chairman, and I know that farmers were very appreciative of the money that came from CMAP 1 and the money that is going to come from CMAP 2. We will continue to lobby the federal government to address the grains and oilseeds crisis. I know my colleague the Minister of Transportation and Minister responsible for Emergency Measures (Mr. Ashton) will continue to have discussion with his counterpart at the federal level.

The Acting Chairperson (Mr. Martindale): As was previously agreed in the House, the hour being five o'clock, committee rise.

ENABLING APPROPRIATIONS

* (14:50)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for Enabling Appropriations.

Does the honourable minister have an opening statement?

Hon. Greg Selinger (Minister of Finance): No, I do not, Mr. Chairperson. I am ready to go directly to questions.

Mr. Chairperson: Does the honourable critic have any opening statement?

Mr. John Loewen (Fort Whyte): No, Mr. Chairman, I am prepared to go to questioning.

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

Mr. Selinger: We have with us today the associate secretary to Treasury Board, Ms. Debra Woodgate.

Mr. Chairperson: Does the committee wish to proceed through these Estimates in a

chronological manner or have a global discussion?

An Honourable Member: Global.

Mr. Chairperson: Global discussion being suggested, is that agreeable to all sides? *[Agreed]* The floor is now open for questions.

Mr. Loewen: Mr. Chairman, on page 1 of the Enabling Appropriations Expenditure Summary, the amount of \$69,249,600 is indicated and broken down into Operating, Infrastructure and Capital Grants. Then on page 3 it is broken down in detail.

I wonder if the minister could indicate to me, the items on page 3, which category do they fall into in their category on page 1.

Mr. Selinger: I was afraid you might ask that. That information is forthcoming as we speak. Well, obviously, under Capital Grants, that would include the Red River Floodway, an item of \$40 million as a capital item. I am assuming it would include the Infrastructure item of \$2 million, which would be a capital item, and Northern Airports for \$2.4 million so that brings you up to \$44.4 million. Then, of course, there are Capital Grants at the top of that page, on page 3, of \$175,800, and additional Capital Grants under Flood Proofing for \$1,377,000. That should get us very close to the 46. I am not adding it up as I go along, but that gets us, I believe, within shooting distance of that \$46.1 million.

On the operating side, the Operating grants would include the \$186,000 under the Winnipeg Development Agreement, the \$450,000 under the Framework Agreement on Treaty Land Entitlements, the \$870,000 under the General Agreement on the Promotion of Official Languages. Those are the three under Operating. Then Infrastructure, the \$21.5 million, that would include the \$18 million of the Medical Equipment Fund and the \$3,748,000 on the Flood Proofing Programs.

Perhaps, and I take your general point, it might be easier if we displayed that a little better next year. So we will try to do that. But does that help?

Mr. Loewen: Thank you, that does help. Just for clarification, because the numbers do not quickly

add. I just want to make sure I have got it right. Item (f) on page 3, Infrastructure Program, is, in fact, a Capital Grant, I think the minister indicated? If the two Infrastructure grants are the Medical Equipment Fund and the Infrastructure under section (b), it is a couple of hundred thousand more than the Infrastructure number. So I assume part of one of those is maybe capital too? I guess the point being if the minister could provide me with a breakdown.

Mr. Selinger: We will break out the specifics for you to make sure it reconciles properly. I am basically freelancing it here with my associate secretary. It should be displayed more so that it articulates better with page 1 and page 3. But I believe, except for those minor differences, that it gives the flavour of how they are allocated on page 1.

Mr. Loewen: Could the minister clarify that the funds indicated in the Infrastructure Program, the \$21,595,000 on page 1, are those funds over and above the \$180-million Infrastructure Program that has been announced? Or do they comprise part of the \$180-million Infrastructure Program that is, I believe, to be rolled out over the next six years?

Mr. Selinger: The Infrastructure Program 26.1.(f) on page 3 is 20 percent of the amount committed this year for the Infrastructure Program. The remaining \$8,168,000 is shown in Intergovernmental Affairs, and that is just for this year, for the provincial side.

Mr. Loewen: I am sorry, 20 percent of the \$8 million. I am looking for the \$8-million figure.

Mr. Selinger: There is \$10 million in total allocated for the infrastructure agreement in the 2001-2002 vote; \$2,042,000 is shown here on page 3. The remaining \$8.168 million is shown in intergovernmental affairs. So, Mr. Chair, that is \$10.211 million out of the entire \$61 million committed to the program over the next six years.

For further clarification, on page 111 of the main Estimates book, it breaks that out for you.

The \$8,168,000 is shown under 13.7.(7)(a) on page 111 of the main Estimates book.

Mr. Loewen: I take it, then, that the \$18 million listed in the Medical Equipment Fund as item (g) on page 3, and included in the Infrastructure on page 1, is separate from the \$180-million three-way—

Mr. Selinger: Yes.

Mr. Loewen: I will just ask the minister if there is any other—the amount indicated, I believe, was for an announcement on the infrastructure fund. Are there any other infrastructure funds that have been approved?

Mr. Selinger: There is a little confusion in that infrastructure is used as an accounting term in several allocations throughout the Budget, but the Infrastructure Program allocation is that one shown on page 3, under 26.1.(f). So Infrastructure Program is broken out and separate from infrastructure, and the Infrastructure Program is that \$180-million, six-year agreement with each level of government sharing one-third of the cost.

Mr. Loewen: With regard to the five-year expenditure summary and the estimates of expenditure for the Manitoba Potash Corporation and Venture Manitoba Tours Ltd. on page 7, can the minister indicate what the actual expenditure was for 2000-2001?

Mr. Selinger: As part of explaining what is going on here, this \$775,000 is a provision for operating costs for both the Venture Manitoba Tours Ltd. and the Manitoba Potash Corporation. So it is a shared amount there.

The actual amount expended on the Potash side, the final numbers have not been tabulated, but it is estimated to be \$257,800. That is the projected expenditure of interest costs and other costs for last year. I should just point out that we have skipped out of Enabling into Other Appropriations, but I am okay with that. We can, maybe, just do it all at once.

* (15:00)

Mr. Loewen: I wonder if the minister had an actual amount for the Venture Manitoba Tours Ltd.

Mr. Selinger: For Venture Manitoba Tours Ltd., \$525,000 was provided for, and that has not been actually reconciled with the actual financial

statements as of yet. But that was the amount provided for last year.

Mr. Loewen: I just recall from the last time committee met to go through the financial statements of the Venture Manitoba Tours Ltd., they had actually turned the corner and produced a profit. What I would like to know from the minister—I know last year they had some trouble with some of the food services up there—I am just wondering if we are now faced with the situation where, as a result of maybe some loss of business from that, the operation has shifted back into one where a significant loss might be expected in the next year.

Mr. Selinger: In 1998-99, Venture Manitoba Tours Ltd. lost about \$209,000. In '99-2000, they made a modest \$136,000. They have struggled this year as a result of the health issue that arose there. It reduced the number of people booking time there. Some corrective measures have been taken, including some capital investment, to improve the facilities. We do not have an actual statement here right now, but I can inform the member that the Venture Tours Manitoba Ltd. is monitored by the Manitoba Crown investments council, and they have been paying attention to that item and working with the host department, the Department of Conservation, to improve the situation there.

Mr. Loewen: Just to finish off that section, at one point, I know there were reports in the media and this goes back a couple of years, where there was some interest from members of the private sector in, I guess, purchasing the golf courses, particularly Falcon Lake and the one up at Gull Harbour, as well as the possible purchase of the resort and conference centre and privatizing that whole issue. I am just wondering if there are any discussions under way or anticipated along the same lines.

Mr. Selinger: There are no specific proposals being looked at, at the moment. Part of the capital investment that was made this year was to ensure the facility was in proper functioning, or working order, to ensure that all options were available for any future direction that we might want to take that facility.

Mr. Loewen: With regard to item 26.4.—sorry we are jumping around a little bit here—Internal

Reform, Workforce Adjustment and Salary Increases, the number is up quite significantly over the Estimate last year, a little under \$21 million. Can the minister give an explanation for that rather large increase?

Mr. Selinger: The actual amount was the same amount we actually budgeted for last year. What we did in the reconciliation statement is, we moved out \$21 million out of last year's amount for the GSI settlements. So in last year's Budget, it was about \$26 million, with general salary increase that went to the civil servants.

When that \$21 million was taken out, it left a residual of about \$5.8 million, so the actual amount budgeted for this year is about the same as last year. The reconciliation should appear in the Budget document. It is on page 143. It shows how it was reconciled.

Mr. Loewen: Would the minister anticipate that next year there would be a somewhat similar adjustment?

Mr. Selinger: We do not anticipate any adjustment in this year's Budget for General Salary Increase because it was dealt with last year, but there could be other adjustments as the result of other issues that are addressed during the year from this account.

Mr. Loewen: With regards to item B.9, on page 10, I notice that there is a Better Systems Initiative allocation there of \$19,550,000, which provides for the capital investment and other requirements for the Better Systems Initiative. Has there been an update in the last 18 months with regards to cost-benefit analysis for the spending that is going on with the Better Systems Initiative?

Mr. Selinger: The member might recall that one of our favourite accounting firms looked into all the IT issues upon coming into government, including the BSI initiative. This initiative was refocused and slimmed down. It was doing a number of things before that were not necessarily generating deliverables, and the member might also recall that there were some write-offs or provisions made there last year. There was a hard look at it done under that review by a specialist out of, I believe, Ottawa, that came in to lead up that review and give us advice on how to refocus that initiative.

One of the things that has happened there, is that we are not necessarily building every new software initiative from the ground up. We are looking at, in specific instances, whether it is better to make the program or buy it, and we are sharing among other provinces. For example, we discussed this in Finance. We are going to be automating the taxation system in Finance and we are purchasing that program and the development of that program from a company that has done it in another jurisdiction successfully, instead of doing it from scratch here in Manitoba.

In each case, we are looking to see if there is a—the make-or-buy option provides the best value.

Mr. Loewen: I appreciate the minister's answer. I realize that that area, in particular, had a very serious look in the review that was undertaken. It makes me even more curious as to why it has gone up by \$2.5 million. Are there any specifics in there that account for the increase?

Mr. Selinger: The \$19,550,000 provided in this Budget, provides for the cash flow requirements of the Better Systems Initiative, not the total project costs in each case. I can give the member the breakout of the cash flow requirements for the projects that are being looked at this year. These are subject to some change as they go along, but for example, the Integrated Case Management Project for daycare is budgeted for \$2.5 million. The taxation program that we have just discussed is budgeted for \$7 million, and that was considered to be about half the cost of doing it from the ground up.

The Business Inspections program requires a cash flow of \$650,000 this year. The Common Business Identifier project is budgeted for \$3.5 million this year. The common functionality initiative is half a million dollars, and then there are \$2.9 million for shared costs, and \$2.5 million for interest costs. That shared-cost item of \$2.9 million is overhead costs shared by all the projects.

Now, there are some smaller items in there. There is a half a million dollars for a Human Resource module for the SAP system. *[interjection]* Oh, I am sorry. That is not in the

BSI Initiative. That is over and above that. That is for other information technology projects.

* (15:10)

Mr. Loewen: I thank the minister for his response and the assistance of his able staff. I know my colleague has a couple of questions on emergency expenditures.

Mr. Marcel Laurendeau (St. Norbert): Mr. Chairperson, I believe the staff for the Emergency Measures might be—if we could invite them in. You could handle it, Greg. It is going to be one simple question. If not, we will get Mr. Ashton in, but I am sure you can handle it.

Mr. Chairperson: Does the committee have leave that we consider this next item? *[Agreed]*

In the meantime, we will continue with this one. *[interjection]* Order, please. It will not be recorded until I recognize the honourable minister.

Mr. Selinger: Mr. Chairperson, we agreed at the outset that we would take Enabling, Other Appropriations and Capital on a global basis, so we will endeavour to answer the question.

Mr. Chairperson: Agreed. The staff may come in now. Can we invite the staff into the Chamber now?

Mr. Laurendeau: Mr. Chair, my question for the minister through the Emergency Measures side. Within the community of St. Norbert we had some bad flooding, as the member is quite aware, back in 1997. There were a number of claims that still have not been paid out to date. We are starting to get a little concerned that we might pass the dates that these claims will expire, and we will not be able to get those funds.

It is by no means at the fault of the constituents. It is the City of Winnipeg that is holding them hostage at this time. They have been since 1997. We are tired of being held hostage in St. Norbert. We are willing to live with that for a short period of time, but we are waiting for the commitment from government

that those funds will not end. We want to make sure that the funds will be available when the final diking proposals do go through, and we want to make sure that those funds are in place.

Would the monies from '97 come from this fund that we are speaking of now, or do we have to go back to the feds for this allocation?

Mr. Selinger: There are two components to the '97 flood. There are the claims for damages and then there are claims for flood proofing. The claims for damages have all been booked in previous years, so they should be okay, if that is the component you are referring to. Are you also concerned about flood-proofing claims? That is under the Enabling Appropriations, not the Other Appropriations under the Conservation Department. It would be under the Canada-Manitoba enabling vote in the Enabling Appropriations. We will just get some detail for you on that.

For information under the enabling vote, there is \$5.1 million set aside, and under Conservation \$20.5 million for various programs of flood proofing, rural and home business, economic anomalies, community ring-dikes, City of Winnipeg, provincial infrastructure. The City of Winnipeg component is \$2.5 million for this year. Last year it was \$1.7 million. We do not have the specifics on deadlines. We would have to get that for you.

Mr. Laurendeau: My concern on the flood-proofing side is that there will not be enough money allocated within the flood-proofing agreement. The City of Winnipeg is going to fall way short of the monies that are required, let alone the previous years. There are a number of infrastructure programs that have to take place within my area throughout the community for pumping stations. It is millions of dollars of infrastructure, which they had listed as their priorities back in '97, '98, and were working through the system.

There is just not enough money there. I am hoping there will be more money allocated in the years to come, or that we will be reaching out to government while that opportunity is there, because the federal government was not very open in the past. They have turned down many other provinces. Unless you are Québec, they do

not want to listen. I think it is important that we step up to the plate on this one, and make sure that the federal government knows that we are serious and we want our fair share here in Manitoba.

Mr. Selinger: The member is correct that the amount of money provided by the federal government is not adequate to address all of the flood-proofing projects that are needed in Manitoba. We have made several representations to them to expand the amount of funding available. So far we have not received an affirmative response on that.

We continue to press that issue with them through the Minister of Conservation's office. It is a big concern for us. We will keep moving the money into projects on an as-needed basis, but at a certain point we are going to be short. That is a very big concern for us.

Mr. Laurendeau: That is one of my concerns, Mr. Minister. You might not be aware, but part of the reason we are holding up some of these funds, some of these flood victims from '97, is because we have not got the infrastructure money in place to put the dikes in place for these people. They cannot get back their 20 percent until the dikes are in place.

So it is a catch-22. We will not allow them to build their own dikes, and yet we will not build the dike, and yet we hold back the 20 percent. It is not fair, and I think it is about time we get the relief to these people. They have suffered enough since 1997. I think that they should have the money that they put out of pocket. If we cannot get our act together and build them a dike, they should at least have their money. I do not think that is fair.

Mr. Selinger: On the specifics, I would recommend that if the member has specific people that are suffering because of the Catch-22 that he has outlined for us, that he put that in writing to the Minister of Conservation. Okay. We can ask the department to see how they are dealing with that. I am not aware of the details. If the member wants to provide me with details, we could check with the department and see how they are dealing with that. I am not aware of the details, but if the member wants to provide me

with details we could check with the department and see how they are handling it.

Mr. Loewen: Mr. Chair, with regard to the Red River Floodway renewal and expansion, there are \$40 million set aside here, which coincides with the number announced in the Budget. I understand it is contingent on the federal government agreeing to come in with \$60 million in matching funds.

I am wondering if the minister has had some discussions with his federal counterparts, and whether they have given any indication that they would be willing to come in with the necessary funds so that the Province can proceed with its \$40-million investment.

Mr. Selinger: You are right. It is a contingent contribution on a proper match from the federal government. Those negotiations are being carried on through the Premier's Office, Executive Council, who are responsible for federal-provincial negotiations as we understand it. So that is all the information I have right now.

Mr. Loewen: Just in closing, then, I am sensing a bit of a contradiction here because a number of times in the House the minister of highways has indicated that, with regard to negotiations for the farm crisis, that there was no point in the provincial government putting money on the table, because the federal government had not indicated a willingness to put their money on the table. But in this case, Mr. Chair, the province seems willing to put its money on the table first.

So I guess I am curious about that contradiction in approach. I am wondering whether any thought has been given by the Government to set aside \$40 million for farm aid, for aid to the agricultural sector in Manitoba and use that as a leverage to get the federal government involved.

* (15:20)

Mr. Selinger: Well, I thank the member for that wry observation. There are some differences. There has been substantial money in the last two years, outside of the normal budget process, that was put on the table by the provincial government to match a contribution of the federal

government for the CMAP, the Canada Manitoba Adjustment Program; \$38 million was put in this year, and I believe it was about \$40 million last year.

So there have been hard cash contributions made by Manitoba to support farmers put up front to get federal dollars brought into Manitoba, and it is very similar to what we are doing here.

Mr. Harry Enns (Lakeside): Mr. Chairman, through you to the minister, I make the same request of this minister that I raised with the Minister of Government Services and Transportation (Mr. Ashton) earlier on in his Estimates. You know, I think we are all fortunate that our overall fears did not come to fruition with respect to the severity of the Red River flood in the Red River Valley.

However, as the minister is only too well aware, there was a substantial amount of damage that is being done. Unquestionably, there will be a significant claim that will be put forward to be cost-shared by Ottawa. There is, I think, a long-standing formula that falls in, which changes the percentages with the level of the claim.

There has always been a little concern. This year, he only has to ask his minister of highways, or the minister is calling Minister of Conservation about. There has been a tremendous amount of damage done throughout the infrastructure system, much of it water related. I appreciate the feds draw pretty tight parameters around it.

I want to encourage the minister to make it as all-inclusive as possible, in the sense that somebody is going to have to pick up the bill. If we can find reasonable grounds for it to be shared under the in-place federal provincial emergency measures relief formula, I think it is to the benefit of us. I speak particularly for a number of municipalities, including those municipalities on some of the lesser streams, the Whitemud Municipality of my colleague the Member for Ste. Rose (Mr. Cummings); my own municipality, Woodlands, we have throughout the southeastern part—the Roseau River acted up late last year. Unusual November, December flooding—

I believe a case can be made that a great deal could be attributable, some of the tributary flooding, to the above normal levels of our major rivers: the Red and the Assiniboine. Ergo, if there were problems, your minister of highways has to fix up a million-dollars worth of culverts and roads in municipalities alongside the Roseau River. *[interjection]* I would call that part of the Red River flood and try to rope it into that formula.

In other words, it is just an encouragement to the minister, because I do believe that he can succeed. It will be easier for his Government and his associate ministers, who have specific responsibilities, to meet the very real unexpected costs that we have experienced throughout different parts of the province in this very kind of unusual spring. Unusual with an unprecedented number of frost boils in our roads, high water pouring ripping out culverts, and so forth. In total, they add up. To the extent possible to add up to the formula, the better chances of getting Ottawa to share it with us.

Mr. Selinger: I think that is useful advice from the member. Obviously, if we could get the inclusions for federal cost sharing to include infrastructure, such as roadways that have been washed away, it would obviously be to Manitoba's advantage. I will take your advice as good advice, and see what we can do to aggressively pursue our interests in this regard.

Mr. Loewen: Just one last question regarding the Infrastructure Program. The minister has indicated that \$8 million of that is in the Intergovernmental Affairs Department budget. I find it curious that there was not an amount included in the Estimates for the recently announced \$10-million Infrastructure grant to the arena.

I just would ask the minister, given that negotiations have been going on for a year and obviously are at the time of the budget very close to fruition, is there a particular reason why that \$10-million amount has not been included in the Infrastructure grants?

Mr. Selinger: We are not providing a \$10-million cheque to the True North project. It will be cash flowed on a regular basis, as they

provide justification for the expenses. So it is included within the overall \$10 million, the 2-8 split. We will work it in as they provide the bill over the next few years of construction of that facility.

Mr. Loewen: I understand the \$180 million has been divided into a number of pots: \$54 million for rural Manitoba, \$54 million for the City of Winnipeg, and \$54 million for strategic investments, as decided by the three levels of government. I ask the minister, out of which pot the amount for the True North project is to come from?

Mr. Selinger: That, technically, is a question for the Minister of Intergovernmental Affairs. I believe it comes out of the strategic portion. I would want to verify that, but that is my understanding.

Mr. Loewen: I appreciate that, and we will start the Estimates on Intergovernmental Affairs next week, I think, so I am just wondering, perhaps the minister could, and I am not sure if this is in Intergovernmental Affairs or not, but would a potential footbridge linking Provencher to The Forks come out of the Winnipeg portion, or out of the strategic investment?

Mr. Selinger: In an attempt to bridge this question to the next set of Estimates, I will leave the details on that for the minister, because it is a hypothetical. There has been no decision made on that yet. I would not want to be allocating any hypothetical projects before the minister has had all the time she needs to give it due consideration.

Mr. Loewen: To the minister, I appreciate why he would not want to get into the hypotheticals, so I will ask him back into reality. I am sure that funds have been set aside for a much needed infrastructure program at Kenaston and Wilkes. I wonder, seeing as how I am sure we are back into the reality section, if he could indicate what pot that would be allocated from.

Mr. Selinger: Once again, I think we are stretching the Enabling Appropriations category here for discussion. I would refer that question

as well. It is also a hypothetical question and I am sure the Minister of Intergovernmental Affairs (Ms. Friesen) could address that properly, but in neither case of the underpass or the foot bridge has any binding decision been made by the three levels of government. Therefore, there has been no allocation for either of those projects.

Mr. Loewen: I thank the minister for that information and, on the basis of the information he has provided, I am ready to pass.

* (15:30)

Mr. Chairperson: Resolution 26.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$69,249,600 for Enabling Appropriations, Canada-Manitoba Enabling Vote, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 26.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,400,000 for Enabling Appropriations, Sustainable Development Innovations Fund, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 26.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,500,000 for Enabling Appropriations, Justice Initiatives, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 26.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$26,000,000 for Enabling Appropriations, Internal Reform, Workforce Adjustment and General Salary Increases, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

That completes the section on Enabling Appropriations.

OTHER APPROPRIATIONS

Mr. Chairperson (Conrad Santos): Now we are going to Other Appropriations. Are there any questions?

Resolution 27.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,000,000 for Other Appropriations, Emergency Expenditures, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 27.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$775,000 for Other Appropriations, Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

That completes the estimates on Other Appropriations.

CAPITAL INVESTMENT

Mr. Chairperson (Conrad Santos): We are going to Capital Investment. Any questions on Capital Investment?

Resolution B.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$56,000 for Capital Investment, Agriculture and Food, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$889,000 for Capital Investment, Conservation, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$500,000 for Capital Investment, Consumer and Corporate Affairs, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,021,000 for Capital Investment, Family Services and Housing, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,417,000 for Capital Investment, Finance, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,000,000 for Capital Investment, Health, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,494,000 for Capital Investment, Justice, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$22,640,000 for Capital Investment, Transportation and Government Services, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution B.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,983,000 for Capital Investment, Internal Reform, Workforce Adjustments and General Salary Increases (An Enabling Appropriation), for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

That completes the Estimates on Capital Investment.

* (15:40)

LEGISLATIVE ASSEMBLY

Mr. Chairperson (Conrad Santos): We are now proceeding to the section on Legislative Assembly. Shall we have a brief recess?

Some Honourable Members: No.

Mr. Chairperson: Will the Committee of Supply please come to order. This section of the

Committee of Supply will be considering the Estimates for the Legislative Assembly.

Does the Speaker have an opening statement?

Hon. George Hickes (Speaker of the Manitoba Legislative Assembly): Good afternoon. This afternoon I will be defending the Estimates of the Legislative Assembly. This is the second time that the Speaker of the Legislative Assembly will be answering questions about the Legislative Assembly Estimates. Last year I appeared before the Committee of Supply to defend the Estimates as part of a two-year trial period. Traditionally, the Government House Leader has been the defender of the Assembly Estimates, but under a two-year trial period agreed to by the Legislative Assembly Management Commission, it is the Speaker of the Assembly who will be defending the Estimates.

I look forward to any comments or questions that members may have.

Mr. Chairperson: Does the honourable Opposition critic have any opening statement?

Mr. Marcel Laurendeau (Opposition House Leader): I will be very brief, Mr. Chairperson. We were at LAMC when we approved this two-year test. We think it is a very good thing to have the Speaker answering to us, because it is very seldom we have a chance to question the Speaker. We are hoping that he will not take the shots—I mean the questions—that we take against him personally, because we know it is not he who really makes the decisions at LAMC. We know that it is supposed to be done on a consensus. We understand that. That is why we never get anything out of LAMC.

Mr. Speaker, we are looking forward to the opportunity to put the questions to the Speaker. If you could bring in his staff, we will move ahead.

Mr. Chairperson: At this time, we invite the Speaker's staff to join us at the table. We ask the Speaker to introduce the staff in attendance.

Mr. Hickes: I have in attendance advising me today Mr. Fred Bryans, who is the Executive

Director of Administration and Finance; Ms. Susan Scott, who is the Director of Member Services; and Ms. Patricia Chaychuk, who is the Clerk of the Manitoba Legislative Assembly.

Mr. Chairperson: Does the committee wish to proceed through this Estimates in a chronological manner or have a global discussion?

Mr. Laurendeau: Global.

Mr. Chairperson: Is that agreeable to the Speaker? *[Agreed]* The floor is now open for questions.

Mr. Laurendeau: Seeing as this is the first opportunity we have really had to question the Speaker on this, I am wondering if you might inform me if we have anything built into the Legislative Assembly that would give us a little bit of freedom when we are looking at our rural colleagues who are having to come from so far away and burn so much fuel with the price of gas going up so dramatically.

Do we have anything built in at LAMC that would give us the capability to see that these rural members were not being penalized?

Mr. Hickes: For the honourable member's information, travel expenses are set by The Legislative Assembly Act. In order to increase or decrease, the act would have to be reopened and revisited and agreement would have to be sought through that avenue.

Mr. Laurendeau: Could the Speaker tell me the last time that this occurred?

Mr. Hickes: It came into effect after the election of April 25, 1995, and the act has not been opened since then.

Mr. Laurendeau: I believe that was the Wally Fox-Decent report. Did that not have a clause in it that said it should be reviewed after five years? Would it not be appropriate to have that review occur?

Mr. Hickes: There was a clause in the act that recommended that the act be looked at after the next election which occurred on September 21, 1999.

Mr. Laurendeau: What would be the way to have this review occur?

Mr. Hickes: The recommendation was that it could be visited by the Legislative Assembly Management committee, and the recommendation would be that it be revisited by an independent commission or reviewed by staff or the members.

Mr. Laurendeau: Would we be able to move an Opposition motion in the House requesting this happen, or is it something that has to happen at LAMC?

Mr. Hickes: For the honourable member's information, a motion could be brought forward as a sentiment, but if you receive any directions from anyone, I think the advice probably would be to try and get it through the Legislative Assembly Management committee to look at revisiting it which is recommended by Wally Fox-Decent when he brought forward the act.

Mr. Laurendeau: I always thought that we in this Legislature basically were the supreme rule over all the committees, and I thought that LAMC was just a committee of this House, and I thought that an order from this House would be rather well received by that committee. Would you not agree?

Mr. Hickes: The Legislative Assembly committee oversees the expenditures of the Legislative Assembly. Each member of the Legislative Management committee is a representative of their caucus. A member that is representing their caucus is speaking for their caucus, so every member of the Legislative Assembly, in a sense, is represented at the Legislative Assembly Management committee by their representatives.

The other question was: Would a member of this House have more power or more say in bringing forward an issue? Anything that is brought forward by the representative of the caucus, hopefully, is being requested by their full caucus. So members are always represented, whether they are in body or not, and are represented by their representative. So every member is represented every time we meet for LAMC.

* (15:50)

Mr. Laurendeau: I would like to thank the Speaker and his staff, and the pages that work with the Speaker, and for the job that they have done over the years, and even Mr. Bryans. Even though you give us a hard time sometimes, we do appreciate the work you all do. I am prepared to pass, at this time—*[interjection]* I might be, but they are not.

Mr. Doug Martindale (Burrows): I would also like to put some comments on the record to thank the pages for this session. They are always extremely helpful to us as members. They always serve us with a smile on their face. Usually, when we talk to them, they say that they are even more interested in politics after serving a session as pages. So, collectively on behalf of our caucus, I just want to thank all the pages for all their service to all members.

Mr. Harry Enns (Lakeside): I have a whole number of real thorny questions for the Speaker at this time. While I know that he is an excellent whale hunter in his earlier pre-legislative life, I am not really sure whether or not he has a vindictive streak in him.

Seeing as how he rules over all of us from that Chair most of the time—and on occasion I like to be recognized—I will withhold any of these questions. I will simply take this opportunity of thanking his administration for the courtesy and for the efficiency with which they deal with all of us.

Mr. Speaker, we certainly have no complaints. We feel that we are being extremely well served. Thank you.

Mr. Chairperson: Are we ready to pass the resolutions?

Resolution 1.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,951,000 for Legislative Assembly, Other Assembly Expenditures, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 1.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,113,800 for Legislative Assembly, Office of the Provincial Auditor, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 1.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,069,200 for Legislative Assembly, Office of the Ombudsman, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 1.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$812,300 for Legislative Assembly, Office of the Chief Electoral Officer, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 1.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$566,900 for Legislative Assembly, Office of the Children's Advocate, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 1.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$181,100 for Legislative Assembly, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

That completes the Estimates of the Legislative Assembly.

FAMILY SERVICES AND HOUSING

Mr. Chairperson (Conrad Santos): We are now going into Family Services. Do we need a recess?

Some Honourable Members: No.

Mr. Chairperson: Will the Committee of Supply please come to order. This section of the Committee of Supply will now resume consideration of Estimates for the Department of Family Services and Housing, and, as was agreed in Committee Room 254 this morning, the Estimates for Healthy Child Manitoba will also be considered at the same time.

As opening statements have been given, the agreement this morning was for global consideration. The floor is now open for questions.

Mr. Glen Cummings (Ste. Rose): There is a committee of Cabinet that has been designated as the oversight for Healthy Child. How often does this committee meet?

Hon. Tim Sale (Minister of Family Services and Housing): The committee meets monthly, Mr. Chairman.

Mr. Cummings: Without revealing any state secrets, does that mean that the ministerial meetings occur monthly as well as the deputy minister meetings?

Mr. Sale: Yes, that is the case. We meet monthly. The deputies prepare the basic work for the ministers' meeting each month. I meet with my deputy, who chairs that committee, prior to each meeting to review the work for the ministers. The ministers meet and deal with the agenda, and we go on.

Maybe while I have the floor I would just like to share with the member some material about Healthy Child, which we have just developed in the last little while. I do not know if he has it or not. Can I just pass that to him for his information. Probably it will help him ask more questions, but what the heck.

I will just tell the member that we developed that information so that we could present to various community groups how the Healthy Child program was conceptualized and how we work with the many different partners in the community. I think if he reviews it, it will give him a sense of the continuity that there is with programs that were begun during the time that his party was in government and the expansions and additions that have taken place since that time as well.

* (16:00)

Mr. Cummings: Mr. Chairman, perhaps ask the minister if he would introduce the staff with him today.

Mr. Chairperson: Will the minister kindly introduce the member of his staff today.

Mr. Sale: Jan Sanderson is our acting director, formerly our human resources person, senior person between Health and Family Services. Leanne Boyd, whom I know well except when I am introducing her, is the director of evaluation of policy for Healthy Child Manitoba, and administratively it reports to Peter Dubiensi, who is the ADM in the Child and Family Services division.

Mr. Cummings: So then I can assume that the position that I am responsible for heading up, Healthy Child, today is not filled by the person who originally was working in this program.

Mr. Sale: That is correct, Mr. Chairperson.

Mr. Cummings: Let me say for the record that in looking at Healthy Child Manitoba, I appreciate that the minister is saying that a good deal of these programs have their basis over a period of years including beginning, some of them, under the previous administration.

I have some questions regarding the parent-child centres, and I will necessarily be abbreviating my questions because we have been preempted a little bit by the time that I have available here. Under the parent-child centres that the initiative includes, can he tell me how many are anticipated and how many are currently in operation?

Mr. Sale: Mr. Chairperson, if I could ask the member to look at the front page of the material I handed him with the little kid in the middle, that is my grandchild and we have waived copyright. No, that is not true. I beg your pardon?

Mr. Cummings: It is on the record now.

Mr. Sale: Yes, right.

I ask him to turn to the second page, and you will see in the green bar Community-Based Family Supports, the Regional Early Years Teams and the Parent-Child Centred Coalitions. Each region of Manitoba is covered by a regional early years team. I believe we have approximately 24 of those teams in place at this point. There may be a couple more added in the next little while. Some of them are covering very

big areas. They are made up of early childhood educators, daycare staff, public health nurses, teachers, parents, Child and Family Services workers and others who are interested in early years and early childhood education.

Those teams help to allocate resources under the Healthy Child program and specifically under the parent-child activities. The Parent-Child Centred Coalitions means that the coalitions are centred on parent-child activities. We are trying to get away from the notion that we are developing a whole lot of new physical places called parent-child centres. In some cases, there are such places, such as Wolseley family centre, or Carman, et cetera. In other places, for example, in eastern Manitoba the Franco-Manitoban community has one application which covers something like 13 different centres where, operating out of a van or a trunk of a car, the team will take resources to a church basement or to a community hall or another space in the community where some form of program or activity would take place. So we are trying not to see this as physical spaces, but activities which may or may not take the form of a separate parent-child centre.

It would be difficult to estimate the number of program sites in Manitoba because, as the member probably knows, for example, in Brandon in the Child and Family Service Agency, the Elspeth Reid Centre, there is a very lovely child-care centre there that acts as a kind of parent-child centre, child-care centre place for early childhood activities, parent-child activities, parent education. So that centre is one of many in the community where activities of this kind take place.

If the member wants us to try and get a rough list of the physically separate centres that are parent-child centres separate from other facilities, we can try and do that, but we are really trying to promote the notion that we have already got lots of space out there in daycare centres, in schools, in Indian and Métis friendship centres. We are trying to get our coalitions to use the available spaces and not necessarily to pursue the development of new additional space that then requires us to pay for the space when we have got perfectly good facilities that are already in the community.

Mr. Cummings: I would agree that we do not need to be looking at, in every case, or even in the majority of cases, facilities, but what I am interested in is the notion of the organizational structure that is out there. The way the minister just described it, it could, in fact, be very easy to pull together or to use existing structures that are out there but out of the 24 regional teams they must have some idea currently, or in the near future, how many groups of people that they would be nominally working with in the delivery of the program, or is it too soon to ask that question.

Mr. Sale: No, it is not too soon to ask the question. I think what we have been impressed with though is that by using these regional teams based in part on the regional health authority boundaries and in part on neighbourhood boundaries in the bigger areas, like the city of Winnipeg, we have really been impressed with how quickly those teams have identified what is going on in their communities, and have set priorities and recommended allocation of resources. For example, the Eastman area came together very quickly and recommended that Mrs. Lucci's program in Lac du Bonnet receive funding support as a parent-child centre. I think \$25,000 was the support.

Now, Mrs. Lucci is a fictional character from a TV show, if the member knew that; I did not. I was told after I met Mrs. Lucci, I thought she was a real person, but I met her at an early childhood colloquium, I guess you would call it at Centre Caboto in February. We had 350 early childhood advocates, I guess you would say together from across the province. It turns out she is a guidance counsellor from a local school division who has a tremendous rapport with parents and kids. Her volunteers and herself persuaded the consortium in Eastman that was the right place to invest in a parent-child centre in the Lac du Bonnet area.

So we have had lots of feedback from these teams identifying where the needs are, where the strengths are, and I think we will have very shortly a pretty complete map of where activities are taking place. It is pretty exciting to me that every region in Manitoba is represented in that process.

I am particularly impressed by some of the rural areas that have come together around this initiative very, very quickly.

* (16:10)

Mr. Cummings: I pre-empted the minister's statement. I am interested, as an example, and I will take a somewhat personal example of a rural member—is there a known criterion that community group needs to meet or exceed in order to become a designated recipient of support, or is that somewhat flexible, and, by the way, flexibility would not bother me in this area.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

Mr. Sale: We are flexible to the point of absurdity in this regard. No, I agree, one size does not fit all and the areas are tremendously different. I use the example of the Franco-Manitoban community that chose to put their resources into the capacity to reach a whole lot of smaller communities which, by themselves, could never afford to have a centre and, in fact, do not really need a full-time centre, whereas a centre like Carman has developed a tremendous repertoire of programs that seem to be really well received in that community.

I will supply the member with a package that we mailed out to all centres and regions in terms of what the requirements are and how we are basically administering that. But, yes, we had a package that went out that told people what those criteria needed to be and that is how the regional teams have looked at their community and the strengths, weaknesses, in each community. Is that correct, I hope?

Mr. Cummings: So funds received, what would an example be of some of the uses that the funds could be put to?

Mr. Sale: Well, there is a variety of uses, but probably the most common would be offsetting the salary costs or honorarium costs for people who are delivering programs, plus equipment. For example, if you are teaching a parenting program you need a small amount of equipment. For people who cannot afford them you may need handbooks, so it is the supplies and equipment. But probably the largest component

of expenditure would be salary costs of people, for instance, in the daycare system who might be hired part time to help develop a particular program or a particular area.

There are three stages of funding, three sort of levels. We are not locked into them as absolute levels, but we think of \$25,000 a year as a kind of developmental level in which a regional team could use that to do the sort of thing the member was talking about, get an accurate picture of the needs in their area of the existing resources, build up the strength of the regional team, and then make a proposal for longer-term funding in terms of specific program allocations. So we expect those grants would be for no more than a year, and then we would move into a stage where we are funding something that is of a more long-term nature.

Mr. Chairperson in the Chair

Maybe I will give the member an example of one region—in this case, it happens to be Assiniboine South—and you will see the kind of membership of the coalition, what it represents, what they propose to do and the amount received, the date received and who our contact administering this program is in Healthy Child Manitoba. So perhaps this might help him to get a sense of how we are actually delivering this program.

Mr. Cummings: Health educators and nurses in schools have some questions. I am looking at the graph with the continuum of service, and, of course, that would be an ongoing continuum in the schools, but I am interested from a support point of view about that continuum, and particularly using that one as an example, where will it be funded from? That is not funded out of this department or under this program, I take it, or it is.

Mr. Sale: Yes. In fact, the funding for the initial stages of nurses in schools is located in Healthy Child's Estimates. I will maybe just use this opportunity to tell the member that our approach here is that Healthy Child is a kind of incubator for strategies and when a strategy is mature and we know we have the wrinkles ironed out, as it were, we expect to devolve responsibility for long-term, more or less as you would say

permanent or core-funded strategies to the line department that is appropriate for that strategy.

The reason for that is, if you do not do that, then Healthy Child begins to look like a department, albeit a small one, and what we really are trying to do is to establish that it is the seven departments that are collectively responsible for this policy direction of government, and they have to take responsibility at the departmental level for this priority. It is not something that we hive off into a little group over in one of the seven departments. The line responsibility has to flow with the new program as a line responsibility to the administrators of that department.

So I would expect in the normal course of things that when the nurses in schools strategy is fully worked out and we are at some reasonable level of implementation, maybe it is a couple of years from now, I am not sure how long it will be, that the funding would move via the Estimates process to the Department of Health and that we would wish the program well and continue to see it through the seven ministers and deputies as a continuing responsibility but no longer with the money or staff located in Healthy Child Manitoba. Healthy Child is kind of an incubator in that context.

Mr. Cummings: That probably creates a whole other debate about where some of the funding should be lodged. But setting that aside, and I appreciate the explanation the minister just gave because that in part explains that a lot of the initial work in some of these areas will be pilot driven, I suppose, until they are handed off to other departments. That works two ways, and I guess it leads to the question about the current makeup of the department, if you will, the division. Are there secondments within the makeup of the current staffing that come from the cross-sectoral basis that the minister is referring to, or are they people who are specifically hired into the program and will continue to work with the program as opposed to being seconded from other areas of responsibility within the Government?

* (16:20)

Mr. Sale: Maybe I can just back up a half step before I answer that question and let the member

know what we are trying to do in each of the areas is that a line department has lead responsibility in each of the areas in which we are working, so in the case of nurses in schools, through the Healthy Child Manitoba Committee of Cabinet and deputies, Health is the lead department for the delivery of that program. It is being developed in Healthy Child Manitoba with Healthy Child Manitoba staff and Department of Health staff working together, but Health is the lead department.

The Department of Aboriginal and Northern Affairs is the lead department for parent-child activities in Indian-Métis friendship centres. Education is the lead for parent-child activities in schools. Family Services is the lead for all the rest or the residual department in that regard. So it is a new way of working together in that there is this nucleus of staff which, to answer the member's most recent question, are all staff of Healthy Child Manitoba. They are not secondments. They are core staff of our branch, or whatever it is called, I guess.

It is a separate appropriation, so I am not sure what it is called. But their core staff, the staff years and the dollars reside in this appropriation, and in the normal course of events I assume that we will keep incubating new approaches and handing them off to line departments if they work and closing them down if they do not. So I hope that answers both of those questions.

Mr. Cummings: It is not a common approach to organization, but I cannot overlook the opportunity to remind the minister that his colleagues were very critical of the Sustainable Development Initiative we had a few years ago, and this is exactly how it was organized. I think it is actually a pretty good way to organize within government, so I appreciate the acceptance of the principle.

The second part of my question is about staffing. Is it currently fully staffed? I apologize if I asked this question previously.

Mr. Sale: We are currently seeking an Aboriginal consultant in the program or that position is vacant at the present time. Two clerical positions that are being filled for the Healthy Baby Prenatal Benefit for the

administration of that program, those vacancies are in the process of being filled. All other positions are full.

Mr. Cummings: Actually I wanted to ask a couple of questions on the Healthy Baby initiative, and I assure the minister I will have further questions in all these areas probably in concurrence.

In the Healthy Baby initiative, first of all, I appreciate the briefing that I received in terms of some expected rollout of the program, but I have a couple of questions that I would like the minister to clarify. First of all, in the administration of the benefits, can he confirm that there will be a concerted effort made to work with the administration of the bands in terms of identifying expectant mothers?

Mr. Sale: The way the program works is that women can apply from any place in Manitoba, and all they really need is a very small amount of information. What the real trigger for application is a confirmation of pregnancy. In many cases in a band situation that might be from a band nurse or a nurse-practitioner or from a medical doctor who is providing medical services to the band, but the program works the same way in all parts of Manitoba. It is triggered by an application from the woman on her own behalf with a confirmation of pregnancy.

Mr. Cummings: Something that I did not appreciate, but I understand there is an issue of confidentiality and that is why application is the basis.

Mr. Sale: That is correct, Mr. Chairperson. That is the reason for the application process.

Mr. Cummings: As the minister knows, I have no quarrels whatsoever with the objectives that are put forward. I always am concerned that we might embroil ourselves in an administrative whirlpool whenever we try to make this kind of cross-sectoral approach to managing an issue. There are a couple of things that are a little off the beaten path, but I think it is appropriate. What would be the minimum payment that a mother would be eligible for, one that was at the upper end of the eligible income level, around \$32,000?

Mr. Sale: The minimum for which we will make payment is \$10. The anticipation is that that will be a very small number of cheques. The majority of the cheques will be over \$50 a month, I would say the vast majority. There will be a small number of \$10 cheques.

Mr. Cummings: Well, then, given that response, I suspect the minister knows why I am asking the question. He does not anticipate a large number of applications from people who are earning between \$25,000 and \$32,000? That would be a correct assumption on my part?

Mr. Sale: No. It is not that, Mr. Chairperson. It is that the band of income that would trigger a \$10 cheque is a relatively narrow band. The total number of births in Manitoba is about 15 000 a year. So if you take that narrow band of income out of all the families, it is a fairly small number of people. So it is not a question of take-up rate, it is a question of how many people are actually in that income band that have babies each year.

Mr. Cummings: That is a quantifiable number from Stats Can?

Mr. Sale: It is. It is also quantifiable from the National Child Benefit supplement in terms of that whole federal program. As the member knows from the briefing, this program mirrors in almost all respects, not quite all but almost all respects, the National Child Benefit supplement program. The simplest way to think about this program is that it simply pushes the NCBS back six or seven months.

Mr. Cummings: The announced funding for this program was 4.5, I believe. The minister will correct me on that number I am sure. My question is: Is that an anticipated full-year funding, given the start-up, or is it anticipated that it will be a larger amount for the following year because of a July start-up?

* (16:30)

Mr. Sale: The actual benefit cost is at an assumption of 80% take-up, and we have to pick a figure. So at 80% take-up the annual cost of the benefit is \$1.9 million. The estimated for this year is \$1.76 million, given that it starts July 1 rather than April 1. The Community Support

Programs, I think this is really important. I think, as the member knows, the purpose of getting people to apply for the program is to enable us to offer them a variety of supports, nutrition counselling, prenatal education, parent, mother-father prenatal programs, infant development, any kind of supports.

For example, postnatally we now have offered through the Healthy Baby program where we can actually visit people in their homes because they are high-risk families and perhaps identify issues of addiction or issues of inappropriate nutrition or whatever and get at them as early as possible just because we know that is the best way to go.

The Community Support Programs component is about \$2.6 million next year, mature cost, \$2.3 million this year based on the nine months. We are actually starting some of those program developments now because of the staffing and training and all of the administrative issues that you can imagine are involved with expanding this capacity. It is a little more than three quarters cost for this year. So the total budget for this year is 4.1. The total budget for next year is 4.5 rounded or 4.7.

Mr. Cummings: As the minister knows, I will be interested to see if the program can develop adequate follow-up and/or ability to intercept, if you will, for lack of a better term, and identify at-risk pregnancies, mothers who may need some assistance and education or perhaps have a dependency issue, whatever the issue might be. I think it is probably agreed that FAS is one of the most devastating things that can occur, and it is during the pregnancy that the damage occurs.

I certainly want to emphasize that, in my view at least, despite all of the best intentions, that will be one measure of judgment of the success in early childhood intervention. I guess I choose to use that as a better measure of whether or not the investment is appropriate, as opposed to the investment relationship that the Premier (Mr. Doer) used, for example, when he said a certain number of underage babies that this would certainly offset the costs. The multiplier, I suggest, would be a whole lot higher if we can, in fact, deal with some of these more tragic situations that can develop.

I am sure the minister will want to enlighten me on how he believes intervention will be achieved, and I will give him an opportunity to do that.

Mr. Sale: Well, first of all, when we have an application, that gives us the opportunity to make a contact. So I think we just know that the earlier we make those contacts, there is evidence for years and years and years that supports that. While I agree with the member's statement that the dramatic savings are on FAS reduction, I do not think we should underestimate, for example, the savings on low birth weight, very small babies.

The rate of a low birth weight in the inner city is about twice what it is in the suburbs of Winnipeg, and the rate up North is about four times what it is in the inner city of Winnipeg. I mean, we have a tremendous gradation here of at-risk babies. So nutrition prenatally and smoking, smoking reduction prenatally, really has an effect on birth weight, and birth weight is still the best predictor we have. Of a rough predictor, birth weight is the best predictor of a child's future health. Little babies have more health problems. As long as you do not get the too big babies, then they have health problems, too. We can get into those kinds of nutrition problems, particularly with diabetic women. There is a real issue there.

How is it going to be evaluated? I would be more than happy to share it with the member when we have an evaluation framework. We are in the process of working on that with Canada, we hope with New Brunswick we will have a common agreement on how we evaluate this program, because New Brunswick is doing virtually the same kind of program that we are doing here. So we are hoping to work together very closely on that. We have certainly worked together coming up to it. I would be glad to share that evaluation framework, so the member would have a more detailed knowledge of how we are going to evaluate.

We will be involving the Centre for Health Policy Evaluation and Research so that we can link the data sets from the health system with the data developed during the evaluation itself. We certainly hope Canada will be a partner in this

evaluation, as well, because this is a major intervention. If it works, we have a very good news story on our hands. If it does not work, then we need to know that.

I am committed to a very strong evaluation. Ask my staff. I have been bugging them about that for about a year now, about the strength of the evaluation that I expect us to get out of this. I know they will produce it, because it is now on the record.

Mr. Cummings: Well, I close this section off, because I would like to give my colleague an opportunity to ask a few questions on Housing.

I would only observe that any improvement in this area in terms of child health is welcome. I think we are all in agreement on the work that Fraser Mustard and others have done on early intervention. For that matter, I think that an evaluation may be in some respects hard to put hard numbers behind until you have had a few years, any program of this nature has had a few years under its belt. I still would, and I will in future opportunity, be interested in how we can get beyond what might be a group of mothers who would be hard to communicate with because they might not be identified unless they are getting a lot of encouragement to apply. Perhaps that is a matter of time. I can appreciate that once this program becomes known that they may be more willing to, and maybe some remote communities, in fact, might be. Once the service is known in the community, it might, in fact, spread faster there than it will in the core area, to be honest.

Nevertheless, I do have the one reservation along that line coupled with the fact that I do believe there are situations where it is very difficult for any worker who would find themselves in the position to have to deal with it, but there are still too many situations, and I wish there were none, where the service provider may have to go and be somewhat aggressive in making sure the information and the appropriate dietary respect, if you will, is undertaken.

With that I will leave this section. I have a lot more to talk about with it, but we are running short on time and I would ask if we could move into the Housing section.

Mr. Sale: I just want to thank the member for those comments. I do not disagree with him. I do also want to say, and I guess this is a political statement, but I think this area is one in which we have to be non-partisan. That is, we may recognize that we have some different views about different pieces of it, but I would hope that we would work with the honourable member and his colleagues. I think we have to recognize that we have each, at our different times in government, made contributions to different aspects of this system.

If you look back historically, we have made a great deal of progress. There are a lot of things that we are doing right today, and all governments and all professional people have made contributions to that. This is an area where I do not think we can afford to wave partisan flags. It is too important to our economic health as a nation in the long run and to our families' health.

So I appreciate the member's approach, and I pledge my co-operation with him to provide information, answer questions at any time that he has them, or if his colleagues want to have any information about this initiative, we will ensure that they get it. So I thank him for his approach.

* (16:40)

Mr. Chairperson: Maybe the honourable minister would like to introduce the member of his staff on Housing.

Mr. Sale: Kim Sharman, Assistant Deputy Minister for Housing, the Manitoba Housing Authority.

Mr. Jack Reimer (Southdale): I guess I will start with some questions then. I believe that one of my other colleagues was wanting to ask some questions, too. He is not here, so we may have to go into Tuesday to wind this up.

Mr. Sale: Could I ask for a point of clarification on the new rules. I read them this morning quickly, but I believe the new rules are now in place. Am I correct?

Mr. Chairperson: The new rules are now in place.

Mr. Sale: I believe that there is a rule that says a section of the Committee of Supply, by unanimous consent, can extend its sitting. I thought I read that. If we wanted to go for an extra 15 minutes, I thought we could do that under the new rules.

Mr. Chairperson: The rule is limited. It is only done on Fridays.

Mr. Sale: Is it not Friday?

Mr. Chairperson: Today is Friday.

An Honourable Member: Today is Thursday.

Mr. Chairperson: Thursday.

Mr. Sale: I thought we could declare it Friday maybe. Okay. I thought there was a rule that allowed us to do that. Just for Friday. It does not matter. If we could do it that way, we would do it.

Mr. Chairperson: In fact, under the new rules, after Thursday the Thursday session can be extended to the next day, although it is called a Friday.

Mr. Reimer: I have a few questions to the Minister of Housing. One of the first questions I wanted to ask him was, during the Throne Speech there was alluded to, as I quote out of the Throne Speech, other much needed infrastructure projects including a new northern housing strategy focusing on remote northern communities.

I wonder whether the minister could inform the House as to what exactly that strategy is and its focus.

Mr. Sale: Mr. Chairperson, starting last year when we formed government, the member probably will be aware that we set up a northern strategy overall working group. There is a pretty high degree of consensus that within that overall area, housing is an extremely high priority because it is so related to health, for example, poor housing, poor health; poor housing, problem for kids studying for school at night, you know, no place to study; poor housing, overcrowding, family violence. There are just so

many things that are linked to poor housing, as the former Minister for Housing knows. So that has been a priority of our government to develop that.

Last fall in Fredericton, for the first time in many, many, many years the ministers of Housing met with the federal minister responsible for CMHC. One of the outcomes of that meeting was a commitment to develop we hope in partnership with Canada a way in which Canada gets involved in the production of affordable housing again, without going back to the old social housing models, but to get Canada back in the housing game. Specifically the rural and remote component of that strategy was given to Manitoba as the lead province in that area.

So our wish to develop a strategy within our provincial area is complemented by the fact that we are leading on the strategy development at the national level as well. What we have done provincially is first of all to identify some loan authority that will give us the capacity to do some modest level of loan, not necessarily for individual housing units, but for housing related strategies.

We then worked with our partners, the urban industrial communities, the Northern Association of Community Councils communities, Manitoba Métis Federation, Assembly of Manitoba Chiefs, and the Manitoba Keewatinowi Okemakanak, MKO, to put together a northern housing strategy that began with a leaders meeting about two months ago or two and a half months ago in Thompson, at which we hashed out the framework for the housing conference, which was called Building Consensus, that took place in Thompson for the first two days of last week.

That conference yielded some extremely practical short-term suggestions as well as some longer term commitments, but the thing I think that pleased me most about it was that the six partners, the Province being the sixth, made a commitment that this would be an ongoing program of developing an action plan with specific deliverables and strategies that will actually get some housing in place within the foreseeable future.

I am sure the member probably knows that the cost of northern housing is just obscene at this point. CMHC typically builds houses that start at about \$130,000 or \$140,000. Obviously, no one in those communities who is living in those houses can afford them, so the subsidy level is enormous. For the most part they are not designed for northern conditions. They are not properly ventilated. They are often—the workmanship is often questionable to say the least and the work is often done by southern builders who come in and build because the skills or the licensed tradespeople are not there to do it.

The on-reserve program, I do not think anybody thinks is meeting the needs. In particular, there were only 160-something units for the whole North last year, and that level of provision could be soaked up by one medium-sized reserve and still leave some big holes. So the key to getting this problem underway is bringing down the unit cost of housing. Since I became minister, I have worked very hard to identify new housing technologies in different parts of the world and in Canada and right here that promise to be able to put quality product on the ground at a more affordable cost, that will be more robust, will have a better life in the North and be more appropriate in terms of our values, durability, dealing with moisture, all of those other things that bedevil the housing problems in northern Manitoba.

So that is what we are doing. Probably the best part of it is that we are doing it together. In fact, several of the motions that were passed by this conference called for us to find ways to make it more attractive for the private sector to get involved as partners in this whole process and specifically to be able to lever private sector mortgage money so that we were not into the kind of deep subsidy programs that we have been into in the past.

Mr. Reimer: There was a fair amount of information that the minister brought forth. It opens up a few questions. The minister mentioned on-reserve housing. Is the minister saying that they are looking at ways to, of the Government to be involved for some sort of loan authority or loans to people that are wanting to build on reserve? Is this totally off-reserve or on-

reserve type of buildings or it is a combination of both?

* (16:50)

Mr. Sale: That is a really important question. No, we are not looking at replacing the role of the federal government in regard to on-reserve housing, but we are working with those five organizations because we believe that the solutions that will work on reserve will also work off reserve where we have responsibility. It will also work in the more urban but northern remote communities. One of the key ways of getting costs down is to get volume, so if we can agree on housing designs and we can agree on sound technology, for example, panelized wall, stressed skin panel walls which is a variety of manufacturers in Manitoba, some in other parts of Canada. There are quite a range of new housing technologies coming on the market of one kind or another. If we can agree on an approach that works and then use our combined purchasing power then we can get product at a cost that reflects some volume advantages, volume efficiencies instead of one-off kinds of approaches.

The other thing is if we can agree on something that has some level of prefabbing whether it is stressed skin or whatever, then weather becomes much less of a factor. So you can erect, for example, a home built by Paragon Industries of Edmonton, you can erect that home in a day with a trained crew and have a weather-tight envelope that you can bolt your baseboard heaters on or put a temporary heater in it and have that place able to be worked on inside at 40 below.

So what we are trying to move towards is something that uses the purchasing power of First Nations, the northern communities, urban industrial, in partnership with the province, each in our appropriate ways but working together to get the advantages of volume.

Mr. Reimer: The minister mentioned that some sort of loan authority would be possibly set up. Is there any indication as to the dollars or any type of mechanics as to what would be available or in what programming?

Mr. Sale: There is \$2 million in this year's loan authority for northern housing strategy.

Mr. Reimer: And the eligibility criteria for the loans for the individuals?

Mr. Sale: We have not reached the point of having a loan program yet. We put the authority in there so that during this year we could develop appropriate strategies. I am not limiting it in my mind to individual houses. We might be in a partnership around the production, for example, of housing, rather than giving loans on individual houses. If we are successful in bringing the costs down, then people are going to be able to get conventional mortgages perhaps with a small percentage guarantee on the mortgage, but \$2 million will not build many houses using traditional public housing subsidy approaches. That is why we are not going to do that, but we might be a partner in a consortium.

Mr. Reimer: On a different question, I noticed in the appropriations of funding to the Finance Department that Family Services and Housing turned \$37.9 million over to Finance. I could not find it in Housing. Maybe it is in Family Services. I was just wondering where that money came from. Was that part of the—

Mr. Sale: Could you just speak up a little bit, Jack. I am not sure we heard your question clearly.

Mr. Reimer: I am sorry. Under the Finance appropriation portion, which was just here with the Minister of Finance (Mr. Selinger), there is the allocation of funding from Family Services and Housing of \$37.9 million. I tried to find that in the Housing, whether that possibly could have been part of the transfer of the government housing to the province, or was it in Family Services?

Mr. Sale: I will take his question as notice and try and sort it out. Maybe if he has a minute at the end of our time today he could speak with our staff and just clarify where it was in Finance, and we will get the answer to him.

Mr. Reimer: I have a few questions in regard to the RRAP program and the administration of it. Is there a dollar amount that has been allocated to the RRAP program? I have looked in here, but I do not seem to be able to find it.

Mr. Sale: The RRAP amount for this year is \$7.1 million. That is comprised of three-quarters federal dollars, one-quarter provincial. The

province became the administrator, the active party, I guess you would call it, in the delivery of this program last year. I guess it was April 1 or so last year.

Mr. Reimer: Would there be the availability of a breakdown as to whether a lot of this money is going into the City of Winnipeg? I understand that the City of Winnipeg is administering their portion of the RRAP program. Can the minister confirm that?

Mr. Sale: We can provide that breakdown, probably not this minute but we can provide it. There are two concepts here, I guess. The active party is the delivery agent responsible to CMHC for the overall annual plan which CMHC has to approve. The administrative delivery agent in Manitoba is the City of Winnipeg for the city of Winnipeg. I believe the City of Brandon, Brandon District Planning does RRAP for Brandon, and the Manitoba Métis Federation delivers RRAP in our rural and northern areas. There are a few little exceptions to that, but that is the main pattern.

By virtue of becoming the active party it gives us the ability to actually strategize about where to put the priorities. We become the sort of developer of the annual plan instead of CMHC doing it. Okay, just to clarify that the City of Winnipeg is delivering \$2.78 million of the program. Brandon is delivering \$500,000 of the program, community housing managers of Manitoba, which is the MMF under contract, \$1.56 million and Manitoba Housing itself we deliver \$1.3 million of the program. That is as of 2000-2001.

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

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Conrad Santos): The hour being after five o'clock, as previously agreed, this House is adjourned and stands adjourned until Tuesday at 1:30 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 17, 2001

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