



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

*Published under the
authority of
The Honourable George Hickes
Speaker*



Vol. LI No. 33 - 1:30 p.m., Tuesday, May 22, 2001

ISSN 0542-5492

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 22, 2001

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Manitoba Hydro Lines Routes

Mr. Ron Schuler (Springfield): Mr. Speaker, I beg to present the petition of Olga Klopick, Walter Klopick, Hannalore Potschka and others, praying that the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

Kenaston Underpass

Mr. Frank Pitura (Morris): Mr. Speaker, I beg to present the petition of Chad Newell, Cane Cormier, Howard Kroeger 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 Tom Fiehr, Bob McShane, J. Vandal 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.

Kenaston Underpass

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 (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 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.

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. Speaker: The honourable Member for Charleswood (Mrs. Driedger), 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?

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.

* (13:35)

TABLING OF REPORTS

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Speaker, I am pleased to table, on behalf of the Minister of Conservation (Mr. Lathlin), the 2001-2002 Supplementary Estimates of the Sustainable Development Innovations Fund for legislative review.

INTRODUCTION OF BILLS

Bill 15—The Mortgage Amendment Act

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): I move, seconded by the Minister of Education, Training and Youth (Mr. Caldwell), that leave be given to introduce Bill 15, The Mortgage Amendment Act (Loi modifiant la Loi sur les hypothèques), and that the same be now received and read a first time. His Honour the Administrator, having been advised of the contents of this bill, recommends it to the House.

I would also like to table the Administrator's message.

Motion presented.

Mr. Smith: We are proposing to amend The Mortgage Act to require reverse mortgage lenders to provide specified information to prospective borrowers about the costs and conditions of reverse mortgages. The bill provides a cooling off period and stipulates the consequences when required information is not provided.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have with us today from Crystal City Elementary School 17 Grade 4 students under the direction of Mr. Larry Hamilton. This school is located in the constituency of the honourable Member for Turtle Mountain (Mr. Tweed).

Also seated in the public gallery, from 60 Chesterfield, 29 visitors under the direction of Mr. Aubrey Asper. This group is located in the constituency of the honourable Member for Riel (Ms. Asper).

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

ORAL QUESTION PERIOD

**Grace Hospital
Future Status**

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, we learned that the future of Grace Hospital as a community hospital is at risk due to the WRHA plan that would basically see the Health Sciences Centre take some of the 60 to 100 of the 135 medical beds at Grace Hospital over. As the Health Sciences Centre takes over a majority of the Grace Hospital's medical beds, those Health Sciences Centre patients clearly will be relocating to the Grace Hospital.

We understand, Mr. Speaker, that there is a need to operate on a regional basis, and we

recognize that that is a very important feature, but we also recognize that we must use our resources as effectively as possible. Considering that the Grace Hospital is the most challenged facility to deal with patients already in the hallways, is there even space at the Grace Hospital that will allow this plan to work?

Hon. Gary Doer (Premier): Mr. Speaker, there are a number of proposals in the Winnipeg regional health care sector to try to improve patient care and not run a deficit. One would note that the Winnipeg Regional Health Authority has stayed within their budget in our first year in office, unlike the litany of deficits that were run in previous years.

Mr. Speaker, this, as I say, is a proposal. It is being reality-checked with different facilities, including doctors, some of whom agree with the idea, some of whom disagree. Unlike the action to close the intensive-care units at the Grace Hospital and all the other hospitals in Winnipeg save two, we are looking at the proposals with the health care staff and with the people on the front lines of health care to ensure that patient care is first and foremost in the decisions that we are making to make our health care system more efficient and therefore more effective for our patients.

Mr. Murray: Well, Mr. Speaker, on the basis that there is a so-called reality check, I would like to table a May 16 letter from Dr. Pat Harris to the Health Minister, which outlines her concerns about this plan. I would just like to table that to the House.

Mr. Speaker, in that letter that was sent on May 16 from Dr. Pat Harris, it reads, and I quote the section in here. It talks about a closed unit of 60 to 100 beds at the Grace Hospital effectively eliminates medical services at the Grace Hospital being available to the community.

Mr. Speaker, can the Premier explain how Grace doctors, those doctors that are currently practising, using those beds will be able to continue their family practice if there will be fewer beds available for their practice?

* (13:40)

Mr. Doer: Mr. Speaker, obviously the retention of doctors is always part of the decision making that goes on. As I say, there is just a proposal. The issue for us will be patient care. Individual doctors have different privileges at different health care facilities. That is something that is obviously a factor that has to be considered, but patient care also must be considered. When we came into office, Manitoba had patients in the hallways and were spending—*[interjection]* There are no patients in the hallways today at Grace Hospital.

We also were spending more money per capita than any other jurisdiction in Canada. So on the one hand we had many improvements to make on patient care, which we are working towards, and on the other hand we also have many changes to ensure that cost-effectiveness is part of the future of health care. We will not be able to have a medicare system that is sustainable if Manitoba has the highest per capita spending on health care.

Having said that, certainly the privileges of doctors is important, but the privileges of patient care across the system is also very, very important for us.

Mr. Murray: Well, it is always interesting to hear the other side talk about patients come first when they might be actually kicking them out of the beds.

In the letter that Doctor Harris sent, she stated that, while the WRHA initially explained the plan would improve bed management and improve efficiency, they later acknowledged that they had no evidence to suggest their plan would improve patient outcome, bed management or even reduce patient days in hospitals, Mr. Speaker. It pretty much sums up this entire Government's approach to health care, which is absolutely no plan for health care.

While the WRHA could provide no evidence that this would improve services, can the Premier please explain to Doctor Harris and other Grace doctors how this plan benefits Manitobans?

Mr. Doer: Mr. Speaker, with the greatest respect to the Leader of the Opposition, it is not uncommon to have a disagreement, particularly

when it deals with individual doctors' privileges at a particular hospital, a disagreement between the doctors at the Winnipeg Regional Health Authority and the doctors at a specific hospital. Absolutely the decisions that must be made for purposes of our decision making, any recommendations that we will receive, and as I said, this is only a proposal, any recommendations that we will receive must deal with patient care, it must deal with the retention of doctors, it must deal with patient stays at a facility.

At one point the patient stays at Grace Hospital were one of the longest in Winnipeg, Mr. Speaker, but there were factors that were important to that, including the aging population in the western part of Winnipeg that was using the hospital. So patient care cost-effectiveness will be part of the evaluation of proposals, not final decisions. Disagreements between doctors, that will take place. It always does and it probably always will.

Finally, Mr. Speaker, the members opposite used to move neurosurgery from one hospital to another and then try to evaluate it after they had made the move. We are evaluating the medical merit of this before a decision is made.

* (13:45)

Grace Hospital Future Status

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, Doctor Harris, a cancer specialist, informs us that the WRHA plan will form a closed unit at the Grace Hospital to be staffed with physicians from the Health Sciences Centre. Considering that the Grace Hospital is already the most challenged emergency room dealing with patients in their hallways in the province, can the Minister of Health explain to us where all of these patients are going to go if the Health Sciences is taking over most of their medical beds, because it is those beds that would normally be accessed by those patients waiting in the hallway at the Grace Hospital. Where will all those patients go?

Hon. Dave Chomiak (Minister of Health): Firstly, unlike members opposite, the hallway

numbers have been recognized in Manitoba as having done the best job in the country of dealing with hallway medicine. In fact, a national report indicated an 80% improvement in Manitoba, and Manitoba's plan is being followed in other provinces.

The proposal by the doctors of WRHA considers better bed utilization in management across the city of Winnipeg to provide for better utilization. Mr. Speaker, I might indicate it is a conflict between some of the internal medicinists and some of the family medicinists. This proposal was presented by the doctors of the WRHA to the doctors of Grace Hospital for review and input and that review and input has been provided. It is unfortunate that one doctor wrote a letter to all of the media and copied members opposite last week and without providing the other side of the debate, but we will listen to what the doctors recommend best.

Mrs. Driedger: Mr. Speaker, could the Minister of Health also explain, if he is going to be taking over 60 of the 81 medical beds at Concordia Hospital, could he tell us what will happen to the patients that need to access that hospital? Is there actually a plan in place for the patients that need to access that emergency department? What will happen to all of those patients?

Mr. Chomiak: Mr. Speaker, the plan would entail the utilization of beds across the system, something that was promised for 10 years by members opposite and was not implemented. It will entail the use of a central bed registry, something that was first promised by members opposite in 1993 and still has not been implemented. The plan will entail the complete utilization of Grace Hospital as it exists but with an expanded capacity to have medicine patients, including patients from Grace Hospital, utilize Grace Hospital. The program, as described by doctors and as proposed by the doctors at the WRHA, would utilize beds across the system. It is a proposal that is being reviewed by the WRHA, and we will adhere to what the experts and the doctors in the system recommend with regard to patient care.

Mrs. Driedger: Can the Minister of Health indicate, because of the Health Sciences Centre length of stay being ranked as, and I quote according to the Hay report, one of the worst in

the country, is this one of the reasons for this initiative?

Mr. Chomiak: No, Mr. Speaker. In fact, this system is similar to a system that was put in place concerning ICU beds by members opposite when they were government that saw the utilization of ICU beds across the system and resulted in less ICU beds being utilized across the system per capita versus any other city across the country. It is a similar recommendation that is being proposed by the same doctor who proposed the recommendation that was accepted by members opposite for the ICU beds.

Bethel Hospital Nursing Staff—Firings

Mr. Peter Dyck (Pembina): I would like to table a letter from a nurse advising her of the termination of her employment with the Bethel hospital in Winkler. Could the Minister of Health explain why he fired more than 60 nurses at the Bethel hospital in Winkler?

Hon. Dave Chomiak (Minister of Health): As the letter indicates, this letter served notice of the merger of the Boundary Trails hospital of the regional health authority in central Manitoba and the result of the integration. All positions will be posted and they will be eligible for positions. It is—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

* (13:50)

Mr. Chomiak: Mr. Speaker, last week the members were trying to take credit for the closure of two hospitals in amalgamation with one hospital. Now that the movement is taking place, they are distancing themselves. This is a normal administrative matter, and it has been known for years that they were going to meld the two hospitals together.

Morden Hospital Nursing Staff—Firings

Mr. Peter Dyck (Pembina): Could the Minister of Health then explain why he also fired more than 80 nurses in the Morden hospital?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the member opposite ought to know that the two hospitals are being closed in order to amalgamate at the Boundary Trails hospital.

An Honourable Member: Oh, they are closing hospitals down. Firing nurses and closing hospitals.

Mr. Speaker: Order.

Mr. Chomiak: Thank you, Mr. Speaker. Unlike members opposite, we are not closing 1400 acute care beds, which were closed during the regime when members opposite were in power.

Victorian Order of Nurses Firings

Mr. Peter Dyck (Pembina): I do not think this minister is getting the question, but I will try another one. Why did he fire more than 350 VON nurses?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as the member knows, we put in place a decision with respect to the amalgamation of the VON within the WRHA—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Unlike the decisions that were made during the '90s, positions have been created for all of these nurses who have been dealt with, Mr. Speaker, and they all have positions in the system, unlike what happened—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Yes, Mr. Speaker. There is not only the same number of beds but there are additional beds. Positions have been created for those nurses, unlike in the '90s when nursing programs were cancelled and nurses were forced to go to the United States to find jobs in other jurisdictions, because they were laid off outright and had no access to any jobs.

Mr. Speaker: The Member for Pembina, on a new question.

* (13:55)

Health Care System Nursing Shortage

Mr. Peter Dyck (Pembina): On a new question. Manitobans know that during the 1999 election, members opposite promised to immediately hire new full-time nurses. Manitobans also know those nurses have not been hired, and, in fact, the nursing shortage has doubled since the Government took office. Can the Minister of Health explain why he has fired some 500 nurses in the last few months when the nursing shortage has doubled under his watch?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the rate of full-time nurses under our Government has gone up. That is the first point. The second point, we are now training more nurses in Manitoba than any time in the past decade. We have doubled. Just today we announced another 25 nurses in a training program available to nurses in Manitoba, in addition to the 97 that were in the diploma program, in addition to the largest class in the BN program ever. So we are training more nurses, and we have expanded the number of full-time jobs, and there is more to come.

Mr. Dyck: Can the Minister of Health tell Manitobans how his firing of approximately 500 nurses is different from the previous administration's redeployment of nurses? What is the difference? Explain it.

Mr. Chomiak: The difference is when those nurses were fired by the previous government they had to come here. They were fired by Connie Curran. They had to come here to beg for jobs and there were no jobs available in Manitoba because they closed the beds.

Mr. Dyck: This minister obviously has a different set of rules for everyone. Why will this minister not be judged by the same standards as we were judged by?

Mr. Chomiak: Mr. Speaker, I am quite happy to be judged by the same standards. The standard is that we have done an 80% reduction of people in the hallways. Second, we have exactly doubled the number of nurses in training today than when

those ministers left office. Third, we have expanded the Faculty of Medicine to train more doctors for the first time in a decade. Fourth, we have created training programs for rural and northern doctors to keep in rural and northern Manitoba, unlike members opposite. Fifth, we have opened beds, not closed them.

Regional Health Authorities Budgets

Mr. Darren Praznik (Lac du Bonnet): I must admit I am enjoying watching this Minister of Health face the realities of health care that he denied when he was in Opposition.

Mr. Speaker, I want to ask this Minister of Health, given that his administration provided only \$116 million in increased funding to all regional health authorities and that each and every one of them today are struggling to live within their budgets and continue to provide even the same level of service as they did last year, what process he has put in place to deal with those regional health authorities to be able to live within the budgets that have been provided and still meet the health needs of people across our province.

* (14:00)

Hon. Dave Chomiak (Minister of Health): It is interesting that members opposite were accusing us of spending too much money. The budget allocations we made were fairly provided. It was a larger increase than last year and larger than almost every single budget that had been provided by members opposite. We are working with those regions to deal with those particular funding allocations. In most cases they got more, not less. There is increased programming going on. We have expanded dialysis. We have expanded chemotherapy. We have expanded the number of provisions for training of physicians, and we will continue to work with them.

Mr. Praznik: I want to ask this Minister of Health, who just told the people of Manitoba he has expanded services, can he tell the people of Manitoba how many regional health authorities have told him, in their plans to deal with the budget, that they will no longer accept additional dialysis patients in order to live within the budgets that he provided.

Mr. Chomiak: We are working with the regional health authorities in order to deal with their financial situations. I might add for members opposite that that same member stood up last year in the House and said the Winnipeg Regional Health Authority was \$10 million in deficit and we were going to lay off people and stop programs, and in fact he was wrong then. I said we are working with the regions to deal with the situation, and we continue to work with the regions. We tried to get our budgets out ahead of time, Mr. Speaker, so we were not going back as members opposite did with huge deficits, six months, eight months, ten months into the year.

Mr. Praznik: I would ask the minister: Since he says the Winnipeg Health Authority does not have a deficit, I would like to ask him to confirm that that authority is still carrying a \$10-million deficit on their books, and I want to ask him if he is going to pay it this year.

Mr. Chomiak: Mr. Speaker, unlike other years, I can indicate we gave the budgetary allocations to all the regions ahead of time. The vast majority of funding—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Thank you, Mr. Speaker. The WRHA, for the first time in its history and the first time in a long time, came in with a balanced budget. The single largest entity in Manitoba came in with a balanced budget last year which was a first and speaks to recommendations in the Webster report and recommendations in various reports about getting financial information out ahead of time and working with the regions in order to best manage those health care dollars for the benefit of patients.

Highways Capital Program Delay

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the minister of highways. The minister waited until the last few days to announce or confirm the budget for the highways for this year's construction season. Normally the budget for the highways in the

construction season would be available in February or March. I would ask the minister: Why has he been so slow and so delinquent in his conduct of his normal duties?

Hon. Steve Ashton (Minister of Transportation and Government Services): Mr. Speaker, I am very pleased to get a question on the highways capital construction budget and outline the fact that this year we are putting \$103.9 million into Manitoba's roads. The member opposite may actually appreciate the fact that it is the first time we are going to have any federal funding on our highways in more than five years.

In terms of the timing in the capital construction budget, we are a month ahead of last year. In fact, I even checked, Mr. Speaker, the previous government released the highways capital budget as late as June 10. This year we are out, and we are pleased to say to Manitobans we have our construction budget out. By the way, we also increased, since we came into government, our maintenance budget by 8 percent. We are reinvesting in Manitoba's roads.

Mr. Gerrard: Mr. Speaker, the minister uses some flowery language to cover up the problem.

I ask the minister: When Chris Lorenc and the Manitoba Heavy Construction confirmed there is 75% unemployment because he is slow, how could the minister have messed up so badly?

Mr. Ashton: I have met with Chris Lorenc. I have met with the Heavy Construction Association. I can tell you that one of the concerns they have is not just in terms of construction here in the province. In fact, our capital program is out. We have \$27 million already under tender, but it is also with the City and also with the federal government. I can say what I said to the Heavy Construction Association. We appreciate some of their concerns, but our capital budget is out there. We are investing in Manitoba roads.

Mr. Gerrard: Mr. Speaker, I ask the minister of highways, knowing that he is still a little bit behind Saskatchewan—a long way behind Saskatchewan in the amount of his budget. But,

recognizing that the equipment in the heavy construction industry in this province is the oldest of any province in Canada, I ask the minister: When is he going to get his act in order? When is he going to get a planning cycle in the framework so the heavy construction industry can be in much better shape?

Mr. Ashton: With all due respect to my colleague in Saskatchewan, I hardly think we need to compare our road situation with Saskatchewan. In fact, we have one of the lowest gas taxes in the country. We reinvest pretty well every cent that we raise in terms of gas taxes in our highway system.

What would help, Mr. Speaker, will be if the federal government reinvested more than about—we will get maybe three or four cents on the dollar this year. They reinvested the ten-cents-a-litre plus the GST; in fact, maybe the member could help us with his colleagues in Ottawa because that is at the root of why we need more money on our highway system here. We take in our money and we reinvest it, and the federal government takes it out, period.

Child and Family Services Aboriginal and Métis Agencies

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, last year the Government signed a memorandum of understanding with the Manitoba Métis Federation and First Nations in regard to the responsibility for child welfare services throughout Manitoba.

Could the Minister of Family Services and Housing give this House an update on the devolution of the responsibility for Child and Family Services?

Hon. Tim Sale (Minister of Family Services and Housing): Yes, last summer we signed the last of the three memorandums of agreement with the MKO group, and so we began the implementation process in the fall. There were study groups of about 200 line staff and management staff who worked on seven different subject areas of legislation, service delivery, subjects like that. They reported by the end of December. Those separate reports are now being compiled together into a master plan

that will come before the Assembly of First Nations, the Manitoba Métis Federation, MKO and Cabinet for its review in the later summer, early fall of this year.

I might say that the co-operation among the four partners has been exemplary, and I expect to see specific actions taking place in the very next little while with the Métis Federation beginning to assume the actual responsibility for delivery of some services to their children and families. So it is moving ahead in a very deliberate way, and we have also been pleased to provide guarantees of reasonable job offers for all current employees in the system.

Midwifery Services Provincial Plan

Mr. Edward Helwer (Gimli): Mr. Speaker, I recently heard from a constituent who was concerned about the lack of midwifery services available in the Interlake region. Although some RHAs have submitted their proposals to Manitoba Health to introduce and to expand midwifery services for expectant mothers, other RHAs still have yet to submit their proposals.

In light of the variation of midwifery services currently provided throughout Manitoba, could the Minister of Health please indicate what actions his department has taken to ensure that midwifery services are available to Manitoba families as guaranteed in The Midwifery Act?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, we were honoured and pleased as a Government to have the opportunity of introducing a midwifery program in the province of Manitoba, the result of many years of work that I acknowledged and indicated in this House for some time. It was launched fairly effectively and has resulted, I believe, if memory serves me correctly, in 26 midwifery positions around the province, with the plan to have the service provided all across the province.

Mr. Helwer: Mr. Speaker, could the Minister of Health please provide my constituents with a timetable as to when they can expect midwifery services to become available in the Interlake region?

Mr. Chomiak: As members opposite might appreciate, last year was the first year in the history of Manitoba that we were able to offer a midwifery service that was put in place by legislation and a lot of work and a lot of funding. It is still rolling out, and I do not have a definitive time frame that I can give to the member today.

* (14:10)

Emerson Hospital Construction—Funding

Mr. Jack Penner (Emerson): Mr. Speaker, in the 1999 budget the Minister of Finance of the Progressive Conservative government tabled a budget in the House indicating that there was \$4.8 million slated for an Emerson hospital.

Could the Minister of Health indicate to this House today what happened to those \$4.8 million that were slated for new hospital construction in the town of Emerson?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I have indicated to the member last year in Estimates and during the process, we reviewed the entire capital wish list that was put in order by members opposite. Just several months before the election, a wish list of capital items was rolled out by the Government. For 10 years Emerson had been asking for a facility, and all of a sudden just before the election it appeared on a wish list of capital. We reviewed all of the capital items. We assessed them against criteria of priority. Capital needs and capital requirements always exceed capital demand across the system.

Mr. Penner: Mr. Speaker, I think what has just happened is that the Minister of Health has deceived Manitobans. There was clearly—

Some Honourable Members: Oh, oh.

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

Point of Order

Hon. Gord Mackintosh (Government House Leader): Very simply, Mr. Speaker, would you

remind the member that a preamble requires no supplementary.

Mr. Speaker: The honourable Member for Emerson, on the same point of order.

Mr. Jack Penner: Mr. Speaker, it is very clear that the Minister of Finance had a line item in the 1999 budget indicating \$4.8 million slated for new construction at the Emerson hospital for a new facility. Now, this minister has clearly indicated to Manitobans that it was just a wish list. I think the minister owes Manitobans an apology and especially if he—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Prior to ruling on the point of order raised by the honourable Government House Leader, I would just like to remind all honourable members that a point of order should be pointing out to the Speaker a breach of the rules or the use of unparliamentary language. Just a reminder to all honourable members.

On the point of order raised by the honourable Government House Leader, I would like to take this opportunity to remind all honourable members that *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble.

I would ask the honourable Member for Emerson to please put your question.

* * *

Mr. Jack Penner: Mr. Speaker, I would like to ask the minister: What happened to the \$4.8 million that was clearly identified as a line item in the Budget of Manitoba in 1999? Did it go to the Pan Am Clinic to buy the facility at the Pan Am Clinic?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, as I indicated, we reviewed all of the capital items that were announced in the 1999, just preceding the election, capital budget, many things that had been on the books and suggested for a decade

when the member opposite was a member of Cabinet. We reviewed all of them. The vast majority went forward, but we funded what we were capable of funding, not something where capital dollars were not available.

South Eastman Regional Health Authority Budget

Mr. Jim Penner (Steinbach): Mr. Speaker, it is well known that the southeast regional health authority gets the least amount of funding per capita of all the RHAs in the province. Can the minister tell my constituents if he has rethought his inadequate funding of the southeast regional budget?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, we reviewed all of the budgets and all of the requests from all of the regions as per the practice. We provided them with what we thought was a reasonable allocation of funds in order to undertake their roles and responsibility in health care. There have been some regions that are having some difficulty. We are working with all regions.

Mr. Speaker, the vast majority of money that is going to all the regions is balanced. There are some regions that are having difficulty, and we are working with them in order to fund that.

Mr. Jim Penner: Can the minister inform my constituents of the southeast regional health authority if they will have to cancel chemotherapy and surgery programs to ensure that they do not run a deficit?

Mr. Chomiak: Mr. Speaker, one of the things that we are doing that did not happen previously is we are trying to get regions to live within their budget. Last year we succeeded for the first time that the WHRA lived within its budget. We are trying to—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: We gave what we viewed was a reasonable and fair allocation to the regions. I might indicate there are some areas that we are still working with the regions, but at least we are

working at the front end of the budget process not at the back end, as was the pattern when members opposite were in government, when the funding would be shortfalled at the end of the year.

Bed Reopenings

Mr. Jim Penner (Steinbach): The second supplementary is I would like to know if the minister can inform my constituents if the beds that were closed at Ste. Anne Hospital, La Verendrye area and the Steinbach Hospital will be reopened by the South Eastman Regional Health Authority.

Hon. Dave Chomiak (Minister of Health): The member opposite knows that that particular region closed temporarily beds because of shortages of staff. The CEO, at the press conference, indicated that the problems had been built up in the 1990s when members opposite were government and cancelled nursing programs and cancelled doctor positions, and that was why they were forced now to deal with the shortages of staff. It is temporary, unlike the 1990s when members opposite ordered the permanent closure of beds.

Victoria Hospital Oncology Unit

Mrs. Joy Smith (Fort Garry): Mr. Speaker, on a number of occasions the Minister of Health has spoken publicly about the new oncology unit planned for the Victoria Hospital and has spoken publicly about the funding that has been provided for that facility.

Mr. Speaker, I would ask the minister to indicate when this project will receive an official public announcement.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I have had occasion to speak to the member opposite about that facility, and we have dealt with it. As we know, the proposal to expand at Victoria Hospital has been on the books now for about three years. I indicated publicly that, in fact, it will be going ahead, and it will be part of the capital announcements we will shortly be making.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Forest Industry

Mr. Harry Enns (Lakeside): Mr. Speaker, I want to thank the Manitoba Forestry Association and the Forestry people in the Department of Conservation for what has become a tradition in this Chamber, that is the presentation of these trees on Arbor Day. While it is entirely inappropriate to mention the absence or presence of a member, it is not inappropriate to express some regret of the absence of a formal statement that acknowledges the importance of the forestry industry in the province of Manitoba.

Mr. Speaker, it is a very important part of the economic well-being as well as recreational well-being of the province of Manitoba. And despite some of my tree-hugging friends opposite, I impart this particular bit of knowledge to all of my members. Today in North America there is 20 percent more of our land masses covered by forest despite a hundred years of active forestry, and that applies to Manitoba as well.

That is why I am particularly concerned that they would forgo hundreds of millions of dollars of development for, I still call them Abitibi in the eastern part of our province, failing to come to an agreement for those workers in Powerview to maintain one of the longest forestry operations in the province of Manitoba simply by not coming to terms with them and providing them with the needed resources that that operation needs.

Mr. Speaker, for those of us who have treasured these trees, and for some of us who have been around, we have got a bit of a forest growing at home with these trees. I must admit they have not all survived, but I, with pride, point to the ones that I got 15 years ago, 20 years ago. They are doing quite well. I encourage all members to nurture them with care, as we should indeed all our forests, and they will grow for you.

* (14:20)

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I want to, as well, pay tribute to the Manitoba Forestry Association who provided us today with these trees. These trees that members see before them are white spruce, which is Manitoba's official provincial tree. The trees represent a \$40-million industry to Manitoba, an industry with potential to provide new economic opportunities for northern Manitoba in particular.

Manitoba Conservation is currently exploring how we can allocate valuable hardwood to the numerous communities and organizations that have indicated interest in assessing these resources. These seedlings were provided by the Manitoba Forestry Association, the oldest conservation organization in Manitoba. The MFA has long been a partner of this Department of Conservation, helping to promote forest management and wise use of this valuable resource. The same partnership is organizing a forestry value-added conference for the next year, which will explore partnership opportunities between primary and secondary forest companies, big and small, in this province.

Mr. Speaker, once again, I want to thank the Manitoba Forestry Association for providing us with these trees today. Thank you very much.

Justice Gordon J. Barkman

Mr. Jim Penner (Steinbach): Mr. Speaker, on May 2 of this year, Justice Gordon Barkman of Steinbach retired as a justice of Manitoba's Court of Queen's Bench after having served on the bench for 29 years. Many in this Chamber will know by reputation the quality work of Mr. Barkman over the years in this challenging position.

During his time as a justice, he presided over numerous civil and criminal matters and did so with distinction. Mr. Barkman received his appointment after 21 years of private practice in the Steinbach area. On the night of April 26, 1972, he received a phone call asking him if he would accept an appointment as a judge, and the next day he was appointed as a justice to the County Court, which later merged with the Court of Queen's Bench.

Upon his retirement, Mr. Barkman noted some of the challenges and difficulties that come

along with the position of a judge, most notably not being able to be involved in community organizations, fundraising activities or being able to hold offices in the community. Despite this, he noted that his time on the bench was rewarding and without regrets.

In reflecting upon the role of a judge, former Supreme Court of Canada Chief Justice and Manitoba resident Brian Dickson stated that "once on the bench, the trial judge does not simply and automatically turn into an impartial being; judges are human." Indeed, Mr. Barkman reflected the qualities that society expects in our judicial offices, and he did so in a very human and real way.

Mr. Speaker, on behalf of all members of this House, I would like to extend my best wishes to Justice Gordon Barkman upon his retirement from the bench and to offer grateful thanks for his many years of service.

Children Online Protection Committee

Mr. Jim Rondeau (Assiniboia): Mr. Speaker, I am pleased to speak to this House about the work being undertaken by this Government in co-operation with Child Find Manitoba.

With the participation of Child Find Manitoba, a new committee, the Children Online Protection Committee, which will include representation from government, police, the community, Internet providers, will examine new ways to protect children on the Internet. The provincial government is committing \$41,000 to support the work of this new committee, which will report to the Attorney General. One of the first tasks of this committee will be to develop a tip line, which will help the public report instances of child pornography and child luring.

This Government is serious about ending exploitation in all forms, with particular attention now being paid to technologies such as the Internet, which child predators use to attract children. This initiative to combat Internet stalking through a cyber tip line will be the first of its kind in Canada. Manitoba has been leading the way in urging the federal government to enact strict new laws to prevent Internet crimes, particularly child luring. By working together

with organizations such as Child Find Manitoba, we will be better able to ensure that our laws and policies keep pace with new advances in technology.

I invite all members of this Legislature to join me in wishing the new Children Online Protection Committee success in carrying out its important mandate. I also wish the best to Child Find in all its efforts on behalf of Manitoba's children. Thank you very much, Mr. Speaker.

Manitoba Tourism Community Partnership Award

Mr. Denis Rocan (Carman): Mr. Speaker, I would like to speak to the House this afternoon to congratulate the recipient of the recently awarded Manitoba Tourism Community Partnership Award. The award is given to an alliance of local communities, organizations or businesses formed to work together to increase tourism and tourism services to an area of Manitoba.

This year the Gathering of Nations became the recipient of the award. The Gathering of Nations is a partnership between the local cultural groups and a partnership between the towns within our circle. It is the mandate of the Gathering of Nations to host a yearly multicultural event, which will provide the opportunity for people to understand each other more fully, to live and work together so that all communities are strengthened, and to educate ourselves and each other about our different cultures. The organization is also entirely run by volunteers. Congratulations to the communities of Somerset, Swan Lake, Holland, Notre Dame de Lourdes, Treherne, St. Leon, Pilot Mound, Crystal City, and St. Claude.

Without your continued endorsement and enthusiasm the Gathering would not exist today. The 2000 Manitoba Tourism Community Partnership Award trophy will be proudly displayed in each community.

Once again, congratulations to everyone involved. Thank you very much, Mr. Speaker.

ORDERS OF THE DAY

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you canvass the

House to determine if there is consent to vary Estimates by moving from Room 254 the Estimates of Family Services and Housing and Healthy Child Manitoba into the Chamber ahead of Executive Council. That is to apply permanently.

Mr. Speaker: Is there unanimous consent of the House to vary the sequence for consideration of Estimates by moving from Room 254 the Estimates of the Department of Family Services and Housing and Healthy Child Manitoba into the Chamber ahead of the Estimates for Executive Council? This change is to apply permanently. Is there agreement? [*Agreed*]

Mr. Mackintosh: Mr. Speaker, would you please also seek consent of the House to move from Room 255 Intergovernmental Affairs into the Chamber to follow Family Services and Housing and Healthy Child Manitoba, that change to apply permanently?

Mr. Speaker: Is there unanimous consent of the House to move from Room 255 the Estimates of the Department of Intergovernmental Affairs into the Chamber to follow Family Services and Housing and Healthy Child Manitoba, with the change to apply permanently? Is there agreement? [*Agreed*]

Mr. Mackintosh: Mr. Speaker, I move, seconded by the Minister of Family Services and Housing, (Mr. Sale) that the House resolve into Committee of Supply.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (14:50)

Mr. Chairperson (Harry Schellenberg): Good afternoon. Would the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Health.

There was a previous agreement on this committee to have a global discussion of the

entire department, and after completion of all outstanding questions, of all questioning, pass all resolutions. We will continue with a global discussion. We are open for questions.

Hon. Dave Chomiak (Minister of Health): On May 16, the Member for Charleswood (Mrs. Dreidger) requested a listing of all individuals currently under contract with the department along with an outline of their responsibilities. There are 11 individuals currently under employment contract agreement with the department, and their names, places and titles and a brief outline are going to be outlined here.

Number one: Dr. Joel Kettner, Chief Medical Officer of Health, represents the department in those areas where autonomous physician expertise is necessary, such as during public health emergencies; and also ensures that the statutory requirements of The Public Health Act are implemented.

Two and three, Dr. Allan Downs, Dr. Duncan Gillespie, medical assessor advisors, responsible for the development and implementation of policy respecting insured benefits assessment and recommendations respecting the payment of insured services in complex claims, to ensure that there is credibility with the medical profession, physician advice and backup as deemed essential to the claims assessment process.

Number four, Dr. Jack Kettler, Director, Medical and Clinical Discipline, provides professional, medical and psychiatric leadership at SMHC; participates in the development and implementation of policies and clinical programs at the centre; is responsible for admissions assessment treatment and discharge of all patients at this centre; and directly supervises all medical staff and consultants; establishes and maintains a close working relationship with regional health authority, mental health caregivers to ensure seamless delivery of psychiatric services.

Number five, Robert James, SAS programmer methods analyst provides collaborative epidemiological research to various public health projects; supports the development, implementation and maintenance

of the provincial diabetes surveillance system; prepares aggregate data files to estimate incidents, prevalence and mortality rates for specified complications in health service utilization patterns in subpopulation with and without diabetes.

Number six, Dr. Lawrence Elliott, medical epidemiologist, provides leadership and development of epidemiological resources to support the environment and development of population-based information and analysis; provides leadership and co-ordination of an active portfolio of epidemiological research analysis projections directed at assessing and analyzing health status and trends, health determinates and the effects of population based on epidemiological research; provides leadership to assigned health programs and activities that require epidemiological support, example, surveillance of immunization programs, communicable and non-communicable diseases; provides epidemiological consultation to public health practitioners regarding outbreak investigations; investigates, studies and designs and development of population health information system.

Number seven, Dr. Tim Hilderman, medical health officer, is part of the provincial team of medical health officers of health; works closely with the Public Health branch, Manitoba Conservation and other relevant stakeholders; participates in strategic planning and deciding programs to protect, promote and preserve the health of individuals in Manitoba; provides a resource to the province as a whole by sharing information, assisting in the identification, evaluation communication response to health issues in Manitoba.

Number eight, Dr. Valerie Crem [*phonetic*] is part-time, .6; No. 9, Dr. Catherine Cook, is part-time, .48; No. 10 is Dr. Paul Devalier [*phonetic*], part-time, .8; No. 11 is Dr. Pierre Perdu [*phonetic*], part time, .7.

The above doctors function as medical officers of health in their region. They are members of their respective regional senior community health management team and work closely with all levels of public health staff. They participate in strategic planning and

designing programs to protect, promote and preserve the health of individuals in their region. They provide expertise with regard to health information, health status assessment, health risk assessment, surveillance risk communication, health promotion, health production, and program evaluation.

Also, Mr. Chairman, on March 17, the Member for Portage la Prairie (Mr. Faurschou) requested a status report on the redevelopment of Portage hospital and their 2001-2002 operation health plans.

Regional Health Authority, Central Manitoba, requested a project to provide the city of Portage la Prairie and the northern half of the region with a new regional hospital. Portage District Hospital was originally constructed in '56 and many additions and renovations have occurred since then resulting in a multiwinged building configuration.

Regional Health Authority, Central Manitoba, has strategically planned for two regional hospitals, Boundary Trails Centre and Portage regional hospital. The Portage District General Hospital feasibility study, commissioned in September '99, found architectural engineering issues related to the existing hospital and that the structure placed limitations on the delivery of programs and services. The authors recommended construction on an alternate site at a probable cost of \$44,590,000. Central RHA endorses the findings in a letter to the minister dated January 25. The City of Portage la Prairie council supported construction of a new facility and stated the required land and infrastructure is available.

* (15:00)

There is argument to support partial or complete redevelopment; however, the facility is still functional and could continue current services for a number of years until a major capital project could be entertained. The decision to proceed on a capital project would need to be based on consideration of competing priorities and fiscal parameters.

Mr. Stuart Murray (Leader of the Official Opposition): I would like to ask the Minister of Health if he has had an opportunity to have a

discussion with Mr. Roy Romanow specifically with respect to his mission, I guess, that was tasked to him by the Prime Minister of Canada to look into the situation of health care.

Mr. Chomiak: No, I have not had direct conversations with Mr. Romanow, although I did have conversations concerning the proposal to appoint such a commission in the period of time leading up to Mr. Romanow's appointment.

Mr. Murray: Just to clarify, there is a clinic that was built in The Maples Surgical Centre, as it is called. I just wondered if the minister could tell me if under the current legislation that facility is allowed to have four beds in its facility.

Mr. Chomiak: There are several pieces of legislation that deal with the matter of surgical centres or clinics. There are two matters to be considered. Firstly, there is an act that has been in existence in Manitoba since the 1920s called The Private Hospitals Act, which indicates that for a private hospital to function it requires the permission of the minister to do so. The definition of a private hospital under The Private Hospitals Act is four or more beds.

Secondly, there is legislation under The Health Services Act concerning the utilization of clinics in the province of Manitoba. Under legislation passed by the previous government, surgical clinics who offer services that are provided under the Canada Health Act cannot charge for those services unless they have an agreement with the Minister of Health.

Mr. Murray: I think my question to the minister was: Under the current legislation are clinics such as The Maples Surgical Centre allowed under the current legislation to have up to four beds in that clinic?

Mr. Chomiak: Under the current legislation, with respect to beds they can have as many beds as they like.

Mr. Murray: Under the current legislation that exists in Manitoba, as we are questioning the Minister of Health on this date, under the current legislation would the minister clarify whether under the current legislation The Maples Surgical Centre is not a hospital?

Mr. Chomiak: Under the current legislation a hospital is a hospital designated under a specific act or a hospital is defined under The Private Hospitals Act.

Mr. Murray: Perhaps if I could ask the minister in a yes-or-no answer, under the current legislation is The Maples Surgical Centre a private hospital?

Mr. Chomiak: A private hospital is a facility with four or more beds that is designated by the Minister of Health.

Mr. Murray: Is the minister indicating to us that he then has designated The Maples Surgical Centre as a private hospital?

Mr. Chomiak: I have not designated The Maples Surgical Centre a private hospital, nor has The Maples Surgical Centre applied to be a private hospital under the act.

Mr. Murray: So I would hope that perhaps the minister, in meetings with the Premier, could also remind him that Maples Surgical Centre under the current legislation where the minister has notion, as I understand he probably does—we can get into an ideological debate on this but I suspect he has legislation at hand to change the current legislation. But clearly I believe that, when I asked the Premier, he went on at all sorts of lengths, and I very much appreciate the fact that the Minister of Health today is stating that The Maples Surgical Centre is not a private hospital.

Mr. Chomiak: Mr. Chairperson, there has been some confusion concerning The Maples Surgical Centre based on advice that The Maples Surgical Centre provided to individuals. I am advised that they advised the College of Physicians and Surgeons that, in fact, they were intending to be a private hospital in Manitoba.

I am advised of that and I am advised also that the principal, Doctor Godley when he appeared on open-line radio, also indicated his intention to be a private hospital under the current legislation. That is what I am advised.

Following those particular—*[interjection]* Well, if the Member for Charleswood has comments, she can make those comments.

An Honourable Member: I will.

Mr. Chomiak: Mr. Chairperson, following those recent discussions and following those discussions, both on radio and the application provided, we contacted Doctor Godley for the letter that the members opposite have, I believe, because they made it public, outlining what the criteria are respecting a clinic in Manitoba and the operations of a private hospital, which we clarified for Doctor Godley.

There were a number of issues concerning The Maples Surgical Centre that came to our attention. For example, Doctor Godley indicated on open-line radio that one of the things he wanted to conduct in Manitoba was colonoscopies. He advised the open-line host that in fact it was not paid for in Manitoba. In fact two calls came right out on open-line to indicate that in fact those procedures are covered in Manitoba.

So there was some confusion, I think, on the part of Doctor Godley, the principal there, as to what the laws and the rules and regulations are in Manitoba. When we heard what Doctor Godley had intended or had suggested he was going to do, we were very quick to clarify with him what the particular status was in Manitoba. He was probably unfamiliar with our legislation, and we endeavoured to outline for him what the criteria was in our legislation. The amendments to The Health Services Act dealing with surgical centres was in fact brought in by members opposite in 1998, I believe. Secondly, The Private Hospitals Act has been in place since the 1920s.

We advised Doctor Godley that anyone coming into Manitoba should be aware of these particular acts. We also indicated at the time, and I indicated to Doctor Godley, that in fact the issue of private hospitals was one that we were addressing and that we intended to ensure that private hospitals with overnight stays did not become commonplace in Manitoba, something that was a huge problem in other jurisdictions and a continuing problem.

In keeping with the spirit of the way hospitals have functioned in Manitoba, we advised Doctor Godley that we would be reviewing the legislation to ensure that overnight stays do not become commonplace, as practice in Manitoba, because I do not know if the member opposite appreciates the implications of

that but the implications of anyone opening a private hospital and offering overnight services could have profound implications in terms of access in our facility and in terms of providing services to our population.

It is ironic coming out of an era we have in the past decade that there would be an attempt to go towards private hospitals and we wanted to ensure that such did not occur in Manitoba, in keeping with the traditions and spirits of Manitoba. The legislation that was passed in '98 was an attempt by the former government to deal with the issues of private hospitals and the implications under the Canada Health Act.

The minister at the time stated categorically that they would not allow private hospitals in Manitoba, firstly. Secondly, the minister at the time, I believe it was the Member for Lac du Bonnet (Mr. Praznik), also indicated that this was a solution that was being entered into by the then-Manitoba government until the Manitoba government could built up the capacity within the public system to offer the services that were being offered.

Keeping in mind that particular spirit, I was surprised at the member opposite's change of position in that regard in advocating for private hospitals and the expansion of private hospitals, and for the expansion of private clinics. Nonetheless, that is the position taken. In a democracy, we often have various viewpoints.

Having said that, Mr. Chairperson, in keeping consistent with Manitoba policy, we intend to adhere to the principle of not allowing private hospitals in this jurisdiction but continuing to try to offer a varied range of options to our population.

Mr. Murray: Mr. Chairman, the interesting thing about it that I find fascinating is the minister says that Doctor Godley was not aware of the current legislation, and so he had to inform him what the current legislation says. I think, if that is the case, I find it very strange that the current minister, as he makes statements in the media when he makes comments about The Maples Surgical Centre, refers to it as a private hospital. Perhaps the minister does not know the legislation. You talk about confusion; confusion reigns when the person who is supposed to

understand what the legislation means does not understand it or misleads the public.

* (15:10)

So I find it somewhat unfortunate that both the minister and the Premier (Mr. Doer) go on at length about this particular clinic as a private hospital when they know full well that it is absolutely under the current legislation not a private hospital. It even is more interesting I find that when you go through this process and you ask the questions, as I did with the Premier, that there is sort of the 15-minute long answer about all sorts of issues and concerns and everything that talks about patients, when, in fact, are we not talking about the safety of patients? When is it that a politician should understand that patients should be discharged over doctors?

If that is the kind of debate that this Government and this minister want to get in, well, then I think the public are quite delighted to have that kind of debate, because clearly there is no plan in terms of where this minister or this Government wants to take health care unless it is ideologically driven in the sense that we know best, that heaven forbid that there should be a patient that has some surgery performed, that they may not be prepared to be discharged, and, lo and behold, though, boy, we better put in legislation, because that sure would not be a good thing for the patient. We better make sure that we ship them out to a hospital or a hotel by taxi, because, after all, ideology says that we are supposed to know and if we are the Government we dictate what should happen.

Well, I can tell the minister that if he wants to and if the Government wants to have an open and honest debate about how Manitobans, how patients view health care in this province, then I believe they should look at all options that are available. If they want to start bringing in legislation to start slamming down things that are right for patients according to medical doctors, whether it is Alex Chochinov or others, I mean, I certainly am no expert on the medical front, but neither is my honourable member over there.

I think that we have got to rely on those people that are experts. When the medical field

starts to tell the politicians that they should be looking at other ways to improve what is right for the people in Manitoba, and that is a better health care system, that patients should come before politicians, I find it very uncanny that both the Premier and the Minister of Health take a tack to say, well, you know, we know better, and, by the way, when Doctor Godley came into town he was misinformed and we made sure that he understood what the legislation was.

Well, if that is the case, then why does the minister constantly mislead when he is making media statements or in the House, go on at length about this private hospital that Doctor Godley is running. It clearly is not. We have asked for clarification.

I think that we have seen a history of this minister and the Premier, and I asked him the same questions, minister, that I would ask you: When you mislead Manitobans, as you did, to say that you would solve hallway medicine in six months with \$15 million, your budget has gone up by 22 percent, you talked yourself quite openly with some sort of sense of pride about a Web site that you can go to to monitor how many people are in the hallways, my question really becomes: How is it that Manitobans will look upon you with credibility when you now look at someone who wants to come in to work with Workers Compensation and MPI just as the Pan Am clinic did, the same kind of regulations, relationship that they had, and everything seemed to be going quite fine there, other than your Government feels you have to own the bricks and mortar?

So here is a guy that comes in, and he wants to set up a clinic. On his own nickel he wants to have a relationship with Workers Comp and with MPI, and your feeling is from your Government that, no, you do not want to do that, because somehow that would not be good for Manitobans. I think if the minister honestly believes that they know better than what the public deserves in terms of where they want to go with health care, I say to the minister, bring that debate to the public and let the public decide.

So I just would ask, I would caution the minister that health care is a very, very serious

issue. I know that the minister is very aware of that. I do not pretend to know more about it than he does, but what I do say is that, when there are issues that are clearly looking at putting the safety of patients at risk, why is it that the minister will let his ideology get in the way of what is right for the patients?

Mr. Chomiak: Mr. Chairperson, where does one start in that rather meandering ideological speech of the member? Let me start with the word "misleading." It was the member's own critic, the Member for Lac du Bonnet, who went out, showed a photo of some fishing buddies, and said that was Doctor Postl and Doctor Hildahl with the Premier, who went fishing. He went publicly and said that. It was the member opposite who came up and talked about friends of the Premier getting a special deal. The friend of the Premier who campaigned for the Tories, whose picture was in a Tory campaign, that was the friend of the Premier that the members opposite talked about. So the member opposite should be very careful in how he makes allegations regarding the word "mislead." The entire debate has been misled by members opposite.

Now, to talk about the issue, let us talk about the issue of private versus public. We are very happy to have that debate in Manitoba. We welcome the debate in Manitoba, and we will have the debate, Mr. Chairperson.

Let us review the situation. In 1998, when surgical centres opened up in Manitoba and surgical centres started offering insurance services, the then-government of the day was fined thousands of dollars a month for paying the fees. In order to get around those particular fees, the present Government put in legislation. What did they do, Mr. Chairperson? What did the present Government do? They gave the Minister of Health the right to designate surgical centres. Our friends in the then-government gave the Minister of Health the right to designate which centres would be able to provide insurance services and what centres would not be able to provide insurance services by legislation, and we supported that because it served a practical purpose. The practical purpose it served was to deal with the issue of demand and the issue of access to health care.

* (15:20)

Corresponding to that was the situation in Alberta, where in Alberta the entire system of surgery in one particular area shifted over to the private sector, and the Government of Alberta had no ability to control the surgeries done because every single facility and doctor in the private sector were being fined by the federal government and, consequently, brought in their infamous Bill 11, which caused a good deal of debate across the country with respect to how health care should be funded and provided for, Mr. Chairperson. The infamous Bill 11 provided for private hospitals in Alberta.

In the most recent federal election in November, the members opposite, friends in the Alliance tried to make this issue, two-tiered health care, an issue in the election, and it became very clear, in the November election, that the members opposite and their friends in Alliance did not succeed in convincing the Canadian public that, in fact, a two-tiered, privatized health care system is the way that Canadians wanted to go. So, Mr. Chairperson, we in Manitoba looked at the present situation, and we reviewed the present situation. We reviewed it in order to try to determine what options would be available to us, in Manitoba, to deal with this situation. We had the situation of the private hospitals in Alberta. We had the situation of Ontario's latest initiative to go towards privatized medicine. We superimposed that upon discussions that we had had at the federal-provincial level with other Health ministers that the difficulty with the proliferation of private clinics and private hospitals was that it increased waiting lists, and it caused grave difficulty in other provinces.

So, Mr. Chairperson, we said why do we not attempt to meld the best of two systems together, the advantages of surgery centres, which all of the reports indicate we must move towards surgical centres and more day surgeries and the cheaper cost evident in those facilities, and the utilization of our acute care facilities for more complex procedures versus the overall privatization or the overall public system. We think we have a made-in-Manitoba solution, something that has been a feature of Manitoba since the 1960s: innovation in health care. The

innovation in health care that was brought in by former NDP governments, the home care and the pharmacare, which, I am sure, were opposed by members opposite, are seen as nationwide benefits. Frankly, any major benefits, the major personal care home construction system that has been put in place was brought in by an NDP government, probably opposed by members opposite, but, nonetheless, is now considered a standard feature of our medicare system.

We thought that the utilization of a surgical centre in the public system would provide for benefits in the entire system. So we said we have the advantage in Manitoba of a public system, a private system, where we still have contracts with private care providers, and a system where we take a private and mold it into the public system, which we think any moderate and, I think, any open-minded person viewing, not someone who is bound ideologically to their private free enterprise system, which any open-minded individual would review and say that makes for some benefit. We had the further information, Mr. Chairperson, that studies undertaken by the centre for Health Policy and Evaluation in Manitoba showed that, when you run a private system beside a public system, the waiting lists get longer. The Member for Charleswood (Mrs. Driedger) said those are two, very, very small studies. Well, I thank the Member for Charleswood for pointing that out, but we are faced with the other option of the blind ideological stampede towards privatization by members opposite and their friends in the Alliance that they tried to do in the federal election, that they are trying to do now in Manitoba, this blind adherence to the private system and this system that has to be put in place.

We say no. We do not want to be ideological; we want to be practical. We want to look at what the practical solutions are. The members opposite say private and private at all costs. We say there is a different way in Manitoba. There is a way of coming down the middle and looking at options. We still retain all of the options, and we retain all of the flexibility associated with that particular system. So in Manitoba we are going to begin a debate on the system of operating within this type of system. We think, from our perspective, that it is the best of all worlds.

Mr. Chairperson, I would like to indicate that there are a variety of extensive advantages with utilizing this system, which we hope to provide for increased, faster service and better utilization across our system. We are not bound to blindly closing beds, as was done over the past decade, laying off nurses with no positions, as was done over the past decade. What we want to do is have, in a very steady, systematic way, a moving forward, something that has happened pretty dramatically across the system in the past 18 months.

Now, the member opposite keeps indicating that somehow we in the Government are "misleading the public" by virtue of talking about private hospitals. The issue of private hospitals came up and was introduced by the proponent coming in to Manitoba. We indicated at the very start that the issue of private hospitals was one which we would not, as a government, in keeping with Manitoba tradition, permit. The members opposite may want to have private hospitals. They may have changed their position from their previous position of the previous Member for Lac du Bonnet, who when he was Health Minister indicated that they did not support private hospitals. Members may have changed their position, but we believe we are taking the position that is consistent with what Manitobans want. So the issue for us is the provision and the care of services.

Members opposite have said we should fund The Maples Surgical Centre. The members opposite want us to fund every single clinic that opens up in Manitoba, every time a clinic opens up in Manitoba, all the time when a clinic opens up in Manitoba. That was not their policy and it was not their policy for good reason, because the ability to provide access and the ability to deal with volume is something that the Government, in a one-payer system, is very crucial to the effect of functioning of a medicare system. Members opposite seem to have reversed their long-standing position that now says fund every single private clinic that opens up in the system. *[interjection]* The Member for Russell says who says that. Clearly the members opposite have asked for us to fund The Maples Surgical Centre, holus-bolus, Mr. Chairperson.

An Honourable Member: We never said that. Just because we asked the questions.

Mr. Chomiak: Oh, the Member for Charleswood (Mrs. Driedger) said just because they answered the questions.

Mr. Chairperson: On a point of order, the Member for Russell.

Point of Order

Mr. Leonard Derkach (Russell): You know, Mr. Chair, this minister does it in the House, does it in committee, does it in front of the cameras, continually misleads Manitobans, and as a matter of fact puts inaccuracies on the record. It is becoming a trait of his, and it is becoming a little tiresome because I think he should speak the truth instead of shaping the truth to his own liking, shaping the facts to his own liking. No one that I recall on our side of the House has ever said, and ever asked the minister, to fund The Maples Surgical clinic. No one has said that. No one has asked the minister to do that. We have asked a lot of questions, but we have never indicated that the minister should fund this facility.

The minister makes a whole bunch of allegations about who this party is friends of, and again, it is to shape his own political agenda and his own philosophy. Well, I am sorry, that just does not cut ice. In this committee we are expected to ask the minister some questions, and we will continue to ask the questions. He may not like them; and, to burn up time, he may sit there and pontificate for a long time. But indeed it does not get us anywhere in terms of real answers to some very serious questions in health care.

Mr. Chairperson: On the same point of order, the honourable minister.

Mr. Chomiak: Mr. Chairperson, the member does not have a point of order. It is a dispute over the facts. I might suggest it was the member's own leader who brought up the word "misleading," which I think is very unfair in this committee. If members want to have a frank discussion, then I would suggest that he talk to his leader and not ask him to introduce elements of that kind. Members opposite are very sensitive in terms of some of their positions, and they are very— *[interjection]* Well, members opposite will not even let me deal with the

member's point of order. Good heavens, does that not suggest defensiveness? Nonetheless—

An Honourable Member: They have reason to be defensive.

* (15:30)

Mr. Chomiak: Well, yes, the member indicates that they do have reason to be defensive.

It is a dispute over the facts. It is very clear, and members can very clearly deal with that issue by simply stating in the microphone that they support the public health care system. The members can simply state the facts, and then we will be able to proceed on that basis, but they have not done that.

Mr. Chairperson: On the same point of order, the Member for Charleswood.

Mrs. Driedger: On the same point of order, Mr. Chairman. It is interesting that we seem to be going in the same circles we went in in the last Estimates, where every time a year ago I asked questions on certain issues because I felt it was my job as a critic to seek accountability from the minister, that he would then skew the question to indicate that the member does not approve of this or does not approve of that. I think his most famous lines were around the issue of the two-year diploma program. He struggled and struggled with that one through the whole set of Estimates and probably the whole last year and was never quite sure where we stood on it, but he certainly used that to his political advantage time and time again and skewed information and was not particularly forthcoming in many of his responses last year. He seems to be going in the same direction again this year.

We have never indicated that we supported funding of every single clinic that was to open in Manitoba. In fact that is absolutely ridiculous. The minister likes to sit back and smile now because he thinks he has scored some points, but in fact this kind of little game-playing I find quite offensive because all we do in opposition is ask the questions because that is our job. We are there to make sure that all of the avenues are explored when decisions are made.

The minister tends to get very defensive himself, very hysterical sometimes with his answers. I think he really spoils the whole process of Estimates because this is supposed to be about questions and answers. It is supposed to be about accountability. It is not supposed to be about seeing who can outmaneuver with words and play the political games. I think that really does a disservice to Manitobans especially around this whole debate around private/public health care.

In his typical fashion he wants to fearmonger. He wants to label The Maples clinic as a hospital. He uses that over and over again. He uses the words "user fees" over and over again when he knows full well that there are no user fees for insured services at any of the clinics that are private and fund public health services. So the minister has deliberately on a number of occasions, I believe, misled the public in terms of using the words "private hospital," in terms of throwing out "user fees," and I think it is a poor attempt at fearmongering and scaring the public.

Mr. Chairperson: Order, please. I will have to rule on this point of order. There is no point of order. It is a dispute over the facts. I would remind all honourable members that a point of order is to indicate a breach of the rules and is not a time for debate.

* * *

Mr. Chairperson: The honourable minister, to continue.

Mr. Chomiak: As I was continuing, Mr. Chairperson, I would hope members opposite would deal with the facts and the issues and not try to confuse it by spurious points of order and try to get their points on the record by virtue of doing that. If they want to have a frank discussion, then we ought to have a frank discussion, and we should not deal with spurious points of order that have no relationship whatsoever to the issue in an attempt—*[interjection]* I do not know.

So I appreciate the ruling. It allows me to get back to the issue at hand, which is the entire question that was forwarded by the Member for Kirkfield Park (Mr. Murray), the Leader of the Opposition, who put a number of facts on the

record that were inaccurate, and I was attempting to deal with it.

As I was saying, this issue of private hospitals and private clinics is bigger than any of us here in Manitoba. It is a pretty fundamental issue. The member opposite was concerned that the two studies that showed private clinics operating beside public clinics were small studies and should not be utilized. What does the member suggest that we utilize in terms of it other than ideology which seems to be the pattern they follow?

The members opposite seem to indicate—they are not countering with studies that show otherwise. We have studies that show even in Manitoba that the waiting lists went up when you operated private beside public. That is evidence. That is factual evidence. We have studies from Alberta that say the same thing. That is evidence, factual evidence, of what happens when you run a private clinic beside a public system. It is based on good advice.

I have indicated on many occasions to members opposite that when I first attended federal-provincial conferences the ministers collectively discussed the issue of private clinics and private hospitals as being one of the fundamental difficulties that each minister was dealing with in their own respective jurisdiction. I witnessed a major discussion in that regard at the Western Premiers' Conference between premiers with respect to dealing with the issue of private clinics and private hospitals.

I defined for the Member for Kirkfield Park (Mr. Murray), in my first or second response, specifically what the rules are concerning private hospitals as it exists in Manitoba and the rules concerning surgical centres as they exist in Manitoba. How much clearer can I be than to outline what the present criteria are for members opposite? I outlined the criteria.

Whatever position members choose to take is the position I assume they arrive at as a caucus. Whatever questions members choose to ask, I assume it is something they arrive at as a caucus. There is nothing to be embarrassed about if you have a particularly ideological position that you are holding. That is fine, that is

the position that you hold. If it happens to be similar to the Alliance Party in the last federal election, then so be it, Mr. Chairperson. I do not know why you would be ashamed of that. Clearly, if that is your position, that is your position. If your position is not that, then I wish members opposite would state specifically what their position is, if that is not what their position is. I notice a reluctance to do so, so I can only conclude that they have changed their position from what they had indicated when in fact they were the particular government and they were in power.

So, Mr. Chairperson, I think I have outlined for members opposite the questions that were posed by the Member for Kirkfield Park, and I look forward to continuing debate on the issue of private-public in Manitoba.

Mrs. Driedger: Mr. Chairman, I would like to indicate that the Member for Kirkfield Park (Mr. Murray) has given his regrets that he could not stay to listen to that long answer, but he did have an appointment in Portage la Prairie and did have to leave.

I would like to ask the minister because he did say that access and demand was an important issue for him, and I wonder if that was the case why he would not have at least explored, I mean he did not even return Doctor Godley's calls. He did not even go down and have a look at this clinic, and this was all prejudged before this doctor even came into Manitoba. I am curious, I really am, if this minister is talking about the need for good access to care, meeting patients' demands, why he at least would not have been courteous enough to show Manitoba hospitality, to return what I understood could be about three phone calls, and why he was not courteous enough to at least then be open and up front with Doctor Godley and state his opinion.

I mean he just gave us this long-winded answer about the importance of, you know, if you have ideology, that is fine. Well, if that was the case then, and if it is his ideology prohibiting him from speaking to Doctor Godley, I mean why could he have not at least been courteous enough to put that forward to Doctor Godley, instead of being rude and not returning the calls.

Why would he not have even looked at the clinic just to see if there was any innovative opportunity there that would have helped patients in Manitoba?

Mr. Chomiak: Mr. Chairperson, I believe that Doctor Godley called my office from a cellphone, I do not know, in B.C. or somewhere else, indicating that he had discussions. We passed it on to our appropriate officials to deal with. We, very early in the process, outlined to Doctor Godley what the position was of Manitoba with respect to what criteria were present in Manitoba.

There is a variety of demands and a variety of people that contact us regarding expansion, and regarding particular issues that they wish the Government of Manitoba to fund. I do not think the member is suggesting that I have to meet, or should meet, with every single person that comes to Manitoba and wants us to fund a particular project or particular item. The appropriate regional health authority, if members believed in regionalization, which I assume, unless they have changed their position on that too, but if members believed in regionalization, I would assume that the appropriate response would be to have the regional health authority determine the needs, determine the requirements and determine what matters ought to be reviewed.

Doctor Godley then appeared on radio programs, and then made a number of pronouncements, which from what I am advised were not accurate concerning the situation in Manitoba, which is one of the reasons why we wrote to him to clarify some of the difficulties and some of the problems that he was having as it relates to his view of what the situation was in Manitoba and the situation concerning the provision of services here in Manitoba.

* (15:40)

The member opposite ought to know that I try to meet with as many individuals as possible and to discuss as many issues as possible with the appropriate individuals. There are numerous doctors that have discussed the issue, and that is very interesting, Mr. Chairperson, because both when I was critic and as minister a lot of doctors

came to me and said why would the Government not operate surgical centres because they are the most appropriate means of providing services to us and to doctors. It was doctors that actually lead the fight for the provision of surgical centres and the providing of services in surgical centres, and encouraged us in Manitoba to take a look at the process that, in fact, we are looking at, as it relates to the Pan Am situation and the melding of a particular system with another system.

I am also familiar with the experience that was taking place under the previous government when they went into the Assiniboine Clinic exercise and launched a pilot project, quite secretly, I might add, with respect to Assiniboine Clinic, and did a review in terms of providing doctors with payments outside of the regular system in review of the Assiniboine Clinic, which was innovative and which was an attempt to deal with it differently. I looked at the results of the Assiniboine Clinic when we reviewed this, and it is very clear that there were a number of issues that we had to try to deal with before we entered into a venture of this kind.

Mr. Chairperson, the member opposite suggests that the Minister of Health should meet with every single individual who has a plan. We try to meet and talk with as many individuals as possible. In this particular instance, Doctor Godley very quickly made it clear and made it clear to officials, as I understand it, at the College of Physicians and Surgeons he had contracts that he had already entered into and he intended to open a private hospital, I believe. I think that was unfortunate, because it then suggested he did not understand the situation specifically here in Manitoba.

So The Maples Surgical Centre was contacted by Manitoba Health. We outlined the criteria. We discussed it with Doctor Godley. We discussed with Doctor Godley the provision of services. We did know that there were interesting developments in B.C. concerning Doctor Godley and his clinic, that he did extensive WCB work, that there were issues concerning the clinic. We contacted Doctor Godley and outlined to him what our criteria was in Manitoba, how we dealt with the issue in Manitoba. I think that was conveyed to him in

writing, rather than through a telephone message, whereby if I spoke to him in a telephone message at least we had on the record what the Manitoba position is. I think it is prudent that we had on the record for Doctor Godley what the Manitoba position is, rather than a telephone message to a cellphone left by Doctor Godley to my particular office.

We contacted him and advised him what the situation was in Manitoba. Doctor Godley continued to construct, as I understand it, his private clinic. He continued to work on his private clinic and received authorization from the College of Physicians and Surgeons. I believe he is planning to operate and offer services. That is certainly his right. I have consistently said, it is his right. If he wants to open a clinic, he can open a clinic, provided that he adheres to provincial legislation. We outlined that provincial legislation to him. He is prepared. He is aware of that. He can then proceed to operate his clinic as he sees fit.

Members opposite are indicating that somehow we used the terms "private hospital" and "private clinic" interchangeably. I might indicate, Mr. Chairperson, that the concept of opening a private hospital was one that came up when Doctor Godley came in. We wanted to make it very clear to Doctor Godley what legislation is, because there is confusion as to what constitutes a private hospital and what constitutes a private clinic. We wanted to outline to Doctor Godley what those particular criteria were.

The member opposite indicates I may have not been hospitable to Doctor Godley. I do not want to debate the issue as to whether or not I should have immediately called him or written a letter. If the members preferred I immediately call him and not write a letter, I think that was the wrong decision.

I think it was already prevalent in the media. The media already were coming to me because of some media broadcast that had been undertaken by that individual asking what our position was. I had to lay out our position, which I thought was consistent with Manitoba legislation for some period of time, which had been The Private Hospitals Act and The Health Services Insurance Act. I indicated, however, that if any individuals attempted to get around

the legislation by virtue of looking for loopholes in the act that we intended to upgrade the act and that we intended to upgrade it to deal with issues of patient care.

I look at a February 16 report in *The Winnipeg Sun* where it is alleged, in *The Winnipeg Sun*, that a surgical centre in Vancouver allegedly permitted a client to pay for a friend's surgery last year, an infraction of the federal government's laws that govern medicare. We have an investigation of an alleged violation, an individual posing as a party to pay out of pocket, said Frank Fedyk, Ottawa's acting director general of Intergovernmental Affairs. That was a report in *The Winnipeg Sun*.

So when Dr. Godley came and vowed that he would open a surgical centre, I indicated publicly that we would not allow a private hospital, which we had been informed earlier he had asked for but that he could open a private clinic; he had the right to do that.

That is, in fact, what he has done, and we are continuing to monitor the situation. But we are not backing down from our position that we think we have a creative way of dealing with the issue of private medicare in this country that would meld the best of all of the situations in the country. We did not want to go the Bill 11 way in Alberta, and I wonder if the member opposite could indicate to me whether or not that is, in fact, what she would propose. What we wanted to do, Mr. Chairperson, is develop a made-in-Manitoba solution that would take the advantages of the private system and meld it into the public system, because one thing we do know is that we have studies that indicate that it is preferable to have a system that is public and not to have private beside public, because the waiting list, in fact, from the studies will be longer.

There is much more I could say on this, Mr. Chairperson. I do know that The Maples Surgical Centre originally did want to incorporate as for overnight stays which implies a private hospital, and I think it has always been Manitoba policy not to permit private hospitals.

Good heavens, the previous government closed 1400 acute care beds in the public

hospital system. We have been attempting to expand the system. We intend to incorporate the best elements of the private system in our public system through the use of the Pan Am centre, as well as maintaining a stream of contracted service, as well as maintaining service in the public sector, the traditional acute care system which seems to me, Mr. Chairperson, to be prudent and the best of all worlds.

Mrs. Driedger: It certainly seems from the minister's statements where he indicates four overnight beds implies a private hospital, certainly makes the link that this must be where the minister got the idea from, that The Maples clinic was a hospital. In fact, Doctor Godley, I have heard on the radio, correct this misleading statement that he is not a hospital; he is a surgical centre. That is what he always intended to be, and yet the minister has chosen to use the words "private hospital" several times since, which does make for some interesting conjectures as to why this would be happening.

The minister had then played around a little bit with the whole issue of, well, should I talk to him or should I write a letter; maybe I should not write a letter; a letter is good. Fine, I think a letter is great. I think it is good to have things in writing. I am not saying in any way that that was not something that should have been done. It just seemed to me a little bit odd that in a province where you certainly would hope that there is some innovation in terms of addressing health care, that the minister would have at least had the courtesy to return the phone calls of somebody who was coming into Manitoba who was going to try to look at improving access and demand for patient care.

The minister certainly did not have to go down that road at all, but it would have been interesting at least not to slam the door shut immediately and at least look at alternatives. Then the minister could have made an informed decision. But in this case, it becomes obvious that it was not a very informed decision. It looks like it was just strictly an ideological one. In the end, one has to wonder what benefits might have arisen from such a situation if the minister had truly felt that access and demand and trying to improve patient care was where we needed to go.

* (15:50)

The minister has also indicated that Doctor Godley made inaccurate statements. Well, maybe he would not have made inaccurate statements if the minister had taken the time to phone him in the first place and given him the information about Manitoba. Instead, now the minister goes around criticizing Doctor Godley, saying that Doctor Godley was inaccurate, but, certainly, that could have been prevented, and the minister certainly has chosen not to do that.

The minister has also indicated that there are criteria available in Manitoba to make decisions in looking at such clinics as Doctor Godley's and whether a government would or would not go down the road of accessing service in one of those clinics. I wonder if the minister could explain what those criteria are.

Mr. Chomiak: Mr. Chairperson, when we came into office, we maintained the contracts that had been put in place by the previous administration with respect to contract of services to private facilities. We also recognized that there was a need for some increased demand, obviously, and that by providing an enhanced surgical capacity at the Pan Am clinic we would have in fact that particular information.

It seems to me it would be helpful if the member could outline if their position is not to support holus-bolus private clinics, as I think it is similar to the Alliance. Then the member perhaps could outline for us what their particular criteria of support are. That would be helpful and useful in the debate, Mr. Chairperson.

With respect to the criteria we deal with, there are a variety of criteria that are looked at by the WRHA with respect to patient volumes, patient requirements, and patient needs. Those requirements come up through government through the Estimates process that I am sure the member is familiar with. I think that we follow generally in that regard the prudent policy.

Mrs. Driedger: I did not hear in that answer any of the criteria that the minister had referenced. He had indicated that there are criteria available in Manitoba to make decisions. I would assume that those criteria should be something that he

might have top of mind, because obviously they, one would assume, were used in making the decision about slamming the door shut on The Maples Surgical Centre. So I would hope that the minister could come up with the specifics in terms of what those criteria are.

Mr. Chomiak: Mr. Chairperson, the member keeps referencing how we stopped Maples Surgical Centre. I do not understand what the member is talking about. Perhaps the member can outline for us. The Maples Surgical Centre can operate in Manitoba. I have always said it can operate in Manitoba, provided it adheres to Manitoba legislation. There is nothing stopping Maples clinic from providing services in Manitoba providing it meets the criteria listed under the College of Physicians and Surgeons and providing that it reaches the criteria as in Manitoba legislation. The Maples surgical clinic can operate in Manitoba under those particular factors.

We are not in the practice of licensing over the phone anyone who wants to come in and have an operation. There are processes that one goes through in the health care system that entail review, Mr. Chairperson. If The Maples Surgical Centre had initially, I think, provided Manitoba Health with an overview of what they intended to do I think that things would have worked a lot smoother, rather than a phone call and then public relations. I am not criticizing Doctor Godley, but I think that a written proposal to Manitoba Health, which would be the normal, prudent business practice, forwarded to Manitoba Health, might have helped to better deal with the situation.

As I indicated, The Maples Surgical Centre applied for, as I understand it, licencing under The College of Physicians and Surgeons Act. It was reviewed and it was found to be acceptable under The College of Physicians and Surgeons Act. I presume it is open or operating as a private clinic.

We are at this point adhering exactly to the same policy that was in place when the member opposite was the legislative assistant to the Minister of Health, someone who she, in her opening statement, indicated had great vision and had a great respect for. Well, the policy that

we are presently under is the same policy that was put in place by members opposite. Under the present circumstances, nothing has changed.

So I do not know what the member opposite is trying to determine, but I think we have to agree on a number of things, firstly that we are going to try to be innovative in the Government in order to provide a variety of approaches and support to providing health care. It is clear members opposite want us to fund private clinics. If they do not want us to fund private clinics, they ought to state that. With respect to private hospitals, I do not know what the member's position is. It appears that they are backing off a position of support to private hospitals. I do not know, but the member could clarify their position by simply letting us know.

With respect to the debate as to whether or not I should have returned a phone call to Doctor Godley that he phoned and made a proposal, I am not sure that any Minister of Health would accept a proposal over the telephone or that it would be prudent for any Minister of Health to accept something over the telephone in that kind of a fashion. I think a written correspondence provided to us is the way we dealt with Doctor Godley. Once we had heard what the plans were, we wrote back to Doctor Godley outlining what the position is in Manitoba.

So I do not know what the member is suggesting we ought to have done. As far as I am concerned, we are probably better off simply dealing with the issues in question. That is what the position is with respect to the operation of these private clinics, whether the member supports amendments to The Private Hospitals Act, whether the member wants the status quo or whether the member wants us to return to a private, for-profit system. That is the kind of discussion I think we ought to have. I think that is the kind of discussion that would move the debate forward and would assist all Manitobans in determining what is the best way to deal with this and the variety of issues affecting us in health care across the system.

* (16:00)

Mrs. Driedger: If the minister says he is not going to interfere with The Maples Surgical

Centre, will he indicate whether or not he will allow workmen's comp cases to be referred there as well as MPI cases?

Mr. Chomiak: As I understand the rules and regulations, as I understand them, Workers Compensation cases are referred by doctors to particular centres. I believe that is the same pattern for MPI.

Mrs. Driedger: Could the minister then indicate why a letter would have been sent from workmen's comp to Doctor Godley indicating that unless there is government approval they cannot send workmen's comp cases there?

Mr. Chomiak: The member will have to provide me with a copy of that particular letter, and then I will be in a better position to comment on it.

Mrs. Driedger: I will defer that question then to another day, and I would like to bring that letter back here for some discussion.

At this point in time, I would like to switch gears a little bit and talk about the Pan Am Clinic. I wonder if the minister could indicate for me, out of the physicians or people who received the \$700 in good will, who those shareholders are.

Mr. Chomiak: The member referred to \$700. The \$700,000 was part of the total package that was negotiated with respect to Pan Am by the WRHA. I think it is public knowledge who those particular recipients of the funding are. If it is not public knowledge, if I am in a position to provide that information, I will endeavour to provide it.

Mrs. Driedger: The minister has indicated that the \$700,000 was part of a physician recruitment and retention plan. Could he tell us how many physicians were involved in receiving that money and whether or not other than physicians might have received that money?

Mr. Chomiak: The member speaks of it in the past tense. It is not in the past tense. No money has changed hands, as I understand. So I just correct the member in that regard.

Of course, the deal that was agreement in principle and of which due diligence was provided, reviewed the particular agreement. From my understanding of the agreement, and I will check this out, the individuals who received this were shareholders originally and were, for the most part if not exclusively, physicians.

Mrs. Driedger: The minister has certainly taken a little bit of latitude in referencing my association to a quote—well, not even a quote, by associating me with comments made in an article written by a newspaper reporter. He very slickly—and he smiles a little bit because he knows—

An Honourable Member: You should not call newspaper reporters slick.

Mrs. Driedger: I was not. I was calling the Minister of Health slick. He slickly inferred that I had made a comment, because he said that I was commenting in an article that made reference to the fact there were 11 shareholders. Now it was the newspaper reporter that indicated 11. All I was commenting on was that this particular minister did not seem to like private clinics. The minister very slickly associated my comment with the reporter's statement that there were 11 shareholders. I note that he took some glee in making that association during Question Period one day and appears to continue to take some glee in it, which is very deceptive, actually, in trying to make that association.

The member had indicated there were not 11, so he must obviously be aware of what that number is. I think the number 9 has been thrown around a little bit. He has also indicated that those 9 people were physicians and that this was a great recruitment and retention plan. I understand that there may not be just physicians in terms of people that got those bonuses. There could be some physician that had more than one share, that might have had two or three shares. So then in fact we would have had some physicians making more money certainly than the others in the sharing of that \$700,000.

I wonder if the minister might have had time to thumb through his binder and find out who those shareholders were, how many there were, whether they were all physicians and who they might be.

Mr. Chomiak: I note in the member's long preamble that, if the member wants to have a realistic discussion, then using words like "slick" and "deception" is not becoming a member of the Chamber. We would have a lot better discussion, I suggest, if the member would cease and desist. Whether the member is defensive because she made a wrong statement to the media is not my concern. We all often on occasion are misquoted. We all do not have our quotes appear the way that we necessarily attribute them. That happens on occasion.

If the member really wants to have a straight discussion here, then using words in her preamble like "slick" and "deception" is not conducive to that kind of a discussion. If the member wishes to continue, then I have no choice than to outline and point out the member's inconsistencies, which does not move this whole system forward. I would suggest that the member cease, but I will leave that up to her in that regard.

The member keeps wrongly referring to the word "bonus" with respect to this particular factor. When the members opposite bought Greater Winnipeg Gas and had a secret deal and provided \$65 million as good will, what would the member call that? Not only did they provide \$65 million, but they kept it from the public.

We, in this agreement, did something that was unprecedented. We provided the due diligence, and we provided it publicly. Contrast that with the Centra Gas deal, where \$65 million in good will was provided. To then attribute that to "bonus" and try to make a political issue out of it is suggestive to me of political mischief at its best. There are other words that attribute to it. I am going to try to cease and desist and try to deal with this issue in the fashion and the questions in terms of how they were asked.

The member asked about whether it was nine and eleven and whether or not all of the individuals were actually physicians, et cetera. I will endeavour to try, and if I can release that information to the member, then I will endeavour to do so.

Mrs. Driedger: Just to correct some statements again that the minister chooses to make,

indicating I was misquoted by the media, I was not misquoted by the media. All I had indicated in that particular article was that this Minister of Health did not appear to like private clinics. That was the beginning and end of my quote with the media. It was not misquoted; it was very accurate. If there is any political mischief going on, it is certainly not on my part in this particular issue.

Can the minister indicate, when we look at the \$700,000 that is being paid for the surgical partnership business, why the payment would be contingent upon ongoing participation by surgeons? That seems to be a little bit contrary to the ability of a doctor to function within a professional capacity. It is begging a lot of questions by a number of physicians out there.

I would wonder why this minister would force these doctors to have to stay and sign a five-year non-competition agreement. The only way they can get their money is by staying and having ongoing participation in the Pan Am Clinic. I am wondering why the minister would put that into place. It does seem an odd way to treat professional surgeons.

* (16:10)

Mr. Chomiak: I do not understand exactly where the member is coming from. First they criticize the \$700,000 as "a bonus" and that we should not do that, but then, when we attach conditions to it that would permit these physicians to only obtain that funding if they stay and in fact provided the surgery that we want to do and that somehow that is something that is necessarily wrong in the system, Mr. Chairperson, when there are all kinds of remuneration and all kinds of different types of bonuses, and this is not a bonus, but different types. Just recently we announced, for example, our loan program to medical students. Our loan program, we will forgive the loan if the medical student practises in a region of Manitoba, in the cases of third-year students, rural and northern, in the case of fourth-year students, any part of Manitoba. They do not have to repay the loan if they practise in some part of Manitoba.

Would the member suggest that somehow that is wrong? Is the member objecting to that

too, to trying to find doctors to participate in underserved areas? There are a variety of situations where physicians are remunerated in different fashion. I cited earlier the Assiniboine Clinic model, where the physicians there were put on salary by members opposite and only salary by members opposite. I do not believe they were allowed to bill fee for service at the time. I do not believe they were at that time they were at the Assiniboine Clinic, but, because the whole thing was secret, we were not sure. Is the member suggesting, because we try different means and approaches to retaining physicians, that somehow that is wrong? Does the member want to maintain exclusively the status quo system?

We indicated this is a different approach and a different kind of approach to the health care system. We are short of doctors. Some decisions taken in the '90s, and part of the factors are world-wide, contribute to a significant difficulty in recruiting and attracting doctors. So this innovative approach, I think, encourages doctors to stay, and if they do not stay, they have less access to that particular—I do not think that it is necessarily bad because it is different. I think that different ways of retaining doctors is an important part of our system, where you have to put in place all kinds of mechanisms to ensure that we retain doctors. The new era is to retain doctors. *[interjection]*

I thank the Member for Charleswood. So there are some innovative ways, and there are innovative approaches that we are looking at with respect to retention of doctors. We have recently had reports from rural Manitoba that suggested retention is the key factor. I think the general feeling amongst human resource people is that retention is the way to go, and anything innovative that would retain physicians, I think, ought to be looked at, provided that it makes sense.

This is one example. Another example is the announcement we made on Friday, where we are asking the medical students and medical residents, in return for a grant or loan, to do a return of service, otherwise they have to repay the loan. That is another innovative approach. I do not know what the member's position is on that, but we think generally, because we have underserved areas, because we have difficulty,

it is a win-win situation. It is a win for the student because they help to reduce their very severe debt load. It is a win for the province because we get to utilize doctors in underserved areas. So the retention portion was a portion put in in order to try to retain doctors in this system providing surgery, and it seems to me that it is a prudent thing to do.

Mrs. Driedger: Was the minister asking me the question of what I thought of his loans that he offered to the medical students? I will indicate that I was supportive of that with the media. My concern would certainly lie in the area of what happens after they have fulfilled their obligation by staying here and working; then they end up in a situation where they are very highly taxed in this province. I noted, even from an article in the paper, one of the doctors indicated the same thing. With the salaries that they do bring in, it is one thing to get the forgivable student loans, but, once their obligation is paid off, then they are so highly taxed that it does make them want to look elsewhere. As far as the loan program, I was supportive of that but certainly would have some concern and criticism over the high taxes that physicians would have to pay after that and how it could certainly hurt their wanting to stay here and work in Manitoba.

The minister has indicated that this initiative of his, this \$700,000, would encourage doctors to stay at the Pan Am Clinic. Well, it certainly would because that would be the only way they are going to get their money is if they stay and be paid off over three years, and it was contingent upon ongoing participation by surgeons. If that was the only way you could get your money, of course you would stay. You did not have a choice, and that would be a lot of money to walk away from. The five-year non-competition agreement for surgeons, along with them having to stay in order to get their money, is certainly begging a lot of questions. I will be the messenger in this because it is begging questions from physicians out there who certainly have some concern about the method of keeping these surgeons here. In fact some physicians are even questioning the ethics of such an approach.

So the minister may choose to shoot the messenger in this one, but I am the messenger.

This is what doctors out there are saying to me, and they are wondering why professionals are made to sign agreements so that they cannot leave. Certainly, if the environment at the Pan Am was really good, there would be surgeons clamouring to work there. Why would you have to have doctors sign a non-competition agreement? We are here to help all patients in the province. I mean why would you hold physicians to a job with this money hanging over their head? It certainly does beg some questions. As I have indicated to the minister, these are questions that are certainly being asked of me, and I am the messenger bringing them forward to the minister indicating that there are physicians out there that feel this approach is questionable, and there is certainly some curiosity as to why the minister would feel he had to do this.

I am going to take this one step further because on a CBC radio program the minister indicated that he was going to have a situation where the Pan Am was in competition with Doctor Godley's clinic, and to me that sets up a really poisoned environment in health care in terms of providing better patient care. I am wondering why these types of incentives to stay would be put into place and why he would say on a radio program that he is setting up a situation where he will be in direct competition with Doctor Godley and if he really believes that is an acceptable way to have a health care environment in this province.

Mr. Chomiak: Mr. Chairperson, clearly the member opposite disagrees with the notion of the retention fund for physicians, and that is her right. We thought it was innovative and we thought it was a unique approach. We think that anything we can do to retain physicians and surgeons and other health care professionals in short supply ought to be looked at.

The issue of Pan Am Clinic being in competition with The Maples Surgical Centre, I do not know exactly at this point what services The Maples Surgical Centre intends to offer and the member I think it closer to it than I am. Maybe she can inform me of what services she thinks it is going to offer, and then maybe I will be able to discuss it in more detail.

Mrs. Driedger: Can the minister indicate from this \$700,000 bonus that is being offered to

some doctors, which is going to keep them or force them to stay at the Pan Am Clinic, is going to force them to sign a five-year non-competition agreement, how many physicians is he actually forcing to stay away from Doctor Godley's clinic, because I am assuming that some of these physicians might have wanted to work at both clinics but now with what he has put into place he has actually prohibited that, and I am wondering how many surgeons are affected by what he has done.

* (16:20)

Mr. Chomiak: Now the member is saying we are forcing these doctors to take a bonus, if I just turn it around. So we are forcing these doctors to take a quote, bonus. I must correct the member that it is not a bonus, Mr. Chairperson. It is a part of a normal business transaction, and it is a return on the original investment, as I understand it. In order to maintain and continue the kind of service at Pan Am Clinic, a retention clause was placed within the agreement which I understand has been agreed to. So I know the member seems to be advocating for the Pan Am Clinic, for the funding and for the provision of services, et cetera, but our position is generally, as I have said to the member on many occasions, the Pan Am Clinic can operate.

The policy that we have presently in place with respect to the Pan Am Clinic, or any other clinic at this point, is no different than what the member's policy was when she was a member of the Government, as far as I can see. So I do not know what point the member has made. With respect to Pan Am Clinic, we are trying something innovative and something different. When that deal is finalized and it is up and running then we will be judged whether or not it was a success or a failure. I do know one thing, that we cannot remain static. We have to look at different approaches. We have to try different innovations.

The panacea of only going private, which is advocated by one particular segment of the population, I think is a mistake. The panacea of only going private seems to be all that I hear as an option from certain segments of the population. Go private, go private, go private. That is all I hear. My view is that it is happening in

some quarters, it is expanding in some quarters, but that is not the be-all and the end-all of changing the system. I have never been that fond of panaceas. It seems to me that to only go private would be a mistake and would be following the same path that did not succeed in the past, and indeed in the face of studies that show otherwise. That is the strange thing; we have studies that show otherwise.

The members opposite might disagree with our Pan Am experiment, but effectively the situation with respect to Maples is no different than what the situation was when the member opposite was a member of the government and the government caucus.

Mrs. Driedger: I would just like to encourage the minister not to make any assumptions from any of my questions, as he chose to do last year during Estimates. As I indicated then, I have indicated today and I will indicate again, my questions are strictly for searching for information and answers. It is the accountability part of my role, and it has nothing to do with my position one way or the other. So I think if the minister wants to stay away from political mischief, perhaps that is a bit of advice I can give him now.

I understand that Doctor Postl had indicated overnight stays might be considered at the Pan Am, and I am wondering why would it be okay for the Pan Am to have overnight stays and not other clinics. Because the Pan Am then, according to the minister's new rules, will become a private hospital. Is that the direction he is choosing to go?

Mr. Chomiak: The present policy in Manitoba is not to allow overnight stays at any private clinic, as I understand it generally, although a private clinic can have up to four beds and still not be considered a private hospital. The policy and the intention is to generally not have and avoid overnight stays in facilities for a variety of reasons, not the least of which is patient care and patient safety. The proliferation of private hospitals, once you allowed overnight stays, would create very much difficulty. That is generally the position we have taken.

Mrs. Driedger: Could the minister indicate what conversations he has had with Doctor Postl about this issue, because Doctor Postl has

indicated that overnight stays will be considered at the Pan Am Clinic?

Mr. Chomiak: If Doctor Postl and the WRHA come forward with recommendations for the operation of the health care system that we think are prudent and we think will improve the system, we will consider them when that comes forward. That has generally been our policy. Our policy has been to adhere to the operational decisions by the caregivers, in which case the RHAs provide that, and to see what they suggest and then make the determinations based on a variety of factors, not the least of which of course is financial constraints, et cetera, and our view of priorities in health care. But I will await what recommendations come forward.

There are a variety of issues that were suggested with respect to Pan Am. I think at the time I attended the press conference for the agreement in principle Doctor Hildahl talked about an MRI at Pan Am Clinic. So there are a variety of options that people have been indicating. The present plan for Pan Am Clinic as I understand it is not to have overnight stays, which is the status quo.

Mrs. Driedger: Given that Doctor Postl has indicated that is on the agenda, that it is something that might be considered down the road, how is the minister's new legislation that he wants to bring in going to affect what Doctor Postl wants to do with Pan Am Clinic?

Mr. Chomiak: The legislation will deal with the issues consistently across the system.

Mrs. Driedger: That was not much of an answer. Perhaps we could take our break and we can come back, and we can get back at that one right after.

Mr. Chairperson: We will have a short recess of five minutes. I think that is in order. I think we have agreed on it.

The committee recessed at 4:28 p.m.

The committee resumed at 4:45 p.m.

Mr. Chairperson: We will continue with our discussion and we are open for questions.

Mrs. Driedger: We will get back onto the issue that we left prior to the break and that is the indication that Doctor Postl gave that overnight stays will be considered at the Pan Am Clinic. My question is: Why is it okay for the Pan Am, which will remain basically according to Doctor Hildahl privately run, but it is not okay for Doctor Godley to have the same opportunity in his clinic? Why is it okay for one and not the other?

Mr. Chomiak: No one is saying that, Mr. Chairperson.

Mrs. Driedger: Is the minister indicating then that if the Pan Am Clinic were to allow overnight stays that overnight stays would then be allowed in other clinics?

Mr. Chomiak: Mr. Chairperson, let me outline again the parameters with respect to the issue. Overnight stays connote a hospital, and it has been one of the issues that has been very difficult to deal with. It was a major problem in Alberta. It was a major problem in Saskatchewan. It is a major problem in Ontario. Always in Manitoba we adhere to The Private Hospitals Act and would adhere to legislation concerning clinics. The issue of overnight stays connotes a hospital, and we have said we do not want private hospitals in Manitoba. There has always been legislation to deal with private hospitals. There will continue to be legislation dealing with private hospitals.

Mrs. Driedger: Can the minister indicate in what legislation he finds overnight stays connoting a hospital? Is it just in the private hospital legislation, because I have had a hard time finding where it talks about overnight stays in regard to this particular issue?

Mr. Chomiak: No, it does not. That is why I said the word "connote." I specifically chose that word "connote" to imply by choice of that word that it was not directly a direct sort of quote or a direct reflection on legislation. That is why I specifically chose the word "connote."

Mrs. Driedger: Can the minister indicate then that with his new legislation that is what he will be bringing in, is the indication of an overnight stay will be synonymous with a hospital?

Mr. Chomiak: The legislation will soon be introduced and that will be provided to the member.

Mrs. Driedger: The whole issue certainly of overnight stays is going to be an interesting one because, as the Member for Kirkfield Park (Mr. Murray) indicated earlier, if you have a surgery done in a clinic and the patient then ends up requiring more medical or nursing care and that patient is then forced to leave the clinic, does the minister not think it would be safer to stay in the clinic where there is oxygen, where there is suction, you have the equipment you need, you have the medication you need, you have the access to doctors and nurses that you need? Why would it not make sense to allow overnight stays for the safety of patients in a clinic? What is his problem with that?

Mr. Chomiak: Let me turn it around. Should we allow every place that has a bed to have overnight stays?

Mrs. Driedger: The minister did not answer my question, and I certainly would like to hear what he has to say in terms of patient safety around the issue of overnight stays.

* (16:50)

Mr. Chomiak: I was taking the logical extension of the member's argument and turning it around and asking a rhetorical question to consider the issue. It is very clear that the member opposite supported a government for a decade that supported legislation that said private hospitals with four or more beds had to be authorized by the minister. A generally accepted definition of a private hospital was overnight stays and has become common currency in this country to equate that with overnight stays.

The member should recognize that we are going down a very difficult path if we allow every clinic, every physician to open a clinic, and not have certain standards and criteria surrounding patient safety in that clinic, and that if you go from day surgery, and you allow clinics to do overnight surgery, you are talking about a radically different approach to health care. When you do that, we certainly have

capacity in our health care system to do those kinds of surgeries in an acute care hospital. It does become more difficult when you start allowing those more complex surgeries in day facilities, unless you equip that day facility with all of the requisite staffing and requisite equipment necessary for that kind of care, in which case, you are back to having a hospital and, in which case, we are better off then having that kind of surgery done in our acute care sector.

Mrs. Driedger: The minister has talked about overnight surgery, but that is not what I was talking about at all. I am not talking about overnight surgery. I am a nurse, and I know that some patients go sour, as we would call it in the profession. It can happen. You do not know what might happen to a patient after surgery. If you have some day surgery procedure in the afternoon and all of a sudden you have the blood pressure drop, what makes it safe for that patient to be sent to a hotel room with a nurse when in fact you end up in the clinic of having oxygen, you have suction, you have access to medications, and you have access to doctors and nurses and any of the other technology that you might need? Why is it better, in his view, then just for ideological reasons not wanting an overnight stay? He is going to compromise the safety of that patient by sending them some place else like to a hotel.

Mr. Chomiak: Mr. Chairperson, is the member challenging the College of Physicians and Surgeons? Because that is what the member is doing. The College of Physicians and Surgeons requires an agreement with the hospital in order to provide services to those clinics. If the member wants to go holus-bolus like I now see the ideological move towards private hospitals and making that argument, now we understand. The member is suggesting that every place that does day procedures should be allowed overnight stays, and yet the member supported legislation in the past on private hospitals. Now I see it is very clear what the member wants, and it is a very clear divide.

We do not support the notion of private hospitals. When you start doing regular service and you start doing a higher level other than day surgeries in facilities, you do run the risk of creating private hospitals. [*interjection*] You

know, the member tries to couch it and say, well, is the minister so against clinics that they are not going to—no one, in common sense, would say to a patient, oh, patient, because your blood pressure is dropping, we are going to kick you out of this facility because of a notional definition of what a facility is. That is not practical.

What is practical is the general rules and regulations concerning surgery centres and the general rules and regulations concerning hospitals, and at some point you have to make a definition and make a definitional difference between the two. Otherwise, you run the risk of getting into a situation where it is obscured and you run into the situation of the incredible public debate that occurred in Alberta concerning private hospitals and concerning clinics. The member knows full well the huge debate that ensued in Alberta when the Government privatized hospitals.

I generally take it that the decision of the Alberta government, generally, was for pragmatic reasons, and that was one of their approaches. Our approach is pragmatic, as well. Our approach is pragmatic insofar as we have capacity in our public system to do the high-level acute care procedures, and we would like to move day surgeries into day surgery centres, which is recommended by agencies like CIHI, et cetera, and which recommends that, but they do not recommend opening hospitals outside of hospitals. [*interjection*] No, at some point, one has to define what is a hospital, and one has to define what is a private clinic.

There is an act in Manitoba that defines a private hospital as four beds or more requiring the authorization of the minister, Mr. Chairperson. That is the existing law that existed in Manitoba when members opposite were government, and that is the law that exists in Manitoba now that we are government. What we have done is we have said we are going to tighten up the regulations in the act concerning private hospitals and concerning The Health Insurance Act so that it is very clear what the rules and regulations are.

The member is somehow, because of, I think, ideological purposes and a commitment

towards private—*[interjection]* The member says I have said it often. It is only because it is a reflection of the number of occasions I have heard it from members opposite. So if members opposite accuse us of doing this for ideological purposes, then it seems logical to me that, because members opposite are so steadfast in their opposition and they are advocating the private system, they must be for ideological purposes.

On a factual basis, straight facts, the reasons are: (a) we have studies that show, when you operate a private beside public, the waiting lists go up; (b) we have had legislation in Manitoba for a long time defining private hospitals and defining clinics. All we are doing is clarifying the rules; (c) I would have thought that members opposite would support our initiatives, given the comments that are on record by the Member for Lac du Bonnet (Mr. Praznik) when he was Minister of Health that has indicated the same direction that we are doing; (d) It is a made-in-Manitoba approach that has a mix of resources; (e) the College of Physicians and Surgeons dictates the kind of facilities and the standards to be applied to facilities. The Minister of Health has determination as to whether a place is designated as a private hospital.

Mrs. Driedger: Could the minister tell me if a patient is having a surgical procedure and the particular clinic happens to operate in the evening so they get best use of their time, and it is still considered a day surgery procedure, and that procedure happens at eight o'clock and by ten-thirty or eleven this patient is starting to have a blood pressure drop, what would the minister then expect that doctor to do with that patient?

Mr. Chomiak: The minister would expect the same as is present in place right now in Manitoba and has been in place for several years.

Mrs. Driedger: Which is?

Mr. Chomiak: The same policy that was in place when the member was the legislative assistant to the Minister of Health.

Mrs. Driedger: Could the minister articulate that policy?

Mr. Chomiak: It was the same policy that the member opposite had in place when she was the legislative assistant to the Minister of Health.

Mrs. Driedger: I can only assume the minister does not know what he is talking about if he is not prepared to articulate what that policy is. I am giving him an opportunity.

Mr. Chomiak: Let me take the member through it, Mr. Chairperson. About 1998 the Government made amendments to The Health Services Act that dealt—

Mrs. Driedger: We know all that.

Mr. Chomiak: Well, the member says: We know all that. The member did not know when I said it was the same policy as when she was legislative assistant, but now she says she knows. So she cannot have it both ways. She says on the record I do not know. I advised the member it was the same policy as when she was in effect, but she clearly is not aware, so let me take her through the history.

Point of Order

Mr. Derkach: Mr. Chair, the Member for Charleswood asked very clearly if the minister would articulate the policy. She did not ask him whether it was the same policy as was under the former administration; she asked him to articulate it. Now, I do not know whether the minister has difficulty hearing or whether he only chooses to hear certain things, but indeed he was asked to articulate the policy. I think the minister should listen to the questions and answer them.

Mr. Chomiak: On the same point of order, I indicated for the Member for Charleswood that the policy remains the same as when she was legislative assistant to the Minister of Health. In any event, it is a dispute over the facts. I was attempting to explain the issue to the members opposite when again, by diversionary tactics, I believe I was interrupted.

Mr. Chairperson: On the point of order, there is no point of order. It is a dispute over the facts.

* * *

Mr. Chomiak: Now, let me outline the policy. In 1998 the policy was changed to indicate that the Minister of Health could designate certain surgical centres for purposes of the act to receive funding. Contractual arrangements were entered into between three surgical centres: Midland, Western and Pan Am Clinic.

While the member wanted an explanation of the policy, I thought the member was aware, but just so that the member is aware of it, the act has not been changed and the act and the regulations have not been changed since we were government. So the same policy with respect to the three surgical centres remains in place.

Now, Mr. Chairperson, some surgical centres were not designated by members opposite as surgical centres for funding. Since then what has changed is that a new clinic that the members are champions of, that the members are clearly backing, has now come into Manitoba and has begun operations or is soon to begin operations. The members have advocated for that clinic since the time it came to Manitoba. So a new clinic has been here. We have not changed the policy with respect to designated surgical centres. Co-terminus with that has been existing legislation that has not changed since the 1920s, as I understand it, dealing with private hospitals that defined private hospitals in certain ways as facilities with four or more beds requiring approval of the minister to be a private hospital.

* (17:00)

Now, that act has not changed since the time when the member was the legislative assistant to the Minister of Health. We have those two acts in place, and we have a new player on the scene in the form of Maples Surgical Centre, which originally I was under the impression, it is very clear from some of the documentation, where they came in and they intended to have overnight stays and open a private hospital. We made it very clear to them that we were not supporting, as had been past practice of all governments of Manitoba, and certainly it has continued to be our practice that we will not support private hospitals. In order to deal with the issue of need in the system we thought we would try our made-in-Manitoba approach by dealing with the Pan Am Clinic acquisition, which would meld the best of both the private

system and the public system within our health care system. So we maintain the existing contracts, we maintain the existing legislation, we maintain the existing regulations that were in place when the member was the legislative assistant to the former Minister of Health. We have maintained all of those same policies in place.

Now what I have indicated, Mr. Chairperson, is two factors have intervened that are salient to this discussion. The first is the fact that a new surgical centre has opened or is soon to open in Winnipeg. Secondly, we are looking at the purchase of the Pan Am—

Some Honourable Members: Oh, oh.

Mr. Chairperson: Excuse me. Keep your conversations down so we can all hear. Thank you.

Mr. Chomiak: Thank you, Mr. Chairperson. We have entered into agreement to purchase and provided a due diligence, unprecedented in my experience in the Legislature, review of the Pan Am purchase as a means to sort of try to deal with this situation in Manitoba of the proliferation of private surgical centres.

Now there is precedence. Members opposite when they were in government refused all kinds of things in the health care system. They refused MRIs; they refused CAT scans; they refused the proliferation of MRIs and CAT scans. They took a controlled approach, which everyone has and continues to have in the health care system, because there is some requirement on the part of government and on the part of the policy makers to deal with allocation of resources. Members opposite cannot disagree with that. They never disagreed in the past.

So, having said that, Mr. Chairperson, there has to be some means to contain the proliferation of private clinics in the event of a proliferation of private clinics. Otherwise, if we were to fund every private clinic, and the members opposite did not fund every private clinic, then there would be some difficulty.

An Honourable Member: But we did not ask you to fund it.

Mr. Chomiak: The Member for Russell is saying he did not ask us to fund. I would be happy if they put that on the record in terms of what their policy is in that regard, but the members have to know that we cannot fund every single clinic that comes up here and opens up. Just as members opposite did not do it when they were in government, it would cause a good deal of difficulty in resource allocation in our health care system.

So, Mr. Chairperson, the solution in Alberta that they chose to deal with this issue was to adopt Bill 11 and to effectively set up private hospitals. The solution appears in Ontario that they are going to allow side-by-side private operations. That seems to be the way they are going in Ontario.

In Manitoba, we are taking a mix of all the systems. We are going to have private contracted systems, we are going to have a former private system melded into our public system, and we are going to operate our public system, which seems to me to be a prudent approach to this particular issue. The problem we have is that we have to manage this health care system. The members opposite want us to fund everything one day, and the next day they want tax cuts. They cannot have it both ways.

Some Honourable Members: You can.

Mr. Chomiak: There has to be management in health. The members opposite say you can have it both ways. I point out, Mr. Chairperson, that was not a hallmark of their particular regime.

Having said that, we are trying to meld together both systems. The present approach with respect to the legislation and the regulations has not changed from when members opposite were government.

* (17:10)

Mrs. Driedger: A couple of comments the minister made I guess I would take some issue with, because he is certainly putting misinformation on the record, misleading information on the record, when in fact all we are doing is asking questions about The Maples Surgical Centre, and he will take that and turn it and spin

it so that he indicates we are clearly backing it and advocating for that clinic since it came into Manitoba. These questions we are asking in no way indicate one thing or another. All we are doing is looking for some responsible answers from this minister. Certainly I do take offence to some of the misleading comments he does choose to put on the record.

The one thing I guess that does bother me as a nurse is the fact that a patient could be having surgery in the evening at one of these day surgery clinics. That patient may end up getting into some trouble with their blood pressure. It does bother me that this minister will create legislation that prohibits overnight stays and puts a patient at risk. As a nurse, I find that very offensive. I think a lot of the public will find that offensive, because what you will do by putting in such legislation is certainly going to create a situation. That is exactly what the Government would end up doing, is create a situation that puts a patient at risk, that rather they be looked at in the place that is most suitable, they in fact are going to be forced to leave a facility that is staffed to look after problems, has the technology to look after the problems, and we are going to see a patient that will not be treated in the best way possible. One has to wonder then if one looks at the principles of the Canada Health Act where exactly this fits in all of that. As a nurse, this is something that I guess I find alarming, and I do not think I am going to be the only one who finds such a situation alarming. I am going to come back to this issue, because I think this begs some more questions at some point.

There are some other questions I would like to ask the minister, and I am going to start in terms of the financial statements that have been put together by Pricewaterhouse and the five-year projections of the Pan Am Clinic where it talks about taxes. If we look at taxes and licences, the information we had prior to this coming out was that taxes were about \$52,000 a year. The minister indicated the other day that taxes would not be charged anymore because it is a non-profit, but if you look at the Pricewaterhouse document it shows that taxes are paid every year for five years starting with \$53,000 going all the way up to \$60,000. If the minister has indicated that this is a non-profit,

why are taxes still showing in the five-year projections of the Pan Am Surgical Centre?

Mr. Chomiak: You know, Mr. Chairperson, I know the member was a nurse; she mentions it often enough. I know that. The member is suggesting that overnight stays now in a private surgical centre would put patients at risk. It is the same policy the member had, so it is bogus and bunk what the member is saying. I cannot put it in any other terms. To suggest that anyone would put patients at risk by maintaining the same policy the members had in place is surprising.

If a patient, at present, is in a surgical centre and gets in difficulty that is one of the reasons why The College of Physicians and Surgeons enforces clinics to have an agreement with respect to the hospitals, and it is the same policy. For the member to try to make mischief with that I think is not appropriate and to suggest somehow that restricting overnight stays puts a patient at danger and at risk, allowing overnight stays completely across the board in all situations puts patients at more risk.

An Honourable Member: How so?

Mr. Chomiak: Well, Mr. Chairperson, the member says how so. It would allow for anyone to open any kind of centre anywhere.

An Honourable Member: Well, you have control over that.

Mr. Chomiak: Now the member says we have control. Okay, so now we have control in this instance, but we do not have control by virtue of legislation. We have the same kind of control. So the member's argument is spacious, to say the least.

This whole issue, you know, the members opposite insist that somehow they are not being ideological, and they are only asking the questions and we ought not to accuse them. Then simply stand up and take a stand. The member stood up in front of Pan Am centre several weeks before we made our announcement and said fund, fund, fund.

I do not know exactly what the member was asking for, but what we intend to do is put in

place a made-in-Manitoba solution to these issues and a made-in-Manitoba approach that would allow for protection and for expansion. To stay static would not be appropriate, but to put in place a different approach is something that was suggested by previous Health ministers when in fact the member was part of the Government. Now to say that the policy that is in place is somehow going to put patients in danger is no more valid than making the same argument when members opposite were government. I do not think it is an appropriate argument, but the member insists in making that kind of statement.

With respect to, clearly, the issue of patients at risk and providing care to patients is one which I would only presume is why a Private Hospitals Act was entered into in the first place. The Private Hospitals Act was entered into in the first place, because as I understand it at that time people were opening different kinds of healing centres that required some kind of regulation and some kind of control by the Government. That was even predating the universal health care system. Now members opposite are suggesting we go back to no regulation. Are members suggesting we go back to no regulations, no standards, and no restrictions in private hospitals? That seems to be what the member is suggesting, Mr. Chairperson, from the questions and the suggestions that they are making, that we do not have regulation of private hospitals, that we allow wide open proliferation of private hospitals and that, I suggest, would not serve the interests of patients. It would not serve the interest of people in the health care system if we allowed holus-bolus the proliferation of private hospitals which seems to be what the member is suggesting, by opening it up and allowing overnight stays in all instances, because the logical extension of that member's argument is exactly that issue.

So, if members want to take the position of no restrictions on private hospitals, I have to say we disagree. We think that there ought to be some kinds of restriction, that we should have day surgery centres and we should have hospitals, but private hospitals are something that have not been accepted in Manitoba and I am sorry that members opposite are making that claim.

With respect to the tax situation vis-à-vis the Pricewaterhouse report and the member's comments regarding the tax situation, I believe that the situation is accurately reflected in the Pricewaterhouse due diligence report.

Mrs. Driedger: If the price of the taxes is accurate in the Pricewaterhouse report, does that mean that what the minister said the other day, that it had non-taxable status now, is that the accurate statement? Or is the statement that he just made now accurate in terms of the fact that taxes are shown every year for five years, and if that part is accurate are Manitoba taxpayers now paying for the taxes on this building?

Mr. Chomiak: Yes, Mr. Chairperson, I believe that the issues are laid out quite accurately in the Pricewaterhouse report, and I believe that they are adequately reflected in the Pricewaterhouse report that the member has access to.

Mrs. Driedger: Could the minister then indicate what he meant in the House the other day when he said the building received a non-taxable status so there are no taxes being paid? What did he mean in Question Period then when he made that answer?

Mr. Chomiak: Mr. Chairperson, I will have to see what question was asked of me and I will have to see the exact quote before I will comment on it.

Mrs. Driedger: Then if we are still paying taxes, as per the projections on this document, I would then have to assume that Manitoba taxpayers are on the hook for paying the taxes now on the Pan Am Clinic.

Mr. Chomiak: Can the member indicate specifically what taxes she is referring to?

Mrs. Driedger: On the acquisition of the Pan Am Surgical Centre financial projections cash flow statement, it shows common taxes and licences halfway down the page on Outflows, and it appears that because we know that the property taxes are about \$52,000 a year, it follows that this is probably the property taxes of the building.

Mr. Chomiak: I think that the Pricewaterhouse report got it accurate.

Mrs. Driedger: Then I would like to ask the minister where he had indicated in Question Period that \$70,000 in repair costs for mechanical and electrical were taken off the price tag of the building, how can he then explain the repairs and maintenance that the building is showing every year, Year 1, \$66,000; Year 2, \$68,000; Year 3, \$70,000; Year 4, \$72,000; Year 5, \$74,000? If you add all of that up, Mr. Chairman, we are seeing a huge amount of taxpayers' money now going into paying all of the repair and maintenance cost on a very old building, so it looks like Manitoba taxpayers have got hit again, not just with the \$7.3 million, but now we are looking at annual property taxes over \$50,000 and now we are looking at repair and maintenance anywhere from \$66,000 to \$74,000 annually. Are Manitoba taxpayers now footing the bill for that?

Mr. Chomiak: It is unfortunate right now that Manitoba taxpayers are paying the expenses of the Tory neglect for a decade when they did not rebuild infrastructure, when they allowed the funds to deteriorate, when they did not rebuild the capital, when they did not provide for the infrastructure, Mr. Chairperson. It is unfortunate that all of our assets suffered such damage during the Tory years of neglect, when they closed hospital beds, when they fired nurses, and when they continued to allow the infrastructure to deteriorate. That is what happened—

Mr. Chairperson: On a point of order, the Member for Russell.

* (17:20)

Point of Order

Mr. Derkach: On a point of order. I know you are going to rule that this is a dispute over the facts, Mr. Chair, but the minister makes reference to our Government firing a thousand nurses, I believe, in the same way his Government just fired 600 nurses in Winkler and Morden, Mr. Chair, and 250 VON nurses, so the two are the same. Is he now admitting that he has fired 600 nurses in Winkler and Morden?

Mr. Chairperson: On the same point of order, honourable minister.

Mr. Chomiak: This is not a dispute over the facts, Mr. Chairperson, because the members opposite are totally wrong. The situation with respect to Winkler and Morden, you know, it is ironic, we moved all of those positions into the new Boundary Trails. The members opposite would have been the first—

An Honourable Member: That is exactly what happened to the thousand nurses.

Mr. Chomiak: Well, Mr. Chairperson, the thousand nurses that were fired by the Tories, so many found their way to the United States and could not find jobs. It was so well documented and well known. It is very clear that members opposite have their facts wrong.

Mr. Chairperson: Order, please. On the point of order, there is no point of order. It is dispute over the facts.

* * *

Mr. Chomiak: As I was indicating, I now understand why for a decade they let infrastructure deteriorate. They did not put money into new equipment. They did not put money into fixing buildings.

An Honourable Member: What has that got to do with the Pan Am?

Mr. Chomiak: The member says: What has that got to do with Pan Am? There is such a thing as ongoing annual maintenance that I do not know if members opposite are aware of, but you generally build it in to a capital structure that you own.

An Honourable Member: Yes, if you own it. Why would you buy an old building?

Mr. Chomiak: Oh, now the member is going back to the basics and saying: Why would you buy the building?

Mr. Chairperson, first the members opposite accuse us of buying a building and should not buy a building. Then they say, well, you are not supposed maintain it. I understand now why there was so much difficulty. When we came into office, the physical infrastructure in this province had deteriorated so dramatically. It had

deteriorated dramatically. It was very clear that the reserves had been run down, the maintenance had not been appropriately funded, nor equipment.

Mr. Chairperson, the Member for Russell ought to check the facts on this. It is very clear. It was one of the issues that was provided to me upon assumption to office about the deterioration of the infrastructure. With respect to the recommendations in the Pricewaterhouse review, it was an independent third party review of a situation. It was something that I had never seen done. It was not done before frozen food. It was not done before SmartHealth. It was not done before Connie Curran. All of the schemes and deals done by the former government that lost millions of dollars, that cost the province years in development, there was no due diligence tabled, no due diligence provided to the public.

Mr. Chairperson, we provided due diligence for review, and now members opposite are picking away at due diligence which is fair enough. Valid criticism and a review of the situation is obviously in order. That is why we released it publicly. That is why we provided it publicly. So people could look at the situation. So they could look at the facts. They could look at what the ramifications were. It is very clear that Pricewaterhouse determined that there would be a net profit that could be plowed back into the system, plowed back into patient care after a five-year period, and that is what they concluded.

It is not what the Government concluded. Not only that, Mr. Chairperson, but the WRHA, who are charged with the responsibility of determining this, concluded that this was a fair deal as well. Now members opposite may have not wanted to do capital, may have not wanted to do capital expansion, may have not wanted to support capital, but we feel that we have to continue to develop the system, continue to be innovative. We believe that this particular initiative warrants discussion. We think that the review done by Pricewaterhouse, it indicates that it is a profit that could be realized with the health care system as well as increasing access and volume, speaks of a significant investment and achievement for the people of Manitoba.

It is a novel approach, Mr. Chairperson. It is a unique approach. Members opposite want us to fund all the private clinics that come in. We do not think that is a good policy. Members opposite want private hospitals holus-bolus across the province. I do not think that that is a good policy. Members opposite want us to reopen the Canada Health Act and redo the Canada Health Act in a press release released by members opposite.

We think that there is a prudent approach. We think that approaching this in a fashion that melds the best of the private system with the public system is of some benefit to the province. We are looking at a mix of systems. The pre-existing public system that was allowed to deteriorate under the former government, Mr. Chairperson, which saw beds close by the hundreds and hundreds. Actually, the Member for Russell (Mr. Derkach) corrected me, 1400 which is the members' opposite own statistic, and the fact that members opposite cancelled the nursing programs, cancelled the diploma program, the fact that members opposite restricted access to the medical program are all systems that we are turning around, all systems that we are turning around by rebuilding the structure.

Now, in addition, though, Mr. Chairperson, we are making some innovative efforts in the community. We have introduced more community-based programs than I think members opposite did in their tenure. Thirdly, with respect to private-public, we are looking at a variety of options and a variety of approaches that would see taking the advantages of the private system and melding them into the public system to provide for specific increases and adhere to the tenets and the integrity of the Canada Health Act.

Mrs. Driedger: Well, this Minister of Health (Mr. Chomiak) has made so many misleading statements that I am not even going to get into that, because there is no credibility with at least half of what he just said—80 percent, my colleague says. It does not even warrant going in that direction because I think that is just going to waste a lot of time in Estimates, and I have better things to do with my time than that.

What is becoming clear, though, and this was not clear when the announcement was made

for the purchase of the Pan Am Clinic—\$4 million to buy the clinic, another 3.3 to add on to it, and we were lead to believe that that was it. Now we are finding out we have property taxes anywhere from \$53,000 to \$60,000 a year. We have repairs and maintenance on a facility that is \$66,000 to \$74,000 a year. Then there is also repair and maintenance on some old equipment, because we know the equipment in the Pan Am is six to seven years old. Year one, it is \$13,000; year two, it is \$15,000; year three, it is \$16,000; year four, it is \$17,000; and year five, it is \$18,000.

If we were to look then at the annual operating costs taxpayers are now bearing, I think people are going to be a little bit surprised because the purchase price was very misleading from what the ongoing costs of operating this clinic are going to be, which takes us into the issue of facility fees.

The minister has indicated in the past that facility fees were paid by the Government to the Pan Am Clinic, and that was rent. That is what he had indicated in the House. I am wondering why facility fees are still being paid then to the Pan Am clinic, anywhere from \$1.1 million in the first year to \$1.7 million in year five, in an ascending order of value like that. Why are there still facility fees, if we bought the clinic?

We do know that the minister has indicated that \$7.3 million was spent for every two years of Pan Am's functioning. I have to ask the minister, then, why are we now still paying facility fees if, as he has indicated, the facility fees were the rental values on the building?

Mr. Chomiak: Mr. Chairperson, we do lots of capital in the Department of Health. We are doing capital, as we speak, at CancerCare Manitoba. We are doing capital at Health Sciences Centre. We are doing capital at Brandon Hospital. We are doing capital at Seven Oaks. We will soon be doing capital at Victoria Hospital. We are doing some capital renovations at Concordia Hospital. We are doing numerous capital renovations.

Generally, I do not know if the member knows this, but all of those come with operating costs. There are operating costs associated with every capital project, Mr. Chairperson, ongoing

operating costs, maintenance costs and continuing costs.

For the member to suggest—it is as absurd as the arguments about the Premier (Mr. Doer) going fishing with Brian Postl, Mr. Chairperson, which is what they first ran up the flagpole. I think that was very low, but they did. They ran it up a flagpole, circulated a picture and said the Premier was fishing with Brian Postl. The Member for Lac du Bonnet (Mr. Praznik) circulated a picture and said it publicly on the air, and I have the quote.

First of all, the members tried that. Now the members say, oh, you spent money but you did not tell us there were going to be operating costs. You did not tell us there were going to be operating costs on a capital purchase. Come on, Mr. Chairperson, if that is not misinformation, it is naive. We provided a due diligence before the deal was settled that point by point outlines operating costs, and we are accused of not disclosing.

* (17:30)

I do not get it, Mr. Chairperson. Let me try again. We have an agreement in principle. We do due diligence. We outline the year-by-year operating costs, and we are accused of not disclosing. Now I find that passing strange, to quote a common phrase that was often cited in here by the former Member for Morris-McDonald.

So the member is now saying we did not disclose. Let me go through this historically.

An Honourable Member: We asked you in the House over and over.

Mr. Chomiak: They asked me in the House about cost, and I said it would all be made public and they accused me of misleading. Then they went out and said the Premier (Mr. Doer) fished with Brian Post, and that is why we did this deal. Then they went out and said the Premier has good friends, has gone fishing with Wayne Hildahl, neither of which are true. Then they ran that up the flagpole. Now they are saying, Mr. Chairperson, because when we announced the purchase price of \$4 million we did not indicate

there were operating costs in this for five years that we are misleading. I do not get it.

Does that mean my announcement recently of the Boundary Trails hospital opening was misleading because I did not indicate what the operating costs were? Because that is what I did two weeks ago. I would have expected the Members for Morris and Pembina to stand up and say: You were misleading, Minister of Health, because you did not tell us that there are operating costs associated with this capital facility. In addition, Mr. Chairperson, a process that they put in place, which would see the nurses from Morden and Winkler move from two hospitals to one hospital.

You know, they said that we were not supposed to do that. Should we have done what the Tories did in the past, Mr. Chairperson, and just lay off nurses and let them go to the States? No, we moved them from one facility to another, and we did not close beds. But to suggest that because we did not include operating costs in a capital plan that we are misleading is unbelievable. I cannot believe it. I have heard some strange things in this committee, but this is one of the strangest, to accuse us of misleading because we did not say there were operating costs, when not only did we indicate this was a capital purchase but we provided due diligence, which year by year outlines operating costs.

Let me look at this, Mr. Chairperson. Year one: inflows, revenue, facility fees, implant revenues, fee for service, other surgical income, total operating inflows, outflows, salaries, benefits. Were we supposed to pay these people nothing, I ask the Member for Charleswood (Mrs. Driedger). Salaries, benefits, medical supplies, implants, accounting and legal bank charges, office delivering process, GST expense, telephone, repair and maintenance equipment, common repairs and maintenance, advertising and promotion, security. You know, this is public. We provided this and the members somehow suggest that by doing this—I do not get it.

What I do think, Mr. Chairperson, is it is grasping at straws to try to look for an issue to stand on because they do not have an issue substantive to stand on. They twist and turn

every single comment and every single statement, grasping desperately for an issue. To take a due diligence report that is provided, that has the year-by-year expenditures and to suggest—now, if we had as had been done in the past like the Centra Gas deal, we would have given nothing, and we would just secretly run away and not say that \$65 million was going for goodwill, but no, we did I think what Manitobans expect. We were transparent and we provided this information.

Members opposite can criticize us. They can look at this information. They can criticize the way we do it. They can criticize the fact that we are doing it. They can criticize specific issues of it, but to criticize us as being misleading because we did not provide operating costs when we announced the capital plan, Mr. Chairperson, is simply desperate politics. You know, I have never seen, and the Member for Russell (Mr. Derkach) has been around longer than me, I doubt he has ever seen as extensive an analysis done and provided publicly as we provided on this particular deal. If there were others, I am not aware of them. He might, and I would look for examples.

So we provided this information and we provided it for public review, and public review it is getting. But what I do not understand is why members opposite have to play little marginal stuff with with this like the fishing buddies issue that was proved wrong, the issue of not providing the operating expenses because you are misleading somehow, accusing us in the House of not providing appropriate information when I have said the information would be made public and was made public, including a due diligence report. Somehow implying that this was not truthful is very marginal at best, Mr. Chairperson, and that is the best that I could say.

You know, the members next are going to say, because on the purchase day I did not say we were buying the building, the equipment, the supplies and paying operating costs, that I was misleading. That is not even appropriate. Members opposite know that is not even the case, and that is not even normal. I do not understand that kind of analysis, but that is what I am hearing in this committee. Somehow the fact that we did not provide—I do not know

when, we have already provided due diligence, Mr. Chairperson. We have outlined for the next five years what the costs are going to be. We have provided it, but somehow the member suggests that we have been misleading. I do not get it. If I belabour this point it is because I am struck by the suggestion. It would be one thing to ask a question, but to suggest that we are misleading I think is inappropriate. It is totally inappropriate.

When the member is looking at the very information that she says we did not provide, she is looking at the information that she says we did not provide, and she is saying that somehow we were misleading. I find it passing strange. The member has read from this statement and we have provided that statement. It is consistent with what we said when we purchased it.

* (17:40)

It reminds me of the earlier issue in the House when somehow the members indicated that we had misled when we had talked about the purchase of the Pan Am Clinic, and then I referred them to an article in the *Winnipeg Free Press* which indicates: The deal sees the Province buy out Hildahl, a partner, who owned the clinic, the building, and buy out the nine surgeons who operate the surgical centre at the facility. That was in a *Free Press* article the next day. Somehow the members say that we did not make that public. Well, the *Free Press* reporter got it. I cannot help it if the member did not get it, but to accuse us of being misleading on that point I think is inaccurate, as inaccurate as what I am hearing here today that somehow the very income and expense statements that the member is looking at have not been provided to members opposite and hence the capital purchase is misleading. I just find it perplexing, Mr. Chairperson.

I guess I have made my point.

An Honourable Member: No, no.

Mr. Chomiak: The Member for Russell is not clear. Let me go back then. The Member for Russell is not clear. Let me just go back to basics.

The Member for Charleswood (Mrs. Driedger) indicated that we were misleading because we did not provide the operating expenses for Pan Am. I pointed out (a) that every capital purchase has operating implications; (b) that we provided the operating implications in the due diligence report; (c) I now understand why so much of our capital structure deteriorated during the Tory years of office, because there was not attention paid to capital and infrastructure and renewal and repairs, because clearly from the flow of the member's question there is not much attention paid towards the maintaining of the infrastructure as it relates to capital facilities.

The review done by Pricewaterhouse looked at all of the expenses, all of the particular factors. It is more widespread and more informative, as I indicated, than anything I have seen in my years in the Chamber. It is provided publicly and it is outlined for use by members. When I look at some of the references, it is even footnoted with respect to some of the issues raised by the member. It is very clear that there has been more disclosure in this than virtually anything that has happened in the past period of time.

As I indicated in the House when members were fishing after the announcement, we were going to provide significant information. We have provided more significant information in this regard than anything I have seen in a long time that has come before the Chamber.

Mrs. Driedger: The minister certainly seems to have a sensitivity to the fact that now the documents are showing some pretty hefty annual operating costs. He had indicated actually two to three times during Question Period that all that was bought for the \$4 million was a building and equipment. When repeatedly asked that, he had indicated that was what was purchased.

In fact, on May 1 he said in the House: We are one time paying capital of about \$4 million. So now the minister goes on a little tirade when in fact the words out of his own mouth on May 1 indicated that we are one time paying capital of about \$4 million. So it is interesting that he would have that little tirade when in fact he has indicated that \$4 million went for one-time capital payment.

In the news release that he issued, he indicated that \$4 million was to buy the building, equipment and operating rooms, and that is all his statement indicated. So if he wants to skirt around this issue, fine, but he is on record publicly saying what \$4 million bought. His news release indicates what \$4 million bought, and nowhere, nowhere, despite all the questions in the House, despite all the questions by the media, nowhere does he indicate that \$4 million went for anything other than the purchase of capital equipment and the building.

So it is fine. He can, you know, rant and rave a little bit hysterically like this, but in fact, we have Manitoba taxpayers now on the hook for some pretty hefty operating costs that are really questionable, if in fact this building had never been purchased. But it still begs the question of all these high facility fees, because he has indicated, and I do have his comment from April 26, 2001, he has said that over the past two years, we paid \$7.4 million in facility fees to rent facilities. So it appears that he is implying that facility fees have gone to pay rent.

My question, and he can dispute what is in the facility fees, and that is what I am asking: Is rent still in the facility fees? If not, if he could just give a straightforward answer. If rent is not in there, what constitutes the facility fees? If he is now indicating that we have quite large operating costs, which were never, never made public to Manitobans, or to us in the House when we asked the questions, why was he so evasive about this?

Mr. Chomiak: Mr. Chairperson, I guess the member did not understand what I said in my comments. Now I recently opened Boundary Trails hospital. I had the honour of opening Boundary Trails hospital. I talked about the capital cost. Does the member say I was being evasive because I did not say that there were operating costs associated with Boundary Trails hospital?

You know, Mr. Chairperson, it is extraordinary that in their attempt to discredit and find something, they cannot find anything legitimate, so they try to manufacture insignificant issues. And issues that defy logic. You know, we made a capital purchase of the

Pan Am Clinic agreement in principle, still not finalized. First, members were talking about bonuses, then they were talking about indentured doctors. I cannot believe the extremes to which members characterize it.

The point of this issue, Mr. Chairperson, is, I am trying to think when we announced the critical program at Health Sciences Centre, the \$150 million or \$110 million project. We did not indicate operating costs then. Does the member indicate that we were not providing all the information then? When we announced the Seven Oaks hospital dialysis and oncology expansion recently, we did not indicate operating costs at that point. Is the member suggesting that we misled at that point? I just cannot understand what line of reasoning the member is using in order to make that particular statement. The member continues to stand on that particular statement.

Mr. Chairperson, the member has in front of her, as does the Member for Russell (Mr. Derkach), a due diligence showing five-year projections of operating expenses associated with this particular operation. Is that not enough disclosure? But no, members have to jump back and say, well, when you first announced it on day one, you did not say there were operating expenditures.

Mr. Chairperson, I do not think any Manitoban ever suggested or thought that there were not operating expenses associated with a capital purchase in which you were going to conduct significant surgeries. It is perplexing to me how the member opposite could actually stand on that particular statement.

We provided, Mr. Chairperson, extensive documentation on the purchase of this clinic. We provided due diligence, greater information than I had ever seen as a member of the Legislature, certainly greater information than we got on SmartHealth, certainly greater information than we got on frozen food.

You know, Mr. Chairperson, we had to become Government in order to get access to the contracts with respect to frozen food, and even then we were prevented by legal agreement from making the information public, so when we acquired the mortgage, we were able to make the information public. But we are locked into non-

disclosure agreements that were entered into by the previous government. I find it perplexing that that particular line of reasoning would be used by the Member for Charleswood (Mrs. Driedger). Again let me just lay the facts out. We made a capital announcement of an agreement in principle. It was duly reported by all of the media.

Despite the fact that information was reported, members jumped up in the House and said we were misleading by virtue of not—I do not know what members were referring to because they simply could have read their newspaper accounts of the reporters that were there. Then we provided a due diligence and the members opposite suggested that somehow the fact that we provided due diligence was not sufficient information. Then they reviewed the due diligence and the operating expenses and said what you did was you did not tell us when you made your capital purchase that there were going to be operating expenses associated with this particular deal, notwithstanding the fact that they asked questions in the House on the due diligence, on the operating expenses. They asked questions on them, but today they say: Oh, you did not tell us that there were operating expenses associated with the deal. That I fail to understand.

* (17:50)

I am sorry to belabour and go on this point, but the Member for Russell (Mr. Derkach) indicated that he did not understand this particular point. I am going to go back to it because I find it very strange that on disclosure of documents, greater disclosure than I have every seen since I have been in this Chamber, the members opposite would accuse us of not providing information when in fact the member is quoting from the very information that we provided. But what is more perplexing is that somehow operating costs associated with a capital purchase and operating costs associated with providing services, the member suggests is misleading insofar as we did not indicate that there were operating costs associated with this capital purchase.

I can look back to the hundreds of millions of dollars of capital that we have announced in

the last year or year and a half since we have been Government, and, in most cases, even though we have the analysis there, we do not publicly announce what the operating implications are, the operating costs are, of those particular capital decisions. But, clearly, if a logical extension is made of the member's argument, then the capital expenditures by virtue of doing that we are misleading every time we make an announcement of a capital decision.

We have made lots of capital decisions, so why the member would pick and choose that somehow Pan Am case is any different than any other capital is beyond me because it is a capital purchase and it is a capital investment and all capital investments, particularly when you are operating in the system and we said that the private system would be melded in the public system, had operating implications. Now, if the member is suggesting that we do not provide for operating expenses then I do not understand, because clearly an asset will require a natural capital investment on an ongoing basis. That is just an actual part of business and a normal business practice is to amortize assets based on particular formulas, Mr. Chairperson, and that is what we do in the health care system right across the board.

Now if the member is suggesting that we do not do that then I think we are going to be in some difficulty as it relates to our entire system. So I fail to understand why the member suggests that somehow we were misleading by virtue of not including the operating costs at the time of the announcement insofar as in particular, I suppose, that argument would have some currency if we had not provided public information of the due diligence which outlines the operating costs expenses over the next five-year period as it relates to this particular investment. But we did, and we provided it publicly, and we provided it so that the public would have the opportunity to review this information and to digest the implications as it relates to this particular issue.

Just related to this matter and related to some of the previous questions by the member, I will just indicate the selling price was \$2,745,330. Two appraisals were done. The equipment was at \$448,055; the business, the

investment the partner has made on leasehold improvement and operation cash flow over the years is \$700,000. The 11 partners—the member had asked that earlier—provided an investment. However, we negotiated a payment schedule over three years to provide an incentive for surgical staff to stay on at the clinic, which is how this fund doubles as a professional retainer fund. The \$700,000 that we divided amongst 11 partners over three years averages out to \$22,000 per partner, per year. We then provided publicly the due diligence review performed by Pricewaterhouse which confirms that the deal is fair and economic to the Health Authority, and it states that the base case net present value of the five-year cash flow projection is over \$5 million.

So all of that information was provided publicly, Mr. Chairperson. All of that information was provided up front, and it was provided for purposes of making a sound business analysis of this particular decision.

The member references the fact that I indicated in the House—I think the actual figures that we have paid in facility fees, and I am going by memory, is somewhere around \$6 million, I believe, Mr. Chairperson, and that has been over the years. I will confirm those numbers for the member with respect to the facility fees that we have actually paid in terms of the contracts entered into for the other properties—pardon me, for the other facilities.

Overall, Mr. Chairperson, we provided the member with a copy of the due diligence. I am just paging through it because I am trying now to just wrap up, as we wind up, a couple of the other issues that were raised by the member to see if I could put those to rest in terms of dealing with them prior to us adjourning for today. I guess some of the specific names will have to be provided on another occasion, as I am just looking through the particular agreement in order to provide that information.

I could indicate that I have in front of me the release for the Boundary Trails hospital that we put out recently, and nowhere in this release is it indicated what the operating costs are for the Boundary Trails hospital, although we indicate that we are going to do a whole bunch of procedures in this particular facility. So I guess

to take the logical extension of the member's argument, that somehow we were misleading by virtue of not providing the operating costs in this release which I suggest is not only wrong but I suggest is not practical and varies with the kind of information that has been provided by governments for some time, to suggest that somehow because we did not indicate the operating costs, we were misleading, Mr. Chairperson, I find passing strange.

To read about Boundary Trails: the total capital costs for the project is \$37.6 million. Through arrangements with the regional health authority, the communities of Morden and Winkler are contributing \$3 million toward the facility plus funding of other amenities. Manitoba Health is funding the balance of the capital costs. No reference is made in this news release to the operating costs to operate the 94 beds, the emergency department, the three operating rooms, dialysis, chemotherapy and support services, the CT scanner, diagnostic mammography and a state of the art computerized digital imaging capable of transmitting diagnostic information to other facilities. No mention is made of the operating costs associated with that in the news release, which is both obvious, Mr. Chairperson, and common practice in Manitoba as it relates to capital investments.

So on this matter, Mr. Chairperson, I fail to see the point that is being made by the member opposite as concerns the capital costs and the operating costs associated.

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

AGRICULTURE AND FOOD

(14:50)

The Acting Chairperson (Mr. Jim Rondeau): 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.

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): As I indicated to the honourable minister the other day, I would like to ask some questions on the marketing boards and some of the other boards of commissions. However, before I do that, I want to spend just a few minutes talking about the AIDA program and the CFIP program, if the minister does not mind.

The question that has been asked a number of times by various producer groups, especially the livestock producer groups, is whether the minister might tell us why so-called farm fed grains were left out of the AIDA calculations and will also be, I understand, left out of the CFIP calculations? Could the minister tell me why that was done?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Can the member clarify? I believe he would be talking about the CMAP program.

Mr. Jack Penner: AIDA, CMAP and CFIP.

Ms. Wowchuk: There are two programs the member is referring to. I will deal first with the CMAP program. That was the most recent one, and the one that certainly some producers had raised. When you look at the issue we were trying to address through CMAP, it was the hurt that the grains and oilseeds producers were feeling because of low commodity prices and high input costs. Really, there is a real challenge in that industry. If you look at the cattle producers or livestock producers feeding grain through their livestock, there is not nearly the kind of hurt that the grains and oilseeds sector face. So a decision was made with the limited dollars we had in that program that we would target the grains and oilseeds producers. That is basically the reason for not paying out on farm-fed grains because the hurt is in the grains and oilseeds production.

With respect to AIDA, again, when you look at the producer, although you cannot include

farm-fed grains in it, the production costs are included, because the farmer produces the cost.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

So really his or her production costs are included. Then the producer benefits of the sales of his commodity through the sales of their livestock. Although there is not a specific line for farm-fed grain, the farmer does include the cost of producing that grain in his production costs. The value of the sale is included in the return that the input producer receives for the livestock when they are sold.

Mr. Jack Penner: I think the minister has a grasp of what reality is all about in this situation. That is where the problem lies. On the one hand, if grain farmers or farmers in general would operate as corporations do, in its entirety, grain farmers might be tempted to split their operations into divisions and file taxes based on divisional application of their tax process—same as expenditures. Then, if the grain division on a farm would sell its grain to the livestock division on the farm, there would be proof of sale.

That is really the only thing that is at issue here is whether the grain has been, in some form, marketed to the livestock producer, and whether that can be demonstrated. What you are really doing by treating farm-fed grains the way you are treating them is forcing farmers to set up a different kind of an accounting and reporting procedure that will in fact treat the commodity as a single commodity from a tax or expenditure net profit basis.

I think the department and whoever writes these programs need to realize that a farm operation is not a total entity by itself as a farm operation. It needs to be treated on a commodity-by-commodity basis. Because we do have farmers that just raise feed grains. We do have farmers that just raise wheat. We do have farmers that just raise oilseeds, if they can, and/or vegetable growers. We also have just livestock producers that buy all their feed grain. So the problem lies in the fact that we, as a government, have caused and encouraged diversification. We call it diversification. I would like to call it adding value by adding another division. If a grain producer sets up a

livestock division, the grain that is produced on that farm must be allowed to be part of the calculation. Because it becomes part of the grain-producing side of the equation, and the livestock operation should be a stand-alone operation—should be viewed by government as a stand-alone operation.

It is totally unfair to penalize people that have made large investments to change the way they operate and add another division into their operations by penalizing them when government programs come about to support the grain and oilseed side of the operation. It is totally unfair to allow those distinctions to be, or to put them all in one box and treat them as one. Because they are not one. I think it is absolutely imperative that when new programs are devised, and new programs are announced, that on-farm-fed grain must be treated equally. Because the only distinction we make is if a cattle producer takes his grain to a feed mill, and has his barley or corn rolled, and takes it back and has a bill for that, that grain gets calculated as farm-grown grain, not farm-fed grain. If that farmer takes and puts it through his own rolling mill on his own farm, there is no record of it going through a rolling mill, and therefore directly into the cow, and there is no record of it. It cannot be demonstrated, and that is simply not adequate in this day and age.

To assume that governments cannot figure that out is a bit questionable. I think regardless of what the minister says in why she did it or why she does not do it, is not relevant. The relevancy must be placed on the cost of production of the grain and the oilseed before it is processed, because I assure you that we will very quickly become very innovative and demonstrate to you that the farm is actually set up in different divisions, and we will apply under those different divisional operations. I think there is no need for that except for this kind of decision making and programming.

So I would strongly encourage and ask the minister whether she has in fact had that discussion with her department in that regard.

Ms. Wowchuk: Mr. Chairman, the member raises a point that is very important to producers,

and it is for some an issue. The member is right that if a program is a long-running program producers will soon find a way to get around the program. That does happen. But we have to remember in all of this that the grains and oilseeds are the ones that are hurting the worst. When you look at the level of support for other commodities and you compare them to other countries, it is in the grains and oilseeds that there is the greatest disparity of supports. So that certainly was part of the consideration.

There is a review of the program. I guess that would be why we do not run these kinds of programs over long periods of time without reviewing them or improving on the programs, because farmers will find a way to, some would say, farm the program or use the program. Ultimately, these programs are targeted at grains and oilseeds producers. There are challenges in the program. That is why we have asked that programs be reviewed, and that is why programs are changed from time to time. Ultimately, I want to say that I know that our producers, no matter what they are producing, would much rather get their money from the marketplace and would much rather not have to use a program to supplement their income, but unfortunately the levels of support in other countries continue to rise. Farm-fed grain is estimated to reduce the amount going into grain sales by about 20 percent, so there is a 20% dilution factor to help with those with the farm-fed grains.

* (15:00)

Mr. Jack Penner: Well, obviously the minister is suggesting that farmers would in fact farm this program, and she might want to call this farming a program. I call it being as forthright as you can by demonstrating that your cost of production on every acre of grain that you grow is the same, or should qualify for the same type of program because it is grain growing. If that grain happens to be fed on a given farm, should be totally immaterial to the program and/or the minister because it falls under exactly the same provisions as all grain grown in the province. Whether it is fed on that farm or fed on a neighbour's farm or fed in some other community in some other province somewhere else should be totally immaterial to the minister. I am a bit surprised that the minister would

identify that as a means of farming a program. In other words, trying to do something with a program that it was not meant to do, and I think the minister needs to correct that. So I will give the minister some leeway and add some correct comments into the record.

Ms. Wowchuk: Mr. Chairman, and in fact the member talked about how farmers would separate their books out to different programs. Two different sets of books sort of, the member referred to. Different sets of books, and what I was saying in my comments is, yes, farmers, when they are pushed because of financial pressures, they will find ways to get through the difficult situation. I made the comment, "farm the program," and I guess that the farmers would find that offensive, or the member finds that offensive. I would just say to the member that people are creative in how they get the support that they need, but I guess I did not give the right information when I talked about the 20 percent. If farm-fed grain was included in the calculation of the payments there would have been a dilution of about 20 percent. When you look at how much money we have, then we have made a decision that it would be to the grains and oilseeds producers. What the member is really looking for when he is talking about all of the grain, it is a production subsidy. What we are looking for is how we can help producers through a difficult time when there is a very difficult income situation for producers.

So, Mr. Chairman, the member raises a good point, that there is production that is not covered. We have to look at what the program can cover with the limited dollars that are available, but the member's advice is good advice, and we will certainly consider that when we look at future programs.

Mr. Chairman, I would like to take this opportunity as well to introduce Mike Lesiuk who has joined us at the table, who is the policy analyst with the Policy and Economics division of the department.

Mr. Jack Penner: The cost of an acre of barley, or whatever it comes off at, whether the barley is \$1 a bushel, \$2 a bushel, or \$3 a bushel, is really totally immaterial. Whether that barley gets shipped to the neighbour's farm to be fed there,

and then becomes part of the inclusion of the calculation, which is quite legal, because there is a bill of sale for it—it would not be deemed as on-farm-fed grain. Although it would be fed on the farm, but on a different person's farm—or if it was in fact sold to a commercial outlet and then shipped to another farm in Saskatchewan or Alberta, out of the province, it would also be on-farm-fed grain. Yet would be deemed eligible under the current programs. Therein lies the problem.

We have encouraged livestock production in this province and, as I understand from the comments of the minister, are still encouraging it. Yet we are penalizing people, grain farmers, for going into livestock and feeding their own grain on their own farms.

There is, I do not think, any kind of devious plan by farmers, being innovative, as the minister calls it, or trying to farm the program, as the minister says. I do not think that exists at all. I think they only want their commodities to be dealt with as other farmers have their commodities dealt with. That is on a fair and equitable basis. If farm grain is grown on the farms and it qualifies in one sense, it should qualify in its entirety. Whether it is fed on that farm or on the neighbour's farm or on the neighbouring province's farm should be totally immaterial to the application of the program. I believe the costs of producing are relatively immaterial as well. It is what the marketplace will bear that determines the amount of value. That does not change, except for the freight and/or marketing costs that are incurred by taking it down the road.

So we should, in my view, Madam Minister, do everything in our power to ensure that there is fairness and equity in this system—built into this system and into all farm support systems—that will encourage the further value-added production and value added to those commodities that are raised. If and when programs are developed for grains and oilseeds specifically, as the minister has indicated that this CMAP program was, then you must ensure that all grains and oilseeds produced in the province are treated equally and fairly, no matter where they are fed. Because that is only fair to the grains and oilseeds producers. There is no

need then to set up divisional structures on the farm to do your accounting on a divisional basis instead of on an entire-farm basis. Although I would strongly suggest that farmers might be very surprised at the advantages they might have by setting up divisional operations in their farm. It might cost them a bit of money to do it originally, but there might be some real benefits at the end of the day.

Having said that, I would like to ask the minister: When the Crow benefit was done away with back in 1996, '95-'96, there was a lot of discussion at that time about the federal government, if any federal government at that time or before that dared do it, dared do away with the Crow. That there would have to be massive changes made in policy, both federally and provincially, specifically in western Canada. As it turned out now, Mr. Chairman, I would say that maybe the eastern application of those farm policy changes are equally as important.

I refer, in large part, that if you are going to assume that the Feed Freight Assistance Program that we had before—or the At and East program, shipping grain all the way down to the Maritimes—and it was all done on the corn competitive basis, and the pricing system was done on the American corn competitive basis—

The relevance of that, doing away with those programs as well as the Crow, has changed the entire economics of agriculture in western Canada and much more so probably in Manitoba than in Saskatchewan and Alberta. Although Saskatchewan could be very similar, in many respects, to our economic change that we have seen.

* (15:10)

I am always amazed that we have not made far more noise about the application of quota allocation from province to province, and the basis that has traditionally been done on under the supply management system. That we have not impressed upon the federal government that they must also change that from a population-based quota system to a cost-of-production-based quota system. If you did that—whether it be eggs or chicken or dairy or what—I would suspect you would swing significantly more

quota to Manitoba's side of Canada than had previously been done under the population-based quota system as it exists now.

I am wondering whether the minister has had any discussion with her federal counterparts, or whether the Premier (Mr. Doer) has had discussions with the Prime Minister over the last couple of years? To impress upon Ottawa that there should be significant changes made in this regard to more readily equalize the opportunities in western Canada and give western Canada a fair and equal access to the livestock production system in its entirety.

Ms. Wowchuk: Mr. Chairman, the member raises a very important issue, and I want to tell the member that this is an issue that is raised at every meeting that we attend. The member talks about it being based on population. In fact, it is not based on population; it is based on market shares that were established way back when, and they vary. We have about 4 percent of the population, but in eggs our share is about 11.4 percent, in chickens it is 4 percent, in turkeys it is 6 percent of the market, in milk it is a little over 4 percent. So it varies by commodity.

Again, we raise this issue and certainly since the Crow it continues to be raised. Manitoba and Saskatchewan lobbied indicating that the production should be distributed by competitive advantage. Manitoba and Saskatchewan, certainly with the elimination of the Crow, have an advantage in production. Unfortunately, our other provinces are not interested. So, when you have two provinces trying to get a change and the rest of the provinces wanting status quo, there is not much movement on the part of the federal government to change direction or to change the allocation. It is an issue that we do raise and will continue to raise.

Mr. Jack Penner: I thank the minister for that response. Whether you call it production-based allocations, or population-based allocations, or market-shared based. I think market-shared and population-based are similar in many respects. I think there is a real opportunity.

I visited a small little pasta operation just east of Steinbach in my constituency, just about 10 yards into my constituency, just outside of

Steinbach this winter. This person also raises chickens. As a matter of fact, you might have heard of the egg study producer, Vita Eggs, he calls them. They are a different colour, a little bit yellower than many eggs are. My wife uses them because she thinks they taste better too. They are called free-range eggs. They are raised in an enclosed system, and this fellow just had installed a new system in his barns that would give the chickens significantly more exercise and scratching area, as well as roosting area.

It was very interesting to note that wherever he demonstrated his eggs, whether it be to hotels, or large retail operators, that he could probably supply a lot more eggs than what he was currently supplying. The market that he could supply is not in Manitoba, nor is it in Canada. The market is in Minnesota, to a very, very large retailer. That retailer has given this person an indication that he would be able to take all the eggs that this fellow could produce. There is no law against this person producing eggs for the export market, as it currently stands, and exporting those eggs. There is however a law against this person raising his own chicks in a barn similar to the barn that these chickens will be when the full-grown chickens will be housed in and utilized.

This person tells me that he can bring chickens in from Saskatchewan, pullets in from Saskatchewan, and put them into his barn, but he is not allowed to raise those chicks and pullets in his own operation. Our law does not allow that. He says if he brings those pullets in from Saskatchewan, they will not perform as well as if he raises them in the same kind of barn that they will lay eggs in. So I think we need to take a look at that.

I ask the minister whether she has been approached about this matter, or whether her department has been approached about this matter. There are some other producers currently in the province that are looking at options for livestock development. This is one option they are looking at. If there is a significant market in Minnesota and North Dakota for this kind of an egg, maybe the minister could tell me what there would be in law that would stop a farmer in Manitoba from building a facility such as this that would raise a Vita-type egg and then export

the eggs totally to the United States, and what would be in place stopping us raising these kinds of pullets to lay eggs in these barns.

Ms. Wowchuk: Mr. Chairman, the member speaks about pullets. Pullets are a regulated commodity. So you do require a quota. This individual, who changed his farming practice, was trying to find other people who would raise the pullets for him. Other producers were not willing to do this for him. He then appealed to the Manitoba council. When it was proven that no one else was willing to change their practices to provide him with the commodity he was needing, he was granted a permit and now has a permit to raise the type of pullets that he needs.

*(15:20)

Mr. Jack Penner: That is good to hear, because this is a different process that these people are starting than what has been utilized before. I think it falls within the range of raising chickens in a non-confined type of an atmosphere or at least a lesser confined atmosphere than what was done before. I am not sure whether the total application of free range can be used, because free range, the way we interpreted it before was open and running out in an open area in a yard and picking up all sorts of stuff and eating it. Whether it was always healthy or not was another matter, but I think that was free range as we used to determine it.

I think the United Kingdom, or England, is now experiencing maybe some of the fallout of legislative changes that they made maybe a decade or more ago to appease some of the environmentalist-type or animal-rights-type activist in England. They are now telling us when I talk to them that it is virtually impossible to eradicate the foot and mouth disease in many areas because their livestock is not as confined as it used to be. Therefore, they are having a real difficult time zeroing in on how this is done.

I am glad that the former minister has just walked into the room and is listening very intently at this conversation.

An Honourable Member: Ask the minister how many of her senior staff are free-range children.

Mr. Jack Penner: So I think there is some validity to the argument that could be made that maybe our system of raising animals is maybe more conducive to better disease control than the so-called wide open free-range type of a livestock system. I know that many people in some countries, for instance, Australia, are wondering if foot and mouth disease ever caught hold in Australia and got into their wildlife—I think the deer or something that ranges freely in Australia, other than the kangaroo—if it would ever get into those herds it would be virtually impossible to eradicate. I am wondering whether the same thing might not happen in our white-tailed deer population, for instance in Manitoba. I mean, it is such a large population now and so free-ranging that if it ever got into that herd it would be virtually impossible to eradicate.

I think that the confined farming is probably more conducive to disease control than what we have seen before. I wonder though whether the minister by indicating that this person had been permitted now to raise his or her own pullets to develop and to market a different type of egg, which I understand is being marketed for export and/or his own use in his own pasta plant, might in fact be considered for other operators. Would they have to make application to the board or to the minister's office for this type of operation, and then based on markets that they had secured could they then be granted under special permit and operation that could be used for export purposes only?

Ms. Wowchuk: Mr. Chairman, I would like to introduce Mr. Gord MacKenzie, who is the Director of Boards and Commissions, who has also joined us at the table now. The issue that the member raised and the decision that was made by the board was not based on the individual having an export market; it was based on the fact that he was given special permission because the existing producers who raise pullets were not able to produce what he needed.

Mr. Jack Penner: I understand that, and I appreciate that very much because I think that will help this one specific person, however, I want to ask the minister whether it is possible for a producer or a potential producer to search out a market for eggs that would be exported entirely to the United States outside of the province of

Manitoba, outside of Canada? Develop a market for export purposes only. Whether there could be the possibility of a permit granted to produce eggs for, let us say, a Minnesota retailer or a North Dakota retailer? Are there any laws prohibiting the production of eggs for our export market?

Ms. Wowchuk: Mr. Chairman, should an individual as the member has identified find a market, that individual would still have to go through the Manitoba marketing board. The reason for that is that interprovincial and export markets are regulated by the federal authority. The provincial board cannot unilaterally authorize the export of the supply management commodity without the approval of the national agency. So they would have to go through the provincial board and also have to get approval through CEMA.

Mr. Jack Penner: I am going to let Mr. Maguire have the mike fairly soon. I have to go to a meeting for a short while and then I will be back a bit later.

Before I conclude this, I want to ask the question of the minister: Is there a law prohibiting the production of eggs for export markets only in this province?

* (15:30)

Ms. Wowchuk: Agriculture is a shared responsibility between the federal and provincial governments. If you want, the production and marketing of supply management commodities fall under the regulation of the federal government. You have to go through that approval process in order to get access to or permission to go to an export market.

Mr. Jack Penner: The information is contrary to information that I have obtained so far on the production and/or export. I understand that there is no law prohibiting the production of eggs, for instance, in Manitoba as long as there is a guarantee that all those eggs will be exported. I also understand that there is no law prohibiting the export of those eggs. Is that correct?

Let me qualify this. I also understand that there might be that despite the supply

management sector that the department might want to have a registration, would need or require a registration in the province of those producers. I would understand that. But as far as law is concerned there is nothing in law—or is there?—prohibiting the production of eggs and exporting all those eggs outside of Canada.

Ms. Wowchuk: CEMA, which is the Canadian Egg Marketing Agency, has the regulatory power to control the export of eggs. An individual must go through this agency before they are able to export eggs.

Mr. Jack Penner: Does that mean then that one could make an application and that CEMA would grant an application for export, production of those eggs?

Ms. Wowchuk: That is the process. We would hope that they would grant that permission.

Mr. Larry Maguire (Arthur-Virden): I appreciate that the minister has just been in a discussion in regard to eggs and production and export of that within the province of Manitoba. I guess in reading a little bit of the *National Post* today, in regard to some of the concerns that Minister Goodale has about how farmers should look at the future in agriculture, I think that I would have to put on the record that Manitoba farmers have been doing a lot of the things that Minister Goodale has indicated they should be doing, and probably leading the way in regard to some of it. I think when the minister goes to Ottawa she could have as part of her presentation a kindly reminder to the minister that it takes capital to do those things.

With the Crow change, it was the way he surreptitiously ended it. I would not say in disrespect to the minister, but that ended up being the impact of the Crow loss, was rather than paying it out over some time that might alleviate the situation we are in today somewhat, ending it with a one-year buyout. Let the federal government off the hook for a good deal of the responsibilities that they had in this whole area.

So I know that the minister will, and I just remind her that I think some of Minister Goodale's comments today in the *National Post* can just be a friendly reminder to him that we

are already leading some of that charge in Manitoba, but that it does require some change. Not all farmers are going to be out there able to be in a financial position to do that. I think that the all-party resolution has dealt with that. The committee has dealt with it, and I am sure you will proceed with that.

Just a few questions that I have, in discussions with my colleague for Portage la Prairie, who was here on Thursday but is not able to be back today either. I would just like to ask a couple of questions in regard to the projects on expansion of potato production. I just wanted to tie that into my previous comments. It is one of the areas that Minister Goodale said we should be out now, and we can stop producing wheat and start into potato production in Manitoba.

Madam Minister, my question is: Can you just give me an update on where the Simplot plant is that is projected to be built at Portage la Prairie?

Ms. Wowchuk: The member raises the issues of Mr. Goodale's comments, and the need for diversification. Certainly Manitoba farmers have done a great job of diversifying and changing production. I think that we also have to remember that none of these cash crops will ever replace wheat. Wheat and oilseeds will always be part of the rotation of farming. Some of our soils are not adaptable to other crops. We are not able to grow potatoes in all parts of the province. Not everybody has the capital or the knowledge or the skills, in some cases, or the desire to go into some of those other productions. To get out of grain production is something that farmers look at, I do not think any of us ever believe that we will completely be out of grain production in this province.

With respect to the Simplot plant the member raised. I believe that the plans are to build next year. Simplot has chosen a site where they are going to build the facility. It is my understanding that they are in the environmental review process and meeting those requirements.

I also understand that they are selecting some of the growers who will be producing for them when the plant is operating, and it is also

my understanding that some of these producers may even have some production this year. So the process is on its way. The farmers are preparing for the next step. Certainly the member is well aware that that is a huge investment, to make those preparations in order to have potato production, and the company is in the process of making their plans and preparing for construction next year.

* (15:40)

Mr. Maguire: Mr. Chairman, I would like to ask the minister that if they are still on-stream in Simplot to look at expanded potato production by some 40 000 acres in Manitoba with this project.

Ms. Wowchuk: The new facility will require 20 000 acres for the first phase of production and another 20 000 acres for the second phase of production. It is the intent, I understand, that processing will begin in 2003 so that would be the year that 20 000 acres would come on-stream.

Mr. Maguire: Has there been any indication on how long they feel it would take to get the second phase of that up and running, the second 20 000-acre lot?

Ms. Wowchuk: Mr. Chairman, it is my understanding that there is nothing written or confirmed to the exact date of the second line of production. Certainly that is understandable when you are building a new facility; you are not quite sure on how everything will go. But it is expected that somewhere in the four- to five-year time frame that phase two will be in, and that gives producers the opportunity to make their changes as well and make their investment. Because there is a considerable amount of investment that has to take place to get this land into a condition where it would be suitable for potato production.

Mr. Maguire: With the advent of the first stage with the four-year rotation that is involved in the potato industry, that would end up being some 80 000 acres needed for potential potato land in Manitoba and the first phase, 160 000. With those kinds of numbers in the second stage, which is a great commitment to the province, it

would be a wonderful opportunity, I believe, albeit the capital required and the minister has alluded to the expertise involved as well. Manitoba has the expertise and the persons to do that.

My question to the minister is: What kind of a request has come for water planning in this whole area? What kind of a plan have they worked with Simplot, or has Simplot put forward in regard to the kind of water that would be required for stage one of this plant?

An Honourable Member: For the plant or for the fields?

Mr. Maguire: I guess the plant would be the smallest one. These potatoes are now, my understanding, virtually all on irrigated land or they do not go ahead in Manitoba. That is where, of course, the large investment comes into the industry. So I would ask the minister as a follow up there just to elaborate on what kind of watershed agreements or process will be put in place to guarantee the water volumes required for the first phase of expansion of the acreage of the potato plant that Simplot is proposing to build.

Ms. Wowchuk: The member raises an important issue, one that is vital to the expansion of the potato industry because, as he indicated, to have potatoes for this particular facility, all processed potatoes in Manitoba are grown on irrigated land. Because of that, an irrigation development task force has been established with participation from Manitoba Agriculture and Food, Conservation, and the Prairie Farm Rehabilitation Administration, better known as PFRA.

This group is to explore the opportunities to develop off-farm irrigation infrastructure on a block or area basis. It is projected that an additional 150 000 acres of irrigated land will be required to satisfy existing and potential future opportunities. There is a requirement for a lot of acres of land to be irrigated. The departments are working together within a group. Within Conservation there has been the study of the Assiniboine River that is taking place to determine what the availability of water is. Our Soils and Crops Branch staff are working with irrigation groups and with individual farmers,

looking at what their needs are and given the information that we have, and certainly there is also, through PFRA discussions with the federal government who will have to be a partner in this.

It is our view that phase one is well in hand, and that the producers will be able to meet the needs and provide the product for this facility when it is up and running.

Mr. Maguire: Can the minister indicate when that task force would report?

Ms. Wowchuk: Mr. Chairman, this task force will not be reporting. It is a working group within government that is looking at the issue and putting forward recommendations as to how government should be addressing the issue.

Mr. Maguire: Can the minister indicate at this point, my only concern here is that the Assiniboine River committee that has been put together is not going to report, it is my understanding, until about the fall of 2003.

If something needs to be done in that area prior to that time, would the minister be prepared to go with the advice of this working group and proceed on the basis that it would be good for the expansion of the potato industry and commerce in Manitoba?

Ms. Wowchuk: The people in the department have had discussions with Conservation, and I want to indicate to the member that our department is confident that there is adequate water available for phase 1.

Mr. Maguire: Therefore, Mr. Chairman, I would ask the minister that she would wait for the further report then from the Assiniboine River group prior to any authorization of expansion for the second phase.

* (15:50)

Ms. Wowchuk: It is not a matter of waiting for the report, but it probably will work out, given phase 1 and phase 2, that the timing will work out to be at similar times.

Mr. Maguire: Well, Mr. Chairman, I have a question around timing. One of the key things

that has been done in some other sectors is that people will have the confidence to go ahead and invest with announcements they have got in a province or in a location in Canada or within a province, provided that they have some assurance that they are able to carry out their business plan, particularly in regard to a company the size of Simplot; and the exposure that they may be liable to in regard to putting another plant here in Manitoba as opposed to going somewhere else to seek that.

Can the minister give me some assurance that the business plan that Simplot has come forward with—that there can be some confidence that the Government can give Simplot that they will proceed with stage 1? Because it is my understanding, if I was doing this kind of a business program, that I would not proceed with stage 1 until I was assured that some kind of stage 2 could be put in place. Albeit I will be the first one to say we must be prepared to do these things environmentally correct the first time. As I have had the conversation with the Minister of Conservation (Mr. Lathlin) in Estimates there, not on this particular topic but on others, what confidence has the minister got that without some acknowledgement of phase 2 going ahead that phase 1 will ever get started?

Ms. Wowchuk: Mr. Chairman, the department has had discussions with Simplot, with Conservation. There has been discussion not only about the existing water that the member refers to in the Assiniboine River, there is the dugout system where you capture spring runoffs. There are underground water sources. All of those discussions have taken place. The department and our Government is confident that there is an adequate supply of water from the various sources to meet the needs of the production for both phases of the plant.

Mr. Maguire: So, Mr. Chairman, could I take from that then that the minister is confident that they will still proceed on time with the beginning of stage 1?

Ms. Wowchuk: Yes, Mr. Chairman.

Mr. Maguire: And that that commitment will be the going ahead and building the plant and finding the first 20 000 acres of production?

Ms. Wowchuk: Yes, Mr. Chairman. The company has identified their site. They are in the process of getting their environmental licence and have begun the contact with producers that will be doing the production for them. We are confident of the date that the company is going forward with their plans of construction.

Mr. Maguire: I thank the minister for that. I guess if I had another question, it is how much of an area to find that 80 000 acres for phase 1, and 160 000 for phase 2? Do they feel or does the department feel that that can be done along the escarpment in regard to the Portage area—the escarpment of the land that is available there now without going much further away from sort of the central location of where that plant would be?

Ms. Wowchuk: Mr. Chairman, there is a tremendous opportunity for potato production in Manitoba. I am told that we have a million acres in Manitoba that would be suitable for potato production. It is anticipated that with this facility, the majority of the production will take place in the Portage area close to the facility. This will open up opportunities for other producers, because there could be some shift in production by this facility, and that will probably open up opportunity for other producers with other facilities.

Mr. Maguire: The potential of the area that I represent in the southwest, of course, is one of the areas that I think has hundreds of thousands of acres that might have potential for that area in this whole area of potatoes.

The people there, the constituents that I represent, as you are well aware, are extremely conscious of the environment and conscious of the fact that they want to proceed very, very cautiously before any further expansion is made in that area. Somewhat because of the nature of the depth of the particular soil types and that sort of thing that might be conducive. They are a little bit more shallow than they are in some of the other areas of the province in regard to the aquifers that exist under them. If there is one thing about the livestock region in western Manitoba, it is becoming very, very concerned about, as other areas are, the fact that water is very much one of their most precious resources.

While we look at making changes in capital required to invest in these other kinds of initiatives and diversifications, if I could put it that way, that they have been referred to, there is some hesitancy not just from the capital requirement and the agronomic requirement, but also from the environmental side. I think we will see great opportunities expand in Manitoba for these and other kinds of plants that will come in if we can get those three areas wrapped into one package; those being finances, environment and agronomics wrapped into a package that is going to be more conducive to expanding some of these kinds of opportunities such as potatoes, which has been referenced by Minister Goodale a number of times. I would reference another one that he has given here as well. It is this whole area of ethanol production and that sort of thing, and I know you have alluded to that before as well.

But, before I do that, the minister a couple of times in her comments here to me has indicated that Simplot is going ahead with this first phase, that they are working hard on development and securing the land and that sort of thing. But you used the words "choosing producers" a couple of times, Madam Minister.

Mr. Chairperson, I wonder if the minister could elaborate on just the process that is her understanding, or the department's understanding, in regard to how Simplot goes about choosing the producers or finding the producers for the particular product that they want.

Ms. Wowchuk: Mr. Chairman, Simplot has knowledge of who the potential producers are in the area, because Simplot is involved in the area already in that they are a partner with Midwest. So they know the area. They know the people in the area. So what they are doing at the present time is holding grower meetings, having discussions with the growers. Certainly our department is involved in those meetings as are financial institutes, and there are discussions about capital costs and what kind of investment these people are going to have to make. It is anticipated that most of the production will be expansion of existing producers who already are in the business, but there will also be some new producers in the business, as well.

So that is what Simplot is doing, to my understanding, along with people in the department who also offered supports to producers. That was why I indicated earlier that there may be some shift in production from one area to the other. Because there could be some people who are working with Midwest right now, producing for Midwest who might be closer to the new facility. There could be a shift in production or movement of where the individuals are going to take their production. So it is a process of having meetings and spelling out what the requirements are, what the investments are going to be and helping the producers make their plans as the proposed facility comes on-stream.

* (16:00)

Mr. Maguire: I am assuming then that it is your understanding that about 100 percent of the production of potatoes in Manitoba is done through this manner of contracts with the companies, or can the minister indicate to me if there is another way that they market them, as well?

Ms. Wowchuk: For the processing industry, Mr. Chairman, all production is under contract.

Mr. Maguire: If it is all for processing, as the minister has indicated, then is that as opposed to the export of raw potatoes?

Ms. Wowchuk: Mr. Chairman, the export of the potatoes that the member refers to would be done under a quota system and sold through Peak of the Market.

Mr. Maguire: I know that there would be different plants. I am assuming they are producing or processing different kinds of potatoes in the province of Manitoba, and I know that is dictated a good deal by the consumer or the final user of these products, whether it is companies like McDonald's or others down the road. Can the minister indicate to me just how many different kinds of potatoes are processed in Manitoba?

Ms. Wowchuk: Could the member clarify? Is the member asking the number of variety of

potatoes or the number of products that are the end result of that production?

Mr. Maguire: Well, the numbers of classes of potato varieties.

Ms. Wowchuk: In the French fry business, which uses the majority of the potatoes in Manitoba, there are two varieties, Shepody and Russet Burbank that I believe might be all of the potatoes for the French fries. Then the Saratoga-type, which is the packages of dried potatoes that we buy and many varieties, some would know them as Old Dutch, but the majority in that one is the Norland. There is also a processor by the name of Naleway who produces potatoes that many of us enjoy, and those are the potatoes that are all those perogies that we enjoy eating so much. That would be the area where you could use just about all kinds of potatoes.

Then we have a wide variety of table stock potatoes that would vary from red to white to the Yukon Gold megagems. Of course, those are grown because there is a different storage period for each of them and an earlier season for some than for others. The red potatoes would come on to the market much sooner but not store as well, so through the Peak of the Market a wide variety of those table stock potatoes would be sold. In Manitoba, there is a huge variety of potatoes that are grown and each one is grown for a specific sector in the food industry.

Mr. Maguire: I thank you for that rundown and résumé on the varieties of potatoes in Manitoba, Madam Minister. It is only because of lack of knowledge in that area that I ask a question like that, not having produced potatoes ever in my own farming operation. But I guess it also is a corollary of that then that with each of these individual kinds of product that the company would likely process. Can the minister tell me whether companies process more than one of these varieties or if they would process a specific variety for a specific end use that each plant would market to?

Ms. Wowchuk: The companies would use more than one variety. With the French fries, for example, the Shepody is the earlier potato. It does not keep as well. The Russet Burbank is a longer keeping potato. That is the majority of the

production in Manitoba and is used over a longer period of time. For the Saratoga-type of potato, the Norland is the majority but I would imagine if they were short of those potatoes they would be able to use another variety as well. In the processed potato it would be any variety, I think, that would be available if it is going to go into a further processed product such as the perogy fillings, or I am sure in the service industry as well there would be more of a variety to choose from.

Mr. Maguire: So, Mr. Chairman, then, I assume that the contracts that the minister referred to earlier that the producers would be connected to the companies with, that the company contracts would offer a volume and price to the farmer on an individualized varietal basis for the product that they need.

* (16:10)

Ms. Wowchuk: Mr. Chairman, in the processing potato industry, it is Keystone Vegetable Producers who negotiate the terms of the contracts for the producers, and then producers negotiate their own contracts. That would be based on production and performance records that, I am sure, would come into the following years' contracts.

Mr. Maguire: So then the contracts that the companies offer would be varietal specific or likely picked up on a varietal-specific basis by each individual producer?

Ms. Wowchuk: Mr. Chairman, yes, the producers would negotiate a contract for a specific volume, for a specific variety and for a specific price.

Mr. Maguire: So this would be, you know, for lack of a better word in the terminologies that are used today, an identity-preserved kind of a package that the farmers would look at in regard to the production that they would be able to market to the company.

Ms. Wowchuk: Yes, Mr. Chairman, that is right.

Mr. Maguire: I look at this as an opportunity, along with the many other areas that we have,

Mr. Chairman, to expand our production in Manitoba. I know that it is a change that maybe our prairie economy is going through. It is part of, like going back to Minister Goodale's, Mr. Vanclief's comments about how we diversify and how we change our agricultural production in the province to, if you will, keep up with some of the times.

I have mentioned in Estimates and other areas the number of fence posts that are being driven in the ground in Manitoba in regard to livestock expansion. Of course, that also includes the number of barns that are being built to expand the pork industry and to help meet some of the needs of a plant like Maple Leaf. I mean, in Brandon, it is a parallel to the success story that Simplot will have before us as they unveil this kind of a process, and it happens in the poultry industry that my colleague from Emerson was referring to earlier and others.

If we are going to continue to get titles on the media and in our country farm newspapers like Manitoba is a leading supplier of fries, we could maybe include fryers in there as well someday, but these are the kinds of changes. I am glad to see that the minister confers and supports these kinds of contractual mechanisms as a way to expand the production and recognizes that we can get more value-added processing here in Manitoba because of those kinds of contractual opportunities that are open to farmers in some of these other areas.

I would concur, as well, with the minister expanding or looking at changes in crop insurance and making some of the changes to MACC that I am sure my colleagues have talked about already, and I will not go into those again.

I want just to reiterate that, when she goes to Ottawa, there is a comment or a quote in this article from the *National Post* today from Minister Goodale, I think it is attributed to him, at least where it says it does not make a whole lot of sense to produce a lot more of that crop, being wheat, they have in brackets, when you have a temporary oversupply. You have to produce to consumer trends around the world. I guess my only comment to that would be that Minister Goodale must be very aware the volume of wheat we have in the world today,

basically all of the export oversupply of it is in the hands of the Americans. We do not have a whole lot of oversupply of wheat today in the world marketplace. It is one of the shorter supply links that we have seen in decades, particularly with the lowest volume of winter wheat acres that we have seen since 1971 and the lowest wheat acreage in the U.S. since 1973.

You sometimes wonder if he has a lack of understanding of the kind of market programs and production that are out there, of course as Minister of Natural Resources for sure, but also Minister in charge of the Wheat Board. You know the article goes on to say that the minister is even pressing the Wheat Board to administer programs differently to allow farmers to make it easier for them to develop things like local pasta plants, pasta operations. I wonder if the minister sees any contradiction in the way wheat is marketed as opposed to the kinds of things we have been talking about for the last half-hour or so, and particularly the opportunity in potatoes. When we look at some of the opportunities, we had a presentation on sugar beets at the Ag Committee hearings. She was there in Beausejour when that came forward that evening. When we look at the opportunities in some of the supply managed products to export them or to produce them here in Manitoba, if we were to actually be producing these products in the low production area of Canada, then we are it, if I may use a colloquial phrase.

Manitoba, from the Ontario to the Saskatchewan border, is the centre of, as I am sure the minister knows, the high freight zone. Minister Goodale, being the one who changed the Crow, knows that full well, and I think could still have a very strong impact on the kinds of programs that are available for long-term safety nets and that sort of thing here in the province. He could also, in his role as Wheat Board Minister, do more than just urge the Wheat Board to make some changes. He could actually put some changes in there that would allow some very responsive pricing mechanisms. Albeit I know that the Board has moved towards some choices now in how grain can be priced, and their pricing contracts are more flexible than they were, but they are still basically a back-off of Minneapolis, and I guarantee that virtually the price that is quoted in those will end up being a

little bit lower than what a person could access if they had the freedom to hedge those production volumes off their own farms or processing plants against the Minneapolis Exchange. Albeit we could do it here in Manitoba, but we are tied to the fact that only feed wheat is available to be hedged against, No. 3 wheat, on the Winnipeg Exchange.

I would urge the minister to take that up with the federal minister and see if there is not an opportunity to do what Ontario has done in regard to a percentage of the production of wheat being marketed in a different manner than what we have presently. This has nothing to do with doing away with the Canadian Wheat Board, Madam Minister. It has everything to do with providing some flexibility to provide more processing here on the Prairies, and particularly in Manitoba, because we, as you well know, are the closest proximity to Minneapolis to a good deal of where the established processing is already in place, and not just that of the southern Ontario belt.

If we are to continue to have opportunities like Simplot, the McCain's, other companies that would move into Manitoba, I would submit to her that the kinds of opportunities she has supported in some of these other sectors would go very parallel also in the wheat industry that we have. I agree with the minister's opening comments that wheat, cereals and oilseeds will always be a part of the rotation here in Manitoba.

I would hope that the minister might concur as well that maybe our goal should be, being that we are the furthest from port, our goal with those products is to grow them with either as high quality as we can or as high a volume as we can, because they meet tremendously different markets with those wheat products. If we were to be successful in both, the high volume ones would be fed here and the high quality ones could be marketed domestically. I mean by that without shipping them offshore, which certainly includes the United States and Mexico as well, because I believe that we have a leading opportunity in Manitoba to do that.

* (16:20)

Our producers are some of the leaders in producing quality wheat in Canada. Durum has always been recognized as a very sort of Swift Current, southwestern Saskatchewan quality product that they have always been sort of noted for. I would like to just put on the record that while I was on the western standards committee of the Canadian Grain Commission, three of those years in the mid-'90s the highest quality durum wheat in Canada was produced in southwest Manitoba and southeastern Saskatchewan as opposed to the southwest, mainly because those were the areas that we are used to using fertilizer and more intensive cropping programs and processes than what southwestern Saskatchewan was doing with half summer fallow and half grain at one time.

So I would just want to say to the minister that I would congratulate her on that and ask her if she would work towards trying to have some of these kinds of marketing tools implemented for wheat farmers in Manitoba as well.

Ms. Wowchuk: The member covered a wide range of issues. He talked about the comments by Mr. Goodale where Mr. Goodale says it does not make a whole lot of sense to produce a whole lot more crop when there is a temporary oversupply. I think that that is the key word in there. He is talking about a temporary oversupply. On the other hand, if there is a temporary oversupply, are we supposed to be quitting to produce and then move into another product and then change again when the temporary oversupply is gone?

When you look at our producers, these are very capable producers with a lot of skill, but our producers have to make long-range plans. Trying to react to a federal minister who is saying that farmers have to diversify because of a temporary oversupply is, I am afraid, not a very wise comment to be making. There almost seems to be a lack of understanding of agriculture. I know Mr. Goodale is from the Prairies and Mr. Goodale understands agriculture. He also understands that individuals do not get in and out of grain production or into livestock production or into potato production overnight.

We just had a long conversation about the investments that have to be made in the potato industry. These are huge investments, but you do not make them overnight. There is the whole financial aspect of it that has to be taken into consideration and the skills of the individual, because not everybody has the skills to grow potato or the willingness or the interest. So those are all very important issues.

But the member talks about valued added and the changing markets. We have to look at what has happened in western Canada since the elimination of the Crow and the need and the desire to add more value to our production. He talks about wheat. Certainly the production of pasta is one that there has been a lot of discussion on. The Wheat Board has been involved with a variety of people looking at how we can work within the system. We just had a discussion about egg production and what are the opportunities for producers in Manitoba to produce eggs for the export market.

My view is that we are definitely not interested in destroying supply management. I am certainly not interested in destroying the Canadian Wheat Board, because they play a very important role for our producers and are recognized around the world for their marketing skills, but I think all marketing systems have to adapt and make changes as the agriculture environment changes. I think each of our agencies has been making those changes to meet the needs of the producers.

Mr. Maguire: I am pleased to see in that article as well—I thank the minister for those comments—that Mr. Goodale also indicates that he is willing to change the rules of FCC to allow other investors besides farmers to get into value-added processing and help a little bit that way. I guess I see it as a little bit contradictory that Minister Goodale in this case, federal minister, will help pay for rural infrastructure, including new water systems, information technology and agricultural research in regard to helping farmers convert from grain farming to other forms of production, Madam Minister. I hope that you would take that up with him in Ottawa as well, because he is basically saying, well, if the Wheat Board is a problem for you, we will put these processes in place to get around it, instead of looking at the crux of the problem. I go back to saying just

what you have said: there has to be some flexibility in regard to farmers being able to add more value to their operations.

One way to do it is, as I have always felt, to at least be a participant further down the food chain, and if you cannot be a participant further down the food chain, then it is very, very restrictive in your ability to make a living in this farming operation. We are able to do it in all other areas, and there have been lots of sound proposals come forward to the board. I heard many of them when I sat on the Wheat Board Advisory Committee myself for eight years in the late '80s and early '90s, and there are extremely good minds that know the processes that need to be done within the board and around the board to allow the flexibility to take place and still maintain an extremely strong presence in the export market for these kinds of products.

Mr. Stan Struthers, Acting Chairperson, in the Chair

But on things like barley and feed wheat and some of the lower qualities of wheat, I mean, anytime I was there the board looked at No. 5 and I think if somebody had taken No. 5 durum off their hands, they would have been more than happy to have allowed them to have sold it somewhere else, particularly in the area of feed barley, as well. There, but for a glitch in government wording in a regulation in 1993, we would be marketing barley on an international basis today, a more open product and the beef certainly moves back and forth, and I am not saying there is not a parallel within the value of the product between the board marketing and open system at this point, but it certainly is not a big issue when it comes to the value of the product here in western Canada or I should say in regard to the overall quantity of it that would be sold. Very little of it in the last few years has gone for off-shore marketing.

So I would just ask the minister if she feels that the marketing options that have been put forward by the Wheat Board today provide the flexibility that Ontario would have in this whole process.

Ms. Wowchuk: Mr. Chairman, when we talk about the need to adapt and change I think that if

you look right here in Manitoba, we have a flour mill in Manitoba and the Wheat Board has worked for those producers, and we have the Warburton issue where there is a specific variety of grain that is going to Europe, to Britain for bread production, and again the Wheat Board has worked with that company and they are able to work within the system. So I think that all of our marketing agencies have the opportunity to look at what is going on and what the market requires, but I believe there is still the ability to maintain strong marketing agencies but also look at opportunities that are outside and adapt to them.

But the member also talks about the willingness of Ottawa to pay for rural infrastructure, including water systems, importation technology and agricultural research, and I can tell the member that is certainly going to be one of the topics that I raise when I have the next opportunity to raise it with the federal government because, although there has been a lot of discussion on infrastructure and agricultural research, I am going to want to be knowing what the federal government is willing to put in and what the benefit is for Manitobans.

Mr. Chairman, I wonder if we might be able to take a five-minute recess.

The Acting Chairperson (Mr. Struthers): Is that the will of the committee? *[Agreed]*

We will break for five minutes then.

The committee recessed at 4:25 p.m.

The committee resumed at 4:30 p.m.

The Acting Chairperson (Mr. Struthers): I will call the committee back to order.

Mr. Maguire: I will not comment on how fast those five minutes go by. Mr. Chairman, you were actually helping chair some other sessions where the five minutes was not quite that short.

The Acting Chairperson (Mr. Struthers): Are you lobbying for more time?

Mr. Maguire: That is good. No, no. That is great.

We are just on this whole process of identity preservation. I worked with the Canadian Grain Commission for years in regard to identity preservation for classes of wheat in the industry. I indicated support for that, and it works well in areas like potatoes and a number of these other processes. I wonder if the minister is familiar with the identity preservation work that has been done by the Canadian Grain Commission, and if so, if she feels that that is going to continue. She has already outlined the Warburton process, which I think works very well, which is an identity preserved basis of the kinds of hard wheat that are out there today. It is specific to variety.

I guess I wonder if the minister has been in touch with the Grain Commission or is aware of the work that the Grain Commission is doing in regard to identity preservation in the wheat industry, and if she supports that.

Ms. Wowchuk: Yes, to the member. I am familiar with the work that the Canadian Grain Commission is doing with identification testing, AQT. Certainly it is an important technology that needs to be further developed. I think there is a lot of interest. The big challenge right now is the cost. And what we have to work and continue to support the development of is something that is less expensive and will work quickly in order that identity can continue to be preserved.

Mr. Maguire: But does the minister agree that already, on a contractual basis with farmers, the Warburton contracts have been quite successful?

Ms. Wowchuk: Yes, Mr. Chairman.

Mr. Maguire: I think it is a clear indication that voluntary contracting of these kinds of programs, whether it is pork or whether it is potatoes that we talked about earlier, or whether it is wheat, in fact work very well. I think another example in the barley industry would be the examples of hull-less barley versus heavyweight feed barleys. They work very well in the feed industry, processing for specific products, even some of those for human

consumption in some areas of the world. I think that it is imperative that we continue to look at this in the wheat industry, because organic farmers are willing to look at it more specifically as well. That is just one more reason to continue to uphold identity preservation.

While we wait for industry to produce a black box, if you will, which has always been the connotation of the term that has been referred to as the instrument that will be able to tell one variety from another while we get that fingerprint box, as we have done with protein and moisture. I think the minister has already concurred that this kind of marketing is going on and will proceed on a voluntary basis. Does she think it can be carried on successfully on a continuing basis in the wheat industry?

Ms. Wowchuk: When we talk about contracts, people going to specific contracts, it happens in a wide variety of areas. It is not a new concept. It is something that happens with a variety of oilseeds as well.

So there are opportunities in areas, when I talk about Warburton. The member talks about barley, but, certainly, the idea of having contracts and people contracting specific commodities is something that has been going on for a long time.

Mr. Maguire: Just my last question in this area before I shift gears a little bit, Mr. Chairman. There are opportunities for Ontario wheat farmers to market a percentage of their product on their own. Would the minister agree that Manitoba farmers or prairie—I could say prairie, but, specifically, because she is the minister to Manitoba, that Manitoba farmers should be on the same level playing field as their counterparts in Ontario and have that opportunity?

Ms. Wowchuk: Mr. Chairman, that is a decision that producers will make. They have the opportunity to vote for their directors that they put onto the board, and they have confidence in those directors. Those directors will make decisions based on the advice that producers give them. It is their marketing agency.

Mr. Maguire: Very clearly, as a member of the former advisory committee, I am well aware of that, Madam Minister, and certainly it was the

decision made by Ontario farmers. So the minister would have no problem if the new Canadian Wheat Board here chose to do that, that she would support their decision to have a form of marketing outside of the monopoly that we have today?

Ms. Wowchuk: I believe that there are arrangements for specific varieties and different options that the Canadian Wheat Board works in with producers and processors in that area right now. We talked about the flour mill in Manitoba. We talked about the Warburton contract, where a specific variety is able to be contracted out. There are discussions with pasta plants that the Wheat Board is involved in. I think that those discussions should be ongoing and work to meet the needs of the producers. So there are cases where it is done, and I think those are discussions and decisions that the board of directors will make.

In my view, the Canadian Wheat Board has done a very good job in serving the needs of the producers. As we come into new marketing opportunities, they will take the steps that are needed to adapt to the market. We have seen examples of it in those areas that I have outlined.

Mr. Maguire: Well, I would just have to say, Mr. Chairman, that there are very mixed feelings on that in southwest Manitoba because their feeling was that there was a pasta plant that did not get off the ground in the Melita area because of marketing interference by the Canadian Wheat Board, that the farmers were not able to form their own new generation co-op and process their own product without buying it back from the Wheat Board.

They were very clear on that, and as a result of that, we have come forward today to the point where farmers are looking. They have joined together in groups, and they have actually foregone the opportunity to build either in southwest Manitoba or southeastern Saskatchewan and have actually applied to become shareholders of a plant in North Dakota in the durum industry. To their surprise, the American plant at Carrington has actually—Dakota pasta growers has actually acknowledged that they should allow Canadian farmers to be shareholders in that company.

One of the problems that they have not overcome yet is how does a Canadian farmer access that plant directly without having to buy their product back from the board, even though they may end up with \$40,000, \$50,000, \$60,000 worth of shares in a processing plant? While I would hope it would be the minister's and my role to help, to try to establish those kinds of processing facilities—maybe not a pasta plant in this particular case—in Manitoba, as opposed to putting rules in place to allow them to export the product to a plant in the U.S., we have to acknowledge that there is only so many opportunities to build these kinds of processing plants, and somebody else, if I could use the term, may have beat us to the ground on this one or beat us to the construction, not beat us into the ground on this one, Madam Minister.

* (16:40)

All I am trying to raise these questions for is to alleviate this from happening in the future, so that we can actually have some of these kinds of further flour plants, like at Portage la Prairie, and a number of them. If it is a new generation co-op of farmers, whether it is a corporate group of farmers coming together and forming their own corporation or investment firm, would they then be able to have the opportunity to invest in Manitoba and process their own product here, as every other sector of our agricultural economy can do today?

Ms. Wowchuk: Mr. Chairman, the member talks about the pasta plant that was proposed in Melita. I think he indicated, if I remember correctly, that the plant was not successful because they could not negotiate with the Wheat Board. My understanding of the situation was that they were able to negotiate, but they were not able to get the arrangement that they wanted. My understanding is, as well, that they were offered the same as any other processing facility would have been. They were not at a disadvantage to other processing facilities.

Ultimately, of course, I would want to see more processing facilities here in Manitoba. I think that when you look at it, there are opportunities and there are negotiations that can take place, but the same offers have to be made whether they are small processors or large

processors in order to have the opportunities here as well. It does not matter whether it is a new generation co-op or whoever, but, ultimately, we want to see a fair return for the producer. Certainly through the Wheat Board, the pooling system allows for a fair return for all producers. I think that is a very important factor in all of this. When you start to pull certain portions of a commodity out of the pool, then that does not maintain what producers have worked for for a long time, to have an equal payment for all producers.

But, certainly, the Wheat Board has made changes. We have seen a flour-processing mill. We have seen segregation of varieties of wheat to be sent to other countries. We see segregation and special contracts in a variety of commodities. I think that as our economy changes and there are opportunities, that our marketing boards, whether they are provincial marketing boards or the Canadian Wheat Board, they all have to recognize that there is change, but, ultimately, we want to maintain the marketing systems that we have and look for ways to adapt within those marketing systems.

Mr. Maguire: Well, I am pleased to hear that, Mr. Chairman, and the minister is correct. As far as I understand, the pasta growers and the potential plant that was to be built in Melita were offered the same deal as any other pasta plant in Canada, but therein lies the problem.

Why would a group of durum growers in Melita have to pay the same basis level to the Canadian Wheat Board as a pasta plant in Windsor, Ontario, and buy their product back at that same level? I mean, that creates the difference in pricing, and then if you have the processed product out here, you have still got to get it to the market. So that is a bit of an anomaly.

Ms. Wowchuk: Mr. Chairman, I understand that they do not pay the same. The price that they pay is backed up from Minneapolis, so there is not the same price to a pasta plant in Ontario as there would be to a pasta plant in Manitoba.

Mr. Maguire: Certainly Minneapolis has a price basis location, is the central area of durum distribution on the Prairies, durum distribution

with 90 percent of the U.S. durum being grown in North Dakota. You could draw a line from probably Fargo to Moose Jaw, Swift Current, that would take in virtually 95 percent of the durum production in the midwest region, if you will, of Canada and the U.S. So it only stands that that be the case.

For some time there have been basis levels established on agreements between companies and the board that there is a set fee and freight and handling, and those are what I am referring to, in the board tenders, the board contracts with those companies, albeit the farmers have the ability now in the pricing mechanisms that are available to price basis off of Minneapolis with other factors in that basis that the board establishes.

When I had the opportunity of being the Western Canadian Wheatgrowers' president, one of the proposals that I put forward as the president to the board at that time was that they even be allowed to not only assess but to establish what the risk factor would be for marketing that product in that area so that the board then would have complete control over what factors would be implemented in the basis level backed off of Minneapolis.

While many farmers in our association at that time did not like that because it did not give them as much flexibility as they might like in a completely open market, it was recognized that it would give the board then complete control over continuing to market that product, but it gave the farmers the freedom to establish the kinds of processing facilities that they might want to put in place. They have never fully come to that level of contract in the agricultural industry yet today. I think therein lies the concern of some of the people who are trying to establish these kinds of facilities on the Prairies today.

I guess I raise this because one of the factors that we need to be aware of is the potential for new plants down the road. I think one of the things that that pasta group ran into is a decrease in pasta consumption per capita across North America. That had probably more to do with the fact that they did not build the plant than accessing anything else at this time. I think that is just prudent management on their behalf to

have said, okay, we are not going to go down this blind trail and build something even though we philosophically felt it could work at that time. They have now felt that they could actually join with a group.

At one time, I remember from my discussions with some of those durum farmers in the U.S., they were told that they would never succeed as a farm group in building a processing facility, even in, if you would, quote, free enterprise USA, and they have. Nobody in the pasta industry could foresee the day when they would take a production manager and a marketing manager from Borden and Catelli, I believe, the two large firms that they attracted top-brass management from in those areas. The farmers were able to hire them and put them on stream and now have one of the most successful plants in North America in regard to pasta production. It has returned many dollars worth of dividends per bushel to the farmers who have participated in that whole process.

So, when we talk about the kinds of marketing processes that we have down the road and the fairness of the board and those kinds of connotations that are always referred to the board, Madam Minister, I would say that I only raise these issues today to up the level of value to all farmers, not to try to reduce anybody's value anywhere, just provide more opportunities. As we have seen from the article that I keep referring back to today, you know, there is a federal government policy that basically says you are going to have to do more on your own in the future. It does not matter what sector we are in. One of those areas is in ethanol. I just want to ask the minister if she, in her discussions with the minister federally now that he is also Natural Resources Minister, can tell me if the discussions she has had with him or will have will undertake to get a greater understanding of where Minister Goodale feels the whole Kyoto agreement is at, now that the U.S. has basically divested itself of any responsibility of carrying forward with an agreement that has been put in place so far?

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Ms. Wowchuk: Again, the member covers a wide range of areas, of issues. He mentioned the

pasta plant, the reason for it not succeeding not necessarily being the Wheat Board and not being able to negotiate but a lot of issues, having a large investment, having the proper people in marketing, and issues of consumers. In reality when you look at population, there are only going to be so many pasta plants in North America.

I certainly think there are opportunities for, maybe not large pasta plants, but the Member for Emerson (Mr. Jack Penner) talked about a smaller pasta plant. I think there are opportunities for pasta production and other value-added products that will meet those niche markets. We will see more of that in Canada.

The member talked about ethanol and discussions with the federal minister on this issue. I have not had the opportunity to be talking about ethanol, but given his interest and the interest that we have here in Manitoba for value added, we will certainly be having those discussions.

There is the Iogen proposal there is discussion on. There is a pilot project on that product. We have to wait for the results of that pilot project, but certainly developing fuel from straw would be an excellent opportunity. I have raised the issue before that there is discussion on investment in this kind of facility in southwestern Manitoba. It would be an excellent idea. Mr. Goodale in his article talks about ethanol production from grain. We would certainly be interested in having those discussions as well because it is another value-added process. Given the federal government's interest in value added and infrastructure, we will be certainly taking advantage of the opportunity to see what share of that we can get for Manitoba.

I refer back to the Crow when we thought there was going to be money. It did not come then. Manitobans have been hardest hit by the Crow. People have made tremendous changes in their productions, but we cannot make all of those changes on our own. The federal government has to be part of it. Yes, those are the kinds of issues we will be having discussions with the federal government.

Mr. Maguire: Mr. Chairman, I wonder, in your negotiations with this minister, I would certainly

want to just comment and recognize, and I am sure the minister does, that the ethanol production that might come from straw in southern Manitoba that she referred to, the other area that has been talked about building this facility is on the federal minister's doorstep in Regina as well. If you are raising that issue with him, be careful on the fact that he might just supersede anything that happens in Manitoba and want that built on his doorstep. I think he thinks there is lots of straw between Swift Current and the Saskatchewan-Manitoba border as well.

The minister federally here referred to: Over the next five years, Canada hopes to triple ethanol production so that it can provide 25 percent of motor fuel supply, end of quote. I would assume that he is referring to the Canadian supply. That is why I asked the question about Kyoto, and can the minister, maybe I missed it in the last few parts of her last question, but can she update us on where she thinks Minister Goodale is at now.

I mean, if he is going to go ahead with these kinds of projects or is supporting them with the infrastructure that he is talking about later, so be it for Canada. We will be in a good position down the road to compete with anybody that wants to make these changes as they need to be made down the road. But I think we need to step back for a moment and ask the national questions about where are we at, and how many dollars can we put into this kind of an industry. I mean, it should be endless in regard to the concern we have for the environment in these whole areas but I would say to the minister where are we at in regard to the focus of the U.S. government seeming to say: dam the torpedoes, we want all the oil and gas you have in Canada. He is the Natural Resources Minister dealing with this along with our trade people. Where does the basically backing up of the accord that was signed in Kyoto put us in regard to potential production of some of these kinds of crops in Canada that would have given us a good deal of potential?

Ms. Wowchuk: Mr. Chairman, there is a tremendous potential for ethanol production in Canada. A tremendous potential in Manitoba, I believe. I think we will see that growth in ethanol production, but with respect to the Kyoto

agreement I have not had any discussions with the minister responsible and that would be his responsibility to have those discussions with his counterparts in the United States to see where the U.S. is on the Kyoto agreement.

But I think we all have a responsibility to think about the impacts that fossil fuel is having on our environment, and one of the areas that there is potential is in the area of ethanol production.

Mr. Maguire: That goes back to what I said earlier about the different types of wheat that we would grow. High volume is obviously the kind of wheat that could be used for some of these kinds of plants. Ethanol production, I agree, there likely will be more of it in the future, and, of course, it has always been a bit of a question mark as to how economical it was to produce it when you got gas at 40 and 50 cents a litre. But when it is 80 and a dollar, you certainly do not need a hell of a lot of subsidy in the area of ethanol production to make it an economically viable alternative to some of the fuel that we have today.

But we need to have some assurance from the national level that we know what kind of consistency is going to be in those prices for the future. While I do not want to see them any higher than anybody else, we have to make sure that national policies, if energy is going to be that national policy in that whole area, and we have people like they have in Ontario and some of the ones we have in Manitoba already and Saskatchewan, producing ethanol, that they do not get undercut with their whole investment. I know there is no guarantees in anything anywhere. I guess it is just another example of how government change in a government regulation could undercut a potential investment for the long-term benefit of all Canadians, not just Manitobans. It is another impact on how the national policy could well impact us.

* (17:00)

We saw a National Energy Program in Alberta in the late '70s that some would say moved them back some in that area. I would hate to see us go ahead with tens, hundreds of

millions of dollars worth of investment here in Manitoba and have a national government policy take away the opportunity to keep those plants established here as opposed to putting them in southern Ontario, where perhaps 200-bushel corn will become the rule of the day in the future, and they might just decide that we should just make it a policy that we will move some of those plants there. I think they should be done on an economic basis.

I am just throwing that out to say that when you are having these discussions it is very, very important to tie the natural resource aspect and the whole energy agreement in to the federal government when we are talking these kinds of diversifications for our agricultural economy.

Ms. Wowchuk: I thank the member for his comments and advice. We will certainly keep that in mind as we have discussions with the federal government.

Mr. Maguire: Just in regard to waste, to switch gears, Madam Minister, the whole area of guidelines for manure disposal. I could ask my colleague from Emerson (Mr. Jack Penner), who is here, if you and he have discussed this whole area very much in Estimates, the whole area of waste management and livestock.

My question is to the minister. We have guidelines in Manitoba that are probably as stringent as anywhere in Canada in regard to the location and building of livestock operations, whether they are intensive livestock or not, in Manitoba, and also the whole area of regulations around those guidelines. My question to the minister is: Does she believe that the guidelines and regulations that we have in place in Manitoba are about as intense and responsive and responsible, I guess if you could say, some of the toughest legislation of anywhere in Canada for development of our livestock industry in regard to environmental issues?

Ms. Wowchuk: Mr. Chairman, the member raises an important issue. That is the issue of the growth of the livestock industry. Certainly we know we are going to have more livestock here in Manitoba. That growth is a result of many things that have taken place, but basically it is the issue of our cost of production for livestock.

We have a better cost of production than other areas of the province.

We have guidelines in place. Some of them are the most stringent in Canada, but when we formed government, one of the issues that we wanted to address was this whole issue of the growth in the livestock industry and whether our expansion was taking place in a sustainable way. That is why we put in place the Livestock Stewardship Initiative with a three-person panel consisting of Dr. Ed Tyrchniewicz, Mr. Nick Carter and Mr. John Whitaker, who did a very thorough review of the livestock industry. That panel came forward with a report called *Covering New Ground*, which had some 40 recommendations. The three departments in particular, Intergovernmental Affairs, Conservation and Agriculture staff, are looking at the recommendations and looking at areas where we may have to strengthen our guidelines and our regulations. That work is being done.

Certainly we want to ensure that we do have the best regulations to ensure for sustainable growth in this province. That is why we have taken steps not only through this department but through the other two intergovernmental which works with the municipal governments and through conservation which is the licensing arm of the expansion of the livestock industry. We hope to build on the regulations and guidelines that are there to continue to have a healthy and viable livestock industry in this province.

Mr. Maguire: Well, I think it is incumbent upon us, Madam Minister, to do what we can to try to provide opportunities to expand the livestock industry in Manitoba wherever we can because other provinces will if we do not, but, as I have said in Estimates, with Conservation and the minister there, we have one opportunity to do it right, and we should utilize that opportunity.

When I ask the previous question, I do not say it in a negative regard that we have some of the most stringent levels of guidelines and regulations in the province. My predecessors, I think, did a lot of work in trying to make sure that we had some of those guidelines in place to alleviate some of the concerns, if you will, that have been referred to earlier by the Winnipeg Humane Society and other folks of that nature,

and some of them in the farm community, who think that we cannot just have one more animal out here in the country or we are going to be polluting our air and our land way beyond anything that we will ever be able to recover from.

What is more natural, I ask the minister, than natural fertilizer if it is put on in levels that meet and sustain the levels of soil tests done by recognized labs in regard to the amount of nutrients that are needed for our lands, something that was not done in the Netherlands, something that is not done in the U.S. regions of the world, where we keep hearing about these concerns like the Carolinas and others? This is what I mean about doing things right the first time.

The guidelines and regulations that we have got are good and sound in regard to the kinds of potential. If we proceed with those in place, I think we have a great potential, and I know the minister does as well, but can she provide me, at some point, with a list of—I know that there is the guideline book and regulations, but can she provide me with a list of livestock requirements for establishment of livestock facilities and manure disposal and differentiate between what are regulations today and what is law around those regulations, or what are guidelines and what are regulations, pardon me? It is my understanding that guidelines are guidelines and that regulations are law. I wonder if she could provide me with a package that would just provide the differentiation between the two for me.

Ms. Wowchuk: Yes, we will get some information for the member in the next while and provide him with information as to what the guidelines are and what the regulations are, which is the guidelines spelled out. The regulations are really the controls of what can really happen, but we will put a package together for the member on that matter.

Mr. Maguire: I thank the minister for that. Just a few more questions before I allow my colleague from Emerson to continue. There are a number of initiatives going on and ongoing in regard to how responsible we need to be with the whole area of development of the livestock

industry in Manitoba, and I would look at the minister for some kind of response as to how she sees the whole—I have had the opportunity over the last while to attend two of the three days of climate change committee meetings, the task force that is ongoing in Manitoba. There is one more meeting in Thompson in June, I believe.

I wonder if she could indicate to me what she sees as the—I know the direction is around education and its priorities, but one of the final jobs of any task force is to provide recommendations for the government in action, and I wonder if she can indicate to me how she feels that that climate change committee might impact our agricultural economy in any different way than the recommendations that came out of the livestock stewardship board report.

Ms. Wowchuk: I think, Mr. Chairman, that that committee still has another meeting and then will be writing a report. I would have to say to the member that I would want to see that report. I do not want to be guessing what the committee is going to be recommending and what the impacts will be on agriculture, so I would want to reserve my comments until I see the report and then make comment as to what the impact will be on agriculture.

But if you look at climate change, is there global warming, we had a discussion before this session with the Member for Emerson (Mr. Jack Penner) about whether or not global warming was really taking place. But, you know, we see that if there is global warming and climate change, there will be an impact on agriculture. But I do not know what the impact of this report is, so I would reserve my comment until the report is complete.

Mr. Maguire: Well, certainly as we develop agriculture—and we have only basically had just over 110 years of it here in the prairie region, Madam Minister—we continue to change, and we know that we have to look at things differently, and we do have an opportunity to do things correctly the first time. I continue to refer to that. We are seeing some processing developed in some of these areas in spite of the whole issue of protocols in Kyoto and other areas.

But it is important, I think, to our industry, and part and parcel of what comes out of any task force like that is the educational aspect of it, and certainly public awareness I think has been one of the things that I have noticed at the couple of meetings that I have been at in regard to this committee. I think that will be a big part of their report, is how do we provide information to the public to let them know what at least this committee feels is going to be some of the outcome of issues down the road.

The problem I have is that I have not seen—I am trying to wrack my brain to see if I can remember a scientist who has appeared before this committee yet, and I cannot think of one. That does not mean that there has not been because I have not heard of all the reports yet, but it worries me if there are going to be recommendations made on agriculture in a report like this from a task force on climate change that might be making recommendations in regard to greenhouse gas emissions and carbon sequestration in a province like Manitoba, and I do not mean to say that we are an island unto ourselves and we know that this is being done as a part of a national-international process, but what does the minister think the biggest impact or what management practices would be most effective in enabling producers to reduce these greenhouse gas emissions and hopefully increase carbon sequestrations?

Ms. Wowchuk: Mr. Chairman, the member talked about the task force and the meetings they are holding and expressed his concern on what might be the impact on agriculture. I think he was implying that there might not be people who are involved in agriculture and something might be coming down heavy-handedly. I wanted to let the member know that the department has input into the task force committee. There is Chris Hamblin, who is the producer representative on the committee. The department has a representative. Brian Yusishen is on the committee. So the department is aware of the things that are being discussed and raised, but certainly the issue of agriculture and the impact that agriculture has on the environment is an ongoing issue and one that people have had a lot of discussion on.

Again, Mr. Chairman, I would prefer to have the committee complete their task force, prepare their report and then look at the recommendations that they make. Just as with any other recommendations, they are recommendations to government, and then government looks at those recommendations and decides which ones are ones that they can implement and which ones are recommendations that government is not able to implement. Many of these will fall under provincial jurisdiction, but there are also things that fall under a federal jurisdiction.

Mr. Maguire: I just wanted to reassure the minister that I am very well aware of the persons who are sitting on the task force itself, and I certainly was not implying that they do not have some expertise or ability to decipher the issues. I have appeared or I have sat on many of those kinds of task forces not on climate change but on other things in the past. I do not call myself a scientist, but I would certainly say that what I was referring to was that people appearing before the committee to give the information to them, I guess, what I would say is that many people appeared before them with their own particular biases. I might appear before them with mine in regard to the development of agriculture and thinking that we are doing things right the first time in putting some things on the record as to where we should proceed with that.

But the bigger question is: What happens to Manitoba if we get a 4 to 6 degree shift in mean temperature in this province? I do not think that we are going to be worrying about whether we talk about pasta plants in Manitoba or other things. We would be very lucky to be able to grow winter wheat in this part of the woods, never mind. Maybe woods would be a more interesting thing to be growing. But 4 to 6 degrees from what I heard that the meeting in January in Manitoba would mean there is no boreal forest south of Churchill in Manitoba, which takes in a good third, if not half, of that region of Manitoba at this time. Those are the kinds of scientific things that I think that the committee needs to look at in regard to making its decision. I have not seen a great many of those kinds of presentations coming forward to the climate change committee yet, is all I am saying. Certainly the people who are on the

committee, I trust and ensure, while I agree that there are not many with scientific background on there, have certainly the wherewithal and the ability to decipher and make a pretty general report on what they are hearing in these committees. Certainly former federal Minister Axworthy has spent a lifetime in this whole area of trying to develop some understanding of national-international issues.

I think it is imperative upon us to make sure that the citizenry of Manitoba know the regulations and guidelines that we have in place today regardless of what the report comes out of the climatology change process, and I think it will be one that we need to have a great deal more education to the general public in Manitoba. I only raise agriculture because it is one of the issues in one of the workbooks, the primer that they put out, on climate change. It is just one of the sectors, forestry and others being in there as well, but it is one area that we need to make sure that there is an education process in Manitoba ongoing, that they know that we have got some of the most stringent regulations around environmental issues for guidelines and regulations already in place for the development of our livestock industry, and I think that will auger well for us in the future. So I would just ask the minister, as I did earlier, if she concurs that the kinds of regulations and guidelines that we have in place are in fact well up there in regard to responsibility with other provinces in Canada.

* (17:20)

Ms. Wowchuk: If you compare Manitoba's regulations and guidelines to those of other provinces, I think that Manitoba's would be good regulations. But you always have to be looking at things and if there are ways to improve on them you improve on them, and that is our goal.

The member talked about the climate change task force and his concern about the lack of presentation from the expertise with the science-based knowledge. I want to compare that committee to the Livestock Stewardship Initiative. The committee had the opportunity and was able to call on any expertise that they wanted, and they certainly took that opportunity. They visited different provinces. They called in

people to provide information, and I believe that the committee that is in place on the environment has that same ability and will take that opportunity as well and will put forward a very responsive report that we can then look at.

The issue that the member talks about, about climate change and when it is going to happen are important issues. If we had a crystal ball and could look ahead of us we might be able to determine where our crops are going to be growing and where the boreal forest will be or will not be and what our climate will be like. We would be able to predict that. We cannot predict it so we have to look at the information that we have, just as we have to look at the information that we have in front of us with respect to the soils and water qualities and the expertise amongst our farmers and try to predict where our livestock industry is going to expand and then put in place the regulations, guidelines and the supports that we have to as a government to ensure that growth takes place in a sustainable way.

But there are opportunities. We have resources. We have to ensure that we have growth that ensures that those resources are there for future generations.

Mr. Jack Penner: In that similar vein, we know that your party, Mr. Chairman and Madam Minister, have had significant discussions during the last year or two at your annual meetings in regard to the agricultural industry and labour laws and how they would affect the agricultural community. Can the minister give us a bit of an overview as to what her thinking is or what her direction to the department is as far as their need to change our labour laws? I know she has referred to factory farms on a number of occasions in her previous life as critic for the department. I wonder whether she could give us a bit of an overview as to what changes she is contemplating that would affect the farm community.

Ms. Wowchuk: I guess I would ask the member to check the record again, because if he would peruse Hansard I am sure that he would have great difficulty to find anywhere that I have referred to factory farms. So I would ask the member when he has some spare time on his hands to check that and correct those comments.

With regard to farm labour, certainly agriculture has changed over the decades. We know that there is a high incidence of farm accidents, and that is an area that I am very concerned about particularly when there are farm accidents related to children. I think that is a very serious challenge that we have. But with regard to farm labour, that does not fall under the jurisdiction of this department, it falls under the responsibility of the Minister of Labour (Ms. Barrett).

Mr. Jack Penner: I appreciate what the minister is saying. I wonder whether the minister is giving any direction to the Minister of Labour as far as drafting new legislation under the labour laws that would affect the farm community I would suspect that there would have been consultation between herself and her colleague in this regard and whether the minister sees a need to change the labour act substantially or even minimally to allow for organized labour to play a larger role in the operation of some of the farms and farm labour in Manitoba.

Ms. Wowchuk: Mr. Chairman, although I have had discussions with people who work on farms about the fact that the regulation continues to exclude farming from the provision of The Employment Standards Act, I have not given any direction to the Minister of Labour on this matter.

Mr. Jack Penner: I wonder, in regard to the department and staffing in the department, going back to that, if the minister could provide us a specific list of all the staff in the minister's and deputy minister's offices. She gave me a salary range the other day, I believe. Could she give us the names of the staff in the minister's and deputy minister's offices?

Ms. Wowchuk: Can the member clarify? Is he looking for the names of the people that work in the minister's and deputy minister's offices?

An Honourable Member: Yes.

Ms. Wowchuk: Mr. Chairman, in the deputy minister's office, there is the deputy minister, who the member knows, who is sitting here at the table with us, Pam McCallum and Sharon Seddon in the deputy minister's office.

In my office, my secretary is Leona Baker and then there is Mandy Johnson, who is also secretary, and Joy Derhak, who is administrative secretary. Then, my staff, I have Kathleen McCallum and Jason Woywada.

Mr. Jack Penner: Thank you very much. I wonder if the minister could also give me an indication as to the number of staff currently employed, in total, in the department.

Ms. Wowchuk: The total number of employees in the department is 606.

Mr. Jack Penner: Thank you. Does that, Mr. Chairman, include the 50 vacancies that were talked about the other day?

Ms. Wowchuk: Mr. Chairman, that is the total complement in the department, including vacancies. We had a discussion, I believe, the other day about the number of those vacancies that we are in the process of filling.

Mr. Jack Penner: So that would mean that right now you would have about 164 people employed, right? No. *[interjection]* 554, yes.

* (17:30)

Ms. Wowchuk: Our vacancy rate is about 8 percent at the present time so that would put us somewhere in the range of about 550, 555.

Mr. Jack Penner: Mr. Chairman, has there been any relocation of staff over the last year and a half, say from rural Manitoba to the city of Winnipeg or Portage or Brandon, or vice versa?

Ms. Wowchuk: Mr. Chairman, only one position. The director of Soils and Crops has moved from Carman to Winnipeg.

Mr. Jack Penner: So he has moved back to Winnipeg now?

Ms. Wowchuk: Yes, Mr. Chairman.

Mr. Jack Penner: Could the minister tell me why that position would have moved back to Winnipeg?

Ms. Wowchuk: Mr. Chairman, the soils testing and the crop diagnostic portion of the branch is

still in Winnipeg so part of the job here is in Winnipeg, but we found that the director was spending more time commuting to Winnipeg dealing with the major issues such as irrigation and other issues. A management decision was made that since the majority of his work was being done here in Winnipeg that he would relocate and commute in the other direction, which was a lesser amount of time.

Mr. Jack Penner: Maybe what the minister should have done then is taken a good hard look at the department and the director's responsibility and the activities in which he is involved in and maybe moved Irrigation, those offices that he has to deal with here, out to the rural area where the irrigation is actually done. I say that somewhat with tongue in cheek, realizing full well that there has to be the kinds of discussions that go on periodically with his peers or other colleagues in the city in making decisions, so we recognize that.

However, we are a bit concerned about the change in direction that this Government is clearly indicating. We, in my own home town, have lost over the last year six employees, four which have gone back to the city, two, I understand, to Portage la Prairie. We had, with a lot of hard decisions, made the decision to decentralize more of the government departments and move them into rural areas such as Portage and such as Carman and other areas. Yet we find now that this administration is reversing much of that. We are a bit concerned in that regard, and we are hoping that the Minister of Agriculture at least would see fit to move as many of her departmental people out to the actual areas that they serve, because we think that is important. That is the reason I raise those questions.

I am wondering whether the minister could give us an indication as to where she sees this whole farm support issue heading. I look at her Estimates, and I see under Disaster Aid Programming an increase over last year's budget of roughly about \$9 million. That tells me that she is really not very aggressive in her support of the agricultural community.

When one looks just two years ago prior to her Government taking office, I believe the total

amount budgeted for assistance was around \$107 million. Now we see a budgetary item of \$25,000,400 in that line item. I think that is clearly an indication of how supportive the minister really is or how aggressive she is in determining what level of support should be given to farmers.

Could the minister give us a clear indication of where she sees her department going in its support for the agricultural community and tell us how committed she really is to verifying what she has constantly said to farmers during our standing committee hearing, that her Government will stand by farmers? We are concerned now that is exactly what it means, she will stand side by side with them, but she will not hold hands with them. We want a clear indication of how large the gloves she will have on are and how sincere she is about this support that she talks about.

Ms. Wowchuk: Mr. Chairman, if the member wants to know where I am on support for agriculture and farm safety nets, it is quite clear that this Government is very supportive of the agriculture community. I am surprised that the member would even raise the issue, because, when I look at the records when his party was in government, for AIDA they budgeted \$12 million. That was their budget. After we took office, that number over two years grew to over \$67 million, a huge increase in the amount of it.

They budgeted \$12 million in their term of office. In our last Budget we put in \$30.4 million. I would say that is close to triple the amount that his government put in. In this year we have budgeted \$25.4 million. That is double what his government put in place for safety net programs for farmers. On top of that, if you look at the ad hoc programs, our Government put in \$40 million last year to help the grains and oilseeds producers. This year we have put in over \$38 million.

So if the member is questioning where our support is for agriculture, I would ask him to think again and really look at the numbers that his government had put in place and what our Government has put in place. I have to tell the member that I am very proud of what we have been able to do for producers. I would like to be

able to do a lot more. I would like the federal government to recognize their responsibility in this farm crisis for the grains and oilseeds producers, but our Government is doing much more than the previous government has done as far as safety net programs go. I have to tell the member that I know that producers would much rather get their money from the marketplace, but when they have difficulty in the marketplace we want to stand with those producers because we believe that the farm family is a very important part of the economy of this province.

* (17:40)

We are going to continue. We are going to continue to push the federal government to live up to their responsibility a lot more than they have. We have had the big discussion today about what Mr. Goodale is saying about how agriculture has to change, but we also have to remember that the federal government has to also remember that agriculture is an important part of the economy. Our grains and oilseeds have always been a huge contribution to the economy of this province, as is the rest of agriculture production. We want to see that agriculture community grow, not decline.

So, if you look at the total numbers of what is in the Budget for our Agriculture budget, if you look at safety nets, in 2001 it went to—I will not say 1999 because that was an election year—but if you look at 1998-99 when the previous government was in, they were putting in \$58.7 million into safety net programs. In the 2000-2001 Budget there was \$121.4 million. This year, we are estimating, and again it is an estimation because things can change. It depends on what happens with crops. It depends on what happens with the price of grain. It depends what happens with the price of Canola. Again, I hope that the price of those commodities rise and this weather changes and we have a bumper crop, so that we do not have to depend on safety nets. This year, it is estimated to be \$75.1 million, so again, higher than what the previous government had put into safety nets.

Mr. Jack Penner: Well, I am a bit surprised. If you go to the last few pages in your own Estimates book, after page 107 on page 108 you will see the Department of Agriculture and Food

five-year Expenditures and Staffing Summary by Main Appropriation for the fiscal year ending March 31, 2002. In 1997 to '98 Budget, \$95,784.9 million; 1998-99, \$99,648,000; '99-2000, I think that was the last year of the Conservative administration, \$205,568,000, and the following year which was the first year of the NDP administration, \$114 million, and this year \$122 million which reflects the difference between the \$16 and the \$25 million.

I think the minister needs to either ask her staff for the correct numbers. I think if your numbers that you just stated are correct, then obviously these are incorrect. I would ask that they be corrected. Tell me which numbers are right. Are the ones that you published right or the ones that you are quoting?

Ms. Wowchuk: The member asks which numbers are right. In fact, both sets of numbers are right. It is the way the accountants have printed it. If you look at the footnotes at the bottom of the page that you are referring to, then there is an explanation of why there is a higher number in the 1999-2000 year, and there is an explanation of the numbers, but I would remind the member that 1999-2000 was not the last. It was partly the last year of the Conservative administration. If you look at disaster funding, there is two years of numbers in that area, and if the member is looking for a little further information, we would be happy to provide it for him. But if you look accurately at the numbers, the amount of money for disaster assistance has increased in the last two years over the previous years.

Mr. Jack Penner: Mr. Chairman, I was going to end this. I was just looking for a yes or no answer. If the minister will look at her own notes, it says, note one, allocation of funds from enabling appropriation year 2000-2001, not year 1999-2000, but allocation of funds enabling appropriations, and I think I know what those are. General salary increases contained in the latest MGEU agreement are there. Number two, as of 2001-2002, one FTE was transferred to Manitoba Agriculture Credit Corporation, respectfully, from policy and economics to regional agricultural services. Number three, as of 2001-2002, publication distribution costs in administration and finance were transferred to

Manitoba Agriculture Development and Marketing. As of 2000-2001, Canada-Manitoba Adjustment Program costs were transferred to Agriculture disaster aid programming. So, I mean, there was a transfer of funds there. Five, in addition to 2000-2001 supplementary funding, \$52.2 million was approved by agriculture disaster aid programming during the year raising 2001 department projects into 166.

That is your administration, those two years, but the 1999-2000 is the previous Conservative administration numbers: \$205 million, \$568.5 million. I am sorry, but do not publish them if they are not right.

I just want to know whether the minister and her Government are, as she said, Mr. Chairperson, while speaking to her NDP annual meeting, she said and I quote her, while discussing the recent meeting with other Ag ministers, Wowchuk stated, and I quote: I did not promise new money, guys, to Greg Selinger and Tim Sale, and I quote again, who worry over how much money I try to get for agriculture. We know that that statement is correct, and we believe that the numbers in her budget reflect that statement clearly. There is a very substantive decrease in spending in agriculture over the last two years, and I think the minister needs to be able to read her own budget.

Ms. Wowchuk: I did not know the member was so interested in NDP policy or NDP debates. If the member wants to, I would invite him to the convention, and he could hear a little more. I would think that he would be more interested in going to his own convention and having some policy discussions there and not worry about what we are saying.

I can tell you, from those comments, it is very clear that I have fought for agriculture, and I will continue to fight for agriculture and take a strong position. I am quite proud that in our term of office we have been able to increase the amount of money for disaster assistance for the producers of Manitoba. If you look at it, the money that we put into place for the AIDA program, the money we put into place for CMAP 1 for CMAP 2, and we will continue to lobby the federal government to take on their responsibility. But I will stand anywhere in any

crowd and say that I have fought for the farmers, and I will continue to urge both the federal and provincial governments to recognize how important this industry is and that we do have to help our producers through this difficult time.

* (17:50)

Mr. Maguire: Two things, Mr. Chairman. I just have to say that in regard to the dollars, regardless of whether it is a lot or not, the CMAP 2 program is not here yet and seeding is virtually over in a good deal of the province and has not started in some of the other wetter areas. I would like to see that money get out as quickly as possible.

But, if there is the kind of dollars in the agriculture community that the minister has indicated in her earlier comments before this discussion took place, I would just like to say that the farmers in southwestern Manitoba, western Manitoba, are completely disgusted because there has not been one targeted cent by this Government sent to that particular region of Manitoba for a cause of a natural disaster that caused the problem that they are facing. They feel that, while the minister is aware from the presentations that came before our Ag committee, when you are hit by a natural disaster Government should come to the table, and this business about trying to determine who is right and who is wrong is wearing really thin out there. Many of them have had to leave the industry already because this Government has not supported them in Manitoba.

Whether or not it is her fault or the federal government's fault, there was \$71 million by the previous government put out in that area. They did not wait for the federal government to come to the table. And I am not going to use the other examples. That is the only one that really counts. That area would be even more devastated if it had not been for the dollars that were committed by this Government. We all know that the federal government got off by their share of it being overlap programs coming out of AIDA and a number of those things. They got away scot-free because basically you would have had to put those program dollars up through AIDA anyway for the shortfall in that area.

So I just want it on the record, and I ask the minister when they will in fact bite the bullet on that particular region and put some funding out. I have said many times even \$6 an acre as the Manitoba share when 3.5 million acres would be \$21.5 million. If there is not that commitment for about a third of their agriculture region in Manitoba, then I say that this Government has no commitment to agriculture at all.

Ms. Wowchuk: As I said earlier, I will stand by my commitment to agriculture and to the agriculture community. The situation in the southwest part of the province is a serious situation and one that should have been addressed. The member talks about what his party put in, what this Government put in. You always have to remember those are taxpayers' dollars. They are not the Conservatives' money and they are not the New Democrats' money. That is the taxpayers' dollars, the people of Manitoba who are putting money in. That money was put into southwestern Manitoba. The federal government did not live up to their responsibility, and we have continued to raise this issue with the federal government.

With respect to CMAP, the member said seeding is just about over in some parts of the province and the money is not out. He is right, the money is not out yet, and I am very frustrated with that. I am very frustrated with it because of actions of the federal government. The federal government has not got their approval from their Treasury Board yet to send the money out. They were supposed to get it through their Treasury Board last week. They did not do it.

Quite frankly, I am very frustrated. We are just about ready to start sending out provincial money and not waiting for the federal government on this one, but that is completely unfair of the federal government. To make an announcement back in March that they were putting in \$500 million into this and then telling the provinces that we could not have any money unless we agreed to participate. Provinces are participating. The federal government has not done their part yet. It is not through their Treasury Board yet, and it is very frustrating for us as a government and for the producers of Manitoba.

Mr. Maguire: Just one quick one then. I congratulate the minister if she would go forth and put her money from CMAP out into the agriculture community ahead of the federal government, and I would encourage her to do the same thing for the southwest.

Mr. Jack Penner: I think what the minister just said is unfortunate, and it is unfortunate for farmers in Manitoba. When you look at the record in 1999, \$205.5685 million versus the next year's 2000-2001 budget of \$114 million, and this year it is back up to \$122 million based on an additional \$9 million for the agriculture disaster aid programming. I think it is really unfortunate that the minister is trying to portray her Government as being a caring government for agriculture. Those numbers clearly demonstrate that that is not the case.

Had it not been for a government that really cared about disasters in the Swan River area in 1988, I just wonder what the Swan River area would look like today. But the decision was then made by provincial ministers that flew into Swan River and made the decision right on her doorstep, right in her own backyard that they would fix and spend money on issues that had till that time not been covered by Disaster Assistance such as the repairing of farmlands and washouts. That decision was made. It took us almost five years or just over five years to negotiate with the federal government and make it inclusive in disaster aid programming henceforth. That is how decisions are made. When a government has the will to address disasters, that is how you do it.

But obviously this Government has very little commitment to the Department of Agriculture, and farmers are hearing this all over the place. I think the support in agriculture in Ontario has been demonstrated again. Corn farmers there are receiving around \$50 an acre out of the program. Manitoba farmers will receive around \$8 an acre out of the program. Clearly it is this minister's and this Government's will, I believe, to not support its agriculture community to the tune that Ontario, Québec and other provinces support theirs, and it needs total commitment if we want to see rural Manitoba survive.

I think bringing people back into the city of Winnipeg, back into Portage la Prairie, centralizing instead of decentralizing again is a clear indication of how little support this government has for agriculture and the rural community. I think that is unfortunate, and I would suggest strongly that this minister go back to her Treasury Board and go back to her Cabinet and make a much stronger case for the agriculture community. Hopefully she will recognize that the provincial governments also have a responsibility to become part of a funding process and part of a support mechanism for its agricultural community, not just constantly point at Ottawa. We realize Ottawa has a responsibility, but we believe that the minister also has one.

With that, we can, if the minister chooses to support, pass the Estimates.

Ms. Wowchuk: Mr. Chair, I am quite prepared to pass them but I have to clarify for the member. When he looks at the numbers in these Estimates, where he says in 1999 we are at actual spending. If you look at that \$107.1 million, that is two years of AIDA funding. That is for 1999 and 2000. There are two years accounting in there. When you look at the next year, there is also CMAP 1 in that money. If you look at the Estimates for 2001, that is only an estimate, it is not the actual spending.

So for the member to imply that we are not committed to agriculture, he can put everything he wants on the record. I am quite proud to go out to rural Manitoba and stand in any hall on our support for agriculture, and I am quite proud of the commitments that our Treasury Board has made to agriculture. I will stand by this Budget, and I am quite proud of it.

Mr. Jack Penner: All I am saying, Madam Minister, or Mr. Chairman, then put the correct numbers in the Estimates. If these numbers are not correct, then I am not going to pass them today. I want the correct numbers.

Ms. Wowchuk: Mr. Chairman, what I said to the member is if he looks at those Estimates, from 1997 to '99-2000 are actuals. That is the actual amount spent. If you go to the 2001, those

are estimates because the actuals are not printed yet, are not available yet.

The Acting Chairperson (Mr. Struthers): The hour being six o'clock, committee rise.

* (14:40)

FAMILY SERVICES AND HOUSING

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Family Services and Housing and the Healthy Child Manitoba program. Would the minister's staff please enter the Chamber.

This section of the Committee of Supply had agreed to a global discussion.

Mr. Jack Reimer (Southdale): I just wanted to ask a few more questions. I noticed last time we just got into some of the RRAP program, and we got a few answers in regard to the process and that. I was wanting to ask the minister, the administration and the handling of the RRAP program by the MMF, as to whether they still have the abilities and the administration of the RNH program with the RRAP program. Is it still being handled totally by the MMF?

Hon. Tim Sale (Minister of Family Services and Housing): I think, as we indicated last week, the only area in which there is an exception to this is the City of Brandon, which is now delivering its own RRAP program under our overall administration. The rest of the province outside of Winnipeg for the rural and northern housing program is administered through the MMF's contract with the community housing managers of Manitoba.

There are some communities that have local housing authorities. The federation under their organization works with those housing authorities, and in other communities they do it directly.

Mr. Reimer: I know the MMF, when I was minister, lobbied wanting to take on additional responsibilities with the RRAP program and expand it further under their administration. Has there been any indication that the RRAP

program will be further expanded for the administration by the MMF?

Mr. Sale: The short answer is no. The little longer answer is that there continue to be some federally imposed guidelines and requirements which make it problematic in the remote areas to do a RRAP application because of the requirement for three inspections: a pre-, a during and a post-. That can drive administrative costs very high. The Métis Federation has asked us to consider some alternatives that might be more suitable to some of the more remote communities that it is very expensive to get into. Those discussions have been, at this point, more in the nature of informal complaints about the frustrations they have with the current guidelines. There are no formal discussions underway at the present time to change the current arrangement.

Mr. Reimer: Mr. Chairperson, along the same lines with the MMF, has there been any increase in their management capabilities of the units that they are now managing throughout the Rural and Native Housing Program?

Mr. Sale: There have been no changes in the operation. As the member knows, there are two communities, Wabowden and Camperville, that manage their own local housing through a local housing authority, but other than that there have been no changes. I believe those changes were made when the honourable member opposite was in government.

Mr. Reimer: Moving on, I noticed in the explanations of the appropriations in the Estimates book there is a reference to the community-based housing boards. My interpretation in looking at the Estimates is that there is an encouragement for the development of these new boards and the expansion of the role in the various communities for community-based housing boards.

Could the minister give me an update as to whether that is the direction or whether these boards have been implemented? Are they in the process of being implemented or is it a process of consultation right now?

Mr. Sale: I am assuming the member is still exploring the rural and remote area. I just indicate that the agreement that we have with the Métis Federation is the same. It has not been amended. In that agreement there is a requirement or a clause calling on the federation to encourage the development of local housing authorities. We have been encouraging that to take place. For example, in St. Laurent, among others, we have been encouraging the local community to become more active in and through a housing management committee. They have such a committee at this point. That is, I think, no change, but we are encouraging local communities to become more active.

You think of a community like Thicket Portage, for example, where they are attempting to develop some log housing through a program, a very successful training program that was under the auspices of Keewatin Community College. Fifteen log builders were trained by a couple of the best log home builders in the country. If the member has an opportunity he might see a beautiful home that has been partially constructed as a demonstration project in Thompson using logs which I do not think I believed existed in our forest. I did not realize that we have logs around Thompson that are fully two feet in diameter.

The sad story about that is that until the Métis Federation began lobbying to use some of this material, those logs were actually buried. Tolko does not have equipment big enough to handle those logs and so they could not use them, which is a real irony. The best timber we have was being thrown away because we did not have the equipment to handle it.

So, in terms of encouraging local communities, certainly that is what the agreement calls for. We believe in that, as I believe the previous government did. I had a very good conversation with the mayor of Thicket Portage at the housing conference in Thompson, encouraging him to continue his efforts to have an effective local housing authority. So I think that is an indication of where we are trying to continue to go. I think it is consistent with the previous government's policy.

Mr. Reimer: Then my interpretation would be that for the housing boards, the encouragement is within the Rural and Native Housing Program, because I believe that is where I am looking at the identification of community-based boards, the increased number of them and the enrolment in them.

I think not only does it fare well for the rural and native housing, but any type of housing boards within public housing serve as a tool for the minister to have an access to what is happening in the program. I am going to pass the questioning to my colleague from Lakeside who has a few questions in regard to Housing that he would like to ask at this time.

Mr. Harry Enns (Lakeside): Mr. Chairman, through you to the minister, earlier on this year one of our service clubs, the Lions people, ran into serious difficulties in some of the housing operations that they were managing. It is not my intent to get into the reasons why and wherefore. I have a lot of respect for the Lions organization. They, like many service clubs, have in the past and my hope is will in the future, continue to provide all kinds of community services to the community here in Manitoba.

I would ask the minister to provide us with a bit of an explanation of what did in fact take place. As I understand it, I have information from the news accounts of the day. I would also indicate to the minister that, being part of the Mennonite community and being aware of organizations, such as the Mennonite Benevolent Society that operates housing needs, and indeed the Concordia Hospital, the significant personal care home, Bethania. So I do have some information coming from that source. It is my understanding, but I would like to hear it substantiated by the minister, what precisely have the Bethania people, if I can call them that, been? What is their role in assuming some of, as I understand it, the management or the assets of the former Lions property with respect to housing, particularly, as I understand, the seniors housing complexes that were formerly operated by the Lions Club.

Mr. Sale: May I just clarify with the member as to whether he has read the Report of the

Provincial Auditor in regard to the Auditor's findings?

Mr. Enns: I must acknowledge I have not. I find myself, when I am finished with the *Western Producers* and the *Manitoba Co-operator* and worrying about the agricultural issues of the day, I do not find time to get to all the other documents, but I will note that it probably would have been helpful if I would have read the Auditor's Report. I have read synopses or summaries of it I have seen that were made available to the media and the press at the time of the situation.

Mr. Sale: The reason I asked the question is not to embarrass the member. I, too, have enough to read, but sometimes when I am really unable to get to sleep reading an Auditor's Report helps. So I just recommend it to the member, if he ever has any problems with insomnia.

This one actually keeps you awake because it is a very well written report. It is a tragic litany of good intentions gone wrong in terms of what actually happened in that organization. I am not going to comment on that. I just encourage the member, if he wants further information, to read it.

* (14:50)

We think the Auditor did an incredibly thorough and careful job, but certainly it took a long time, for some reasons that are well documented in here. What I think the member is really interested in is: Okay, the audit has been done; problems were found; what did we do as a result?

The Auditor recently reported, in terms of follow-ups, as to what action had been taken by the provincial government on a number of the Auditor's reports.

In regard to this particular one, the Auditor responded by indicating that three things have been done specifically following the audit. I am going to quote from the Auditor's report. Between the receipt of the special audit report in January 15 and the release of the report to the public on February 5, which is about a three-week period, the following measures have been put in place.

The boards of directors of the Lions Club of Winnipeg and the Lions Housing Centres have

entered into a memorandum of agreement with the Province of Manitoba and the Winnipeg Regional Health Authority confirming their agreement that the board's management authority would be delegated to a Provincial Management Committee for an indefinite period of time while the Lions restructure their organization and the Province and the Lions address the Provincial Auditor's recommendations. So that was the first thing.

The Provincial Management Committee, comprised of senior staff from the provincial departments of Family Services and Housing, Health and Finance, as well as the Winnipeg Regional Health Authority, has been established to oversee the management and operation of the Lions Club of Winnipeg Housing Centres, several housing and personal care facilities, and to ensure that the Provincial Auditor's recommendations are appropriately addressed. As a matter of fact, our Assistant Deputy Minister of Housing, Kim Sharman, is the Chair of that management committee.

Bethania Mennonite Personal Care Homes Inc., a non-profit community-based organization with experience operating both personal care and housing facilities has been appointed as interim manager reporting to the Provincial Management Committee to oversee all day-to-day operations of the various Lions Club of Winnipeg facilities for an interim period of at least six months.

Work has begun to address the Provincial Auditor's findings and recommendations and to deal with the Lions Club of Winnipeg Housing Centres financial difficulties. Provincial officials and the Lions Club of Winnipeg Housing Centres are working co-operatively in this regard.

Mr. Enns: Mr. Chairman, again to the minister, I should inform the minister that my oldest brother is a director of Bethania Inc., and it is from comments that he has made to me about this that I raise these issues. The directors of Bethania Inc. are receiving some heat, some pressure from within the Mennonite community, and it is simply because people do not quite understand how they got involved. The Mennonite community can, I think, have every

reason to be proud of their accomplishments over the years in this whole area.

I remind the honourable member that it was the Mennonite community that had the first compulsive all-inclusive health care system operating for many years that was available, not just the Mennonites, but certainly meant to serve the Mennonite community of which I and my family were part of, that was known as the Concordia plan, for a very modest fee throughout. This was established in late '28, '29.

I believe Concordia Hospital was incorporated in '28 by Russian Mennonites, as I call them. They were people of my immediate ancestry, provided that service which was an all-inclusive service, hospital insurance, medical insurance, even dental insurance if you were prepared to go to a GP and have your molars extracted as I did as a youngster on occasion. They then carried on with the corporation of Bethania old folks home as it was originally known. It is now a very significant, sophisticated personal care home.

What some within the Mennonite community are questioning the board, this comes directly from the senior directors, they are questioning: Was Bethania Inc. muscling out the Lions people in a housing venture? Were they the initiators of this? I think the minister has to understand that the view of the supporting membership of Bethania Inc., a significant number of Mennonite churches throughout Manitoba, they looked at this when it first hit the headlines or the news that this was out of their mandate.

That is the reason why I am raising this issue. I think I understood it right. I know that from my brother, a director, that it was in fact coming together. The Government was faced with an immediate problem of having to resolve, to be charitable, a very untidy situation in the management of these facilities and sought out an agency such as Bethania Inc. to, as the minister indicated, provide the interim management for these facilities. I indicated to my brother that I would, on the occasion when it presented itself, raise this matter with the Government, with the appropriate minister, and I am doing it now. All I would ask the minister to confirm is that this

was as much a willingness on the part of Bethania Inc. to resolve an issue at which they had some experience in, at which they had some expertise in, and under those circumstances were prepared to do this.

Mr. Sale: First I want to thank the member for his question. I think it is quite an appropriate question that he should raise. Let me tell him that when we at the department and in Government sat down confronted with this problem of the Lions situation, which was much more serious than we had thought. We thought we had problems but when the Auditor's report came in and we began to get briefings from him we realized that this was an extremely tragic and serious situation.

We made a commitment at Cabinet level and at the department level—first, of course, confirmed at Cabinet—that we wanted to make it very plain to everybody that the Government had no interest or intention of taking over the Lions operation on a long-term basis. At the same time, we were faced with the recommendation of the Provincial Auditor that the difficulties were so serious that the Auditor in one of his key recommendations, which is in the summary findings at the beginning of his report, he doubted whether it was possible to change the culture of the Lions Club sufficiently to address all of the concerns that he thought were important.

So we felt we had to come to an arrangement that protected the public assets in regard to the Lions but made it very plain to everyone that we believed in non-profit, community-based management and particularly the involvement of either service clubs or faith-based organizations in that kind of management. So my officials and I talked about what our options were. I do not mind telling the member that from both the officials perspective and my perspective the first name that came to mind as a professional management organization that would have the capacity to assist us through this difficult period of time was Bethania, both because of their long record and because of their administrative competence.

We had great confidence in their financial and overall management capacity, and we

approached Bethania directly and asked if they would consider assisting us. We made it very clear that they were not assuming any long-term interest, and they did not express the slightest interest in doing so. They did say that they were prepared to provide, under contract, management services reporting to the interim management board committee that our three departments plus Winnipeg Regional put in place. So the role of Bethania is time limited, although the duration of that is not certain yet, because without going into detail, we are essentially having to reconstruct the entire books of accounts and capital formation, capital structure of the Lions authority. It is hard to describe the administrative chaos that we walked into, but we intend that in the future there will be a community-based manager for that housing authority, that housing complex. We do have a member of the Lions Club now on the management committee. *[interjection]* Pardon? Soon. Sorry, I thought we had it on now. I correct my misunderstanding. There will shortly be a member of the Lions Club board on the management committee so that they will have a direct view of what it is that has to happen to satisfy the auditor's recommendations. I hope I have assured the member that, first of all, the initiative came from government to request assistance, and secondly, that when we started thinking about who might do this, both staff and myself said the top name on our list would be Bethania, and they graciously responded.

* (15:00)

Now, I could also tell the member that our assistant deputy minister met with the board of Bethania some weeks ago to canvass their concerns and attempt to provide reassurance. I hope that that was successful, but I would be glad to undertake to meet with them myself if that is required. I do not believe it is, because I believe we have clarified any of those concerns. But if the member feels that would be productive, I invite him to ask the family member that he has noted to suggest to the president of Bethania that they might request such a meeting.

I am a little bit concerned about having this dialogue here because it seems a bit disrespectful of Bethania. If they would like to request that I

meet with them, I would be glad to do so, but I want to assure them that the initiative came entirely from us requesting assistance of a valued community partner that operates facilities on our behalf and that has invested a good deal of voluntary dollars and energy into the provision of housing and personal care services in our province.

Mr. Enns: I thank the minister for those comments, and I do not believe that there is really anything more that needs to be done. It is just because of my close association with the director of Bethania that I am aware of this situation. This is the sometime situation where we have the good fortune of having people give of their time for the stewardship of organizations like Bethania Inc. They do so on a voluntary basis in the main. The criticism that hurts is when it comes from within and if it is misdirected and misunderstood. I am quite happy with the comments put on the record. I am pleased to note that senior staff has taken the time to visit with the board.

It is not an issue I think with the board. It is just that the Mennonite community at large is questioning the actions of the board, you know, is the board overstepping its mandate, that kind of criticism that was directed at the initial announcements that Bethania Inc. was in fact becoming involved in this instance.

I am satisfied with the actions taken by the department and by the Government, and I will indicate to him I made a small commitment to my brother that I would raise it with him. I will send him the Hansard of today's discussion. It is certainly not, and I want to make it very clear I share the minister's concern that he expressed. It is regrettable that things came to pass as they did, because I have a lot of respect for the Lions organization. They are present in different parts of the province, including in different parts in my constituency and Stonewall. They run some very good facilities in different parts of the province, but obviously there was a very serious difficulty in place that needed to be addressed. I am pleased that the Government found a solution to that situation, and confirmed that was, in fact, the case. It was an initiative, a responsibility, if I might say, on the part of you as minister and of the Government, to find a solution to the

problem, and you found one. Not the other way around, that Bethania Inc. was looking to enhance its portfolio of housing stock or to go—what some of their supporting members within the Mennonite community thought was outside of their mandate.

Thank you, Mr. Chairman, that concludes my questions.

Mr. Sale: I thank the member for his questions. I would just also want to put on the record that this particular problem was the Lions Club of Winnipeg's problem. There are many other Lions clubs, and many other projects around the province which are not in any difficulty and continue to provide good service to the communities in which they are located. So it is helpful that the member raised that question, as well, that we are not talking about every Lions club in Manitoba, by any means. So I thank the member for those questions.

Mr. Reimer: I just have a few more questions I want to ask the minister. I wonder whether he could clarify that there are still two boards that are working within the Housing Department, the MHA board and the MHRC board, and if he could give me the board members for the MHA and of the MHRC board.

Mr. Sale: The member is correct, Mr. Chairperson. There are still two boards, the Manitoba Housing Renewal Corporation and the Manitoba Housing Authority.

Mr. Reimer: If the minister has the members, maybe he could just read them into the record and then they would be on Hansard and I do not need to have the—

Mr. Sale: There are six current members: the deputy minister of Family Services and Housing who is the Chair, the assistant deputy minister, Housing division, who is the vice-chair and CEO; assistant deputy minister, Admin and Finance, Family Services and Housing; the director of Housing Services, Family Services and Housing; the director of Corporate Services, Family Services and Housing; and the ADM for Accommodation Development division, department of highways and Government Services.

Because of the fact that these are all civil servants, of course, they serve without remuneration. They just get to spend extra time.

Mr. Reimer: I was not sure, was that the board of the MHA or the MHRC?

Mr. Sale: The same members serve both boards.

Mr. Reimer: I do have a question here that one of my colleagues wanted me to ask the minister in regard to a group home for St. Malo, whether the minister could look into—the community of St. Malo, has, as you are aware, a workshop for mentally challenged individuals, and the workshop is an excellent place for people to work. However, some that have worked there for many years are not able to work there anymore and can no longer stay in the residence for this purpose.

A family has called and seeks support for the establishment of a community-living arrangement in St. Malo which would be Francophone. Thus far they have not been able to get approval from the Government to set up a small group home. The Member for Morris (Mr. Pitura) is asking whether the minister would look into this matter, and either report back to myself or to him as to the feasibility, or whether that can be accomplished.

Mr. Sale: If the member would provide me with that note that he has quoted from, we would be glad to look into the matter and get back to him as soon as we can.

Mr. Reimer: Other than that, I have no further questions for the minister, and the Member for Ste. Rose (Mr. Cummings) will not have any more questions for Family Services.

* (15:10)

Mr. Chairperson: Resolution 9.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,699,600 for Family Services and Housing, Administration and Finance, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Is there any question on the minister's salary? This amount includes the minister's salary.

Mr. Reimer: I have no further questions.

Resolution agreed to.

Resolution 9.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$342,413,700 for Family Services and Housing, Employment and Income Assistance, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$165,336,400 for Family Services and Housing, Community Living, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$242,067,300 for Family Services and Housing, Child and Family Services, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 9.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,427,000 for Family Services and Housing, Housing, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 9.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,633,700 for Family Services and Housing, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

That concludes the section on Family Services.

HEALTHY CHILD MANITOBA

Mr. Chairperson (Conrad Santos): This one is on Healthy Child Manitoba.

Resolution 34.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,207,300 for Healthy Child Manitoba, Healthy Child Manitoba, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Resolution 34.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$74,000 for Healthy Child Manitoba, Amortization of Capital Assets, \$74,000, for the fiscal year ending the 31st day of March 2002.

Resolution agreed to.

That concludes Healthy Child Manitoba.

The next segment to be considered is Intergovernmental Affairs. Shall we take a recess? How long shall the recess be? Five-minute recess.

The committee recessed at 3:15 p.m.

The committee resumed at 3:40 p.m.

INTERGOVERNMENTAL AFFAIRS

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 of the Department of Intergovernmental Affairs.

Does the honourable minister have an opening statement?

Hon. Jean Friesen (Minister of Intergovernmental Affairs): Yes, Mr. Chairman.

Mr. Chairperson: Please proceed.

Ms. Friesen: Mr. Chairman, I am pleased to introduce for the committee members' review the Estimates for the Department of Intergovernmental Affairs for the 2001-2002 fiscal year. I am also very pleased to have the honour and opportunity to serve as the Minister of Intergovernmental Affairs.

This past fiscal year has marked the first full year of operation for the department since rural development and urban affairs were amalgamated. Over the past year, I have had many, many opportunities to meet and talk with constituents throughout Manitoba. In rural and

northern areas and in the neighbourhoods of Winnipeg, there is a strong determination to see and to build healthy and sustainable communities across the province. Much has been done in this area, yet communities and neighbourhoods still face many new situations.

The rural and agricultural economy is changing as our communities face the challenges precipitated by rapid globalization, the removal of transportation subsidies, the rush of the market impact and increased competition. More and more of our agricultural producers are seeking off-farm income, value-added and diversification opportunities. These challenges reach into the heart of rural sustainability and have direct impacts on our rural communities, their population bases, their economies, their institutions and their services.

In northern areas, community leaders and citizens face the challenge of distance, remoteness and equitable access to services. There is often a need for a basic level of infrastructure and economic diversity, and in many communities, this is felt very keenly.

In Winnipeg, the inner city neighbourhoods have been facing social, economic and physical needs for some time. The revitalization of Winnipeg's downtown area also seems a monumental task, but we have begun to deal with both of these issues.

I want to emphasize, Mr. Chairman, that in both of these cases, it will take time to turn around the situations that these areas have suffered, but I want to emphasize that we have begun to take those first steps.

In meeting Manitobans from all parts of this province, I know that they remain committed to meeting their challenges head-on and striving to improve their quality of life, the quality of life of their neighbours, and I recognize, too, across Manitoba a considerable concern for the future and for the prospects for not only one's own children but the children of a community.

I think that sense of the future is an important one to recognize because it is one I think that bodes well for Manitoba. This is not a generation which is thinking only in its own terms, but it is a generation I think which, whether it uses the words or not, does think in

terms of sustainability and of generational impact and continuity.

Manitoba Intergovernmental Affairs is committed to working with and on behalf of individuals, local governments, neighbourhood and community organizations, public institutions and businesses to build capacity for revitalizing and strengthening neighbourhoods and communities for now and for the future.

Mr. Chairman, it is my pleasure to present these Estimates which outline our direction and some of the priority initiatives and expenditures we have identified for the coming year.

Manitoba Intergovernmental Affairs' funding appropriation is \$143 million. In 2001-2002, the department will operate with a staff complement of 327 staff approximately, equivalent to the previous year's level.

The department supports a comprehensive approach which focusses on two major components of building sustainable communities and neighbourhoods. A major portion of the department's work focusses on the need to build strong foundations in our communities. This includes the provision of a legislative framework to ensure responsive and supportive local government; advisory services to build capacity in elected and non-elected officials; financial support to assist in meeting the operating and capital requirements of local government; property assessment services to support budgeting and taxation by municipalities and school divisions; technical and financial assistance to support building basic infrastructure; and comprehensive community and conservation planning to facilitate, Mr. Chair, well-planned communities and effective resource management.

* (15:50)

On this foundation, our communities and neighbourhoods are exploring revitalization and growth opportunities in such areas as community economic development, tourism, recreation, housing and more.

The department's work in this area focusses on building capacity and ensuring ability to

undertake community development and diversification projects. To balance priorities and activities within rural and northern and urban areas, the department operates in four program areas.

First, Community and Land Use Planning Services reflects the Government's priority in the area of community and land use planning. Secondly, Provincial-Municipal Support Services continues to provide services and financial support to all local governments, including the City of Winnipeg. This division is also responsible for providing assessment services to all municipal corporations outside Winnipeg. Thirdly, Economic and Community Development Services offers support and services to develop and upgrade our sewer and water infrastructure and enhance conservation planning. The division also provides support to small business, youth, local organizations and local government in the areas of community economic development and diversification.

A strategic initiatives area focusses on neighbourhood revitalization in Winnipeg, Brandon and Thompson under the Neighbourhoods Alive! program. The department also maintains responsibility for federal-provincial co-operation agreements. A major initiative for the department is the new Canada-Manitoba Infrastructure Program that will inject significant provincial, federal and local government funding into Manitoba's infrastructure over the next six years. The department's comprehensive approach to community and neighbourhood development has enabled us to work with a cross-section of community interests and to better co-ordinate the programs and services we deliver to citizens in rural, urban and northern Manitoba.

Last year, Mr. Chairman, during Estimates I spoke of a priority for our Government and that was to address the challenges of Winnipeg's downtown and inner city. The significant economic, social and physical strain, particularly in inner city neighbourhoods in the downtown business districts of Winnipeg will require that we continue to focus on ways to improve the situation. During the last election campaign, we talked about a plan to strengthen our communities that were in greatest need of attention. That plan became known as

Neighbourhoods Alive!. Last June Neighbourhoods Alive! was allocated \$3 million in support of building a long-term social and economic strategy supporting community-driven revitalization efforts in areas such as housing and physical improvements, employment and training, education and recreation, and safety and crime prevention. Since then we have been working to build new partnerships with neighbourhood renewal organizations in Winnipeg's inner city.

Let me tell you something about the significant things Neighbourhoods Alive! has undertaken in these past few months. In March of this year we approved close to \$300,000 for eight projects: To upgrade public buildings; renovate daycare facilities; enhance art programs for inner city youth; support youth leadership initiatives; implement community housing plans; and revitalize neighbourhoods. Later in April we approved additional funds for projects that supported a tenant-landlord co-operation program, a neighbourhood housing plan in west Broadway, improvements to an employment centre and community centre, a program to help empower women living in the north Point Douglas and west centre Spence neighbourhoods, implementation of an economic development plan in the North End, a job search centre, along with lighting enhancements to make the streets safer.

We have also approved funding under Neighbourhoods Alive! to support an inner city Aboriginal training program in health care and child and family support. This initiative addresses the need for more Aboriginal workers in the province and increases educational opportunities for Aboriginal people. Neighbourhoods Alive! has also been launched in Brandon and Thompson as a means of addressing neighbourhood renewal issues in these urban communities.

For the coming fiscal year we are committed to maintaining the momentum of this very vital initiative. This summer, in partnership with inner city neighbourhoods and other departments, the first of a series of Neighbourhoods Alive! forums will be held to bring together neighbourhood leaders and residents. These forums will provide participants with an

opportunity to learn, to share experiences and to address their most pressing issues and challenges. The first of these forums will focus on building effective community organizations. It will focus also upon partnerships, upon housing initiatives and community economic development opportunities.

Mr. Chairman, we acknowledge that Manitoba has benefited greatly from the work undertaken through partnership agreements involving all levels of government and the private sector. These have included infrastructure programs, economic partnership agreements, and the Winnipeg Development Agreement and its forerunners, of course, the Core Area agreements.

For that reason, I am pleased the Province has been successful in negotiating a new Canada-Manitoba Infrastructure Program that will invest over \$180 million into Manitoba's urban, rural and northern municipal infrastructure over a six-year period. The primary focus is "green" municipal infrastructure, projects that improve the environment, such as water and waste water systems, water management, solid waste management, recycling, et cetera.

The secondary focus includes other local infrastructures, such as local transportation infrastructure, cultural and recreation facilities, infrastructure supporting tourism, rural and remote telecommunications, high-speed Internet access for local public institutions, and affordable housing.

Building on the success of the previous program, federal and provincial governments are committed to continuing to reflect local priorities and project selection. Local consultative committees have been established, one for the city of Winnipeg and one for rural and northern Manitoba, to review and advise on project implementation. With the new program the consultative process has been expanded to include representation from northern communities through the Northern Association of Community Councils and the Department of Aboriginal and Northern Affairs.

Federal and provincial governments are focussing on the following priorities: Projects that contribute to revitalization; projects that protect or enhance the environment, particularly flood protection, riverbank stabilization and water quality. We are also dealing with issues of water quality, particularly in those communities that have boil-water advisories in areas outside Winnipeg.

The first intake for the program was the end of January, and the response I think perhaps not unexpectedly has been overwhelming, with requests exceeding available funding by a ratio of three to one. Projects are being assessed and federal and provincial governments will be making announcements shortly. In fact, we have already made some. Approved projects, however, will be announced on an ongoing basis as projects are screened environmentally and respective federal and provincial approvals are in place. Applications, however, are accepted on an ongoing basis with the next intake deadline expected in October.

To date several projects have been announced, including \$1.6 million for improvements to the floodway; two projects for communities that are on "boil-water" advisories, that is, \$2.3 million for Balmoral in the R.M. of Rockwood and \$2 million for Haywood in the R.M. of Grey. We have also announced \$400,000 for water treatment plant upgrades in the northern community of Cormorant and most recently a commitment from the Winnipeg portion of the agreement to the entertainment complex.

Many more significant announcements will be made throughout Manitoba in the coming days, weeks and months. The Province is also committed to a new successor agreement to the Winnipeg Development Agreement that will build on efforts to date. Our Government is in the process of negotiating this new agreement with the federal government. We are also committed to continuing partnerships with the City of Winnipeg to continue to build strong neighbourhoods. We are nearing completion of negotiations on a new community revitalization agreement.

We will maintain our strong commitment to strengthen and better co-ordinate planning and development services across the province. We will increase our funding support to reflect a balanced approach to Livestock Stewardship. We have increased our contributions to planning programs, primarily in support of the Livestock Stewardship and Capital Region initiatives.

* (16:00)

In January, the Province received the findings of a panel appointed to consult with groups about future directions under our Livestock Stewardship Initiative. The consultations were based upon a paper entitled *Sustainable Livestock Development in Manitoba: Finding Common Ground*.

We were pleased that the panel's findings were developed in conjunction with the public and the approach to balanced growth in the livestock industry with an emphasis on environmental monitoring, land use planning and data collection was something which we can work on and move forward on.

In the past year, we have indeed increased inspections to encompass all manure storage facilities in Manitoba. We have initiated an independent study on soil sustainability in Manitoba. Not all of this is being done within this department, but we are part of a co-ordinating group which does look at livestock issues.

During the past year, we have also allowed for the updating of ground water sensitivity maps and those updates should be completed shortly.

Last year the Province amended The Planning Act, and this is within this department to make formal technical reviews mandatory for major livestock proposals that require conditional approval of municipal councils. The law also now requires provincial approval of applications before any construction can begin.

Meanwhile, the livestock industry continues to grow in Manitoba. Last year, for example, there were 5.3 million hogs produced, that is in 2000, an increase from 4.76 million in 1999.

We also concur with the Drinking Water Advisory Committee that a high level of water quality is of paramount importance and must be a principal consideration in any discussions on development planning. I think that is a growing concern with the public and certainly one that is very significant right across the province. Water safety is an issue that concerns municipal leaders and the public alike. Events in Walkerton and North Battleford, of course, highlight the critical importance both of water quality and the wise use of water resources.

The Province has improved incentives for local land-use planning, resulting in six new planning districts encompassing thirty municipalities. These were formed during the past 2000-2001 fiscal year. Currently, Manitoba has 37 planning districts representing 122 municipalities, along with 59 other municipalities with local planning by-laws.

If all of the proposed planning districts are approved and the municipalities considering local planning proceed, we will then have 193 municipalities within the program representing 96 percent of all municipalities. Much of the work involved in this expansion, and it is a considerable expansion and one, I think, that is welcomed right across the province; much of this work is being undertaken by using existing resources and staff but refocussing their efforts and attention to address issues related to sustainable livestock expansion and to provide advice and support to municipalities, planning districts, producers and citizens.

We also continue to support the need for regional co-operation, particularly in our Capital Region through increased funding and staff resources to support the Capital Region initiative. In January, I announced a planning framework for development in the Capital Region. A key element will be a policy plan to better address regional issues in the Capital Region. In consultation with the municipalities the Province will lead the development of a policy plan. This is something that was requested of us by the mayors and reeves of the Capital Region that the Province take the lead in this.

We have agreed to appoint a Regional Planning Advisory Committee whose membership will represent regional interests and who will advise the minister and ensure public participation in the development of regional planning issues. We have dedicated a regional planner and professional planning staff to deal specifically with the Capital Region. Again, this was something that was requested by the mayors and reeves of the Capital Region and is indicative of the leadership role that the Province is taking in this.

Finally, we are also developing and maintaining common data bases containing information on a wide range of topics related to the Capital Region. As we move along in this, we will be developing a Web site which will enable the public to have access to those databases.

The regional planning process we propose will be inclusive, with significant input from all stakeholders. In addition to input from public open houses, public meetings and written submissions, a Web site has been established to both provide information and to encourage public input.

To support sustainable planning and development in all areas of the province, the department will diligently apply the provincial land use policies. The department will also be undertaking a consultative review process to enhance the policies and extend their application province-wide. Concurrently, a review of the statutes governing planning in Manitoba will begin with a view towards modernizing and streamlining legislation. We will continue to provide leadership by demonstrating a strong commitment to the region and its growth and affirming provincial leadership in land management, municipal government resources and the environment.

For the city of Winnipeg and its surrounding region to grow successfully, local governments and citizens must work together, and they must work across various boundaries in many areas of policy. I think there is a very strong indication that they are ready to do this. The city of Winnipeg is the centre of a region that contains about 60 percent of Manitoba's population.

Ensuring a safe, healthy, growing, prosperous and efficient capital region benefits all Manitobans.

Another of our major commitments as reflected in departmental Estimates is to enhance our support to municipalities. The Provincial-Municipal Support Services division remains committed to providing an effective legislative framework, advisory services and financial support to maximize the capacity and capability of local governments to deliver responsive and supportive services to Manitoba residents. In 2001-2002, a total of \$91 million approximately will be dedicated to supporting the operating and capital requirements of local governments.

Since coming to office we have worked diligently to build a positive relationship with the City of Winnipeg. In the current Budget, the City of Winnipeg will receive more than \$28.6 million in operating support to assist it to address the needs of its citizens.

To assist with capital projects, including renewed and enhanced municipal infrastructure, street repair, improvements to the Red River flood control structure, the department will provide an additional \$22 million in grant support. Rural and northern communities will also continue to receive support for operating sewer and water and transit systems. Operating and capital support is budgeted at \$27.1 million in 2001-2002.

As a province-wide measure, we will continue to grant funding to municipalities under The Provincial-Municipal Tax Sharing Act. Manitoba remains the only province that shares tax revenues with municipalities and communities, enabling the provincial revenues to work directly in communities and neighbourhoods.

In 2001 and 2002, it is projected that rural and northern communities will receive approximately \$35 million while the City of Winnipeg will receive approximately \$47.5 million under PMTS, representing a year-over-year increase of 6 percent in entitlements. This division is also currently involved in the significant responsibility of undertaking and making ready for the upcoming 2002 property reassessment for areas outside the city of

Winnipeg. Staff have been working diligently with other departments and local governments to ensure an efficient reassessment process.

With respect to community and economic development, our Estimates are directed toward providing Manitobans with tools they can use to build strong and healthy neighbourhoods and communities and to diversify their economies. Our regional staff continue to work directly with rural and northern communities to assist in developing strategic community plans and to identify and act on local solutions to community challenges.

Under the Economic and Community Development Services division, the department continues to co-ordinate VLT-funded economic programs for urban, rural and northern areas. The department has maintained a budget in the order of \$35.7 million for 2001-2002 to support community economic development and diversification programs in the province.

* (16:10)

This includes a funding commitment under the Rural Economic Development Initiative, or REDI, which enables the department to enhance the capacity of rural Manitobans to expand their economic base through increased business activity and job creation. For example, through REDI, the Government recently announced \$500,000 in support for the Keystone Centre in Brandon to enable it to continue to be an economic generator for the community.

REDI will also continue to support Manitoba youth through such programs as Green Team and Partners with Youth, and it is important that we continue to provide employment opportunities that build skills and confidence in our young people.

Through REDI, we will also continue to empower local people to make local decisions on business development. Last year we devolved one aspect of Partners with Youth, that is the Young Entrepreneurs component, to Community Development Corporations, or CDCs, to allow them to work with new young entrepreneurs in their communities.

To encourage investment within communities and value-added in diversification opportunities, two new bond projects were recently announced under the Grow Bonds program. Fibre Manufacturing Inc. of Crystal City received a Grow Bond to assist it in manufacturing its haying equipment. In April, Simply Natural Canadian Spring Water Corporation was approved for a Grow Bond to expand its water bottling operations. Both initiatives are helping to create as many as 18 new jobs.

The Urban Development Initiative targets monies to community development projects within the city of Winnipeg. UDI financial support is being provided to a variety of community and economic organizations programs such as Seed Winnipeg and the Jubilee Fund. In addition, UDI will support economic development agencies such as Economic Development Winnipeg and Tourism Winnipeg, youth programs such as Urban Green Team and major facilities such as the Winnipeg Convention centre. UDI will also support the Winnipeg Police Service agreement and dedicate additional support for needed improvements to emergency services.

In addition to REDI and UDI programs, Manitoba's VLT revenue-sharing program will be providing \$7.1 million to the City of Winnipeg and \$7 million to rural and northern communities for locally identified economic priorities.

Our 2001-2002 Estimates also provide for continued support for rural capital projects such as sewer and water, and for expansion of the Conservation District Program. We have allocated support for the operations of the Manitoba Water Services Board, and an additional \$18 million in capital funding is identified in this fiscal year to support sewer and water, transit bus, conservation and infrastructure development programs.

Last fall, we announced a \$7.3-million pipeline to distribute natural gas service to the Interlake. This additional energy alternative is expected to support economic development opportunities in this region. Our Estimates reflect our funding commitment to enable us to

continue to provide technical and financial assistance to municipalities, rural communities and farmers for sewer and water infrastructure. This will include the management of 14 water treatment plants on behalf of municipalities and the Conservation District Program expansion.

Manitoba currently has 13 conservation districts covering over 50 percent of agricultural land in the province. More than 90 municipalities participate in this program. Our conservation districts are focussing on providing sustainable soil and water management programs along watershed boundaries.

With 25 public and private sector partners, the department recently co-ordinated the 9th Annual Rural Forum that took place in Brandon, April 26 to 28. Community leaders, organizations, businesses and youth from all corners of our province came together to learn, share, discuss common challenges and celebrate community development successes in rural and northern communities. I want to take this opportunity to congratulate all the partners and sponsors who helped make this year's forum a success.

During the forum, our department showcased the Manitoba communities profiles Web site which provides access to more than two million pieces of information about communities in Manitoba over the Internet. Over a two-year period, the profiles were built in partnership with all Manitoba communities and all levels of government. This Web site, we anticipate, will become an exceptionally valuable information resource for Manitobans, whether they are seeking employment, career opportunities, doing research, looking for a good community to live, finding a destination to visit, or as a place of business and expansion. It will also serve as a worldwide gateway to others interested in visiting, living, investing in Manitoba.

The department also has the mandate to assist in developing international opportunities for Manitoba and co-ordinating some of the international co-operation agreements that can lay the groundwork for future economic opportunities. In the past year, the department has connected in international programs with France, Poland and Ukraine. We want to

continue to build on one of Manitoba's main strengths and advantages and that is our heritage, cultural and linguistic diversity. This initiative will continue to build relations and opportunities for Manitobans and to assist others as they change and as their reform processes move along.

The department is also continuing to lead and to move forward with implementation of the Manitoba-Nunavut memorandum of understanding. We continue to strengthen relations with our northern neighbours and to explore opportunities of mutual benefit in such areas as energy, transportation, business development, education and training.

In conclusion, Mr. Chairman, I have appreciated the many opportunities I have had over the past year to visit with Manitobans in their communities and neighbourhoods throughout the province. I have also enjoyed participating in events held by municipal organizations right across the province and with numerous community and Aboriginal groups. It is continuously inspiring I think to meet Manitobans, to meet them as volunteers, to meet them as municipal officials, to talk to young people whether it is in youth councils or in youth programs and to look at the attachment that they have, to recognize the attachment that they have to their local communities.

We live in different cities, towns, villages and remote communities, but we share a common bond as Manitobans and we share a common history. We do and we need to continue to support one another to build our communities and to build our province, not through division, not through setting rural against urban or country against town, but to build communities through a spirit and our province through a spirit of co-operation.

We also need to continue to respect our differences, and we often I think do not reflect enough on the kind of respectful province and respectful institutions that we have built in Manitoba from a very early phase. It is no mean achievement. It is not supported by complacency, and it is something which needs to be reflected upon and celebrated but also to be watchful.

Mr. Chairman, this is the overview of the Estimates and initiatives for the Department of Intergovernmental Affairs for the 2001-2002 fiscal year. I am just wondering whether this is the time to introduce my staff. I think not. We will wait until staff are in the room. I do want to take this opportunity to thank all the staff. I have a new deputy minister, Anne-Marie Elliott, whom I will be introducing in a few minutes, but I do want to take this opportunity to thank all the staff for amalgamating into a new department, for taking on considerably additional challenges, for working through those, and for their continued dedication to the lives of the people of this province.

Mr. Chairperson: We thank the minister for those comments. Does the Official Opposition critic, the honourable Member for Fort Whyte, have any opening statement?

Mr. John Loewen (Fort Whyte): Yes, I do, Mr. Chair.

Mr. Chairperson: Please proceed.

Mr. Loewen: I thank the minister for her opening statement. I would appreciate a copy of the written version of it, if that is possible at the end rather than waiting for Hansard, which may take a few days to get to us.

I think, as the minister indicated, it has certainly been a year of change for her department and that is often difficult on staff. I would also like to offer my congratulations to the staff for I guess having been able to move ahead through the transition and through the amalgamation of two departments into one. Change is often difficult, and I am sure it has been an upsetting year for a number of them.

Just a few comments with regard to the minister's opening statement. I think her statement reflects on the nature of the change in the attitude of those that are driving the department, specifically as it relates to rural economic development. I do not think it is news to anybody that certainly the focus that we on this side of the House see on rural development has diminished dramatically over the course of the last year. That was one issue that we talked about at some length during last year's Estimates

with the minister. Certainly of great concern to members on this side of the House, with the amalgamation of the two departments into Intergovernmental Affairs, was our concern that the focus would be lost on rural development. That certainly seems to have borne true.

The minister mentioned the challenges with regard to the rural communities and maintaining healthy and sustainable communities in rural Manitoba. It is a challenge, something that needs constant work, constant nurturing.

* (16:20)

I think one only needs to look as far as the Budget to get a feel for the change in attitude with regard to the policy direction from the New Democratic government as opposed to the former Conservative government. I think one needs to look no farther than the approach that this Government has taken. Since when I first took office in 1999 we have been dealing with the issue of the lack of compensation for farmers in southeast Manitoba in the 1999 flooding that they sustained during the rains.

Constantly we hear from that side of the House that it is up to the federal government to step in and provide some support. While that is true, we have been urging the provincial government to lead the way by putting some money on the table and using that to hopefully lever some funds out of the federal government.

The response we hear back continually over the course of the last 18 months is, well, no, no, that is not the way to go. We have to force the federal government to come to the table and negotiate. Yet when it becomes an issue that seems to carry more importance with this Government, we find they take the exact opposite tack. For example, with the floodway in the last Budget there was an announcement that the provincial government was putting \$40 million on the table conditional upon the federal government coming in with a contribution of \$60 million to make it a 60-40 partnership. I guess the question one has to ask, if that is the correct strategy in terms of the floodway, what differentiates that from the agricultural crisis and providing assistance to those people, particularly in southwestern

Manitoba, who continue to suffer from the crisis that we saw in 1999?

With regard to Winnipeg, the minister mentioned the interest in the revitalization of downtown. Again, contradictions abound. You know, the minister wants to leave the impression that downtown Winnipeg suffered through a downturn that was caused by neglect by the previous government. In fact, what really started, I believe, the economic downturn for Winnipeg, downtown Winnipeg, was the policy of the former NDP government and in particular the Winnipeg Development Agreement and the decision to go ahead and build the North Portage shopping centre, which took people off the streets, put them inside, limited access on Portage Avenue, and, quite frankly, at the end of the day, could not compete with urban shopping centres.

Once again, downtown Winnipeg would have been a lot further ahead had the public sector given a little more forethought to what they were doing. So there is no doubt that downtown Winnipeg is in major need of revitalization. Where we will disagree with the Government, I guess, is on the methodology that will see downtown redeveloped. Certainly we need more people downtown on a regular basis. It is interesting, again, that the Premier, the minister and the Mayor of Winnipeg seem to think that building a downtown entertainment complex or downtown arena will be the impetus to redevelop downtown Winnipeg, something that is diametrically opposed to their position back in 1995, when all three of them were major, major critics of any plan to build a new facility downtown, and we are all in agreement that a new entertainment complex is needed for the city of Winnipeg. We certainly have some disagreement over site, and we certainly have some disagreement over the methodology that we are seeing right now, which basically, when the fluff is stripped away from it, leaves us in a situation where the public sector is paying for 70 percent to 80 percent of the fixed costs of that building.

I am not sure if the minister really believes that adding more VLTs to downtown Winnipeg is a way to stimulate revitalization of downtown Winnipeg. I think not. I also think they are

putting a building the size of the structure that is being anticipated smack dab in the middle of downtown right on Portage Avenue, a building that will be empty anywhere from 260 to 300 days a year and, even when events are happening, will be basically devoid of people throughout the business hours when people are needed downtown. If this Government believes that that is going to revitalize downtown, well, I would say to them that it is a very, very risky strategy indeed.

We have seen all over North America, new entertainment complexes or arenas certainly can form a part of a strategy to revitalize downtown, but, no doubt, the successful ones are ones that have been placed on the perimeter, not smack dab in the middle. So, once again, we will be faced with an issue where we will have a large structure right smack dab in the middle of Portage Avenue, a very unfriendly structure, regardless of how it gets dressed up in glass, not dissimilar to the north Portage shopping centre, which will be a deterrent to people downtown, which will be a deterrent to having masses of people downtown during regular business hours, which will be a deterrent to having people live downtown, which is probably the greatest stimulus that one could provide for downtown revitalization.

The risk, of course, is that this building will be with us for 50 years, and there is as much risk that this building will actually be a deterrent to any further development in downtown Winnipeg as there is to it being an economic stimulus. So hopefully the Government will give some more thought to that before it is driven ahead.

* (16:30)

The minister commented on the infrastructure program, and we will get into that in a little more detail when we get to that specific area. Again, the actions of the Government do not match the words that we heard today. The infrastructure program, as it was designed and agreed to by the federal and the Manitoba provincial government this time around, was primarily designed for a green environmental structure, and the minister mentioned the criteria. It seems strange that the very first significant announcement regarding

the infrastructure fund, the \$10 million that this Government is putting into the construction of the arena, has nothing to do with the environment, has nothing to do with local infrastructure, and yet has nothing to do with a worthy application in the first round because it was not even included in an application, did not meet the deadline for application for the first round, and yet many worthwhile projects that do fit the description of the program focus, description of the project types, will be pushed aside. So here we have an opportunity through an agreement by the federal and provincial government to provide for the infrastructure needs, to provide for environmental infrastructure, and we are going to miss that opportunity. In fact, this Government has usurped that opportunity by stepping ahead of the process.

The minister mentioned that the bureaucrats are right now evaluating proposals that were put forward according to the call for projects. We have not even finished your analysis, and already the Premier of the province (Mr. Doer) is saying we are going to do this and we are not going to do that. So it must be a very frustrating situation for the administrative people involved to see that there really does not seem to be much need for them to go through and evaluate the projects because they are all going to be doled out on the basis of political motivation as opposed to meeting the criteria that had been laid out.

We will touch upon the infrastructure program quite a bit later, but I would ask the minister maybe to check with the Minister of Finance (Mr. Selinger). She indicated that the arena project—and I appreciate that it took her a long time to actually indicate that that is what the \$10 million was going for. It must have been a very difficult decision for her and the Premier to come to, given that when I met with them back in 1995 they were both opposed vehemently to any public money going into the building of a new entertainment centre. One of the members opposite says that is not true. He was not at the meeting that I had with the minister and with the then-Leader of the Opposition, now Premier, where I was told prior to the 1995 election, emphatically, both by the minister and by the then-Leader of the

Opposition—and it is on record; he is quoted in the *Free Press* as saying—that there should be no public money for a new arena, a new entertainment complex. None. No money for an arena. No interest at all.

Now, I can appreciate the fact that tunes change. I think they probably realize that, in retrospect, their position certainly played a significant factor in losing the ensuing election in 1995, and I guess they have rethought their position based on what they feel the politics of the day are. But I would ask her to check with the Finance Minister because, in Estimates a day or so ago, he indicated that the funding was coming out of the strategic fund which is \$54 million of the \$180 million, and today she has indicated in her opening statement that it is coming out of the City of Winnipeg portion.

Point of Order

Ms. Friesen: I think that what I said was that it was coming for Winnipeg, but it certainly is coming from the strategic fund. The member is right, and the Minister of Finance is right.

Mr. Chairperson: Disagreements as to facts are not points of order.

* * *

Mr. Loewen: I appreciate the minister's clarification. So, at least now, everyone is on the same page as to where those funds are coming from. Again, with regard to the direction of the department in building strong neighbourhoods and revitalizing neighbourhoods, we on this side of the House certainly agree that there is a lot of work that needs to be done. There is a lot of challenge out there, particularly in the core of Winnipeg as well as in other communities around this province, and particularly in agricultural and rural communities the situation is, in fact, much different and worsening at a rather severe rate.

I think it is critical that the minister refocus some of the efforts of her department into how rural Manitoba and communities in rural Manitoba can sustain some of the economic prosperity that has taken place over the course of the 1990s, particularly with the success stories in

rural diversification, particularly with some of the good work that was coming out of Grow Bonds.

Again, interesting that the minister would feel that this is such a good program that it should be expanded to the city of Winnipeg, and, yet, over the course I think of the last year, since April of last year there have only been two Grow Bond announcements in the entire province, neither of those in the city of Winnipeg.

So again my question to the minister will revolve around what the actual level of activity is anticipated to be and when she will allow her staff to get out of the planning mode, out of the reorganization mode and into the actual doing mode and go ahead with it. When will she free up staff, free up resources to actually do the important work, which is to work with communities to get things done as opposed to more plans and more concepts and more discussions? That all sounds nice. It all has a nice ring to it when the minister stands up and makes a speech. It can all be wrapped in kind of that motherhood statement, but in actuality the true test comes in getting right down and doing it. We are not seeing that.

I think one of the prime examples was a little over a year ago. In December of 1999 the minister introduced at the time what she indicated was essential legislation amending The City of Winnipeg Act to allow properties to be registered so we would not have landlords flipping properties and the City of Winnipeg would be in a better position to enforce rules and regulations, particularly as it pertained to the inner city, to ensure that houses were brought up to code and we had safe and secure housing in the inner city.

I think we have yet to see one property registered close to 15-16 months later, just as we have yet to see a Grow Bond issued in the city of Winnipeg almost a year later. We are not arguing whether these are worthwhile programs, but, again, it is one thing to stand up and say, we need to do something. It is another thing to actually get it into motion so that things can happen. I think if there was a strength in the Conservative government of the 1990s, they were focussed on making things happen, and certainly a lot did happen and a lot of good things happened downtown.

The revitalization of downtown is not going to start, nor is it going to end with the building of an entertainment complex in the downtown. The revitalization of downtown started with CentrePlan. It carried on with CentreVenture. We are finally in a position where we are seeing some benefits to those programs that were possibly started with the widening of the sidewalks, some money committed by the city and some provincial money to make Portage Avenue a more friendly place. We have to carry on with those initiatives because there is a lot of work to be done to overcome what we saw in the 1980s, which was that decade of despair that the minister likes to refer to, when we really saw the crumbling of downtown Winnipeg.

* (16:40)

With regard to community economic development, again the minister has indicated a priority on that in supporting municipalities. It is hard for municipalities to go down the road of community economic development when we are the highest taxed province west of Quebec. Entrepreneurs look at these things. They look at a combination, as was indicated by the Manitoba Business Council in the prebudget submission. When they look at Manitoba and they look at the labour laws that were imposed on this province last summer by this Government, when they look at the levels of taxation that we have in this province that are higher than even the personal taxes in Quebec, when they look at the business tax situation, the problem is Manitoba is no longer competitive. So we see things like the Schneider's plant which was going to bring 1200 jobs and which was trumpeted by this Government to bring 1200 jobs to the city of Winnipeg, we see them put the brakes on and say, hold it, maybe we better rethink this, maybe we better take a look at Alberta, and maybe we better look at what we can do there because we do not have to deal with the labour laws, we do not have to deal with high taxation. The same situation might be taking place with Simplot. *[interjection]* Well, the member opposite wants to talk about the underpass.

An Honourable Member: We want an overpass.

Mr. Loewen: Well, underpass, overpass, to me it does not matter. That is up to the engineers to

figure out. The City has proposed an underpass; I take at full value the work done by the city engineers on that. But here we have a situation where we have an infrastructure fund, and we are not even going to be able to provide for the basic infrastructure needs of the citizens of the province.

We talk about the transportation corridor extending from Winnipeg down to Jalisco, Mexico, and the benefits of that. The most likely place to get stopped on that whole mid-west continental corridor is at the corner of Kenaston and Wilkes, and yet this Government has decided that they cannot afford to fund the basic infrastructure needs. We will be getting into the infrastructure program as I mentioned, but when I see things like a foot bridge from Provencher to The Forks, a road on the banks of the Red River which will serve again to cut people off from access to the river taking priority over a basic, fundamental infrastructure need, unanimously agreed to by the City of Winnipeg, and for some reasons overridden by the Premier (Mr. Doer) without any logic, similar as he is doing with his proposal to widen the floodway, no facts taken into account, just pure politics, pure politics without any cost-benefit analysis, without any reasoned approach to what needs to be provided to the citizens, on those issues we certainly will have some questions during the Estimates procedures of this minister.

We certainly want to talk about REDI because, once again, the minister in her opening statement talked about a couple of grants, REDI grants to corporations. One of them, I believe she said fibre. I mean she is talking about a grant that was made last May, and that gives the people of Manitoba and gives the members of this House some indication of what little activity is taking place with regard to rural economic development both in regard to the REDI fund, in regard to Grow Bonds and with regard to doing anything to help stimulate economic activity not only in rural Manitoba but also in Winnipeg.

Fundamentally, underneath it all, the driving force is the fact that as a result of this Government's spending habits and their need to keep taxes artificially high, we are now faced with Manitoba being at a competitive disadvantage not only to Saskatchewan, not only

to Ontario, not only to Alberta, not only to every jurisdiction we touch but to every jurisdiction that touches every jurisdiction we touch. That is a pretty large circle, and it extends north, south, east and west.

Nunavut, the minister talked about the continuing work with the agreement of Nunavut. That is a laudable project and a lot of work needs to be done, but unfortunately what is happening right now is that the commerce we should be benefiting from, that Manitoba should be benefiting from between Nunavut and Manitoba is all going through Edmonton. So daily there are planes loading up in Edmonton and shipping equipment up to Nunavut, and Manitoba is talking about pressing ahead with possible scenarios. So we will want to touch on that as well.

The minister also mentioned the Green Team once again and the need to employ our young people. Ironic that there are fewer young people going to be hired this summer because the Government decided to keep the funding intact but raise the wage. So the result is fewer people employed, fewer young people getting an opportunity for job experience, getting an opportunity to benefit from employment in a program such as this.

So, with that, I will close my opening statements, and I look forward to going through the Estimates with the minister and her staff.

Mr. Chairperson: Under Manitoba practice, debate on the Minister's salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of item 1.(a) relating to the Minister's salary and proceed with the consideration of the remaining items referenced in the resolution.

At this time, we invite the minister's staff to join us at the table, and we ask the minister to introduce the staff who will be in attendance. Would the minister please introduce the members of her staff.

Ms. Friesen: Mr. Chairman, I would like to introduce on my immediate left, Marie Elliott, the deputy minister; on her left, Heather

MacKnight, the ADM of Community and Land Use Planning Services; on my right, Brian Johnston, chief of Financial Services; and on his right, Ron Riopka, director of programs and policies.

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

Mr. Loewen: Mr. Chair, I believe we would like to proceed in a chronological order. We do have a number of my colleagues who are involved in other Estimates. They may want to come in, with the minister's forbearance, from time to time, and that may involve a little bit of jumping around, but, hopefully, we will be able to do it in such a way that staff will not be inconvenienced, and we can take advantage of the expertise that we have around the table.

Mr. Chairperson: Is that agreed, chronological order? *[Agreed]*

The floor is now open for questions. We are starting with item 13.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits.

Mr. Loewen: Mr. Chair, with regard to 13.1.(b), I noticed on today's Notice Paper there was introduction of Bill 32, The City of Winnipeg Amendment Act. I am just wondering if that is—well, first of all, before proceeding with questions, I would like to take this opportunity to congratulate Ms. Elliott on her appointment as the deputy minister. I know when we met last year at this time, she had just taken over the role as the acting deputy minister. So congratulations, obviously, on a job well done and your new appointment.

* (16:50)

With regard to The City of Winnipeg Act, we had some discussion last year with the minister regarding the revising of the entire act. I know a lot of work has been done and some staff seconded from the City to basically rewrite the act, condense it considerably and, I think, reduce it from 500 pages to closer to 200 pages. I am

just wondering if this is, in fact, what we will see in the bill that is on today's Notice Paper.

Ms. Friesen: Mr. Chairman, the work that was conducted a number of years ago on The City of Winnipeg Act by staff jointly, I think staff of the City and staff of the provincial government on loan to the City, was a very comprehensive review, and it is one that deals with all aspects of The City of Winnipeg Act. I think normally that Estimates is not the route to ask questions about bills which have not yet been presented to the Legislature.

Mr. Loewen: Mr. Chair, pardon me, being fairly new to the Estimates process, and what I was trying to get at when I said we would try and go chronologically I guess better suits the description of global and that we will move through the book chronologically. As I mentioned, there are some of my colleagues who are involved in concurrent Estimates sessions that do have some questions, so it may involve a little back and forth as they are freed up from some of the other departments. I am wondering if we can revisit that decision. Again, I would wish to reiterate that we will want to do it in such a manner as not to inconvenience staff, but there may require the occasion to move back and forth through the book and then just pass it all on a global motion.

Mr. Chairperson: Is there reconsideration of the decision?

Ms. Friesen: Mr. Chairman, I have no problem with reconsidering it, and if the Opposition would like to look at this globally, that is fine with me. I think we could accommodate other members of the Opposition at the end if that would simplify matters.

Mr. Chairperson: So are we changing to a global discussion? Is that agreeable? *[Agreed]*

Ms. Friesen: Mr. Chairman, yes. I think, obviously, the Opposition recognizes that if you do go globally, you do not necessarily have the appropriate staff here, so that many questions may have to be taken under advisement, which, in other situations, may have been answered on the spot. So with that proviso we can certainly do the best we can.

Mr. Chairperson: Okay, it is global, but there will be some consideration and some leeway whether the question will be taken now under notice.

Mr. Loewen: Well, then, with regard to The City of Winnipeg Act and the works that have been undertaken in the past, I know last year during the Estimates process the minister indicated that we were perhaps close. I know the City of Winnipeg is anxious to have the amendments to the act, which will see it simplified in terms of some of its language and structure. Can we anticipate that those amendments will be before the House this session?

Ms. Friesen: Thank you, Mr. Chairman. Normally, I think the House are the first people to see legislation as it is written so that, when that legislation is presented, the Opposition will be able to examine those propositions. It is not, I think, the normal process to discuss in advance of their presentation to the Legislature for the first time the content of such changes.

Mr. Gregory Dewar, Acting Chairperson, in the Chair

Mr. Loewen: I can assure the minister I am looking necessarily for the content, but I know the City of Winnipeg is anxious to see their efforts lead to the amendment of The City of Winnipeg Act to reduce it, and I do not think the minister would be betraying any significant confidences if she could indicate to the committee whether that legislation, as I understand it, will reduce The City of Winnipeg Act by some 250 pages and certainly simplify. It is not a matter of people not being aware of what process is underway. I know last year the minister indicated that staff had been seconded, and I am just trying to get a feel from the minister as to when that act might be presented to the House.

Ms. Friesen: Mr. Chairman, I think, as the member is aware, that the act is revised frequently, that there are adjustments which are made frequently. There has been, in work, jointly by the City and the Province, some major overhauls that have been considered, and I think there is a desire on the part of all governments,

whether it is the previous government, this Government or the municipal government, to streamline The City of Winnipeg Act to make it more accessible to citizens, to have it in plain language wherever possible, and I can assure the member that, in all our considerations of The City of Winnipeg Act, those things are very important. I am not able to give the member any dates or times or contents of the bill, but certainly, I think, it will be appearing soon.

Mr. Loewen: We have heard quite a lot of talk in the last few months about municipalities, particularly cities, looking for new taxation powers. I understand there is a conference later in the week that will include a number of mayors from major cities across Canada in Winnipeg. Certainly one of the topic on their agenda will be to discuss taxation powers and their desire to have the ability to provide more taxes. I wonder if the minister could indicate whether there are plans to provide more powers of taxation to the City of Winnipeg in the near future.

Mr. Chairperson in the Chair

Ms. Friesen: Yes, I understand that there is a meeting in Winnipeg this week, and there has been some considerable interest amongst both citizens and both levels of government around this. The role of provincial governments in devolution of powers to municipal governments, I think, is something which is at issue right across the country. We do have a system which is different from the United States, certainly as a federal system, different from the United Kingdom as well. So I think Canada has evolved policies in different parts of the country which have dealt with this differently.

I am interested by the big city mayors' conference. I think it is an interesting opportunity to discuss these issues in general. I do not know that we face exactly the same situation as Ontario does, where there have been considerable changes in municipal boundaries and considerable changes in municipal responsibilities directly as a result of the provincial government's actions. I do not think that municipalities in Manitoba have seen that same level of direction as they have perhaps in both Québec and Ontario, for different reasons and perhaps with different results, but certainly a

considerable measure of provincial direction of municipal authority.

* (17:00)

So I am interested in the discussions. I think it has been an issue of concern to a number of the larger cities across the country. I know the federal government has some interest in urban policy at the moment and has appointed an urban task force. I think we certainly look forward to the kinds of discussions that they will be having with citizens across the province. It is something that was obviously part of the responsibility and role of any provincial government, to look at its relationships with its municipalities and to enable municipalities to carry out the policies for which they are responsible to meet the needs of the citizens for which they are responsible.

One of the things this Government did when it came into office, as I think I mentioned in my opening remarks, is to argue that there had to be a different relationship with the City of Winnipeg. We felt that there perhaps had been some difficulties in the previous few years and we were anticipating that there is always an opportunity with a change in government for a different approach, at least for some new beginnings in some areas. We set out quite deliberately to make good relations with the City a priority for us. Good relations are something that I think everybody, all governments, including the previous one, would have seen as desirable. I wanted to let the Opposition know, let the member opposite know, that indeed we are working diligently to ensure that those things are possible.

We have, as the member may or may not know, established a committee with the municipal government of Winnipeg, with the city government, to work on a longer-term and a collegial basis on city financial issues. So that we are looking at the long-term issues that are facing the City of Winnipeg in the many areas of its jurisdiction and looking to what opportunities the Province has to work with the City in these. I do not think there has been that working relationship around finances, perhaps both a task and a process-oriented committee. I do not think that has been there for some time. I am looking

forward to some long-term and some immediate results from that.

I just wanted to give the member a sense of the issues across the country, the comparability perhaps in some areas to the city of Winnipeg's issues as well as to the very great differences that I think are felt in both Ontario and Québec, and also to give him a sense of the way in which we are approaching relations with the City of Winnipeg in a very, I think, practical manner, and a way of assisting wherever possible and developing the long-term relationships which, I hope, will be helpful in the future.

Mr. Loewen: I thank the minister for that. Just by way of comment, certainly, we on this side of the House would agree that it is laudable that the two levels of government, in fact all three levels of government, should attempt as much as possible to act in concert, to have good relations and to work hand in hand. That can happen I guess in a couple of scenarios. One is a positive scenario where lots is happening and everybody agrees on what should happen. Another scenario where good relations can exist is where nothing is happening and nobody has anything to argue about. I guess my concern is that maybe we are seeing the good relations as a result of the latter, rather than the former.

With regard to taxation power specifically, it has been discussed in Brandon, the possibility of introducing a hotel tax. I wonder if the minister has thoughts on that or has investigated that or has had any formal requests from the City of Brandon to look at the possibility of allowing them to introduce a hotel tax.

Ms. Friesen: I do not believe—I am sure staff will check into this later—that we have had a formal request for a hotel tax from the City of Brandon. By formal, I mean such as we would have in some cases a written request, and in the case of a municipal council endorsed by a council resolution.

I know that the mayor of Brandon has spoken of it publicly in the press as an issue in Brandon, and as something that he was certainly considering, but I do not believe that we have had a formal request on that.

Mr. Loewen: I could ask the minister how she would feel about the introduction of a hotel tax in Brandon or in other municipalities within the province as a means to supplement their revenue stream.

Ms. Friesen: We will check whether we have had the formal request that I think the member was referring to. I think probably the member is aware that there is interest in some parts, not in all parts I should say, but there certainly is interest that has been spoken publicly in a couple of other communities in Manitoba on the possibility of a hotel tax. Again, I do not know off the top of my head what formal requests there have been.

I do know that in the discussion that is contained within the newspapers and in the public record in the sense of radio interviews, et cetera, that I think there is not necessarily—let us say there is a diversity of views on this, so that in looking at any prospects for a hotel tax, I think we would want to be mindful of that and to give this some consideration.

But I think that is probably where we would leave it at this stage, that there are certainly diverse views between municipalities and within municipalities, and it is something that we would have to give consideration to.

Mr. Loewen: One of the Activity Identification areas in this department is the advice to the minister on issues relating to local government community revitalization. I would ask the minister if she has had any advice regarding the removal and the possible effects that the removal of the amusement tax would have on the city of Winnipeg.

* (17:10)

Ms. Friesen: The member asked whether I had sought advice on the amusement tax. The answer to that is we have had a letter from the City of Winnipeg asking about that, and, yes, I have sought advice from staff. Obviously, there are a number of issues that are raised by this. It is certainly something to which we have not yet responded to the City of Winnipeg.

Mr. Loewen: There have been a number of studies, certainly the latest being the report that

was prepared and chaired by Harold Buchwald on the effects of the amusement tax. I would ask the minister if she could clarify her Government's position regarding the amusement tax and the advisability of either keeping it the way it is or doing away with it.

Ms. Friesen: I think the member and certainly the citizens of Winnipeg are aware that the amusement tax is used to assist substantially in the provision of arts and cultural activities in Winnipeg. If those monies were not to be available, then I think people would want to know that there were some alternate provisions being made. I am not sure that those alternate provisions have been considered; and, certainly, before those kinds of change were to be made, if they were to be made, we would want to ensure that that support is there.

I think that the member may be aware of the kinds of support that we have offered to downtown Winnipeg for arts and culture as a provincial government and that it is part of the vision we do have for downtown Winnipeg. The provision of support to the Manitoba Museum, to the Art Gallery, to the University of Winnipeg, to Red River College, to the library, to the Big Four building, as it is known—these are all part, I think, of a provincial vision for downtown Winnipeg. So certainly we have a very strong concern for the provision of support to arts and cultural activities, not exclusively in the downtown, but certainly as part of a vision for the future of downtown.

Mr. Loewen: I appreciate the fact that the Government has a vision for downtown. Hopefully, they will enact it. It certainly differs from our party's vision for downtown, but we will come to that at a later time. Is the minister then saying that it is really up to the City to determine whether they want to abolish the amusement tax, and if they do, would the Province allow it?

Ms. Friesen: I wonder if the Opposition critic was aware that the City Council could eliminate the tax on its own, that it does not require provincial action.

Mr. Loewen: Well, while that is true, I think we are about to see the City and the Province and

the federal government enter an agreement with the True North group that would see the amusement tax for the next 25 years committed as part of the financing. So certainly the financing of that project—unfortunately the details with regard to the financing of that project are extremely sketchy. There are a number of issues here.

I guess my first question with regard to that is: Will this agreement result in a situation where the City and the Province are committing the City of Winnipeg to maintain an amusement tax for 25 years?

Ms. Friesen: I want to emphasize again that it is the City Council's decision whether or not there will be an amusement tax in Winnipeg.

Mr. Loewen: The minister, in her opening statement, indicated that \$10 million of funding has been directed from the infrastructure program to the building of a downtown entertainment complex. Certainly, as part of that, we read in the paper that the amusement tax will be collected and rebated to the owners of that structure. One could only surmise that that is done with the blessing of the Province.

Can the minister indicate whether the agreement to supply the funding of that project will include an amusement tax rebate to the owners of the building for 25 years and how much annual revenue that is estimated to generate for the owners of the building?

Ms. Friesen: I do think that these are the kinds of questions that should be directed toward the City. This is the city amusement tax. The City can cancel it if it wants to, if it has an amusement tax, and it has to deal with the issues arising out of that. That is what I believe the member is referring to.

Mr. Loewen: Certainly this is a frustrating issue to deal with because, when we asked the Finance Minister in Estimates about infrastructure projects, he indicated that we should pose those questions to the Department of Intergovernmental Affairs because they are the ones that are involved in negotiations and would have the answer. When we ask this department, we are told that they will not answer. It is hard to figure

out who is looking after the interests of the people of Manitoba with regard to this negotiation if the provincial government, who on a daily basis seems, wants to trumpet transparency of all their actions, refuses to answer some of the basic questions.

With regard to the amusement tax, as it is presently constituted, does the minister have any information on the ramifications of the movement of the amusement tax rebate that presently goes to Winnipeg Enterprises Corporation and is used to support and fund debt on our existing facilities? When that fund is moved, as we have read in the newspapers regarding this agreement, if that is moved to the True North project, and certainly the amusement tax collected by the arena is the bulk of the money that is used to support that debt, what can Manitobans anticipate with regard to the ongoing sustainability of the stadium and the Winnipeg Blue Bombers, and the sustainability of debt payments that exist on that facility today?

* (17:20)

Ms. Friesen: I think the kinds of questions again that the member is asking are ones that are best directed to the City. I deal with the infrastructure program and the allocation of money from the infrastructure program to this project. I am quite happy to answer questions on that, but I am simply not able to answer the questions the member is raising about the City of Winnipeg's intentions and the City of Winnipeg's concepts about the amusement tax.

Mr. Loewen: It seems to me the minister would be well advised to look into those details, because it does have ramifications for the province, quite serious ramifications. If her department is responsible for the infrastructure funding, it seems to me they should take the responsibility for looking at all the ramifications of the decision her department makes and in fact enters into. The mere fact that the Province has supported in the past, continues to support, and will likely in the future continue to support the operations of the Winnipeg Football Club through grants, any agreement regarding infrastructure that is entered into by this minister and her department that impugns the ability of

that organization to benefit as it does now from the collection of amusement tax on events held in the Winnipeg Arena and the Winnipeg Stadium, then it seems to me that would fall under her responsibility and her department's responsibility.

Am I understanding that the minister has not received any advice or looked into any ramifications the agreement might have on the funding requirements of the Winnipeg Football Club?

Ms. Friesen: Well, I can understand the desire of the member to have questions which are raised in the newspapers, to have those kinds of answers and to have all the information available. I am sure that will become available in due course, but I must suggest to him the kinds of questions he is asking about the stadium, about the Blue Bombers, that these are essentially questions for the City of Winnipeg.

There are three partners to this agreement. I think each of the partners has an area of responsibility, the federal government, the City of Winnipeg, and the provincial government. The provincial government has allocated \$10 million plus \$3 million; \$10 million from the infrastructure strategic areas, such as I indicated earlier, and we have agreed to that commitment and to an additional \$3 million. The federal government has commitments in here, and so does the city government.

The issues of an amusement tax are City Council's decision, whether or not there should be an amusement tax in Winnipeg. If they decide to eliminate the tax, then there are issues of how they would propose to deal with alternatives that they use that taxation for. Again, I think those are City of Winnipeg issues primarily.

So, again, I can certainly answer for the infrastructure program, but the City of Winnipeg, as the member suggested in his earlier questions, provincial government and civic government have different spheres of activity and cities increasingly are looking critically at those. I think what the member is doing is trying to suggest that all of the answers for the city of Winnipeg are lying in this department.

We deal with the City of Winnipeg on a number of issues, whether it is funding, whether it is in long-term financial issues. On an amusement tax, that is City Council's own decision. I suggest that many of the questions the member is asking are ones which are the responsibility of the City of Winnipeg.

Mr. Loewen: Under normal circumstances, it would be the responsibility of the City of Winnipeg, but when we are entering into a tripartite agreement that may result in a shift in amusement tax from one entity to another, when we are entering into an agreement that may lock in the amusement tax for a period of 25 years, when the Province is immersed, as they have been, in those negotiations for the last 18 months, when the Premier (Mr. Doer) refuses to answer questions in the House, when the Minister of Finance (Mr. Selinger) refuses to answer questions on it and suggested it should be more appropriately asked under the Department of Intergovernmental Affairs, and then one gets to the Intergovernmental Affairs Estimates and it is reluctant to provide any information, it can be very frustrating.

I appreciate the fact that the Premier and his Government would prefer that these negotiations are kept strictly behind closed doors. Again, just to reiterate the hypocrisy in that, given that six years ago they were not only decrying the use of any public money for the building of a new entertainment complex but in fact the Premier was calling for a referendum before any deal was negotiated. I am sure the minister can appreciate the frustration that Manitobans feel, given the fact that they really do not have access to accurate information, and at every turn, when information is sought, the Government is stonewalling.

I want to ask the minister, with regard to the Winnipeg Development Agreement—I know that is either right at its end or has come to its end, I am not sure, depending on the funding that was issued last year—just if she could give us an update on the Winnipeg Development Agreement, if there are any projects that are still in the works that will receive funding through the WDA, or whether in fact it was completely wound down last year.

* (17:30)

Ms. Friesen: I think the simplest way of stating it is there is some money left in the WDA, but there are commitments for which that money is allocated. So not all the money has yet been expended or transferred but it is all committed. The three levels of government are in constant contact on this to ensure that those commitments will be met.

As I suggested in my opening remarks, we are looking at the prospect of another type of Winnipeg Development Agreement. I do not know what form it will take. I do not know what kinds of negotiations we can begin, but Winnipeg, Manitoba, has certainly expressed its interest in that to the federal government and certainly has made the federal government aware of the challenges that continue to face Winnipeg, in many parts of the community.

Mr. Loewen: Can the minister indicate how much money has flowed through the Winnipeg Development Agreement and its predecessor, the Core Area Initiative, to the City of Winnipeg?

Ms. Friesen: I do not think we would the information on the two previous core area agreements with us. If the member would like some additional information on that we could provide it. On the WDA specifically, the total of expenditures is \$23 million.

In addition, staff do have this at their fingertips, and that is \$196 million was expended over 10 years in the previous two core area agreements by all levels of government.

Mr. Loewen: Would it be safe to say that the majority of that \$219 million worth of funding has been directed to the core area?

Ms. Friesen: Yes, I think we are mixing numbers a bit here. The \$196 million is expenditures by three levels of government; the \$23 million number that I gave you earlier for the WDA is the provincial commitment. The total WDA commitment overall was \$75 million. So you would need to add to that.

To answer the member's question about allocation, core area agreements, the allocations

went to a defined core area, and there are maps showing that. The western boundary, I believe, was Arlington. I do not know what the northern and eastern ones would be. Under the Winnipeg Development Agreement, there was a broader definition which was taken of Winnipeg beyond the core area.

Mr. Loewen: I guess the point being that \$271 million, those are the numbers, \$196 million and \$75 million by the three levels of government, spent on, for the most part, core area redevelopment, certainly the majority of it and what I think most Winnipeggers would consider core area, downtown and surrounding areas, I think, just goes to prove that more government money does not necessarily lead to revitalization of any particular area and in particular downtown Winnipeg. In fact, from what I have seen, most of the money spent from those programs has actually contributed to the deterioration of downtown Winnipeg as opposed to providing for part of the solution.

With regard to the minister's comments that another agreement is in the process of being negotiated, does she have any idea of how much funding would be involved in a renegotiated agreement, over what period of time?

Ms. Friesen: No, I do not have any idea of that. Obviously, agreements are agreements, and one has to seek the co-operation of each of one's partners in that. The Province is initiating these discussions. It is concerned about continuing issues of poverty and physical deterioration in parts of Winnipeg, as well as other issues of education, training and a wide range of issues, I think, which we would want to look at. So those discussions are just being initiated. That is what I wanted to alert the member to. Certainly no numbers have been talked about.

Mr. Loewen: With regard to subappropriation 13.1.(c) and the western Manitoba office located in Brandon, I believe there were some changes anticipated as a result of the—I am not sure which department, but there was another office being contemplated open in Brandon, Cabinet office. I have to refer back to my notes. Has there been any significant change in either the activity or the expected results from the western Manitoba office located in Brandon?

Ms. Friesen: Perhaps I could just ask the member for some more details. What exactly is it he is looking for? Is it an issue of location or size of the office or staff, or which changes was he interested in?

Mr. Loewen: My question is general in nature. It certainly indicates in the Estimates that the staff is anticipated to remain the same, three full-time equivalents. I am just wondering if those staff have changed in any way, in terms of their activity levels or the activity that they are undertaking as opposed to what they would have done, say, two years ago, any different focus that they have been directed to undertake. Maybe the minister could just update us on exactly what that staff is working towards.

Ms. Friesen: I am sure the member is aware that we do have two Cabinet ministers from Brandon and a very strong interest on the part of the provincial government in rural Manitoba, notwithstanding the kinds of very odd comments I hear from the Opposition on this. So there is a great deal of activity in Brandon whether it is in Neighbourhoods Alive!, whether it is in education, expansion of Assiniboine College or in the assistance and expansion of Brandon University. We have I think a lot of activity around the Cabinet office in Brandon.

The staffing however, I think, remains the same as it did under the previous government. I believe there are three SYs of which two are occupied. The staff does the kinds of things that one would expect of western Manitoba representation. *[interjection]* I have one of my Brandon colleagues behind me saying the best city of all. But certainly dealing with the briefing of ministers on issues of importance to the region, the assisting of ministers who are active in rural Manitoba, and I would say that includes all of our ministers as well as the Premier (Mr. Doer) who on many occasions is in Brandon. Rural Forum, of course, is in Brandon as are a number of programs out of the Department of Agriculture.

So there is, I think, certainly a very active staff and a very useful office for Cabinet. Meetings are also held there. I held a couple of meetings there myself just in the last couple of months, a useful place to meet with people for

example from the Keystone Centre or from community organizations, and I am sure that kind of activity is repeated in every minister's office. So I think that the Cabinet office in Brandon continues to serve as a liaison between the constituents of western Manitoba and the provincial government, and it does enable government to be accessible to the people of the region and particularly to the people of the Brandon region.

Mr. Loewen: I understand that under the previous government certainly the office in Brandon was used as a resource for economic activity in Brandon particularly related to diversification. Is the office still acting in a capacity to look for opportunities for economic growth in the Westman region?

* (17:40)

Ms. Friesen: I think the kinds of activities that are fostered and assisted by the Brandon Cabinet office are ones that are not unlike some of those of the previous government. I can only answer for the kinds of things that we have been doing, however. Certainly meetings with the Brandon economic development board, meetings with the mayor of Brandon, meetings with members of council or staff, meetings with the downtown BIA, the Business Improvement Area, of Brandon—and I still have to get those initials right—as well as the Neighbourhood Renewal Corporation, as well as people involved in housing, I think all of those—Brandon planning district, just the ones that come to mind off the top of my head, and I think regular meetings in Brandon with many elements of the community and people interested in the economic expansion of Brandon—I think Brandon has had consistently a great deal of good news from this Government. Brandon Cabinet office has been part of that.

I refer again to the expansion of programs at Assiniboine Community College, which are enabling us to meet our goal of doubling the seats in college programs; the assistance to the Brandon Rural Development Institute that is given regularly by this department; the assistance to Brandon University and the expansion there has been there under this Government; the provision of funding to the Brandon Regional Health Authority, and I think

the provision of capital funds there, which has been a welcome addition; the issue of housing, which is something that we are concerned about in Brandon. I know Brandon City Council is as well.

Those are discussions that we have had at the level of the planning district tangentially, but also with community development elements in Brandon. There are many of those.

I think we could talk about the meetings with the Brandon Economic Development Board and with the Chamber of Commerce and the presentations that they have done to us on their goals, anticipations and desires for the city of Brandon. I think there is a tremendous sense of optimism, expansion and hope in Brandon. I have seen it in the businesses that I have toured there that have been arranged by the Brandon Cabinet office. We will continue to do more of that.

We have also of course made a commitment to continue Rural Forum in Brandon. That is one, like Ag Days, like the Royal Winter Fair, where the Province does have a role to play in some major events that are held in Brandon. I know that Brandon itself values very markedly the kind of assistance that we have been able to offer in maintaining Rural Forum in Brandon. I think the assistance to the Keystone Centre too, the \$500,000 that will enable them to have the ice ready for the Scott Tournament of Hearts. I think that kind of assistance is greatly valued. It does not solve the whole issue of the Keystone Centre, but we are continuing to work on that. Of course, like so many issues, that is not an issue which arose overnight. It was an issue of deterioration which had arisen over a number of years. Similarly, the issue of affordable housing in Brandon, I think, is something again which had been growing for a number of years.

So I perhaps can endorse some of the enthusiasm of my two Brandon colleagues who sit in Cabinet for the many great things that are happening in Brandon and for the great sense of enthusiasm that I encounter when I talk to people at the university or people who have been involved in housing, or health issues, or community renewal issues in Brandon. I think there is a great sense of anticipation and excitement.

It does not mean that everything has been dealt with. I know that Brandon, for example, has concerns about its airport. It has had some good news there recently on economic expansion of some new flights that are being attempted. They have some plans I know for the runway issues, which are part of the difficulties they face, but they are continuing to work on those. I think the Province intends to be very much a part of the expansion and the optimism that Brandon is facing.

I think the Brandon Cabinet office, with its two staff people have played a significant role in enabling ministers and citizens to meet, to listen to each other, to ensure that Brandon and west, in the Brandon Region, sees that it has a stake and a face in this Government. Government, for its part, I would say, on a daily and weekly basis, has a very strong presence through this Cabinet office and through the presence of not just the ministers from Brandon, but of many other ministers too, as well as the Premier (Mr. Doer), who recently gave, I think was it for the first time or the second time, a state of the province address in Brandon to the Chamber of Commerce, which I believe, according to the *Brandon Sun*, was very well received.

So I congratulate the staff of the Brandon office and thank them for their support of the whole government in this area, and we look forward to many more changes in Brandon, as Brandon does. I was just reading in the *Brandon Sun* two days ago about some discussions of the impact of expansion and the need for housing and of course obviously the expansion in schools that is going to be felt from this and the many pieces of good news that Brandon has received recently. So I think perhaps with that I will turn it over to the member.

Mr. Loewen: I thank the minister for that statement. We agree, there certainly is a lot of activity in Brandon and a lot of economic growth seen there. It is certainly good to see the investment by Maple Leaf paying off in a big way particularly with their ability to increase the workforce. I note that they are now bringing people in from the Maritimes in particular to work in that business and also anticipating significant growth through the addition of another shift sometime in the not-too-distance

future. That is certainly a very big factor and a very positive factor in the economic growth that Brandon is benefiting from right now. I think we would all agree that is good growth. Unfortunately, for the city of Winnipeg, they are not going to benefit from the same type of economic growth from the meat packing industry because the plant that was proposed to open in St. Boniface has now left presumably for greener pastures, quite likely to relocate or be constructed somewhere in Alberta.

Certainly the other factor that will continue to drive the economic growth of Brandon is the relocation of Princess Patricia's Light Infantry unit from Winnipeg. Again, it is wonderful that the Department of Defence and the Government of Canada decided to maintain those forces within Manitoba. It is unfortunate that Brandon's gain will come at Winnipeg's loss, and it is unfortunate that a solution could not have been arrived at that would have seen a win-win situation for both communities. I know a number of members including the members from Brandon and myself sat on the all-party committee and went to Ottawa and tried to ensure that at the very worst the province would be on a neutral basis.

I guess what I was hoping to hear from the minister was that the staff that are in Brandon are working on more economic development projects involving the private sector as opposed to the litany of activities that are being undertaken mostly, from what the minister has described, in the public sector. So hopefully there will be a continued growth in Brandon. We all realize that that is of economic benefit not only to all of Manitoba but also there are spinoffs for Winnipeg as well. So we certainly hope that that vision continues.

I notice in the Estimates of Expenditure that there is budgeted for three full-time equivalents, and the minister has mentioned that two of those positions are occupied. I wonder how long has the third position been vacant.

* (17:50)

Ms. Friesen: I understand that the position was vacant under the previous government. If the member would be interested, we could certainly

pursue how many years under the previous government that position was vacant. I do not think we have that information with us.

Mr. Loewen: Is the minister anticipating that that position will be filled in the near future?

Ms. Friesen: There are no advertisements on this. There is not an immediate intent to fill this position. I wonder if the member perhaps is not confusing this section of the department with the economic development section of the department. This is the Cabinet office. The member was suggesting earlier were there indications of the searching-out of economic opportunities. That role would be fulfilled by both Intergovernmental Affairs and by Industry, Trade and Mines, and possibly by Tourism as well, and other agencies. I do not believe it was used in that sense under the previous government, and that is not the context it is operating in under this Government.

Mr. Loewen: My understanding was the previous government did utilize that staff from time to time in terms of assisting in economic development programs. I can research that in more detail.

I am wondering, given that position has remained empty for a number of years, has remained vacant for a number of years, as the minister has indicated and, I gather from her answer, will continue to remain vacant, what kind of savings that would result in to this subappropriation.

Ms. Friesen: The approximate amount that it is saving at the moment is about \$50,000. That would depend upon the level at which it was staffed, obviously.

Mr. Loewen: Would the minister then anticipate that the actual expenditures, with regard to salaries and employee benefits, would be closer to \$100,000 over the course of the next year?

Ms. Friesen: Yes, generally speaking.

Mr. Loewen: There is also roughly about a \$15-million reduction in administrative support. I wonder if the minister could explain what that reduction results from.

Ms. Friesen: I wonder if the member could repeat the question. I heard him say \$15 million in administrative. Was I hearing right? Which line are we on here?

Mr. Loewen: I thought I said \$15,000, but, if I said \$15 million, I was overly optimistic in this Government's ability to save. I meant \$15,000.

Ms. Friesen: So the question is \$15,000?

Mr. Loewen: Under the Salaries line, Administrative Support, last year's estimated expenditure was \$94,900. This year it is

\$80,000. I am just wondering what has caused the reduction in the Administrative Support expense line. Is it a new employee that has been hired at a lower rate? I am not sure.

Mr. Chairperson: The hour being six o'clock, committee rise.

IN SESSION

Mr. Deputy Speaker (Conrad Santos): The hour being six o'clock, as previously agreed, this House is adjourned and stands adjourned until tomorrow at 1:30 p.m. (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 22, 2001

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