



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
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ALLAN, Nancy	St. Vital	N.D.P.
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ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
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TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 8, 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 M. Wakula, R. Friesen, F. Nowicki 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 230 kV and 500 kV lines proposed for the R.M. of East St. Paul.

Kenaston Underpass

Mr. John Loewen (Fort Whyte): Mr. Speaker, I beg to present the petition of Angie LeGras, Randy Steinuck, Alissa Minaudier and others, praying that the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, I beg to present the petition for—

Mr. Speaker: Order. The honourable member will have to seek leave first.

Mr. Tweed: I am seeking leave to present the petition on behalf of the Member for Morris (Mr. Pitura).

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

Mr. Tweed: Mr. Speaker, I beg to present the petition of Gerry Poirier, Eveline Lagacé and Gerald Vouriot and others, praying that the Premier 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

* (13:35)

Mr. Speaker: The honourable Member for Fort Whyte (Mr. Loewen), I have reviewed the petition. It complies with the rules and practices

of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Mr. Speaker: The 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.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Conrad Santos (Chairperson): Mr. Speaker, the Committee of Supply has adopted a certain resolution, directs me to report the same and asks leave to sit again.

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

Motion agreed to.

MINISTERIAL STATEMENTS

North American Occupational Safety and Health Week

Hon. Becky Barrett (Minister of Labour and Immigration): I have a ministerial statement for the House.

This is the fifth year that occupational safety and health is being recognized on a North American basis by Canada, Mexico and the United States. The goal of North American Occupational Safety and Health or NAOSH Week is to focus the attention of employers, employees, the general public and all partners in occupational health and safety in the three countries on the importance of preventing injury and illness in the workplace.

The objectives of NAOSH Week are to increase employees, employer and public understanding of the benefits of investment in occupational safety and health, to raise the awareness of the role and contribution of safety and health professionals and to reduce workplace injuries and illnesses by encouraging new safety and health activities. In order to reach that goal all parties involved have a role to play. When it comes to occupational safety and health prevention the following elements are critical. Corporate executives must exercise leadership and responsibility for safety matters. Employers and employees must give their full commitment. Occupational safety and health committees must demonstrate their effectiveness, governments must exercise vigilance, partnerships in occupational safety and health are also a crucial element to success.

The Workers Compensation Board and the Workplace Safety and Health division have strengthened their alliance to work cooperatively in addressing safety and health concerns. A primary focus is the high injury rates of our youth. They are also looking at ways to make prevention activities more effective. Everyone plays a role in creating a safe and healthy work environment. Both employers and employees must work together to identify hazards, evaluate and assess risks and implement measures to protect workers from workplace injury and disease. An improved work environment creates a more productive workplace. As a result, there is a significant economic benefit in addition to the obvious benefits to society in general. The Department of Labour and Immigration is committed to an improvement in the reduction of workplace injury and disease. Everyone benefits from a focussed, collaborative approach to safety concerns in the workplace.

Mr. Ron Schuler (Springfield): I would like to thank the minister for having raised NAOSH for the second time during this session, last session and this time. I think it is very important for us to take a moment and reflect on safety in the workplace. What is so significant about this particular week is that it is North American-wide, and we have seen a lot of attempts to work on a North American basis. This is one of those instances where we have met with some degree of success. I think all of us have a vested interest as family members or neighbours or friends. Constituents head off in the morning; our wish certainly is that they return in a safe fashion.

The objectives of NAOSH week are, as the minister said, to increase employees, employers and public understanding of the benefits of investment in occupational safety and health, and certainly that was something in the last 11 years of Conservative government, and we have seen it continue under this Government as well, that we continue to invest in our workers. Workers Compensation and all the health costs are difficult for our system to take, and if we spend money and we invest money on prevention and safety it is far better doing it that way than spending it afterwards to repair people's bodies and those kinds of things.

* (13:40)

So the other one is to raise the awareness of the role and contribution of safety and health professionals. Certainly we really do appreciate the men and women who are out there ensuring that the workplaces are safe and the kinds of jobs that they do, and also to reduce workplace injuries and illnesses by encouraging new safety and health activities. Certainly that is something that we want to encourage as our society moves ahead. There are new challenges for businesses, for industry and the kinds of things we have not seen in the past as we move to a more modernized society, and certainly we want to make sure that all of our workers are safe. We on this side continue to support this, and we are very pleased that it is a North American-wide week and we would like to wish them all the best.

Hon. Jon Gerrard (River Heights): Mr. Speaker, I ask for leave to make a few comments on the minister's statement.

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

Mr. Gerrard: Mr. Speaker, health and safety in the workplace are fundamentally important, and it is a good thing that we have a week dedicated to remind us and to build on our commitment toward this end. As the Leader of the Liberal Party, I join with the other parties in supporting this.

TABLING OF REPORTS

Hon. Diane McGifford (Minister of Advanced Education): On behalf of the honourable Minister of Family Services and Housing (Mr. Sale), I am pleased to table the 2001-2002 Departmental Expenditure Estimates for Manitoba Family Services and Housing and the 2001-2002 Departmental Expenditure Estimates for Healthy Child Manitoba.

Hon. Greg Selinger (Minister responsible for the Civil Service): Mr. Speaker, I would like to table the 2001-2002 Departmental Expenditure Estimates Supplementary Information for Legislative Review for the Manitoba Civil Service Commission.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have with us from Linden Meadows School, 27 Grade 9 students under the direction of Ms. Kyllikki Anne Ruus. The school is located in the constituency of the honourable Member for Fort White (Mr. Loewen).

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

ORAL QUESTION PERIOD

Infrastructure Projects Government Priorities

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, the Doer government said it will share the infrastructure priorities with Manitobans sometime this month. Over six

years, \$180 million in infrastructure funding is supposed to be targeted for projects that would bring new opportunities to Manitoba, projects that would improve and enhance our wonderful province. How the Doer government spends these infrastructure dollars will demonstrate their priorities to Manitobans.

Mr. Speaker, can the Deputy Premier outline for Manitobans where exactly the Doer government's priorities lie in terms of infrastructure funding?

Hon. Jean Friesen (Deputy Premier): I thank the honourable member for that question. The infrastructure agreement, as the member knows, is a partnership agreement. The federal government has indicated that its priority is green infrastructure, and that is certainly something with which we agree. I think the Premier (Mr. Doer) has also stated on many occasions that the priorities for the province are water-related issues and issues of downtown revitalization.

Mr. Murray: Mr. Speaker, I believe that Manitobans want to be assured that the infrastructure projects will be chosen on merit and not because they are done for political reasons. I believe Manitobans are going to rely on this Government to ensure that they do exactly what is right for the province.

Mr. Speaker: Order.

Mr. Murray: As I was saying, these decisions made by the Doer government should not be done for political reasons. Mr. Speaker, will the Deputy Premier explain to Manitobans what process the Doer government is going to use to prioritize these very important projects?

Ms. Friesen: I am sure the honourable member is aware of the nature of the operation of the infrastructure program. It is essentially three pots of money: one which is for the city of Winnipeg, one which is for strategic projects agreed to by the senior levels of government, and the third one is for rural and northern infrastructure.

In the case of the rural and northern infrastructure, Mr. Speaker, we have proceeded with an enhancement of the process that had

existed in a previous infrastructure agreement, which, I understand, was well received across the province and certainly was emulated by other provinces, and that is the creation of an advisory committee, a local advisory committee represented by the northern mayors and reeves, as well as the AMM. I may take this opportunity to say how grateful we are to them for their input. I know that they have worked very hard to recommend projects, to sift through a great many projects, which far exceed the amount of money, in fact, that is available under the infrastructure program.

We were able at rural forums, I am sure the member knows, to announce three of those projects, two of them in boil water communities.

* (13:45)

Kenaston Underpass

Mr. Stuart Murray (Leader of the Official Opposition): I think it is important when you talk about infrastructure priorities, Mr. Speaker, to understand that thousands of Manitobans from Winnipeg and surrounding rural areas of Winnipeg strongly support building an underpass at Kenaston and Wilkes.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Thank you very much, Mr. Speaker. I am sure that they are very interested in the question, but the Doer government is ignoring the petitions, the phone calls and the letters demanding that an underpass be built.

Mr. Speaker, and I quote—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Thank you, Mr. Speaker. I would like to quote that yesterday a Mr. Kevin Draper wrote to the MLA for Charleswood (Mrs. Driedger): Today, I was 15 minutes late to pick up my six-year-old son from school because of the train at Wilkes and Kenaston. He was waiting all alone on the sidewalk outside the

school when I finally got there. We need the underpass at Kenaston and Wilkes. It is not a luxury.

Can the Deputy Premier explain to the Drapers, and other Manitobans why the Doer government did not include the Kenaston underpass in their infrastructure selection process?

Hon. Jean Friesen (Minister of Intergovernmental Affairs): Mr. Speaker, I think I have already indicated that the priority for the Government in infrastructure is water-related issues, floodway, drainage, all of the issues that are of concern to all Manitobans and where we have already announced one of the infrastructure projects, and that is the so-called notches in the floodway which I think have certainly been well received.

If I can refer to my earlier response, the City of Winnipeg's list—they are, in a sense, our advisory committee for issues in the city of Winnipeg—did produce a list which indicated that they had a request for I think over \$154 million in total. As I said yesterday in my response to the Member for St. Norbert (Mr. Laurendeau), we had anticipated, indeed have been led to believe, that there was more money in the infrastructure program than in fact there was in the end.

So, yes, from the list of seven projects that the City of Winnipeg has submitted, we and the federal government are going to have to make a selection that takes into account the best interests of all Manitobans, and Winnipeggers in particular. We are continuing discussions on that, and we will do our best to do that.

Infrastructure Projects Kenaston Underpass

Mr. John Loewen (Fort Whyte): Mr. Speaker, as the minister knows, we have heard from thousands of Manitobans who favour the construction of an underpass at Kenaston and Wilkes. This underpass would be an environmentally friendly alternative that facilitates a faster, safer and more efficient movement of traffic through the largest bottleneck on the mid-

continental transport corridor between Winnipeg and Mexico.

My question to the minister is: If indeed they are still evaluating the proposals, as she just suggested, why is the minister standing up, why is the Premier (Mr. Doer) standing up and saying there will not be an underpass built at that site?

Hon. Jean Friesen (Minister of Intergovernmental Affairs): Mr. Speaker, I think the member misunderstood the context of my response. He is quite correct that the Premier has said that that is not our first priority. Our first priority is water-related issues and downtown issues, and so we are continuing.

I would like to be able to give the members of the House, in fact, the actual projects that are a final result of the discussions. I am not able to do that at the moment, and that was the context of my saying that discussions are continuing.

* (13:50)

Mr. Loewen: Mr. Speaker, given that the minister has told us that there will be \$54 million targeted from the infrastructure program for the city of Winnipeg, I would ask her if she can identify on the list of projects delivered to her by the City of Winnipeg by unanimous approval from City Council's floor, which of the projects this Government of Manitoba has put ahead of the underpass at Kenaston and Wilkes? Is it the footbridge from Provencher to The Forks? Is it river-front drive? Is it improvements at the zoo? Which one of these projects is this Government favouring ahead of the most-needed project, which is the construction of an underpass at Kenaston and Wilkes?

Ms. Friesen: Mr. Speaker, I can understand the concern of the Member for Fort Whyte in asking these questions. I am afraid that all I say to him is the same response that I have given before that these matters are under discussion. We are a partner with the federal government in this, and I respect that partnership.

Mr. Loewen: Well, the minister never answered the question of why the Premier (Mr. Doer) slammed the door on it.

So I am going to ask the Minister of Transportation—

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

Point of Order

Hon. Gord Mackintosh (Government House Leader): I have to try the old 409 rule and the old 410 rule. Mr. Speaker, would you please remind the member that a supplementary question requires no preamble, and that is exactly what we have been getting repeatedly from the member.

Mr. Speaker: 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.

* * *

Mr. Loewen: My question is to the Minister of Transportation and I am going to ask him how he is going to reconcile his statement in the latest Manitoba Chamber of Commerce magazine *Focus* where he is quoted as saying: Our ability to compete as a country internationally is very much based on our ability to get goods and services to market. How does he reconcile that quote with the Premier's (Mr. Doer) position that there will be no underpass built on the main thoroughfare that serves the mid-west corridor?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Hon. Steve Ashton (Minister of Transportation and Government Services): I am pleased that the member opposite has read that article. Perhaps he would like to read the rest of the article where we talk about this Government's vision for transportation in Manitoba that includes all of Manitoba, including rural and northern Manitoba, that includes other needed projects in the capital area including the Highway 59 four-laning. I say to the member opposite that we are dealing with the same sort of situation with infrastructure that we deal with in transportation, which is far more projects than there is funding available.

What I suggest to the member opposite, if he has real concern about these kinds of issues, he might want to join our call for the federal government to be doing far more to invest in our national transportation system in which case we would be able to do a lot more in this province. But we have to set an agenda that is based on priorities, and our priorities, Mr. Speaker, are province-wide, and that is included in that article, by the way.

* (13:55)

Downtown Arena Government Priority

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, many Winnipeggers do not consider a downtown arena priority for their tax dollars. That has not stopped the Doer government from putting \$50 million of taxpayers' money on the table to help the private sector invest or build a 15 000-seat arena at the old Eaton's site.

Can the Deputy Premier explain why her Government has put \$50 million on the table, when the First Minister (Mr. Doer) is on the record stating that the downtown arena should be a private-sector-led initiative?

Hon. Jean Friesen (Deputy Premier): I think the Member for St. Norbert is making some quite unsubstantiated allegations. I think he should check his facts. However, he is quite correct in saying that the Premier has said and maintains that any support for any entertainment complex in Winnipeg must be private-sector-led and based upon a sound business plan.

Mr. Laurendeau: Mr. Speaker, can the Deputy Premier indicate whether the Doer government will increase the number of VLTs in Manitoba to provide a downtown arena that is indeed a mini-casino complete with VLTs?

Ms. Friesen: I think the member again is raising a number of issues for which he has no substantiation. I am afraid I have no further news for him on any entertainment centre at this time.

Mr. Laurendeau: Can the Deputy Premier tell me where her priorities lie? Are they in the infrastructure for protecting the flood proofing

of the constituencies or building a new arena downtown?

Ms. Friesen: The member is raising the same question as other members of his party have raised, and I am sure it is no surprise to them that the answer is the same.

First Nations Casinos Gaming Commission Compliance

Mr. Mervin Tweed (Turtle Mountain): We have recently received information that six First Nations gaming commissions are not functioning in accordance with the Gaming Commission agreements entered into with the Province. Mr. Speaker, it is incumbent upon this Government to ensure adherence to the Gaming Commission agreements by all third parties contracting with the Government.

My question for the Minister responsible for Gaming: Could he identify the six First Nations Gaming Commissions currently not in compliance?

Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act): We, through the Gaming Commission, are involved in ongoing regulation of gaming, including First Nations gaming. There may indeed be bands, there may in fact be other people in the gaming system that are not in compliance.

The bottom line, Mr. Speaker, if the member opposite wishes to hear that information, I can provide it to him, but once again, we do make every effort to ensure that our gaming provisions are complied with. In fact, when it came to our First Nations casinos, for example, that was and will continue to be one of the preconditions for any proponent under the Gaming Commission.

Mr. Tweed: Then my second question is: Can he advise this House if any of those six organizations are involved in proposals for First Nations casinos?

Mr. Ashton: Mr. Speaker, if there are any that are involved as proponents, I indicated in the answer to the first question that one of the preconditions for any of the proponents is that all of those involved with the proposal are in

compliance with our rules and regulations through the Gaming Commission.

So the bottom line is that it was the original condition for First Nations casinos. That remains the condition today.

Mr. Tweed: One of the preconditions was that they were supposed to be in compliance before they applied. Can the minister inform the House if he has taken any steps to ensure that all are under full compliance?

Mr. Ashton: Mr. Speaker, we have taken steps, including, for example, there were a number of additional VLTs that were allocated by the previous government to First Nations. We required that proponents be in full compliance with Gaming Commission regulations before they could access such VLTs, and in fact, that was complied with in a number of cases.

I want to stress again to the member here that, for any proposal to go ahead in terms of the First Nations casinos, the condition is and it remains that all the proponents will have to be in compliance with gaming regulations in other areas. That remains, period. That is the bottom line.

* (14:00)

Disaster Assistance R.M. of Westbourne

Mr. Glen Cummings (Ste. Rose): One of the areas that has been raised previously in this House having had considerable damage and difficulty with the spring runoff this year is the area of the Whitemud Watershed Conservation District, the Big Grass Marsh, the municipalities surrounding it, and particularly the municipality of Westbourne.

I wonder if the Minister of Government Services would be prepared, for the record, to indicate what support these municipalities are eligible for given that they have suffered considerable infrastructure damage.

Hon. Steve Ashton (Minister of Transportation and Government Services): Mr. Speaker, I want to indicate that I did tentatively have a meeting scheduled today with

the R.M. of Westbourne. That may depend on Estimates, so I hope to have the opportunity to discuss it with them generally. I can indicate that we are currently assessing the damage in Westbourne, also in other areas of the province, the Interlake and in the southeast.

I can indicate that DFAA guidelines are fairly clear. Certainly municipal infrastructure is an eligible expense, and, in fact, going back to the fall of last year, November of last year to be specific, we already are preparing a program for the damage that occurred then and which will include the municipal infrastructure. I would expect that the same situation would apply to Westbourne this spring.

Infrastructure Projects R.M. of Westbourne

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, a supplementary question to the Minister of Conservation. There is considerable concern about the accumulation of water in the Big Grass Marsh. I wonder if the minister has had an opportunity to be briefed about some of the projects that may be put in place to alleviate that damage.

Hon. Oscar Lathlin (Minister of Conservation): I can indicate to the member that I had the opportunity to meet with the civic leaders from the R.M. of Westbourne, and, of course, the topic was this long-standing issue of the marsh area, the flooding problems that these people experience almost on a yearly basis. This problem apparently, according to my research and also the information that the civic leaders gave me this morning, has been there for approximately 20 years. They showed me very graphically by way of photographs the extent of the problems that the flooding is inflicting on them, and I made a commitment to the people that we would work with them with a view to eventually coming up with a solution that is very complex and very costly if it were to be a corrected problem.

Mr. Cummings: My second supplementary question. I want to ask the Minister of Conservation if he will in fact consult with the minister of highways on potential solutions to

the problems in that area, one of which involves both ministers.

Mr. Lathlin: Yes, I indicated to the civic leaders from the R.M. that in order for us to be able to tackle this very complex problem, we needed to approach it in a co-ordinated fashion, not just from the R.M., including the surrounding communities by the way in the R.M. of Westbourne, because I understand that not just water has been a problem in this issue, but the very fact that there has been a lack of consensus amongst the surrounding communities as to the possible solution to the problem. I think we also, further to that, need to be co-ordinated in terms of a government response. I indicated to the people that the Department of Transportation and Government Services and also the Intergovernmental Affairs Department, the three departments would get together and see what we can come up with.

Economic Crisis Rural Manitoba

Hon. Jon Gerrard (River Heights): My question is to the Minister of Agriculture. In Brandon at the Agriculture committee hearings, the Association of Manitoba Municipalities described the present severe farm crisis as one of the most important public policy issues of the last 50 years.

I ask the minister: Why is she determined to play political football with the farm crisis and why was she recommending last night, as the primary outcome of the committee's deliberations, a handoff to the federal agricultural committee rather than developing a meaningful action plan that can be implemented at both provincial and federal levels?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): I am really surprised at the member for implying that I am playing politics with this issue, which is a very, very important issue, one where we have had an all-party committee travel across the province listening to Manitobans and hearing the issues. I can tell the member that I listened to what the presenters said, and they did come forward with many suggestions and solutions. One of the major suggestions was that we have to have the

federal government live up to their responsibility in support for the farmers. I am surprised that this member, who was part of a government that eliminated the Crow benefit and eliminated other support for agriculture, can now say that the federal government does not have any responsibility here and we should not have the federal government Standing Committee on Agriculture come to Manitoba to hear first-hand what the issues are.

Foot and Mouth Disease Provincial Action Plan

Hon. Jon Gerrard (River Heights): Mr. Speaker, my supplementary to the Minister of Agriculture. I ask the minister when she will provide the detailed provincial action plan on foot and mouth disease that I asked for earlier, or is the minister proposing to do a handoff on this one, too?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, the member does raise an important issue. He raises the issue of foot and mouth disease. Foot and mouth disease comes under the jurisdiction of the Canadian Food Inspection Agency. I tell the member that the Manitoba government, representatives from the Department of Agriculture and other agencies of government have been working very closely with the federal government and with the Food Inspection Agency to put in place a plan should there be an outbreak of this disease.

I want to tell the member as well that there have been discussions with other provinces on how the situation should be handled, and Manitoba is as prepared as other provinces are.

Mr. Gerrard: My second supplementary to the minister. I ask: With the comments today at the noon luncheon of the Manitoba Institute of Agrologists by the CFIA veterinarian who just came back from the United Kingdom, Doctor Manns, that it is not a matter of if but when foot and mouth disease arrives in North America, when will the minister present her provincial action plan to this Legislature?

Ms. Wowchuk: Mr. Speaker, the speaker that the member is referring to is Dr. Brian Manns.

Dr. Brian Manns, after making that statement, went on to clarify that he was not referring to foot and mouth disease, but he was saying that at some point we could have a serious outbreak of a disease in Canada. We could, but should we have that, that responsibility falls under the jurisdiction of the Canadian Food Inspection Agency and our Government and other governments in—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. Wowchuk: Thank you, Mr. Speaker. Should we have an outbreak of this disease in Canada—and I hope we will not because it will have a devastating effect on our livestock industry—we will follow the leadership of the federal government, and our department and the Province of Manitoba will work with CFA just as other provinces will.

Drinking Water Advisory Committee Report Recommendations

Mr. Harry Enns (Lakeside): Mr. Speaker, with Walkerton still very much in all our memories and the news just recently that the three deaths in North Battleford were caused by cryptosporidium, it is understandable that many of our Manitoba communities are deeply concerned about the quality and the safety of their drinking water. The Minister of Conservation (Mr. Lathlin) accepted recommendations of the Drinking Water Advisory Committee in November of last year.

My question to the minister is: Why has he not taken up any of the recommendations of that committee in the ensuing seven months?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the member refers to the Drinking Water Advisory Committee that reported jointly to the Minister of Conservation and to myself with respect to water quality and water safety, particularly surrounding bacterial infections that were related to Walkerton and the coliform issues. I am happy to indicate to this House that we reversed the policy of the previous government and will be providing subsidies to individuals up to 75 percent for the testing of their water.

* (14:10)

Mr. Enns: Whether it is this Government's press release getting rid of gang problems in Manitoba, press release getting rid of auto thefts in Manitoba, last November this Government said that safety of water was its highest priority. They established a committee—

Mr. Speaker: Order.

Point of Order

Hon. Gord Mackintosh (Government House Leader): Clearly interrupting the member in full flight in a speech, would you please remind him, Mr. Speaker, that *Beauchesne's* says very clearly a supplementary question should need no preamble, let alone a speech.

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

Mr. Enns: On the same point of order, Mr. Speaker, I find myself in concurrence with the honourable Government House Leader except that I was asking a brand new question which then means that Rules 409 and 417 do not apply. I am now specifically asking this Government: This Government made a commitment—

Mr. Speaker: Order. On the point of order raised, I recognized the honourable member for a supplementary question. It was not brought to my attention that the member was going on a new question. So, on the point of order raised, *Beauchesne's* Citation 409 advises that a supplementary question should not require a preamble.

* * *

Mr. Enns: My apologies to you, Mr. Speaker. This is indeed a new question.

Mr. Speaker: A new question?

Mr. Enns: Right. Last November this Government indicated very clearly that water safety was among its highest priorities and would treat it as such. Last November they received the recommendations from the committee they set up reporting jointly to the two ministers. Today

we are moving into the mid-May period and we have not seen any actions on the recommendations of that committee.

Mr. Chomiak: Notwithstanding that that was a new question, I do not think there was a question in the member's three statements. But nonetheless I presume the member is talking about the report that we received. One of the major recommendations was to reverse the policy of the previous government and that was to not subsidize testing for private well owners. We put in place a process of tendering to labs, et cetera, for that facility. The tendering process under the RFP process has now been concluded, and I believe by the end of the week we are in a position within a day or two, within several days to offer that subsidy to individuals to test their well water.

Drinking Water Cryptosporidium Testing

Mr. Harold Gilleshammer (Minnedosa): A producer in my constituency, Mr. Ron Anderson, has lost 95 calves this spring due to an outbreak of the cryptosporidium parasite. The parasite is found in the creek on his land, and that creek drains into the Assiniboine River, which is the water supply for the city of Brandon. I would ask the Minister of Conservation what testing his department has done to understand this outbreak and alleviate it.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, when the cryptosporidium matter came to the attention of health officials, the Chief Medical Officer for the province of Manitoba sent out notification across the province, also notification and consent physicians. We have also advised all of the water facilities, municipal facilities, et cetera, about the danger and asked for testing. In fact, The Pas, which is the region and the area that is in most difficulty, is being contacted five times daily with respect to this issue.

Mr. Gilleshammer: A question to the minister responsible for the environment. What testing has been done on this creek? What testing has been done on the Assiniboine River? What steps have been taken to warn people in Brandon of the danger of this parasite?

Mr. Chomiak: Mr. Speaker as I indicated earlier, all municipal water officials were contacted and advised to test. As I understand, all potential municipal systems that are involved have been tested with respect to cryptosporidium.

I might advise members opposite that there is regular testing that goes on with regard to this, and in fact the notification went out to Winnipeg residents, I believe, in November of 2000 and there have been other notifications. I understand that all municipal officials and water systems have been advised to test for it, and to my knowledge it has been negative at this point.

Mr. Gilleshammer: This is unbelievable. The minister responsible for the environment, who is charged with protecting the water sources, has not tested that creek on Mr. Anderson's farm. He has not indicated any testing in the Assiniboine River, the source of water for the city of Brandon. Mr. Bill Patton, the university professor in Brandon, a member not unknown to members across the way, has indicated that this is a very serious issue. What is the minister of the environment doing about it?

Hon. Oscar Lathlin (Minister of Conservation): I would like to thank the member for the question. Of course, the issue of water security is of paramount importance not just to the people of Manitoba but across the country. As the member might gather, what happened in Walkerton and now in North Battleford has served to increase the awareness of citizens on the issue of water.

I would like to advise the member that the information that I have is that the community of The Pas and area is the only Manitoba community that is on the Saskatchewan River which is linked to North Battleford where the crypto disease has been located. Further to what the Minister of Health has already indicated, we have alerted the communities to make sure that they are vigilant and that they are observing their water systems.

Mr. Gilleshammer: Mr. Speaker, 95 calves have died on this farm operation. His own family has suffered flu-like symptoms. There is a real danger out there in the water source on that

particular farm, that is, water that flows into the Assiniboine River which is part of the drinking water for the city of Brandon. This minister wants to talk about The Pas. There is an imminent danger there. What is this minister prepared to do about it?

Mr. Lathlin: I can indicate to the member that our department has conducted testing and we are currently awaiting the results of the testing that was done.

Mr. Gilleshammer: Mr. Speaker, this producer has lost 95 calves. This producer has had people test the water on his farm and it does contain this parasite. This stream on his farm flows into the Assiniboine River. You do not have to wait for testing. There is an imminent danger there. The minister does not seem to know anything about it. Probably he has not been attending those meetings to find out about it.

Mr. Speaker, there is a real issue there, and I would ask the minister to get more involved to understand this problem and to do something about it.

Mr. Chomiak: Mr. Speaker, as I understand the situation with respect to North Battleford—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Chomiak: Mr. Speaker, crypto and giardia are pathogens that are not killed by chlorine and require a functioning filtration system to remove them from the water. All prairie surface water sources may carry giardia and crypto.

The two major facilities, Brandon and Portage la Prairie along the Assiniboine River system, have an active filtration and water treatment system. They have been advised to be vigilant and that their systems are functioning.

Mr. Gilleshammer: On a new question, Mr. Speaker.

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

* (14:20)

Mr. Gilleshammer: Mr. Speaker, a professor from Brandon University has indicated this is a very serious situation. All of the references that have been made to other jurisdictions where this outbreak has happened have had filters as well.

Will the minister of the environment be more proactive, do some more testing on that creek, on the watershed that goes into the Assiniboine River and become better informed that there is a real danger here and do something about it?

Mr. Lathlin: Mr. Speaker, I just want to indicate to the member that he is not the only one who is concerned about the security of our water supply in Manitoba. All communities of Manitoba are concerned about the safety of their drinking water. That is why people are becoming so aware. They are going to lobby government every chance they get to make sure that the water in their community is secure.

The member makes it sound as if we on this side do not care what happens to the communities. I want to tell the member that he can take all kinds of cheap shots he wants, but we are committed on this side to ensure that the security of the drinking water of the communities are protected.

Mr. Gilleshammer: Mr. Speaker, on a new question.

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

Mr. Gilleshammer: This is a very specific case, and he is talking about The Pas. The Minister of Health is talking about North Battleford. This is a real issue where 95 calves have already died, where the family has suffered the effects of flu-like symptoms from cryptosporidium. The testing has to be done in that immediate area. I would like the minister to become more proactive in becoming involved and to do something about it that will actually help this family out.

Mr. Chomiak: Mr. Speaker, members opposite dance around. They talk about Portage. They talk about Brandon. I indicated, No. 1, that notification went out to all of the municipal

water systems; two, regular testing is taking place; three, residents are advised.

With respect to that particular creek, that particular family and their particular operations, I believe that both Conservation and Agriculture are aware of the situation.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Dr. James Ross

Mr. David Faurshou (Portage la Prairie): Mr. Speaker, I am pleased to rise in the House today and ask all members of the Manitoba Legislature to assist me in congratulating Dr. James Ross of Portage la Prairie, who received the Manitoba Medical Association's Physician of the Year Award.

The MMA's Physician of the Year Award not only recognizes Doctor Ross's contribution to the practice of medicine within the province, but also recognizes his dedication to his community.

Doctor Ross is a graduate of the University of Manitoba and has practised in Portage la Prairie since receiving his specialist certification as a surgeon in 1974. He has been actively involved in many capacities with the MMA, including serving as president in 1991 and '92. He has also contributed his talents to the College of Physicians and Surgeons of Manitoba, which has led to Doctor Ross being recognized as an outstanding teacher in his field, receiving many awards for his abilities in this area over the years. Doctor Ross's dedication to his community has been demonstrated through his active volunteer service with the Good Shepherd Catholic Church and as a volunteer surgeon in Papua, New Guinea. He is known to all as a tireless worker, committed to his patients and his community, indeed a most worthy recipient of this award.

Mr. Speaker, on behalf of all residents of Portage la Prairie who have been the beneficiaries of Doctor Ross's continued efforts, both as a physician and as a volunteer working

for the betterment of our community, I would like to extend my sincere congratulations on being named Manitoba's Physician of the Year.

Mental Health Week

Mr. Stan Struthers (Dauphin-Roblin): I am pleased to rise today in recognition of Mental Health Week. Increasing awareness of mental health issues through the declaration of weeks such as this is important in helping to remove the stigma which surrounds mental health illness in our society.

To mark this important week, I would like to bring attention to our Government's commitment to mental health renewal in Manitoba. We recently announced new provincial funding and programs that will certainly be a catalyst for positive change. Provincial funding has been put in place to support valuable mental health preventative and educational efforts. Through Healthy Child Manitoba, funding will be provided towards the establishment of a provincial mental health resource centre focussing on reducing the stigma of mental illness and highlighting the importance of early identification and intervention of illness.

The funding will be used for a Web site with accessible information related to mental health and programs for youth and schools on mental health and information to recognize and intervene early in mental illness. The Obsessive-Compulsive Information and Support Centre will also receive funding from the Province. Finally, our Government has also started to implement a program of assertive community treatment which will deliver treatment, rehabilitation and support services at the community level.

In closing, Mr. Speaker, I am proud of our Government's initiatives in support of mental health. I hope that this week will serve to heighten society's awareness of mental health matters and foster appreciation for the work of those involved in the mental health field. Let us work together for change and let us make sure that every Manitoban is heard on this very important issue. Thank you.

* (14:30)

Vehicle Registration Fee

Mrs. Heather Stefanson (Tuxedo): As the saying goes: The Doer government giveth and then the Doer government taketh away. Recently the Doer government announced that vehicle registration will increase by \$10 as of August 1, and through a cleverly-drafted Budget this Government has ensured that Manitobans will almost have enough money to cover this increased fee. Due to the generosity of the Doer government's tax cuts an individual making \$65,000 per year will save this year just over a whopping \$9 in personal income tax. The staggering tax cuts in the 2001 Budget left many wondering how Manitobans would spend the windfall of money they will save as a result. Now we know. The tax savings can be used to help pay the \$10 increase in vehicle registration. Wow.

Mr. Speaker, it is so difficult for the Doer government to return the hard-earned dollars of Manitobans that they had to devise a way to get those dollars back. While they tried to give tax relief on one hand, they tried even harder to get the money back with the other. We have before us another example of the Doer government's unwillingness, or is it inability, to rein in spending and allocate resources where required.

The Doer government offers Manitobans a tired new slogan, that it had to raise the cost of vehicle registration or cut health and education. I truly hope that members opposite believe this line because Manitobans sure do not. Thank you.

Miles Macdonell Antiracism Rally

Mr. Harry Schellenberg (Rossmere): Mr. Speaker, I want to take this opportunity to recognize the Miles Macdonell Collegiate student body for setting up an anti-racism rally at their school to mark the United Nations International Day for the Elimination of Racial Discrimination. I felt honoured to be the guest speaker at this important event and was inspired and touched by the program presented by the students. It was especially satisfying to have the students of a community this size recognize the need to take positive action against racism.

The rally took place in the school gym with more than a thousand students and teaching staff in attendance. Several students and former students spoke about their experience with racism, explained what could be done to stop racism in Canada and around the world.

Leaders such as the late Dr. Martin Luther King and Nelson Mandela were mentioned as examples of people who dedicated their lives to fight for equality and to stop racism. The speakers of this rally were well informed on the causes of racism and the effects of racism on everyone. Racial discrimination, they said, can enter into all aspects of our lives in very obvious and very subtle ways. It can be present in unfair media coverage, in jokes, name calling, as well as discrimination in the workplace and hate crimes.

The speakers, both current and former students, spoke movingly about the hurtful and harmful effects of racial discrimination for all of us. This rally was a most inspiring experience.

Mr. Speaker, the Miles Macdonell students have shown real leadership in the struggle to fight all forms of racism. Thank you.

Stonewall Sports Complex

Mr. Harry Enns (Lakeside): I would like to acknowledge and say a few words about an initiative that is being spearheaded in a community in my constituency. The Town of Stonewall has been fundraising since September for the new veterans memorial sports complex they are planning to construct. The fundraising attempts were slow to get started but once the facility action community team published a plea for support in the *Stonewall Argus* they were overwhelmed by a flood of donations. In less than one week's time \$152,000 was donated by Stonewall residents for the new sports complex. Part of that, only \$52,000, had been raised.

This is an excellent example of what a community can accomplish when they take an issue to task. A new curling rink, an ice surface, is something that the town's 4300 residents will be able to enjoy for years to come. In order to gain the town's monetary contribution, the facility action community team had to show

council that the community was financially backing the facility, and they certainly did. I hope that same message is passed on through to the provincial and federal agencies that hopefully will come to the aid of this project. Construction of the new facility would begin as early as this spring.

I would like to extend my congratulations to the residents of Stonewall on their community spirit and unity on this project. I also wish them many years of enjoyment from their new facility in Stonewall.

ORDERS OF THE DAY

House Business

Hon. Gord Mackintosh (Government House Leader): On House business, Mr. Speaker, would you canvass the House to determine if there is leave to waive private members' hour today?

Mr. Speaker: Is there unanimous consent to waive private members' hour for today?
[Agreed]

Mr. Mackintosh: Would you please determine if there is consent of the House to vary the sequence of Estimates by moving Education, Training and Youth from its current position to the second-last department on the list for Committee Room 255? That change is to apply permanently, Mr. Speaker.

Mr. Speaker: Is there unanimous consent of the House to vary the sequence of consideration of Estimates by moving the Estimates to the Department of Education, Training and Youth from its current position to the second-last department on the list for Committee Room 255? This change is to apply permanently. Is there agreement? [Agreed]

Mr. Mackintosh: Mr. Speaker, I would like to announce that the Standing Committee on Agriculture will meet at 6:30 p.m. on Wednesday, May 9, to discuss consideration of the agricultural resolution.

I move, seconded by the Minister of Advanced Education (Ms. McGifford), that Mr.

Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker: It has been announced that the Standing Committee on Agriculture will meet at 6:30 p.m. on Wednesday, May 9, to discuss consideration of the agricultural resolution.

Also, it has been moved by the honourable Government House Leader, seconded by the honourable Minister of Advanced Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Is it the pleasure of the House to adopt the motion? Agreed?

An Honourable Member: Agreed.

Mr. Speaker: Agreed and so ordered.

COMMITTEE OF SUPPLY (Concurrent Sections)

CONSERVATION

* (14:50)

Mr. Chairperson (Harry Schellenberg): Good afternoon. Will the section of the Committee of Supply meeting in Room 254 please come to order. This afternoon this section of the Committee of Supply will resume consideration of the Estimates of the Department of Conservation.

It was previously agreed by this committee to have a global discussion on the entire department, and once all questions were completed the committee would then pass all lines and resolutions. We are on line 12.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$458,800. Shall the item pass?

Mr. Jack Penner (Emerson): We have been discussing in the Legislature during Question Period and other times the water and water quality at water storage facilities and those kinds of things. As you know, the Pembina River is a significant contributor to flood events, both of

minor nature and major nature in the province of Manitoba.

The Pembina River starts in Manitoba and comes into North Dakota and then comes back into Manitoba via the Red River. I am wondering, Mr. Chairperson, whether the minister has had discussions on the Pembina River and other contributing streams and tributaries to the flood events of the last 20 years and whether his discussions have included North Dakota and/or Minnesota in regard to what might in fact happen in regard to the International Joint Commission's recommendations, and how we can initiate some further discussions with the partners in the Red River Valley.

Hon. Oscar Lathlin (Minister of Conservation): Before I get on to the response to the question that the member is raising, I would just like to remind the group here that I believe it was yesterday someone had requested we have the Clean Environment Commission chair be present for this afternoon in order that questions respecting the Clean Environment Commission could be raised and responded to.

I want to make note to the committee that we have Mr. Terry Duguid here, who is the chair of the Clean Environment Commission. I am not sure if the member who was raising that issue yesterday is present here or whether he will be joining us later, or perhaps he never was notified that Mr. Duguid would be here for sure. In any event, the Clean Environment Commission chair is here for that purpose.

With respect to the member's question, I would also like to say that when we started Estimates it was requested by the Member for Portage la Prairie (Mr. Faurichou) that, rather than going through line by line on a budget, we have kind of a general discussion on the budget. General questions would be raised and responded to. As I said on day one, I do not have a problem with that approach except to say that, you know, we do not end up repeating a question two or three times because I think going that route would be wasting a lot of time, in my opinion. So I would, with respect, ask the members if we are going to continue with that approach, I would ask that there be some co-ordination at least in the way questions are

brought forward. I do not mind answering questions, but I think it is not useful to answer questions two or three times over.

Let me respond to the member's question. We are currently negotiating with North Dakota on improvements to the Buffalo Drain. These negotiations or discussions have not been concluded. The International Joint Commission and the Red River Task Force looked at some issues related to the Pembina, namely the question of whether roads in Manitoba act as dikes on increased flooding in North Dakota. This task force apparently concluded that this was not the case. In fact, they concluded that dikes in North Dakota, which they are going to take down, would worsen flooding in Manitoba. We have been talking to the federal government about involving the International Joint Commission on this issue.

I want to maybe add, Mr. Chairperson, that a draft watershed management plan has been completed for the Pembina River. The Pembina River Basin advisory board hosted a series of open-house meetings in November of 2000 to gain some public comment on its draft which was entitled *Framework for Pembina River Basin Management* plan. I understand the draft is under final review; this review will be finished in the spring. It should be finished by now, and then the plan will be distributed to the public as well during the same time frame.

Mr. Jack Penner: First of all, my apologies to Mr. Duguid. Hopefully, this will not take too much longer than two or three ends of curling might take us, and if it does then we will go out and find some ice somewhere and we will curl a match.

An Honourable Member: What about extra ends?

Mr. Jack Penner: We will talk about that when we get there; there might not be a need for extra ends. Hopefully, it will not take too long.

The reason I raise the Pembina River issue is that for years, whether it was the Red River Valley Water Commission and/or other organizations, they have made it quite clear that eventually the southern part of Manitoba will

need a secure supply of water. The Pembina River Basin is ideally suited for that. It has deep banks and it in fact would encourage the construction of two major dams on the river which would be able to be used like the Shellmouth Reservoir is being used, to mitigate flooding in minor flood events. It is our belief that it would in fact contribute to mitigating river flows somewhat during major flood events, although I respect the engineer's view that that might be questionable.

* (15:00)

However, it ties into the whole issue of water storage upstream instead of building major flood diversions and/or dams in the Pembina or the Red River Valley downstream. We have the Roseau River, which has again an ideal site location for some significant water storage on the Roseau. If we spent the kinds of dollars that we are now talking about spending, of building a dam at Ste. Agathe, to create another large lake during a flood event upstream of Winnipeg and causing huge flooding beyond what we have ever seen now, if we should have an event such as '97 and higher, the damage it would cause and the mitigation that would have to take place in such actions as maybe moving whole townsites, for instance, the town of Morris and Aubigny and those kinds of townsites, and the cost contained therein, many of us believe that we should take action that would store water upstream on the many tributaries and rivers and streams that are available there to do that. They are there. We will again have, Mr. Minister, dry years when the town of Altona and all the villages and towns along the Red River will be screaming for water, and there will not be any.

We are asking whether the minister has given any direction to his staff to encourage them to have further discussions with North Dakota specifically in developing a water source there for drought years and drought-proofing, because the town of Winkler is a major growth area. The town of Altona is a major growth area in the Red River Valley and will very quickly run out of water even if we do nothing and even if we have lots of rains and not have drought years. But should we have a drought year, Mr. Minister, Winkler and Altona and St. Jean and Letellier and Morris and Aubigny and Ste.

Agathe, Rosenort and Carman, all the Red River-dependent towns in the Red River Valley, now virtually the whole Red River Valley, could be out of water.

So I think it is imperative that we investigate the possibility of building those dam sites on that Pembina River to give us the kind of water-storage ability that Brandon has now and the security that gives on the Shellmouth Dam along the Assiniboine. We could have a similar type of situation, would decrease the flows during flood events. So I am asking whether the minister has had any discussions with his staff, giving direction to staff to enter into negotiations and discussions with North Dakota on that matter.

Let me ask one further question. We know that the Army Corps of Engineers has held a series of meetings in April, and I attended the one at Pembina, North Dakota at the high school gymnasium. They did an excellent job of describing what actions would be taken within the next year and a half to develop a plan that would allow for the outflow of Devils Lake water into the Sheyenne River and into the Red River. People in the valley, whether they are on the Minnesota side or the North Dakota side, that get their water from the Red River, the water supply, be it industrial or other, are as concerned as Manitobans are about the quality of the water coming out of Devils Lake.

Even though North Dakota has demonstrated that Devils Lake is a great sports fishery, in other words, that the quality of water in Devils Lake is now such that it will actually encourage fish development, sports fishery development, we still believe that there is significantly enough evidence that the salinity in the water level will increase in the Red River area.

The reason I mentioned both of these, Mr. Minister, is I think there is an opportunity, because North Dakota will proceed with that project. That was very clear at Pembina, North Dakota. They made it very clear that they would proceed if in fact flood levels in North Dakota increased and/or even were maintained at today's level, or the lake levels were. So we are apprised of the fact that they are going to proceed.

Would it be possible, would the Province of Manitoba consider going to North Dakota, to the governor and to the Army Corps of Engineers, and say here is an opportunity? We know you are going to proceed, regardless of what kinds of objections Manitoba will have. You are going to proceed. They told us that. Would there be an opportunity for North Dakota to demonstrate a willingness to participate, maybe even do the major portion of construction on a Pembilier Dam, that in the event Devils Lake water flowed, that you could in fact mitigate the salinity by flows out of the Pembina which would be a fairly pristine water storage basin. Has the minister given any consideration to that?

Mr. Lathlin: Mr. Chair, let me try to deal with the first part of the member's question having to do with the construction of dams for the purpose of the storage reservoir. I understand that dams have been proposed in the past, but I also know that all of these have not gone too far, because the river that we are talking about has got international characteristics. Any proposal would have to go to the International Joint Commission. So far, even in the short time that I have been in the department, we know that the two federal governments have not been that willing to agree to a reference to the IJC.

We believe upstream storage is a good idea, and I think the Premier (Mr. Doer) in the past has also said that. We believe there is an opportunity because of a fairly new international watershed board on the Roseau side to discuss some of these options. I think if we do that our discussions would have to involve the federal government if we are going to advance any proposals with respect to these international rivers. I think the member is probably aware of that.

The Army Corps of Engineers, as I understand it, is having public meetings on the scoping of an environmental assessment for a Devils Lake outlet. As the member is probably aware also, we have made some strong representations, as strong as we could make, to this process. The Premier has made at least two or three trips to Washington, and I have accompanied him once there. I have also accompanied him to North Dakota. He has also been to Missouri. He has also gone to Minnesota. Our

senior water people have been doing the same thing.

* (15:10)

The representations that we have made have always been based on impacts, you know, that this outlet would have on the Red River, not just on the Red River, but on Lake Winnipeg and going up North. We like to believe that the outlet is not a done deal. I mean, I agree with the member that sometimes when you are dealing with these folks, you know, they are pleasant, they listen to you, but then sometimes they go and do what they have to do.

I also have to admit to the member too that I have been frustrated with this whole process myself. As I said I believe yesterday, I give full credit to the Premier because he has not lost any enthusiasm or commitment or drive at all in his endeavour to block the outlet.

So we think that it is not exactly a done deal. The core process, as I mentioned, will take at least another two years to assess whether or not an outlet is acceptable. I do not think we would be willing to trade off a dam on the Pembina for a Devils Lake outlet. I think that would be probably giving in too soon. I think we should go as far as we can. We feel that, if a dam on the Pembina is acceptable, then it should not be linked to accepting a Devils Lake outlet. Our concerns are not just water quality but also foreign biota, and that cannot be mitigated by diverting the flow elsewhere.

I shall conclude by saying that it is not a new issue. I was, quite frankly, disappointed that, when we took office, it appeared to me that the file had been sitting there. There was not much of a trail that I could follow that would indicate to me that there had been the same level of lobbying with the American governments as we have done, but I do not want to go there. All I want to say is that this is an issue that has been there for a long time. As far as the Devils Lake outlet is concerned, we have spent and invested a lot of time working on that particular issue.

Mr. Jack Penner: I have always been a great believer in one thing, that if you know a certain thing is certain, whatever it is, then do everything in your power to gain the most advantages out of that certainty. I am firmly convinced, after

having attended the meeting in Pembina, North Dakota, that there was an absolute certainty that the outlet to Devils Lake will be built. When one looks at where Devils Lake is located, it is very obvious that it is within the Red River watershed area. It is not an area outside of the Red River. The overflows out of that Devils Lake region, the engineers will tell you, hit the Sheyenne River and hit the Red River. It would not be an unusual act to see overflow waters enter the Red River system and therefore be currently within our lake system.

So the biota argument out of Devils Lake—and I am referring to Devils Lake, not Garrison—I would suspect would have occurred probably on numerous occasions previously. Whether it has or not, I think, is immaterial. What the Army Corps of Engineers indicated clearly at the meetings at Pembina, North Dakota, was that there was a process that had been initiated, which meant that they were going to abide and fulfil the Corps' scoping requirements under the national environmental policy, in other words, NEPA, and that they would be accepting submissions on objections and/or concerns or support during this course of meetings.

Well, there did not appear to be too much objection on this process over what the Army Corps of Engineers was planning, and, Mr. Minister, what they were saying was that they were giving notice of intent for EIS, an environmental study, on December 22, 2000. The remainder of the schedule is: scoping meetings, April 2 to 5, 2001, which I attended one of; preliminary planning report, July 31, 2001; public meetings, August of 2001; draft EIS, February 2002; public meetings, March 2002; final EIS, July 2002; record of decision, September 2002; and initiation of construction, October 2002.

I asked the Army Corps of Engineers whether the agreement that the Premier of Manitoba, Mr. Gary Doer, and his counterparts in North Dakota had struck would not prevent the construction of this kind of a project, an outlet. His question was: What agreement and who is Mr. Gary Doer?

I will ask the minister whether he can table for us the agreement that the Premier supposedly

agreed to or signed on to which left the impression with Manitobans that he would have to sign off on some document before any construction could take place.

This schedule of events that I just put before you would seem to indicate there would not be any need or requirement for Manitoba to sign off on anything. Can the minister comment on that?

Mr. Lathlin: I agree with the member that the Americans are not all that familiar with Canada. I have, on occasion, travelled in the States myself, and I do not think a whole lot of them know even where Winnipeg is. So I do not find it surprising that a person at that level in the system there would not be familiar with the Premier of Manitoba. However, I am not going to lose sleep over that because I know that is how things are. I do not even know who all the governors are in the States myself. That is just the way it is.

If you believe then that something is certain, it will probably be that way. It will unfold that way whatever it is that one believes. If we act on that basis with respect to Devils Lake outlet, then it will certainly unfold that way. The outlet will be constructed, and the water goes into the Sheyenne, into the Red River and into Lake Winnipeg.

* (15:20)

I should also say that the Devils Lake has not overflowed for, I am being advised, some 1800 years. The probability of that happening now is very, very slight. The Corps of Engineers may sound very optimistic, but I think the ultimate decision will be made in Washington. The Corps' schedule is based on absolutely no glitches, everything working according to plan.

The other thing I can share with the member, Mr. Chair, is that we have many allies in North Dakota who strongly oppose the outlet. We have met with some of them, the last time I accompanied the Premier (Mr. Doer) to North Dakota. They do not believe either that it is a done deal. Those groups include people who live along the Sheyenne River, the Audubon Society and others. This is an international river. The Government of Canada has to sign off. Not Manitoba.

Finally, I would like to indicate to the member that Canada, so far, has been extremely supportive of our opposition to this project. We are not alone in this fight.

Mr. Jack Penner: I do not deny that there are not some significant allies in the United States. As a matter of fact, I am quite aware of some of the people that are in opposition to Devils Lake being drained into the Red River.

I find it interesting, though, that the American government, at the same time as we are talking about they will have to get approval from Washington and we would have to get approval from the Canadian—or they might, in fact, have to get the Canadian government approval. I find it interesting that the Army Corps of Engineers has been granted some \$600 million over the last year to further study and construction, or planning I should say, further study and planned construction of both the Garrison, and I do not know how much of that funding is directed at Devils Lake, but I understand some of that funding has been directed at Devils Lake as well.

That would demonstrate to me, a \$600-million allocation of funding towards a given project such as that, is a major, major amount of money for the state of North Dakota and would give rise to some concern on this side of the border, north of the border, that some of these projects are in fact proceeding, although they might have been stalled and are proceeding at a snail's pace currently but might well be speeded up if and when drought conditions prevail and water is needed. It would appear that the possibility of even continuing with Garrison and diverting Garrison into the Sheyenne River and into the Red River is a sincere possibility, if Fargo in fact is as short of water as many say they are, the city of Fargo, and Grand Forks, and many of the other small towns along the Red River, although some of them are not totally dependent on the Red River for water, some of them are in fact dependent on reservoirs such as the Red Lake Reservoir and others.

I believe that we have a true opportunity to sit down in a very meaningful way and demonstrate our opposition to Garrison waters in the Red River. I am very sincere about that. At

the same time I think we need to recognize that Devils Lake is not Garrison water and Devils Lake is part of the Red River Valley watershed area. We cannot argue that. So, in theory, the biota that would currently be contained in Devils Lake would theoretically already have entered our water systems. I think we should not close a blind eye to that.

For that reason, I ask you, Mr. Minister, whether you have given instructions to your staff that they in fact enter into discussions and ask whether North Dakota might consider, or whether you are considering asking your staff to have that discussion with North Dakota, that we do some futuristic thinking on water supply, not just flood mitigation and other initiatives, but that we in fact give some consideration to long-term water supply to those communities that have been one of the largest growth centres in Manitoba for the last decade or more, and the security of water supply, and that is why I raised the Pembina River.

It would do two other things. It would mitigate the small event flooding that constantly happens almost annually along the Pembina River, and now will overflow to a much greater degree into the Buffalo Drain, as well as the Aux Marais Drain. You know that the discussions that have been held on the south side of the border on the road that is currently in place between North Dakota and Manitoba on the Aux Marais River and the culverts contained therein, in that road, and how some of the American farmers are suggesting that in fact has become a dike and an impediment to flooding and an encouragement of flooding on their side. I say to you, Mr. Minister, that we could alleviate all of that in most years if we encouraged the construction of the dams that I referred to on the Pembina River.

We have raised this with the International Joint Commission, and the International Joint Commission is not adverse to discussing this. However, they say their mandate was flooding and flooding only and therefore outside of their scope. If we encouraged Canada and the Americans to give the International Joint Commission broader scope, I think you would see a different reaction from the Army Corps of Engineers as well as the IJC. I think we need to approach it in that manner.

I would also suggest to you that if and when, I should not say if, it is when the drought will occur, where are you going to supply the water that Morden and Winkler and Altona and Morris and all the communities on the Red River will require? Where are you going to take it from?

* (15:30)

Mr. Lathlin: I know I have been trying to follow very closely the member's question to make sure I understand exactly what he is asking. I believe the first part to his question had to do with the \$600-million budget that he says has been given to the Corps of Engineers. It is my information that the Corps has not been granted that \$600 million. That is money under the Dakota Water Resources Act. The Corps is not the lead agent under that act, and Devils Lake is not one of the projects funded under the Dakota Water Resources Act.

We agree that the Dakota Water Resources Act presents a real fret that Garrison might be next on the list to be built. But I am pleased to hear today that there would be all-party support to fight that. I think it would be unfortunate if it appeared that elements or some parts of Manitoba were seen to be supporting a Devils Lake outlet, because I can assure the member and the rest of the members here that the Premier has consistently indicated that we are prepared to continue a dialogue with North Dakota on Devils Lake or on any other water issues that may come about. We are currently doing this on the Buffalo Drain.

We will continue to talk about these water issues, but not to do any trading Devils Lake or Garrison for a project in Manitoba that may be well justified in its own right. There are many studies that are available on a Pembina dam, including one done by a technical group of the International Joint Commission. In any event, we would certainly look at those again, the reports that were done, because I do not think they were entirely supportive of the project, but we will continue to look at those issues.

Mr. Jack Penner: Two more questions, Mr. Chairman, to continue on the Pembilier Dam, you know that the State of North Dakota has ordered the removal of the dikes that had been

built from Walhalla east on either side of the Pembina River. Most of them have been removed, which will give some cause for concern for Manitoba towns and villages on the north side of the border when high water levels along the Pembina come.

The Army Corps of Engineers did a study a number of years ago on the cost-benefit of floodproofing or building dams on the Pembina to do some floodproofing. However, according to the Corps of Engineers, no consideration was given to any other benefits that might be derived by a large water reservoir or a couple of large water reservoirs on the Pembina River to either the Canadian side or the American side. In discussing this with some members of the Army Corps of Engineers at Pembina, it became quite evident that if they were instructed to, they would be, I think, willing to initiate another cost-benefit analysis including droughtproofing and the economic benefits that could be derived from a reservoir such as that.

I am wondering whether you would want to instruct your staff to have open discussions, to open discussions with the Americans, North Dakota, and I believe it would be the North Dakota State Water Commission—I believe that is who the jurisdiction might be under—and the Army Corps of Engineers to see whether they might have a desire to do a further costing and a benefit analysis of dams on the Pembina and to include other than just floodproofing. Could we encourage you to have that discussion with the North Dakotans and the Army Corps of Engineers?

Mr. Lathlin: Mr. Chair, yes, North Dakota did indeed order that the dikes be removed. We are currently talking to North Dakota about a plan for a replacement dike, because our modelling shows that removing these dikes and not replacing them could increase flooding in Manitoba. I would like to indicate to the member, as well, that, yes, we would be pleased to talk to the American agencies about any new thinking there may be about a Pembina dam.

Mr. Jack Penner: One more question: The Aux Marais River and the road that I refer to right on the boundary, has there been any discussion, or is the department contemplating any discussion

on any changes on that road structure or further water allowance into the Aux Marais River?

Mr. Lathlin: Mr. Chair, we are not contemplating any changes. If I understand the project that he is talking about, apparently the International Joint Commission found that it had no adverse effects on the American side, so we will just leave it there.

* (15:40)

Mr. Larry Maguire (Arthur-Virden): Mr. Chairman, I just wanted to make a comment that I know my honourable colleague from Springfield will be asking some questions. I want, however, to say that I am pleased that the minister was able to get Mr. Duguid to be here today. I indicated that I would have some questions in regard to the issue of Tilston and the sulphur, hydrogen sulphide and that sort of thing there as well, and I will.

I apologize that I was not here at the beginning of committee today, because I had gone up to actually see where the minister was and he was being scrummed. Then when he came in they scrummed me, and it was not on the same issue I must advise the minister.

However, my honourable colleague from Springfield has a few questions on an issue in his constituency, and I would like to turn it over to him and then I would proceed with some of my concerns in regard to some citizens in my constituency, as well. Then I think there are a few other issues, and we will try to be expedient and get Mr. Duguid back to his regular day job in regard to that. So I thank him and you, Mr. Minister, for complying with our request to have him attend today.

Mr. Ron Schuler (Springfield): Mr. Chairman, I certainly have some grave concerns about the Clean Environment Commission and its EMF report. I do have some questions in regard to some of the players, the process itself and some of the things that were done, who was involved. I do want to make it very clear this is not meant to critique other projects that the CEC has done, that they have undertaken or that they perhaps will in the future. In fact, I hope that perhaps the CEC will be given the opportunity to redo this

report. I again do have grave concerns, and I will try to stick as much to process. Again, a few individuals I will be asking some questions about.

My first question is: Is the planned expansion of power towers in the Rural Municipality of East St. Paul a class 1, 2 or 3 development?

If this is not information readily available, can we proceed to the next question and just wait for that?

Mr. Lathlin: I appreciate the member's understanding. We will endeavour to get those answers and forward it or maybe even at a future sitting here, we will try to provide the member with that information.

Mr. Schuler: Does the plant expansion of power towers in the Rural Municipality of East St. Paul require approval by the reeve and/or council of East St. Paul?

Mr. Lathlin: Mr. Chair, the process, as I understand it, is the licence is issued by the director of licencing.

Mr. Schuler: If the municipal council desired to undertake an abatement project to protect them from the planned expansion of towers, would the Minister of Conservation co-operate with them and give them his support?

Mr. Lathlin: Unfortunately, the types of questions that the member is starting off with are, I am afraid I do not deal with that level of detailed information on a regular basis. I will, however, again make a commitment to the member that I will get those answers written up and provided to the member.

Mr. Schuler: Does the minister consider the electromagnetic fields to interfere with or be likely to interfere with the comfort, well-being, livelihood or enjoyment of life by a person?

Mr. Lathlin: In response to the member's question, let me say that the Clean Environment Commission held a workshop during the wintertime, in January, at which the unanimous conclusion of these EMF experts was that no human health problems are caused by these transmission lines.

* (15:50)

Mr. Schuler: Does the minister consider electromagnetic fields to be pollutants under The Environment Act?

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

Mr. Schuler: Was it the Minister of Conservation or was it the Minister of Hydro who called for the Clean Environment Commission to act and present a report on EMF?

Mr. Lathlin: Mr. Chair, the request was done in conjunction with Conservation, was done by the Minister responsible for Manitoba Hydro.

Mr. Schuler: Under Section 6(4) of The Environment Act, the commission is empowered to hold public meetings and public hearings. Why did this not take place regarding EMFs and the power lines in East St. Paul?

Mr. Lathlin: Mr. Chair, I apologize for the delay. The Clean Environment Commission is also empowered under the act to conduct issue investigations. In this particular instance, the issue that we were dealing with was a scientific research review, and it was not necessarily tied down to a specific site location, so therefore the hearing route was not pursued.

Mr. Schuler: I would like to ask the minister: Why were no public allowed to attend, no public allowed to even listen in? Why was this such a secretive meeting? I mean, certainly if all this information was going to be discussed, why would something like that not be allowed to be more of an open forum, a little bit more transparent rather than held behind closed doors?

Mr. Lathlin: Mr. Chairman, this particular review was more of a research review of the effects, and the results of that review has been released to the public.

Mr. Schuler: Can the minister indicate who wrote the CEC workshop report on EMF?

Mr. Lathlin: As I understand it the consensus statement was approved apparently word for word by those EMF experts who were conducting the review, and the report was a

collaborative effort on the part of the Clean Environment Commission staff as well as those consultants who work with the commission.

Mr. Schuler: I understand if the minister cannot table this information right away. My question is: Can the minister table a list of those individuals who were invited, not the individuals who attended, but the individuals who were invited to participate in the review of EMFs?

Mr. Lathlin: Yes.

Mr. Schuler: Can the minister indicate who decided which individuals would be invited to participate in the review of the EMFs by the CEC?

Mr. Lathlin: The panel of three people who are members of the Clean Environment Commission apparently were given the oversight responsibility of this process and it would have been through that process by which the people would have been invited.

Mr. Schuler: Could the minister just name those three individuals for this committee?

Mr. Lathlin: Mr. Chair, apparently the three members of the CEC panel consisted of the chair of the commission, Mr. Terry Duguid, as well as commission member, Gerard Lecuyer and another commission member by the name of Ian Halket.

Mr. Schuler: Thank you. The Minister of Hydro requested an overview of the literature regarding EMFs. The Clean Environment Commission denied his request.

Now I want to ask two questions. First of all, can the minister explain why that would have taken place? In the workshop report presented it mentions there are an estimated 27 000 reports and publications on EMFs and their health impacts. The review, according to the references section, looked at 31, though it seems not all are mentioned in the report. Can the minister explain why the review neglected to examine roughly 26 996 reports or even a percentage thereof and who decided that all that scientific data should be ignored?

Mr. Lathlin: As I understand it, to have gone through 27 000 publications would have been quite a bit of work, probably very time consuming, if not impossible. What was done was an expert was engaged to bring the summary of those 27 000 pieces of work, an expert who I am given to understand was quite familiar with those studies, and apparently was asked to pay particular attention to the latest studies that were done. Secondly, he was instructed to pay very close attention to the latest study of 1999 that was done by, I am advised, one Sir Richard Dahl [*phonetic*].

Mr. Schuler: Absolutely, the minister is correct. Not all 27 000 studies could be looked at, but can the minister explain who decided that only 0.1 percent of all scientific data should be examined? The question then begs to be asked: Does the CEC typically ignore 99.9 percent of data when it examines issues?

* (16:00)

Mr. Lathlin: Mr. Chair, earlier the member was asking a question regarding the class of a transmission line. Apparently, the transmission line that he was referring to is a 230 kilovolt line. It is a class 2 development under The Environment Act.

I would also like to add, Mr. Chairperson, if I could, in regard to another question the member raised earlier having to do with abatement projects under The Environment Act. Indeed there is a detailed process outlined for abatement projects under the act. Of course, I am not in a position to try to prejudge the process, so therefore I perhaps should not even be commenting on the acceptability of any abatement projects in advance.

In response to the member's last question, the major recent studies, the ones that had the large sample sizes, were highlighted by Doctor Mandel. I understand that some of the 27 000 studies that the member has been referring to are studies that are older and out of date and have some methodological flaws. Our public health officials, who have apparently been following this literature for many years, apparently agreed with Doctor Mandel after a long discussion.

Mr. Schuler: Clearly the CEC was set up as a quasi-judicial board. Members sat, data was presented, they were supposed to come down on one side. That was the report that was supposed to go to the Minister of Hydro, and, based on that, the Minister of Hydro then was going to proceed or not proceed with the project.

My question to the minister is: Can the minister explain why a quasi-judicial body like the CEC would only examine one side of an issue? Should the CEC not examine both sides of an issue before making a decision or writing a report?

I would like to ask another question: Is the minister aware of any other quasi-judicial body under his jurisdiction that neglects to examine both sides of an issue before making a decision that affects Manitobans? I think this is a very, very serious issue. Based on this report, the minister then made a decision, and the CEC did not have the wherewithal to even look at a contract report. They only looked at reports that appease the minister's conscience.

*(16:10)

Mr. Lathlin: The review that was done by the Clean Environment Commission in this case was not, as the member says, a quasi-judicial process. It was, however, a scientific review. I think I mentioned earlier in my previous response that it was not site-specific, it was called to review an issue in general. The review was not going to be tied down to any specific site. The Clean Environment Commission, I agree, has quasi-judicial duties as well as other duties, and that is to investigate issues. The commission asked officials from the Health Department and also these EMF experts to review the science and the literature. Their conclusion, as we have been saying all along, was very clear in that there were no known health effects as a result of the EMF.

I might add, Mr. Chairperson, that the Clean Environment Commission did not make the decision on the EMF. It was the health department officials who made that decision.

Mr. Schuler: Some of the comments that the minister makes on the record are borderline appalling. I know the minister and his government want to hide behind the Clean Environment Commission. Certainly the Minister of Hydro

feels that this is his opportunity to have his conscience cleansed. It was quasi-judicial because, based on that, the minister then made a decision. They were to sit, look at the various reports and, in this case, only look at positive reports, come back with a positive report, and thus the Minister of Hydro could wash his hands of it.

I would like to ask this Minister of Environment: Can the minister explain why the human radiation unit and the University of Bristol was ignored. Why was that selectively just left out?

Mr. Lathlin: I am going to have to get back to that member with responses to the question.

Mr. Schuler: I can answer that question. The reason why it was left out is that it might have been a fly in the ointment. It might have reduced the consensus somewhat because clearly there are reports out that are contrary. The least the CEC could have done, the very least they could have done is looked at some reports that were contrary to the position that the minister wanted them to take. I think it is shameful that at least some of them were not even looked at, that they were not even footnoted and referenced. That is the least they could have done and not try to pretend that this is some serious review, Minister. This was a scam.

I would like to ask the minister, back in January, the Clean Environment hosted a public forum on climate change. Terry Duguid, the chair of the Commission said, and I quote: "There has to be a co-ordinated discussion of this topic if we are able to develop sensible and appropriate strategies." He goes on to say: "Not only is this forum intended to inform, it seeks the input and perspectives of all Manitobans on this crucial issue." I ask the minister: Can the minister explain why the Clean Environment Commission has one standard when it comes to climate change, another one when it comes to electromagnetic fields?

Mr. Gregory Dewar, Acting Chairperson, in the Chair

Mr. Lathlin: The member is characterizing our CEC process as being a scam. I believe the member should have a really good look at what

his previous government had done. If he is looking for scams, it would not take him long if he were to research the track record of the Conservatives, the Tories that were in power at the time. It would not take him long to find scam after scam. I really take offence to the way the member is characterizing the work that is being done by my dedicated, committed, honest people.

In 1996, for example, Manitoba Hydro, under the Tory government to which the member belongs, conducted a review of EMFs. Do you know how many experts were included? One scientist was retained. The Clean Environment Commission thought at the time that it was important to have any expert's work be reviewed at least by peers, particularly our local health officials, who have not changed their minds. Since 1996, they have not changed their minds. I know who was in government in 1996. For the member to sit here, all of a sudden characterizing the good work that is being done by the Clean Environment Commission, the Clean Environment Commission has never been so busy. And yet, when the previous government was in power, I understand the Clean Environment Commission was very inactive. Indeed, not one piece of work had been produced for nearly three years.

I would suggest to the member that he be very careful with his words in describing the good work that is being done by people in the Clean Environment Commission.

* (16:20)

Mr. Schuler: I would like to thank the minister for whatever that was as an answer. The minister references a 1996 report, which the current CEC did not even have a look at. Interesting footnote.

Following the reviewing workshop, the chair of the commission indicated he would provide a report to the minister, I take it, to the Minister of Hydro. Is this the report, or has another been prepared for the minister's eyes only? The report that I reference is the Clean Environment Commission Workshop Report: Review of Electric and Magnetic Fields, dated March 2001.

Mr. Lathlin: That is the workshop report. Apparently there is, as we said earlier here, there is a companion consensus statement that would have come with the report. I understand those are the only two documents. I have never seen anything that was intended for, I think he said, his eyes only. Those are the only two pieces of paper.

Mr. Schuler: The report indicates that extensive discussion took place following some presentations. Since the workshop lasted for only one day, can the minister indicate exactly how many hours these extensive discussions took up?

Mr. Lathlin: I understand this discussion took place over a period of three to four hours.

Mr. Schuler: An exhaustive, extensive period. The CEC commission reminds me of an East German election. You just have to choose between 10 candidates all of the same party, and that is what the CEC did. There were 32 reports that all agreed, that all took the same position. They just had to agree with it.

I would like to ask the minister: Has the minister ever heard of the Electric Power Research Institute?

Mr. Lathlin: I would like to again, at the risk of upsetting even more the member—he seems to be in bad mood today, but anyway that is always the mood that I see him in, so maybe that is the way he is naturally.

An Honourable Member: You should see him when he is angry.

Mr. Lathlin: I was wondering what he had for lunch today. But let me make a commitment to him that I will endeavour to conduct my own research into this Electric Power Research Institute and see if I can get some information and give it to the member at the earliest opportunity.

Mr. Schuler: Just on how much time was spent by this committee exhausting the various reports. At about three hours that would be six minutes per report. That is not what I would consider to be exhaustive.

On the EPRI, the Electric Power Research Institute is funded as a non-profit organization by the private hydro utilities in the United States. Is the minister aware that the EPRI funds studies regarding the health effects and health impacts of EMF?

Mr. Lathlin: Apparently the member knows all about this Electric Power Research Institute, so all the more power to him, I guess. I will just leave it there.

Mr. Schuler: Would the minister be surprised if he was informed that the research of the EPRI dismissing health concerns like those from East St. Paul is some of the studies that are funded by the EPRI? Does the minister know if any of the 31 of the 27 000 studies looked at by the Clean Environment Commission received money from the EPRI?

Mr. Lathlin: As I understand it the Clean Environment Commission was not the body that reviewed the literature. It was, I think I said earlier to the member, health experts. I just want to say, too, that the short time that I have been in Conservation I have observed and seen how our people in the public health field are working. I view them as committed public health officials. In view of how the member has been characterizing these people, I think I would be within my rights to ask the member if he has any faith in public health officials at all, judging from the way that he talks about them.

Mr. Schuler: Has the minister ever heard of *Exponent*? Is the minister aware that *Exponent* conducts research into the health impacts of EMF? I will just quote from their Web site. It is an American-based company. It trades on the New York Stock Exchange, I believe—the NASDAQ, sorry. *Exponent* scientists provide advisory and consulting support to electric utilities. Has the minister heard of *Exponent*, and is he aware of the fact that they do research into EMF?

Mr. Lathlin: Mr. Acting Chair, no, I have not. I thank the member for the information. I am sure by the time I am finished here, I will be just as informed and educated as he is.

Mr. Schuler: Is the minister aware that *Exponent* receives funds to research the health impact of EMFs from the EPRI?

Mr. Lathlin: No.

* (16:30)

Mr. Schuler: Is the minister aware that the chief EMF scientist at *Exponent* has a Master of Business Administration and a doctorate in neuropsychology?

Mr. Lathlin: No.

Mr. Schuler: Is the minister aware that *Exponent* and its scientists provide advisory, consulting and litigation services to the private utilities in the USA when concerns are raised over high voltage transmission lines, electrical substations and power-generating plants?

Mr. Lathlin: No.

Mr. Schuler: Can the minister explain why Dr. Jack Mandel, vice-president at *Exponent*, was flown from California to participate in the review and workshop by the Clean Environment Commission—and, clearly, one would want to turn to California, that cutting edge of knowledge on hydro-electricity. Why was it that Dr. Jack Mandel from *Exponent* was flown in at public expense?

Mr. Lathlin: Mr. Acting Chair, I can indicate to the member that the person the member is referring to apparently has worked for industry, universities and other research organizations.

I also understand, Mr. Acting Chair, that Doctor Mandel is a world-class epidemiologist who is really a follower of one Sir Richard Doll. In this case, Manitoba Health experts reviewed his background and felt that he was suitable to do this piece of work here.

Mr. Schuler: To the minister: This so-called expert who helped facilitate the CEC report, is the minister aware that much of Doctor Mandel's research is actually focussed on colorectal cancer, renal cell cancer and breast cancer? Does the minister feel a specialist in colorectal cancer,

renal cell cancer or breast cancer is automatically an expert in EMF?

Mr. Chairperson in the Chair

Mr. Lathlin: Mr. Chair, yes, I understand that Doctor Mandel is a cancer expert, as the member has pointed out to us, an epidemiologist. He has followed the EMF for more than two decades, and that is whether there is a link between EMF and cancer.

Mr. Schuler: So can the minister outline why exactly Doctor Mandel is considered to be an expert in EMF? Simply because he has followed the issue, that would qualify him.

Mr. Lathlin: Mr. Chair, I want to indicate to the member in response to his question that the public health officials, who we consider to be experts, was a group who agreed to work with Doctor Mandel. They found him to be very qualified, especially in view of his world-renowned reputation as being an epidemiologist. The group representing our side would have been Doctor Fast, who is from the City of Winnipeg, Doctor Poplow, as well as one Dr. Harry Johnson, who was considered to be a specialist from CancerCare Manitoba on health and EMF.

Mr. Gerard Jennissen, Acting Chairperson, in the Chair

Mr. Schuler: On *Exponent's* Web site, Doctor Mandel seems to have very little research experience with power lines and EMF. In fact, one of the few references to EMFs in Doctor Mandel's resume is a presentation on the review of the scientific literature back in 1989, and, of all places, to an association of power companies. At that particular time, the member, Doctor Mandel was at that same conference telling the private American power companies EMFs were completely safe. That was in 1989.

Does the minister not feel that perhaps since 1989, there has been a little bit more information that has come forward?

Mr. Lathlin: Yes, I agree with the member that since '89 there would have been further developments, new information. I believe that is

why our public health officials were interested in reviewing the more recent documents that were there.

Mr. Schuler: One of the members of the CEC is a Mr. Gerard Lecuyer, who was once the Member for Radisson and in fact was once the Minister of Environment from 1983 to 1988. In 1984, Mr. Lecuyer declared that, despite scientific evidence to the contrary, radon gas was not a scientific health hazard. When questioned by the Leader of the Opposition, then Mr. Gary Filmon, evidence was presented that there was risk posed by radon gas. Mr. Lecuyer took no action.

On June 10, 1987, the leader of the third party, Sharon Carstairs, questioned the minister in regard to deaths resulting from radon. Mr. Lecuyer stated that there is no threat and it does not pose any significant threat. After Mr. Lecuyer left his office, the Filmon government was required to take action with respect to radon gas, since according to a 1989 government document radon gas was linked to 5 percent of all deaths from lung cancer.

The concern clearly of the committee is: Does Mr. Lecuyer, who was appointed to the Clean Environment Commission, still hold these kinds of views? Does he still believe radon gas is safe and that EMFs might be desirable?

* (16:40)

Mr. Lathlin: As far as I understand it, it was not Mr. Lecuyer who decided on these things. Rather, it was our public health. I keep coming back to that. It was really our public health officials who made the conclusions after they had reviewed the material on EMF.

Mr. Schuler: A Mr. Shaun Loney, who is the special assistant to the Minister of Hydro, also participated in the EMF workshop. Can the minister tell us what his role was and what his input might have been?

Mr. Chairperson in the Chair

Mr. Lathlin: I understand that this Mr. Shaun Loney, his role at the gathering was to be an observer. Only the experts in this research

contributed to the consensus statement and not anybody else.

I wonder, Mr. Chair, if I can be so brave to ask members here or canvass the members if they would be willing to do a short break?

Mr. Chairperson: Is it the will of the committee to have a short break? *[Agreed]* We will recess for five minutes.

The committee recessed at 4:46 p.m.

The committee resumed at 4:59 p.m.

Mr. Chairperson: Committee, come to order. We will just continue with our discussions.

Mr. Schuler: Just on the issue of a political staffer who actually was at the CEC, a Mr. Shaun Loney, the concern I have—and I know he is not a staffer of this particular minister. I quote from an e-mail that I received: This individual also called Shaun Loney and was told that he gets hundreds of calls a day from St. Paul residents complaining that they will not be able to sell their homes. Loney told them that they need to stop the residents' committee and tell Ron Schuler to shut up about all of this. It is the fault of the committee if you cannot sell your home.

I find that to be a concern. I think people have a right to be heard even if we disagree with them. Clearly that was not the position of the Government. It was not the position of the CEC. They did not believe that anybody had a right to be heard; thus, it was held in secret, closed doors, and the Government bought and paid for their whitewash report and they got it. I think it is very unfortunate that political staffers then move around and—

Point of Order

Hon. Becky Barrett (Minister of Labour and Immigration): I do not appreciate and I do not think the Clean Environment Commission would appreciate the fact that the member appears to be saying that the Government controls the Clean Environment Commission and bought and paid

for the report. I think the member should choose his words extremely carefully.

* (17:00)

What he says in the House off the record is one thing, but what he says in the Chamber and in Estimates on the record is very important and is part of the public record. He should pick and choose his words very carefully because even the slightest intimation that the Government controls the Clean Environment Commission or any report is totally, totally out of line, and I would ask the member to apologize for those words and to pick and choose his words very carefully in the future.

Mr. Schuler: I do not think the minister has a point of order at all. I believe it is a dispute over the facts.

The fact that the minister is offended by something, well, that is something that the minister has to deal with herself and deal personally with. I have chosen my words carefully, and everything points to the fact that the Clean Environment Commission was not a public process. Only reports that favoured one side that the Government wanted to see were done, and it is basically a whitewash report, and, yes, I believe it has been bought and paid for.

But that is a dispute over the facts, and, certainly, we as politicians can go in the hallway and debate those issues, but that is not a point of order.

Mr. Gerard Jennissen (Flin Flon): I believe it is the same point of order, Mr. Chair, but I would like to add something. Perhaps it is not a point of order, but at least I would like to point out that I am not happy with the tone from the Member for Springfield (Mr. Schuler). Now, perhaps we should be dealing with content and not tone, but when I hear language like scam, East German election, whitewashing reports, you name it, and saying negative things, pejorative things about people not here to defend themselves or not in a position to answer the mike, mentioning the Minister of Finance (Mr. Selinger), Mr. Duguid, Mr. Loney and perhaps other people as well, I do not think this is the purpose of Estimates.

I think the member should restrict himself to what we are here for, and that is get some detailed information about the minister's portfolio. That does not seem to be happening. I do not like the Cold War rhetoric. I think the Cold War is over and maybe the Member for Springfield has to be reminded of that.

Mr. Chairperson: There is no point of order. It is a dispute over the facts.

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Mr. Schuler: Before I was so abruptly interrupted, again, I believe political staffers making those kinds of comments about a citizens committee are out of line. I think it was inappropriate for Mr. Loney to actually have sent an e-mail.

I would like to move on and ask the minister about some of the individuals that were on the CEC. I am sure the minister is aware that Dr. Margaret Fast, according to the College of Physicians and Surgeons, is a specialist in pediatrics and community health, and Dr. Jim Popplow, according to the College of Physicians and Surgeons, is a general practitioner. I say this with all due respect: Can the minister explain what expertise a general practitioner and a pediatrician have on the health impacts of EMF?

Mr. Lathlin: Although Doctor Fast is a pediatrician and Doctor Popplow is a general practitioner, I understand these people are community health experts who do not just concentrate on pediatrics or the work of a GP, they also follow, I understand, the literature on these topics. For example, Dr. Harry Johnson, who, I said earlier, is a renowned expert, has expertise on EMF radiation and health for CancerCare Manitoba. So I would not be at all uncomfortable in relying on these experts for an opinion. Again, I would like to reiterate to the member the review that was conducted by this group in reviewing the research material was not site specific, so therefore we did not require that we go through a quasi-judicial process, unless of course we were looking at a very site-specific project. Again, I repeat for the member, the people who were involved in this review are very credible health experts and they reached a consensus.

When the member says "bought and paid for," I think these people, in view of their individual expertise in so many areas, including community health, would be offended that the member has referred to them as being bought. We did not buy the health experts; we relied on their expertise. I do not know how else I can explain to the member, unless of course he refuses to accept that information, and in that case, I think no amount of information and inclination will change his mind. I think it has become very clear to me that what he really wants to do here is to pose some very detailed questions to the Clean Environment Commission and the public health experts. You know, I guess I could say to the member that if I could answer all of these very detailed questions myself, well then, perhaps there would not be any need for a report from the Clean Environment Commission.

So again, I would like to advise the member, if he is interested in talking to the members of the Clean Environment Commission, well, he is free to do so, or anyone else outside the committee. As a matter of fact, I would urge him to talk to those people for himself and get first-hand, right from the people's mouths. In addition to that, I would give him another piece of unsolicited advice and that is that he talk to the public health officials and perhaps get to know them. Perhaps they are not so incompetent as he has so pointed out here several times.

*(17:10)

Mr. Schuler: I do not think the minister should go so far as to cast aspersions that they are incompetent. In fact, I think Doctor Fast and Doctor Popplow are very competent, and I would point out to the—

Point of Order

Mr. Stan Struthers (Dauphin-Roblin): Mr. Chairman, the Member for Springfield (Mr. Schuler) is exercising a little bit of revisionist history. The minister clearly did not say that those individuals were incompetent. The minister was saying that the Member for Springfield, and this is good advice from the minister, I must say, good advice to the Member for Springfield to quit casting aspersions on people who work in public health. The minister

was also suggesting to the Member for Springfield that maybe he should do some of his homework before he comes in here and casts aspersions on people. He should have talked to somebody in public health. Maybe he should have talked to somebody with the CEC, and then maybe he would not have such a difficulty trying to get his argument across here in the committee today.

But I think if you would go through Hansard, take a look at exactly what the minister says, you will see that the Member for Springfield is only twisting the words for his own little agenda and that the Member for Springfield should be much more up-front and honest in the way that he is approaching this topic, which should be of some importance to his constituents instead of trying to play dumb little political games with it. He should have been talking to people in public health so he can get an idea of how this is going to affect the public health in his area.

Mr. Schuler: On the same point of order, this is a dispute over the facts by a slightly distraught colleague of mine.

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

* * *

Mr. Schuler: Thank you. I think the point that I am trying to make to the committee is that we have a document that says health and EMF experts, and I do not think that is quite correct. I have asked who the health and EMF experts are and that has not been made clear yet. Were there experts in pediatrics? Yes. Were there experts in other areas? Yes. But EMF experts were far and few and in-between and to call it a health and EMF experts' report is going a little bit far.

I just wonder even if Doctor Fast and Doctor Poppow were informed about *Exponent* and the fact that Doctor Mandel's links to the private American power utilities or EPRI, were they apprised of that?

My question is—and I soon wish to come to the end—how much were *Exponent* and Doctor Mandel paid for his visit to our fine province?

Mr. Lathlin: Mr. Chair, I will get that information to the member.

Mr. Schuler: Again, I would like to point out to the minister that I think the reason why citizens and residents of the province and certainly my community had a problem with the Clean Environment Commission report is the Clean Environment Commission brought together a group of individuals clearly lacking in EMF expertise. They flew in a colorectal cancer specialist from California, an individual who advises private American hydro utilities on fighting environmental concerns. They ignore 99.9 percent of the scientific data, and I guess one of the greater concerns we have is the fact that one of the statements made in the report is the direct plagiarism out of a Health Canada report. I would like to point out to the minister that it was almost taken verbatim, and perhaps he would like to comment on that.

Mr. Chairperson: On a point of order, the Minister of Labour and Immigration.

Point of Order

Ms. Barrett: Mr. Chair, the Member from Springfield just said that part of the report of the Clean Environment Commission was a direct plagiarism. Now we all know that plagiarism is an illegal action, and is the member suggesting that the Clean Environment Commission's report is illegal, undertook illegal action?

I think this is, again, another example of the Member for Springfield's complete—I will not put the adjective in that I was thinking of, because I would be called to order on that one—but complete lack of understanding about the role of what the purpose is of the Estimates process and what the purpose is of attempting to find out what is going on with a particular situation.

In this case, the Member for Springfield has engaged in personal attacks, has engaged in attacks on an independent body as a body, and now it would appear is stating that that body's report was, in fact, illegal because it engaged in plagiarism.

I would ask the Chair to call the member to order yet again.

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

Mr. Schuler: Clearly, we have a lot of distraught individuals across the way. This is a dispute over the facts. Maybe if they had waited for this member to finish making his statement to get his question on the record, then they might have wanted to challenge it, but just to stall the procedure—this is a dispute over the facts.

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

Mr. Jennissen: On the same point of order, Mr. Chair. The member said that the Clean Environment Commission report was avoiding 99.9 percent of the scientific data, and I am trying very hard to get a little bit of objective evidence here. Could the member please table the mathematics to point out that 99.9 percent of this was in error? I mean, let us see the mathematics behind this. He wants to be specific and very detailed. He has asked the minister some really, what I think were wing-nut detailed questions. Let us see if he can provide the mathematics to back up his 99.9 percent lack of scientific data.

Mr. Chairperson: On the same point of order.

Mr. Schuler: New information.

Mr. Chairperson: With new information.

Mr. Schuler: Yes. To that, I would suggest to members if they would attend the complete session, then they would have known that there were 17 000 reports that were referenced in the CEC report of which I believe 31 of 27 000 were referenced, so it would be simple math. Maybe, the member could do the math on his own time.

Mr. Chairperson: On the point of order raised by the Minister of Labour and Immigration (Ms. Barrett), there is no point of order. It is a dispute over the facts.

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* (17:20)

Mr. Schuler: Thank you. If you look at Appendix G of the workshop report, the Federal-Provincial Territorial Radiation Protection Committee, if you look at their six points, and then if we look at the electric and magnetic fields, the health and EMF experts' Consensus Statement, the second page, health and EMF experts' Consensus Statement, why do the two of them look almost exactly the same?

Mr. Lathlin: Mr. Chair, I apologize for the delay. It is my understanding that our health experts looked at the international summary that was put out by an organization called ICNIRP. It sounds like a good name for somebody that I know of. I will not say who it is.

Apparently this international body sets these EMF standards. There was a summary developed. Our health experts apparently used that summary more as a template, as a guide for them to produce their material. I also understand this international body that I referred to, their opinion on EMF and health apparently is pretty solid, and that is there are no health effects.

Mr. Maguire: I appreciate the time of the day has gone on, and I appreciate the minister and Mr. Duguid from the Clean Environment Commission for their patience in regard to this most serious issue that my colleague feels strongly about in the R.M. of Springfield. It is an important issue, of course, to the residents in that area.

I appreciate the fact that I invited the minister to ask the Clean Environment Commission Director, Mr. Duguid, to be here today in regard to some issues around the Tilston GASPE issue. I want to just get a bit of an update from the minister on some of the proceedings around that whole area.

Of course, my concern arises from the families, the Campbells, the Andersons, the Halls, the Reeve of Albert, Mr. Manson Moir, and others in the R.M. of Albert and the community of Tilston, and of course with the one particular battery that is involved in the emissions of ongoing hydrogen sulphide emissions in that area. This group is, I guess the acronym, GASPE, representing Group

Advocating Safe Petroleum Emissions, from that area. It shows how strongly they feel about their issue in their area as well. I know that there has been ongoing discussions with these people. The minister has met with them. I believe they have also met with Mr. Duguid and the Clean Environment Commission. Am I correct in that? They have met, yes.

I wonder if the minister could give me an update on just where that is at, at this time.

Mr. Lathlin: This is the issue I was waiting for this afternoon, because the Member for Arthur-Virden told me yesterday that he wanted to talk about Tilston and maybe I should invite the chair of the Clean Environment Commission to be present for this meeting here so I agreed, but I did not realize that the Member for Springfield (Mr. Schuler) would take up at least two and a half hours of this afternoon's proceeding. Not that I mind, but I think I probably would have felt better or appreciated a little more straightforwardness from the Member for Arthur-Virden when he suggested that move yesterday.

Be that as it may, I agree with the Member for Arthur-Virden that this issue is a very serious issue. I have met with the community people from the Tilston area, and I want to say to the Member for Arthur-Virden that I was yes, moved by the people when they made the presentation. I do not believe that they were trying to fool me. I think the problems that they were relating to me were real, and I believe that the way that they were feeling about the issue was very real, so I believed everything that they had to tell me.

I wanted to give a bit of a background, not for the Member for Arthur-Virden because I know that that is where he is from and he probably has a lot more knowledge about this issue than I ever will have, but still in order to put this issue into perspective, I think I would ask the understanding of the members of the Opposition for me to make a statement about the Tilston issue.

I would like to start off by giving a bit of a background, and that is that oil has been produced in the Tilston area since its discovery, I

am told, in 1952. An oil battery, commonly referred to as the 88 or 8-8 battery, was built in 1985, apparently to separate crude oil from the gas and water, with which it is mixed when it leaves the well. This sour gas, containing natural gas and hydrogen sulphide, was originally vented to the atmosphere.

* (17:30)

Between 1996 and late 1999, gas from the 88 battery was burnt in a flare stack. Since then it has been burnt in an incinerator. Production from oil pools in the area increased dramatically with the introduction of horizontal drilling in 1993. The presence of hydrogen sulphide, which smells like rotten eggs, makes even minor emissions from a battery easy to detect. Potential sources of emissions that have been identified in the past include the loading and transportation of oil from the battery—

Mr. Chairperson: A point of order, the Member for Arthur-Virden.

Point of Order

Mr. Maguire: I do not mean to interrupt the minister but I know that Mr. Duguid from the Clean Environment Commission has to leave, and I just want to be on record as thanking him for coming in this afternoon. I know the minister is answering the question that I asked, and I just wanted to be on record of thanking him for being here this afternoon.

Mr. Chairperson: No point of order. Thank you very much.

* * *

Mr. Lathlin: So the sources in the past have included the loading and transportation of oil from the battery, routine battery repairs and even modification, minor equipment malfunctions and tank venting. Over the years, all these release points have been addressed through continuous improvements made to the battery operation.

I would just like to give a bit of a chronology of activities and responses associated with the Tilston air quality investigation. I think the first complaints about potentially degraded

air quality came to the attention of the department in the mid-1990s. Hand-held equipment commonly used in occupational settings to measure workplace air quality was employed to measure air quality. No degradation of air quality could be detected at that time. Then more substantial complaints came to the attention of the department in 1997, and in early 1998, when a local resident using a portable analyzer intended for workplace investigation reported that environmentally high levels of sulphur dioxide were being measured at his farmyard.

In mid-June of 1998, Tundra Oil and Gas Ltd. engaged an out-of-province consulting firm to undertake an extensive three-day environmental air quality monitoring survey in the vicinity of its 88 battery. From the wide range of air contaminants measured, only some levels of hydrogen sulphide were detected that were uniquely traceable to the battery operation.

Then in July 1998, the department commenced its own air quality monitoring program by setting up a sulphur dioxide analyzer at a farmyard location. In August, 1998, nine hours of elevated sulphur dioxide levels above provincial air quality guidelines were detected at the farmyard location. During the same time, a youth was reported to have passed out allegedly from the degraded air quality. No detectable readings of sulphur dioxide were detected at the farmyard location until the first part of January, 1999, when seemingly high levels of sulphur dioxide were recorded during one week.

These readings were inconclusive since they were very inconsistent with expectations from air disperse modelling which had been used to estimate air quality around the battery. Some technical problems were encountered with support equipment and the concurrent health survey did not reveal such levels were present. Since the readings could not be completely discarded as invalid and unreliable, a series of activities was initiated.

In the fall of '98 and again in January 1999, Manitoba Health interviewed residents and identified a difficulty in trying to link battery emissions and human health symptoms. The department, along with Tundra Oil and Gas Ltd.

and other departments met with the local government. A community advisory group was convened to assist with the expanded monitoring and as a forum for the regular exchange of information. Representatives from Manitoba Agriculture and Food and Manitoba Health were also included.

In February of 1999, the company undertook to sample emissions from the stack and flare of its 88 battery. Emissions were found to be consistent with the previous estimates and were not elevated. Air dispersion modelling on the releases has confirmed that air quality criteria would not be exceeded.

In March of 1999, a public community meeting was held to present information on the 88 battery findings from the environmental monitoring and future monitoring plans and to obtain feedback from residents and their concerns. In April of 1999, air quality monitoring was expanded to two different sites with a wide range of pollutants being tested, including sulphur dioxide, hydrogen sulphide, volatile organic compounds, aldehydes, ketones and sulphuric acid mist.

During the summer of 1999, a soils and vegetation survey was conducted by the department in the vicinity of the 88 battery. The symptoms of vegetation damage were found to be due to fungal infection or disease, not sulphur dioxide injury.

In June of 1999, water samples were collected from four private wells and tested using a wide range of chemical and bacteriological tests. Levels measured were generally consistent with ground water in the area, with some parameters slightly above guideline levels. The monitoring program continued and results were reported at regular meetings of the community advisory group. Tundra Oil and Gas Ltd. continued with its program to improve operations based on independent engineering assessments and in response to issues raised by residents.

In November of 1999, Tundra Oil, and this is about the time that I came on the scene, Tundra Oil and Gas voluntarily procured and put into operation an incinerator to dispose of its

excess gas which previously had been flared. This significantly reduced emissions even further. In May of 2000, Manitoba Health engaged an independent occupational environmental medicine specialist to undertake a clinical assessment of some of the residents in the Tilston area.

Veterinarians from Ag and Food held meetings and inspected a local herd. That department has offered to investigate concerns of livestock producers, and staff participated in the community advisory group. In June of 2000, air quality and monitoring was suspended and a final report was released in August of 2000. Extensive air quality monitoring from July, '98 to June, 2000 recorded infrequent elevated levels of hydrogen sulphide and sulphur dioxide, including brief periods above provincial guidelines.

The hydrogen sulphide guideline is set for odour annoyance, well below levels where health symptoms arise.

In September of 2000 an information bulletin was released by the department to residents of the area reporting air quality findings and other related investigations. In September 2000 a pediatrician examined 11 children who lived near the 88 battery. The report is still pending and is expected within the next month.

The independent consultant's health assessment of residents near Tilston by Allen Kraut, a medical doctor, dated the 20th of November 2000, was received by Manitoba Health and Manitoba Conservation. In December of 2000, the Kraut report was shared with Tilston residents and their council at a meeting. In January of 2001 the report was released to the Tilston Community Advisory Group, Tundra Oil and Gas Ltd., Alliance Energy Inc., and the public.

* (17:40)

The Kraut report and the statement of the Chief Medical Officer of Health indicated that some symptoms reported by residents have been associated with exposure to hydrogen sulphide emissions. There is no objective evidence of

permanent health effects due to the exposure. It is not expected that future permanent health effects will ensue from previous exposures. If emissions of all hydrogen sulphide are controlled to meet provincial guidelines for ambient levels, residents are not expected to be at increased risk for long-term health effects or permanent health problems. Some residents may sense odour and/or experience temporary symptoms associated with exposure to hydrogen sulphide at levels below provincial guidelines.

In January of 2001 I referred the matter to the Clean Environment Commission for a mediated resolution. In February of 2001 the commission reported that there was insufficient common ground for mediation to proceed. In March of 2001 Tilston residents and GASPE, Group Advocating Safe Petroleum Emissions, filed a court of notice application seeking that the department and Tundra be ordered to have 88 battery licensed under The Environment Act, including public hearings. The case awaits the submission of affidavit evidence by the applicant before it can proceed further.

With respect to current activities, the Government is implementing the recommendations of the Kraut report and the Chief Medical Officer of Health through current and additional initiatives including regulatory amendments, additional inspection, an assessment of batteries, and ensuring that preventive maintenance programs are adhered to.

The implication of the Kraut report recommendations includes the following: As part of an ongoing program to ensure that releases to the environment from oil battery operations are minimized, permit holders of oil batteries will be required to develop and maintain operating and maintenance programs and to provide these to an inspector on request.

Concurrent with these provisions, Tundra Oil and Gas will be approached for its program as per established criteria for making such information available, for example, inspection visits, complaint investigation and so on.

Independent engineering assessment reports commissioned by Tundra Oil and Gas on its 88 battery have already been reviewed by

government experts who are satisfied that all reasonable measures to control the releases from the 88 battery have been implemented. A detailed inspection of the emission control equipment will be undertaken by the Petroleum branch at the two other batteries in the Tilston area near the 88 battery. In addition, the companies will be asked to do air quality dispersion modelling of the batteries using confirmed gas production rates and gas analysis and to report any results of this modelling.

Ongoing initiatives and programs to address environmental issues and concerns related to oil and gas activity will include the following:

First, continuing to administer the provisions of The Oil and Gas Act, including responding to concerns, complaints and issues that may arise from local residents to ensure that all oil batteries continue to be operated in an environmentally safe matter and that any shortcomings or issues as they may arise are dealt with.

Next, proceeding with the regulatory amendments to the drilling and production regulation under The Oil and Gas Act, to strengthen requirements governing gas flaring, venting and oil battery emissions; next, continuing response by Manitoba Ag and Food to the complaints from local farmers regarding the health of their livestock herds; next, completing short-term air quality monitoring on selected sites in the oil-producing areas in southwestern Manitoba, that is, in Virden until the end of March 2001 and then into Waskada-Deloraine area until July 2001; next, pursuing opportunities to participate in a comprehensive Alberta-led research study on the effects of flaring on livestock and human health; next, participating in a national review and development of air quality objectives and guidelines that benefit from the most recent information and afford appropriate protection to human health and the environment—in keeping with the recommendations from the Manitoba's Chief Medical Officer of Health, the report will be forwarded to the national body currently reviewing the hydrogen-sulphide national air quality guideline—finally, continuing to track information that can lead to a better understanding of issues associated with oil and

gas emissions and the substances released to the environment and their impact on the environment.

Mr. Chairperson, in summary, over the last couple of years, as the Tilston air quality issue has been investigated, well over half a million dollars has been spent on air quality monitoring activities, soil and vegetation survey, water testing, health studies, inspections and staff time to respond to complaints as well as to the broader issues.

Though the Government remains sympathetic, as I said earlier, to the concerns of local residents and recognizes that residents still have issues with air quality, the Government has come to the conclusion that it is satisfied that, with the implementation of the Chief Medical Officer of Health recommendations and the ongoing activities that I mentioned earlier, oil and gas facilities will not have a significant adverse effect on outdoor air quality.

I think, as we speak, the issue has been put before the courts. I just wanted to give this information because I think it is valuable information, but I said not necessarily to try to educate the Member for Arthur-Virden, because he lives in that area. I just wanted to indicate to him that, in my opinion, I think this Government, and not just this Government but the previous government as well, went to great lengths to try to ascertain as to the source of the problems that these people were experiencing. As I said earlier, I felt sorry for the people. I met with a group in my office. Some of them broke down. That is how strongly they felt, I guess, and I felt really sorry for them.

Mr. Maguire: I appreciate the length that the staff has gone to to provide the minister with the written presentation that he has provided us in detail and that he has read into Hansard today for the update on the whole issue of the Tilston area with 88 battery, as he has referred to. He is quite correct in that. This has been going on for years and years, and I appreciate the fact that before me today I have a group of letters from 16 individuals, at least I believe here, that have sent letters of concern about their personal lives and how it has impacted their farms and their lives and families. I too know what it is like to see the

angst on these people's faces as they present their case before Government, as I saw in the Ag committee hearings here just last Tuesday night, a week ago tonight, on the agriculture issue that is so devastating in all areas of Manitoba but particularly the western area that was hit by the flood of '99.

* (17:50)

So therefore I understand that this issue is now before the courts. The minister has indicated that he feels that, due to the lack of scientific data, the Government cannot do anything more with this particular issue at this time. It is my understanding that the issue here now is just where the whole issue lies in regard to environmental issues with oil and gas, and they believe that it should fall under the purview of the Environment area.

Can the minister confirm that it does fall under Industry, Trade and Mines, under the energy area?

Mr. Lathlin: Mr. Chair, yes, these batteries, if I can call them that, or this activity is covered under The Oil and Gas Act. It is not covered by The Environment Act. As a matter of fact, this is precisely what the community members are insisting, that it should be covered by The Environment Act. But for the time being, the legal authority on which this activity is based is The Oil and Gas Act.

Mr. Maguire: Can the minister confirm that The Oil and Gas Act in fact—you had an oil and gas committee on the flowcharts you showed me the other day that was under Conservation when you first took office. Is that correct?

Mr. Lathlin: Yes, Mr. Chair, that was the case. I think I also indicated to the member that the Petroleum unit has subsequently been transferred over to Industry, Trade and Mines.

Mr. Maguire: Can the minister tell me why?

Mr. Lathlin: Well, because I felt that the appropriate home for the Petroleum unit would be the Industry, Trade and Mines Department. It was more of, how would I say it, a better fit for

the Petroleum unit to be managed by the Industry, Trade and Mines Department.

Mr. Maguire: Can the minister confirm that actually the environmental controls of that sector of industry have always fallen under Industry anyway?

Mr. Lathlin: Mr. Chair, I would like to apologize to the member. I was momentarily distracted. It does not take much to distract me, especially at this time of the day. Could I please ask the member to give the question again?

Mr. Maguire: Well, I am just wanting the minister to confirm that, in fact, these environmental issues in the Petroleum branch have generally fallen under—the responsibility has not been with Environment. It has generally been with the natural resources department, I guess, before, but it has now been moved over into Industry, Trade and Mines, or has it always been in Industry, Trade and Mines, the environmental responsibility?

Mr. Lathlin: If I understand the member's question, the answer is no. The oil industry has always been under The Oil and Gas Act. It was never under The Environment Act.

Mr. Maguire: I appreciate that and that the minister, I guess—I looked at oil as a natural resource, and I wondered why it was not under the minister's portfolio, responsibility. I know he does not have the responsibilities for energy in this particular area, but I understand, he has answered indirectly why, you know, where the responsibilities lay. I guess I would wonder, other than just to clarify why, if there can be more detail on why it was moved out of his department.

Mr. Lathlin: I think the mines and petroleum are both geology related, and that is why I was saying earlier petroleum was more suited to be housed in the Mines, where Mines is housed right now, and that is in the Industry, Trade and Mines Department. I suppose it can also be said that both are non-renewable resources.

Mr. Maguire: Just a final question on this, I know the Clean Environment Commission was involved this spring. You asked them to do a

study. You have outlined what work they did for you in your comments earlier. I appreciate that, and I may meet with them again on this issue at some point.

Just given the time, and there is probably only time for a quick answer on this today, but can the minister give me some assurance that they have turned over most of the stones to look down the wells out there in southwest Manitoba in that particular battery to see if there are some other things that could be done in regard to ways that the gas is being burnt off in the present time.

I mean I have talked with some of these people myself, and they have come up with some of those ideas of whether they could burn all of some substances, some gases in the treater and others in the incinerator. I mean, I am no scientist. I do not know the differences between the treater and the incinerator and all of these issues, but can the minister or the department indicate if they are looking at any of these other areas? I know, too, I just want to say that the company involved and the people who have made presentations to me appreciate the efforts that the oil company has done to try to enhance the issue today. But they feel strongly that there still needs to be some work done.

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

FINANCE

* (14:50)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Finance. Consideration of these Estimates left off on page 84 of the Estimates book, Resolution 7.5 Federal-Provincial Relations and Research. The floor is now open for questions.

Hon. Greg Selinger (Minister of Finance): Just before we start, in response to a couple of questions about the outstanding balance of the Canada Pension Plan debt, I would just like to table for the member's information the following

information. The debt has essentially declined by \$111,459,000 over the last year from March 31, 2000, to March 31, 2001.

I would also like to table for the information of the members the original schedule for the debt retirement program that took account of both the pension liability and the general purpose debt. This was based on actuarial assumptions that were provided to us. I can provide that as well.

Mr. John Loewen (Fort Whyte): Madam Chair, just to sort of pick up where we left off, yesterday I believe the minister had said—I just want to clarify that he had no, in the strictest sense of the word, legal advice or a legal opinion as to whether the changes made in last year's Budget to the provincial tax on income were in violation of the balanced budget legislation.

Mr. Selinger: Yes, I consulted my Finance officials, none of whom are yet fully qualified as a lawyer, although one is apparently quite close, and they drafted this legislation. They were very comfortable that the changes we made to debt retirement to address the pension liability were well within the bounds of the balanced budget legislation, as well as any changes we made on the tax-on-income system. They were comfortable that all of those things were consistent with the spirit of the balanced budget legislation.

Mr. Loewen: I will just ask the minister upon reflection then, given that prior to the Budget introduced last year and part of this year's Budget, Manitoba was, I think, quite safely in the middle of the pack regarding our income tax rates, provincial rates. When they were compared to similar rates across the country, Manitoba's at the time was 47 percent; Nova Scotia, for example, was 57.5 percent of federal income; Prince Edward Island was 58.5; New Brunswick was 50 percent; and Saskatchewan was 48 percent. There were some lower, Ontario at 38.5; Alberta at 44, but, basically, Manitoba was in the middle of the pack.

I am just wondering if the minister has any explanation as to why, when we look at all the provinces moving to a tax one net income one year later, all of a sudden would it be that Manitoba's rate would leap to the top of the pack—in fact, outside of Alberta, particularly for

middle-rate income earners, be higher than Newfoundland's, higher than Prince Edward Island's, higher than Nova Scotia's by a substantial amount, higher than Saskatchewan's?

Why all of a sudden, just one year after being in the middle of the pack, are we now in a situation where we in fact have the highest rate in the country outside of Québec for those income earners between \$30,000 and basically approximately \$61,000?

Mr. Selinger: I just want to add an additional piece of information to the previous question before I address this question. When we do the statutory law amendments and tax, statutory law, the SLATA legislative changes to implement the Budget, it is drafted by Legislative Counsel. As a matter of course, if they see any problems with any of the tax measures we have taken, they bring it to our attention. So, there was legal review of all the changes we made on the tax-on-income tax system last year as part of the SLATA legislative package put in front of us.

So, even though my officials did not seek a legal opinion, legal oversight and review was done of the entire package, and there were no alarm bells raised by them in the preparing of the legislation, which they would normally do if they saw any difficulties. So that was another level of comfort that I just wanted to draw to the attention of the member on that item.

Mr. Loewen: You want to deal with that issue first, and then get into this?

Mr. Selinger: Yes.

Mr. Loewen: I do have a couple of questions about that. Given that new information, I appreciate the minister, did that review panel, which contains some legal advice, give him a written legal opinion to the effect that the Government was within the scope of the balanced budget legislation?

Mr. Selinger: No, they did not give us separate legal opinion, but they draft the legislation to be consistent with all the requirements under which budgets have to operate within Manitoba. Their view is essentially reflected in the legislation that they draft on our behalf for implementation, and they raised no concerns. So it did have a review. They put the review of all the tax measures we take in the context of the legislative

law, the law of Manitoba, in effect; and are quite comfortable with the measures that we took in the Budget and drafted the legislation accordingly and raised no concerns about it being inconsistent with any of the laws that we passed within the province of Manitoba.

Mr. Loewen: Would that review have taken place prior to the February 28 federal budget or after?

Mr. Selinger: That review would take place in preparation of the legislation, which we ultimately brought in after the Budget. I think it was in late August before we actually ultimately passed it. So they prepared it. After the Budget is dropped, they prepare the legislation to implement it.

* (15:00)

Mr. Loewen: Can the minister recall if they would have any specific instructions to review that particular part of the legislation with regard to the reduction in taxes that had been passed through by the federal government?

Mr. Selinger: No, I do not believe there were any specific instructions in that regard. They simply prepare the budget measures for legislative implementation with regard to all the laws that are in effect in Manitoba. They were comfortable with what we had proposed, and brought it into law through legislative changes.

Mr. Loewen: Just to confirm then, because I can certainly see where any review of the numbers presented by the minister and his department which compared the tax differential that was proposed in the Budget between the year 2000 and the year 1999 would not have had any concern. Is the minister confirming that this legislative review process also did not have access to numbers that would have demonstrated the difference in taxes that the Manitoba Budget imposed as opposed to the taxes that would have been in place as a result of the federal budget of February 28? No comparison done with those numbers?

Mr. Selinger: We have to recall here that the balanced budget legislation allowed for adjustments in provincial tax rates which offset any

changes that the federal government made, so in effect, the provincial government—any provincial government under balanced budget legislation—could have made upward adjustments to protect their revenue stream as a result of federal decisions to change their rate structure. We did not do that, which is what we meant when we said we passed through the full effects of federal changes. The Legislative Counsel in preparing our implementation of our Budget saw no problems with balanced budget legislation.

Mr. Loewen: I thank the minister for that. He is basically just confirming what we talked about yesterday. I believe yesterday he was quite clear in stating that, in fact, there was no need to advise Manitobans that the provincial government had increased the provincial tax rate to allow for the fact that reductions at the federal level would have reduced the amount of tax collected by the provincial government. Yesterday he was quite clear in saying it was not necessary because, in fact, they lowered taxes. I just want to confirm that he is still of that mind today.

Mr. Selinger: There is no question we did not increase the tax rate to offset anything the federal government had done. In fact we brought forward our own tax reduction measures.

Mr. Loewen: Just for clarification then, we will have to, I think, agree to disagree on that point, because our review of the numbers certainly shows us that the rates that were imposed on Manitobans last year had the net effect of increasing the amount of provincial tax that they paid in virtually all cases. In fact it is quite evident that it was not revenue neutral to the Government or to the citizens but in fact increased the revenues of the Province by increasing the provincial income tax.

Having said that, we have been over that point a number of times. I guess if we could go back to the response on differential rates.

Mr. Selinger: On the second question, once again, I have to reiterate that we reduced the taxation levels of Manitoba. The question that you brought forward that we started into here was: What happened? Why did the rankings change? I think one thing the member has to

bear in mind: that the 47% tax rate did not take into account that under the old system there was a net tax of 2 percent and then a 2% surtax on the net tax. So, under the old government, their rates were actually much higher de facto when you put those factors in there. Just comparing on the rates alone would be misleading. We addressed that problem by eliminating the net tax, eliminating the surtax and bringing in three rates which are transparent and easy to understand.

Mr. Loewen: I am simply trying to clarify with the minister, even when you add those net taxes to Manitoba's 47% rate, I believe the rate, even for high income earners would be well below a 62% rate in Newfoundland, would be well below a 57.5% rate in Nova Scotia, would be well below a 58.5% rate in Prince Edward Island, well below a 60% rate in New Brunswick, and Saskatchewan also had surtaxes.

It could be argued that even when adding those surtaxes in, the taxes in Manitoba, when we are based on a percentage of federal, we are obviously lower than those other provinces, possibly even including B.C. The simple question to the minister is: Why do we find ourselves in a situation a year later where our middle tax rate is 16.2 percent? Newfoundland's is lower at 16.16; Prince Edward Island's is lower at 13.8. They have all moved to the three levels. Nova Scotia's is lower—it is 14.95; all those provinces that we were competitive with, with our 47% rate, given that we had some net tax and some surtax charges as well. We now find ourselves lagging behind quite substantially, and I am just curious as to know why, a year later, Manitobans are faced with a situation where our rates—published rate—are substantially higher than those in provinces which we were substantially below.

Mr. Selinger: Once again, the member seems to be selecting items that do not reflect the total reality of tax rates in other jurisdictions. Many of those other jurisdictions have lower published rates but have maintained surtaxes, and we have not. That is a huge difference.

The only way you can really sort your way through all of that, the different measures that the governments have taken, is by doing the

comparables that we have provided in The Manitoba Advantage appendix, published by all governments over the last decade. You take a look at different families at different income levels, and you do the comparisons there about how we stack up. That takes into account all the surtaxes and measures and all the tax reductions that we have within our Budget that some other provinces do not have within their budget. When you do that, then you get a true comparison, all things included, with respect to taxes. We have charts indicating how we stack up on pages E16 and 17.

So the single person earning \$30,000 has the lowest annual personal costs in taxes, third lowest provincial levies. That is all levies brought in by the provincial Government, and then the lowest combined taxes and living costs.

A two-earner family of four, earning \$60,000, has the third lowest provincial levies, and then the lowest with all the living costs added in. A single parent with a dependent child, at \$30,000, has the third lowest provincial levies, and then third when all things are combined. A married couple with three dependent children, earning \$75,000 between them, this is a two-earner family, has the fifth lowest provincial levies, and then the second lowest all costs included. A married taxpayer earning \$40,000 with a dependent spouse and two dependent children has the third lowest provincial levies and then the lowest combined taxes and living costs. There is one final example there which I will leave for the moment.

Another way to look at it that could be helpful is the marginal rates comparison, and I would draw the member's attention to the table on D9. These are the marginal rates that people have. In other words, how much tax do they pay on each additional dollar that they earn, or how much income do they have tax free before they start paying provincial levies?

Tax-free income, no children, Manitoba is in the middle of the pack. Tax-free income, two children, were the fourth lowest. Tax-free income for a senior, second lowest, second best, second best and fourth best in the previous one, and top marginal rate is the third best overall.

* (15:10)

So, you know what? When I looked at those rates in other provinces as well, last year and this year, they did not give full information because they did not include some of the surtaxes. In the case of some provinces, they have a double surtax and those are not accounted in their rate structure. Some of the other provinces did not let us know about their surtaxes until after they dropped their budget.

Overall, we have made ours much more transparent by eliminating those measures, and when you take it all together, that is when you get the truer picture. The other thing that really helped in our situation was the family tax reduction measure we brought in last year, which makes a big difference there in the amount of taxes that a family pays. I have illustrated that with some examples again.

Mr. Loewen: I thank the minister for that. I would just urge the minister to maybe review some of the other material. I am focussing my comments on provincial income tax, because provincial income tax is something that is totally beyond the normal citizen's control in terms of how much they are taxed by each province. That is up to the governments.

The other issues in a lot of cases, how much retail sales tax a family pays, how much gasoline tax, whether they drive a car or not—there is certainly quite a bit of discretion within the family. The same could be said to apply for mortgage costs, for rent, for energy rebates, auto insurance, all the way down.

I am focussing on the uncompetitive nature of our provincial tax levy, and even in the province of Prince Edward Island, which again publishes what I have to believe is accurate information for their province and other provinces, when you look at the charts there. Certainly one would like to think that Manitoba has a better stature, and can be much more competitive than either. I will pick Prince Edward Island and Saskatchewan as examples. Sure enough, in their chart, that single person with no children earning \$25,000, there is only one province outside of Québec in Canada where people pay more tax: that is in Saskatchewan,

and that is by \$23. That individual pays over \$200 more than the same individual in Prince Edward Island.

If there is a single parent with one child, then that person pays more income tax in Manitoba, and more income tax than either Saskatchewan or Prince Edward Island. The same would apply to a family of four, one earner with two children. A Manitoba family pays close to \$500 more than Saskatchewan, and, in this example, \$100 more than a family in Prince Edward Island. I think it is important for the minister to be aware of that information, not discredit it, but to understand that as a result of moving to the tax on net income at the rates that he has prescribed, Manitoba is definitely, through a number of charts we have seen published around the country, becoming less and less competitive.

Mr. Selinger: I have got to tell you I think that the member should rely more on the information provided by people in Manitoba than Prince Edward Island. I am going to draw his attention to tables E, the comparisons on E18, E19. If you take a single person at income of \$30,000, their taxes are significantly lower, just on taxes, than Prince Edward Island, and they are lower than in Saskatchewan. That is pages E18 and E19 in our book here. So to say that the taxes are higher is just categorically wrong, just incorrect, factually incorrect, and we have evidence to back it up on tables E18 and E19.

Similarly, with a single parent, that is so wrong it is unbelievable. The taxes for a single parent with one child in Prince Edward Island are \$974. Provincial income tax in Manitoba is \$35. That is about \$950 different. So to say that taxes are higher in Manitoba for a person in that category, just dead wrong, and the member should pay more attention to the facts before he makes wild allegations that are not substantiated.

Now, you can go with other examples. You take a look at a single-earner family of four, \$40,000, just taxes are cheaper in Manitoba, approximately \$300, than Prince Edward Island, so, I mean, we have to take a look at the hard facts and not just go off some table in Prince Edward Island which may or may not have understood the taxes as levied in Manitoba. This

stuff here was done by our officials. There is no reason to think that they constructed it in anything but an accurate fashion, and it is a more complete treatment of all the costs that people have. Just on taxes alone, they are doing better, and then they have advantages with respect to the Retail Sales Tax. They have advantages over other jurisdictions on health premiums; and they have other advantages as well, including advantages with respect to child care, electricity, auto insurance and other programs that are provided by government corporations. Many of the other provinces have reduced their tax rates by upping their sales tax or upping the transfers they take out of the Crown corporations. We could do that too. I am sure the member would scream about that if we did, but we could do that. Saskatchewan certainly did that. They significantly increased their Retail Sales Tax last year in their move to reducing their personal income taxes. We did not think it was a good idea to be increasing sales tax in Manitoba, even broadening the base anymore. So we have taken a solid approach to reducing taxes. We focussed them on families with our family tax reduction. I think the evidence is before you in the Manitoba Advantage table. I encourage the member to look at it.

Mr. Loewen): Well, just for clarification, I do not believe the minister should be accusing the Province of Prince Edward Island of making wild accusations.

Mr. Selinger: No, I am accusing you of doing that.

Mr. Loewen: For clarification, and the minister can answer this when I am through, all I was doing was quoting from a table published by Prince Edward Island. The Government of Prince Edward Island published in their budget document—and I was not making any wild allegations, as I am sure the Province of Prince Edward Island is not making any wild accusations. All I was doing was advising the minister of the numbers and asking him why the Province of Prince Edward Island, in their calculations, would believe that in fact Manitobans, at those three levels I identified, all pay more provincial income tax than they do in Prince Edward Island. So if the minister wants to take issue with those numbers, and it seems that

he does, I would urge him to take that issue up with the Province of Prince Edward Island. If he feels for one minute that the Province of Prince Edward Island, in their budget document, is misrepresenting numbers, then I would ask and urge him to approach them, not castigate me for raising it to his attention.

Mr. Selinger: The member is quoting those numbers. You are the one bringing them to my attention. I am telling you that they are inaccurate based on the information we have in our book. If you want to quote numbers from another jurisdiction, you should make sure they are accurate.

Mr. Loewen: Well, again to the minister, these numbers are accurate. They are from the Province of Prince Edward Island's budget document. If the minister has an exception with that, I would be glad to table the numbers, and he can take that up with the Province of Prince Edward Island. In fact, if he has a grievance against the Province of Prince Edward Island for the numbers that they have published in their budget document, then he should stand up on behalf of the people of Manitoba and say so, and I take no exception to that.

Mr. Selinger: The final comment I will make on this, unless there is further questions, is the member should have a little more faith in the numbers generated by the Province of Manitoba and published in their Budget.

Mr. Loewen: Well, I can assure the minister that I do have faith in the numbers published by the Department of Finance in this Budget. I am simply drawing his attention to the fact that other provinces have published figures for earners, that are not published in the book, that show that Manitobans are paying higher tax rates. I am just asking him why that is the case.

Mr. Selinger: Once again, I have put the accurate information on the table as indicated in our appendix, our Budget papers. I would draw the member's attention to the tables I have shown, illustrated for him, which show our taxes are lower than the jurisdiction that he is quoting, and I will stand behind these numbers.

Mr. Loewen: The minister is aware of the presentation he received from the Business Council of Manitoba, which consists of 55 CEOs of leading businesses in Manitoba. I quote again from their report that: "The Business Council of Manitoba considers competitiveness to be the most important issue facing our province."

My question to the minister is: Does he feel in this Budget, by providing Manitobans with the highest personal income tax rates west of the province of Québec, that he has in fact lived up to their request to keep Manitoba competitive?

Mr. Selinger: I will give a two-part answer to that. First of all, I would like the member to read into the record the definition of competitiveness that is indicated in that brief. I believe he will find it is a broad concept of competitiveness. It does not focus on tax rates exclusively.

Secondly, a focus exclusively on tax rates ignores many of the components in the definition that they put out there and does not take into account the other measures we have taken, including family tax reductions and other exemptions that we have or tax reductions that we have in our Budget that mitigate tax rates and allow the bottom line to be very favourable, particularly with respect to some of the other provinces to the east of us.

So if you take a look at that definition, and I do not have a copy of it here in front of me, would the member be willing to read it into the record?

Mr. Loewen: Well, I would be willing to read it into the record. It does say, and I will quote here: "We continue to define competitiveness in its broadest sense taxes, regulation, labour relations, quality of public services, environmental integrity and cultural richness."

Certainly there is more to competitiveness than just taxes, but it is not by coincidence that taxes was the first item issued. It is also not stated in that quote. It is also not an accident that labour relations is high on the list there. Again the minister might want to think a little bit about Bill 44 and the damage that it did.

I will also go on to quote directly from the report, and the quote is: There must be personal income tax levels that are as advantageous as those in competing jurisdictions.

The numbers we have seen certainly do not indicate to us, particularly with rates higher than Saskatchewan, with rates significantly higher than Alberta and Ontario and with rates significantly higher than those that we compete directly to the south of us, albeit that their federal structure is somewhat different as well. My question remains to the minister: Does he believe that the Budget he has introduced this year does anything to maintain the competitiveness of our province when it comes to attracting individuals and entrepreneurs who will be doing business in this province?

Mr. Selinger: There is no question that this Budget improved Manitoba's competitive position vis-à-vis all of the jurisdictions that it deals with. It does it not only on tax rates for individuals and families. Once again an illustration would be on page E1 in the Manitoba Advantage, where the annual personal costs in taxes for a two-earner family of four earning \$60,000 are the lowest in the country. It does it by making further moves on the small business tax rate from 8 percent down to 5 percent next year, by increasing the threshold for small business tax rates from \$200,000 to \$300,000, by making the first reduction in the general corporate tax rate since the Second World War, which will be a half a percent a year rolling out starting 2002 over four years, which when they are completed will be an 11.7% reduction in corporate income taxes. It does it by increasing the property tax credit, 60 percent in our first two budgets. It does it by freezing tuitions this year and reducing them 10 percent last year, resulting in the third lowest tuition fees in the country and among the lowest rates for attending a community college, by expanding the number of community college spots so there are more people to get training for areas where there are skill shortages, by taking measures to strengthen the environment. I am going to the definition that is used by the Manitoba council on business. They have a broad definition which is an appropriate definition. So we have strengthened the cultural fabric of this province with investments we have made in the cultural area.

* (15:20)

We have improved and strengthened it with respect to measures. We have taken on water, to have cleaner water, some of which have not been fully announced yet, but they are in the Budget with careful review of it, including a water inspection program, including subsidies for well testing. They have done it in virtually every dimension that is important to the quality of life of Manitobans. We have taken initiatives in this and the previous Budget which have raised the bar for the quality of life that we have in Manitoba.

Mr. Loewen: Also interesting in that report, and we will not go into any more detail, but certainly the Business Council of Manitoba has indicated to this provincial Government that they believe that their policy of having a freeze on tuition is a disservice to Manitobans and, in particular, to the universities. He may want to have that discussion with them as well.

With regard to the tax numbers, the Budget indicates a projected growth rate of the GDP of 2.4 percent, I believe. Has the minister done any, has his department done any sensitivity analysis as to what effect a significant economic decline, which we may be faced with shortly, would have on the Province's individual income tax and corporate income tax revenue?

For example, if instead of 2.4 percent, that growth rate was 1.4 percent or, even worse, if it was zero, can the minister advise what the effect of that would be on provincial treasuries?

Mr. Selinger: I think I would answer this way, that the 2.4 percent real rate of growth projection itself takes account the projected economic conditions that we anticipate for the coming fiscal year. They are based on the six major banks and the Conference Board of Canada average of those six forecasts. The 2.4 percent is below last year's amount of about 3.5% real growth, so they already are taking account of the potential slowdown that we seem to be reading about a lot in the newspapers. So, a fair amount of caution was built into those numbers. Obviously, if growth is less than that, it increases the challenge for revenues for the provincial government. But they try to estimate

those numbers based on the best information in the private sector, and reviewed by our officials in the public sector.

Mr. Loewen: I appreciate that. I guess what I am asking the minister is presumably there is the Budget, and there are also some numbers generated for best-case and worst-case scenario. I am just wondering what allowance has been made, given that we are in very unstable economic times. In fact, economists are starting to use the R word south of the border. We have not seen enough yet. As a matter of fact, one of the minister's own colleagues, the Minister of Industry and Trade (Ms. Mihychuk), announced in the House that we are in a recession right now. I am just wondering, if that unfortunate situation does take place and we are in a situation where there is lower growth than is anticipated, as I am sure the minister is aware can happen, what effect will that have on the individual income tax projections and the corporate income tax projections in this coming Budget year.

Mr. Selinger: Once again, I want to reiterate that the projection for growth was based on the most recent forecast by the six banks and the Conference Board of Canada. There is a fair amount of prudence built into that if the reality is that growth is slower than that. By the way, any growth means that there is not a recession. A definition of a recession is two consecutive quarters of reduced growth, and nobody is actually saying that is going to happen right now. Even with the revised forecasts in the United States in the first quarter results, they show still growth in the economy. It is a question of whether the growth is 1 or 2 percent or somewhere in between.

Nobody is talking recession yet. A slowdown is certainly in the air, and there are indications that is happening. We are seeing that with announcements of corporate reduction of jobs. Manitoba is still among the most diversified economies in the country, with 71 percent of its business activity in the service sector and less than 6 percent of its activity in the primary sector. So we are fairly well diversified to deal with any potential slowdown in the United States. I should remind the member as well that only 30 percent of our provincial

GDP is through exports, of which about 80 percent goes to the United States, and that is below the Canadian average of about 46 percent. So we are not quite as dependent as other jurisdictions on exports into the American marketplace to meet our revenue targets. We still do quite a bit of business within the province and to our partners to the east and west of us in the Confederation, so we are a little bit better protected.

Obviously we have a big exposure in the international sector with respect to commodity prices for grain and oilseeds. That is a problem that has been with us for a few years. We do not anticipate a dramatic change in those circumstances this year. We would like it to get better, but we do not anticipate it getting significantly worse that we can see at the moment. So that is kind of built in already. That is just by way of explanation about why we are a little bit more robust maybe than some other jurisdictions right now.

Mr. Loewen: I appreciate the minister's confidence. I take it the answer is that we have no numbers for what would happen in a worst-case scenario. I am not predicting there will be a recession, but certainly there is some talk, particularly from U.S. economists, that we may be in fact heading for one. Probably truer to the case is the fact that we do not really know. It is a very unusual economic situation. I am sure the minister is aware of how unusual it is for both the U.S. and Japan to be in a downturn at the same time. I appreciate the fact that he has confidence in the economy, and hopefully it will prove to be true.

* (15:30)

The minister made a presentation, I think he said a week ago Friday, to the federal government, regarding the proposed reintroduction of a cap on transfer payments. I am just wondering if they decided to proceed with that, and I do not know of any indication that they have given that they will not. At this point, maybe the minister has heard back since then. What effect would that or could that have on the federal transfer payments, and has that been reflected in the Budget?

Mr. Selinger: Assuming that the federal government does reinstitute the cap at the \$10-billion ceiling, that assumption was built into our revenue forecast. We assumed a one-year lift only on the cap. If any other adjustment is made to rebase it at the \$10.8 billion that we think it will grow to, that will be to our advantage. So we did not make any undue assumptions in our revenue forecast for equalization.

Mr. Loewen: I thank the minister for that. Given that the Third Quarter Report for the year 2000 indicated that government spending would be up \$244 million over last year's Budget, I am wondering if the minister has any new information regarding the overexpenditures versus the Budget in this fiscal year.

Mr. Selinger: At this point, I do not have any new information. The Fourth Quarter Report has not yet been prepared.

Mr. Loewen: I am wondering what assurance the people of Manitoba can have then that we will not find the same situation next year, where the Government ends up overspending its proposed Budget less than a year after issuing it, in the nature of 4 to 5 percent, as is projected this year.

Mr. Selinger: Obviously, we expect all departments to live within their budgets. There were a few extraordinary situations this year. The agriculture sector was hurting. The federal government made us a cost-matching offer of 60-40. It cost us \$38 million. We put extra money into the farm income support program. I think it was in the order of about 15 million. Those measures were taken to support agriculture and farmers during some very difficult times.

We are hoping that the federal government will do the right thing and start supporting farmers properly instead of expecting the provinces that are suffering the most to have to pay at least 40 percent of the bill. We will see how that works out with the all-party review of the agriculture sector and whether the federal government is responsive in that regard.

We have done more to control our debt costs in the future. We have tried to manage those a

little better. The Canadian dollar deteriorated way more than any of the forecasters had predicted this year. It just exceeded what everybody had suggested on the value of the dollar. So we have been even more cautious in our future projections in that regard, to try to control that one.

Health care is a huge, pressing problem. We are trying to manage that better, but the member should know that all the provinces are feeling that the CHST, combined with rebasing the cap on equalization, is going to squeeze provinces extremely hard in the next year on the health care sector in particular. So we will obviously try to manage it as best we can without putting anybody at undue risk as we go forward.

Mr. Loewen: Can the minister indicate how much the cost of advertising this year's Budget will be?

Mr. Selinger: Apparently all the invoices are not in and the numbers compiled yet, but we were quite willing to provide the information last year. I am sure we will provide it again this year when all the information is compiled.

Mr. Loewen: Thank you, and I would appreciate receiving that information when it is available. With regard to the Manitoba Tax Assistance Office, there was some talk of it relocating. I am just wondering if that has taken place.

Mr. Selinger: We briefly touched on that. The original plan was to move the Tax Assistance Office over into a federal facility, I believe, off of Regent Avenue, so they could work more closely together, but the revenue collection agency they are setting up, which is a kind of special operating agency at the federal level, has some anticipated space requirements which may result in us not being able to move the entire office over there. So it is a bit unsettled at the moment until the federal government figures out their staffing patterns for that facility. We may move part of the staff instead of all the staff, but we have to wait until that settles down. At a minimum there will be a continued close working relationship between the two levels of government to administer their respective tax legislation.

Mr. Loewen: With regard to the political contributions tax credit, the Premier (Mr. Doer) is proposing this year that the amount of that credit that would have been given for corporate contributions be used to fund political parties. I would anticipate that at the same time that is happening political parties will step up their activities to increase individual deductions. I am just wondering if there has been any cost to the Treasury associated with the fact that—or I would assume the minister would expect as well that there will be increased political contributions from individuals which will take up some of that room the Premier is talking about giving away.

Mr. Selinger: Is the member asking me has that in fact occurred, that the room has been taken out?

Mr. Loewen: Well, given that the Premier has asked for a report, I think it is by the end of June, and is anticipating that he will do something with that this year, I am wondering if there has been any analysis on what that might cost the provincial Treasury.

* (15:40)

Mr. Selinger: In general, political contributions tend to be less vigorous in pre-election periods. We expect just minor adjustments in the patterns of contributions this year. They usually ramp up before an election as each political party makes more vigorous efforts to solicit support, but we do not have any specific forecast information at this stage. We could look into it, but we are not anticipating a big bump of tax credit liabilities for the Government with respect to political donations at the moment.

Mr. Loewen: Well, I will appreciate receiving the information if the minister decides to look into it. On that basis I am prepared to pass 7.5.

Madam Chairperson: 7.5. Federal-Provincial Relations and Research (a) Economic and Federal-Provincial Research (1) Salaries and Employee Benefits \$1,438,500—pass; (b) Other Expenditures \$618,600—pass.

5.(b) Manitoba Tax Assistance Office (1) Salaries and Employee Benefits \$350,400—pass; (2) Other Expenditures \$76,200—pass.

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,483,700 for Finance, Federal-Provincial Relations and Research, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

7.6. Insurance and Risk Management (a).

Mr. Loewen: A question here regarding the insurance premiums. It was mentioned last year that the department was going to add a loss analysis and prevention officer. The intent was to reduce insurance premiums. I notice insurance premiums are still rising. I am just wondering whether that individual was hired and what effect the department has seen as a result of that.

Mr. Selinger: The individual that the member asked about was hired and brought on staff. The increase in premiums relates to the fact that there are a couple of increased exposures for the new Lottery facilities that were built in the run up to the election and the Pan-Am Games. They obviously had a higher book value and had to be insured accordingly. As well, the member might know the federal government devolved a large portion of its public housing portfolio to the Province and the Province had to insure that increased asset that was under its jurisdiction.

Mr. Loewen: I am prepared to pass 7.6.

Madam Chairperson: 7.6. Insurance and Risk Management (a) Salaries and Employee Benefits \$314,800—pass; (b) Other Expenditures \$60,300—pass; (c) Insurance Premiums \$1,510,000—pass; (d) Less: Recoverable from other appropriations (\$1,510,000)—pass.

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$375,100 for Finance, Insurance and Risk Management, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Mr. Selinger: The manager of Insurance and Risk Management greatly appreciates the efficiency with which you have dealt with this part of the Budget.

Madam Chairperson: 7.7. Treasury Board Secretariat.

Mr. Loewen: I just want to ensure that in this area, in particular, the minister will provide a list of any new staff, any staff changes, as well as any increases in salary for existing staff, and at the same time for new staff, whether that was by a direct appointment or a competition.

Mr. Selinger: I think we dealt with this a little bit earlier, but all the new appointments in Treasury Board were by competition but for one person who had been a 20-year employee and was moved over into a job in Treasury Board.

We will provide the additional information. I do not think there were any extraordinary salary increases other than the general salary increase that was part of the collective agreement.

Mr. Loewen: I appreciate receiving that information from the minister.

I would also just ask if—and I realize it is fairly short order after the Budget—there has been any financial or economic data that has been presented that would indicate that there are any significant issues related to the numbers in the Budget with regard to economic forecasts or financial implications that may result from that.

Mr. Selinger: No, there are no big-ticket items at the moment. One area that always challenges us is what the emergence expenditures might ultimately be for the year. As you know, there has been some overland flooding this year, and a week ago before the rain there had been several grass fires going on.

So even though it is well within budget at this stage of the game, if that pattern were to persist and accelerate, then we could have a problem, but, at the moment, things are within budgets.

Mr. Loewen: Can the minister indicate when he would expect that the Treasury Board would deal with the recommendations with regard to the infrastructure program in its phase one?

Mr. Selinger: The front end of that process is under the jurisdiction of the Minister of Intergovernmental Affairs (Ms. Friesen). She, as I think she indicated in Question Period today, consults with her federal counterpart and the City of Winnipeg and then, of course, an advisory group struck from the municipalities outside the City of Winnipeg and northern Manitoba. As they achieve some consensus or some sense of what they mutually agree on, then they are brought forward through Treasury Board and up to Cabinet for final approval, but it starts with that minister.

At this stage, the only things that have come through were sort of the boil-water projects were prioritized because of the special nature and the sensitivities out there around water issues. We moved those quickly to get them in place and to provide some safety for those communities. Any other announcements will be made as the three governments and the ministers directly involved feel comfortable making them.

Mr. Loewen: Is the minister indicating that there has been no discussion at Treasury Board regarding priorities for infrastructure funds?

Mr. Selinger: Essentially the priorities for the infrastructure agreement are struck by the management committee composed of the three levels of government and their politically responsible representatives, and then once they agree on that, they bring those forward to us.

Mr. Loewen: Has there been discussion at the Treasury Board level regarding the I guess impending announcement of the construction of an entertainment complex in downtown Winnipeg?

Mr. Selinger: Well, once again, specific discussions on specific projects are confidential items at Treasury Board.

Mr. Loewen: Can the minister indicate whether there has been a proposal prepared regarding the use of infrastructure funds for a downtown arena?

Mr. Selinger: Once again, I would have to repeat my last answer that any specific proposals that are not yet finalized, or any specific

proposals period are confidential items at Treasury Board. They are recommendations to Cabinet.

Mr. Loewen: I am prepared to pass 7.7.

Madam Chairperson: 7.7. Treasury Board Secretariat (a) Salaries and Employee Benefits \$4,281,400—pass; (b) Other Expenditures \$921,100—pass.

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,205,500 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

7.8. Office of Information Technology (a).

Mr. Loewen: I believe the minister had agreed the other day that he would just provide me with a note regarding the Personal Property Registry and where that is at. On the basis of that, I am prepared to pass 7.8.

Madam Chairperson: 7.8 Office of Information Technology (a) Salaries and Employee Benefits \$1,932,500—pass.

Mr. Selinger: I just want to make sure the Member for Fort Whyte (Mr. Loewen) is not letting these people off easy. I mean they are pretty primed here to answer any questions he might ask in this area.

Mr. Loewen: I am sure the minister has primed them fully and I am sure they are very aware of their answers. I appreciate their patience. Thank you.

Madam Chairperson: 7.8.(b) Other Expenditures \$2,883,500—pass; (c) Less: Recoverable from other appropriations (\$120,000).

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,696,000 for Finance, Office of Information Technology, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

7.9. Amortization of Capital Assets (a) Enterprise System (1) Amortization Expense.

Mr. Loewen: I am prepared to pass 7.9.

Madam Chairperson: 7.9. Amortization of Capital Assets (a) Enterprise System (1) Amortization Expense \$3,527,600—pass; (2) Less: Recoverable from other appropriations (\$3,527,600)—pass.

9.(b) Amortization Expense \$1,685,000—pass.

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,685,000 for Finance, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

7.10. Net Tax Credit Payments.

Mr. Loewen: I am prepared to pass this.

Madam Chairperson: 7.10. Net Tax Credit Payments: Manitoba Education Property Tax Credit \$173,630,000—pass; Personal Tax Credit \$51,950,000—pass; Manitoba Learning Tax Credit \$10,821,000—pass; Pensioners' School Tax Assistance \$3,764,000—pass; Political Contribution Tax Credit \$615,000—pass; Environmentally Sensitive Areas Tax Credit \$500,000—pass; Federal Administration Fee \$875,000—pass.

Less: Recoverable from Advanced Education: Manitoba Learning Tax Credit (\$10,821,000).

Less: Recoverable from Education, Training and Youth: Manitoba Education Property Tax Credit (\$173,630,000); Pensioners' School Tax Assistance (\$3,764,000).

Resolution 7.10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$53,940,000 for Finance, Net Tax Credit Payments, for the fiscal year ending the 31st day of March, 2002. Shall the resolution pass?

Resolution agreed to.

S.11. Public Debt (Statutory) \$458,131,900

S.11.(a)(1) Interest on the Public Debt of Manitoba and related expenses—

Mr. Loewen: I know we touched on this the other day, if the minister could just reiterate what the dollar was estimated at, \$1.55—

* (16:00)

Mr. Selinger: Going from the American side? 1.55 Yes. I think we are around 1.52 right now. \$1.54 okay?

Madam Chairperson: S.11.(a)(1) Interest on the Public Debt of Manitoba and related expenses \$1,428,291,100—pass; (2) Interest on Trust and Special Funds \$55,700,000—pass.

S.11.(b) Less: Interest and Other Charges to be received from: (1) Sinking Fund Investments (\$301,900,000) (2) Manitoba Hydro (\$580,759,700) (3) Manitoba Housing and Renewal Corporation (\$35,073,000) (4) Manitoba Agricultural Credit Corporation (\$17,276,900) (5) Other Government Agencies (\$9,168,300) (6) Other Loans and Investments (\$81,681,300)

Consideration of the Minister's Salary. The last item to be considered from the Estimates of the Department of Finance is Item 1(a) Minister's Salary \$28,100. Shall the item pass?

Mr. Loewen: Well, with some reservation we are prepared to let this item pass, subject to the knowledge that we do have concurrence.

Madam Chairperson: Shall the item pass? The item is accordingly passed.

Mr. Loewen: Just before we wind up the committee, the Estimates process. I would appreciate if the minister would pass along to his staff my appreciation for the efforts that they have put in in answering the questions and for their patience these last number of days. I know they are busy people with lots to do, and I certainly have appreciated their assistance.

Madam Chairperson: Resolution 7.1.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,461,700 for Finance, Administration and Finance, \$1,461,700 for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

This completes the Estimates of the Department of Finance.

The next set of Estimates that will be considered by this section of the Committee of Supply is for the Department of Transportation and Government Services.

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

TRANSPORTATION AND GOVERNMENT SERVICES

* (16:10)

The Acting Chairperson (Mr. Doug Martindale): The Committee of Supply will 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 Transportation and Government Services. Consideration of these Estimates left off on page 133 of the Estimates book, Resolution 15.1. Administration and Finance. The minister and the critic were engaged in a global discussion. The floor is now open for questions.

Mr. Harold Gilleshammer (Minnedosa): Mr. Acting Chairman, we are pleased the deputy is here today so that we can get some detailed answers on highways projects, although he was well served by the staff from the department the last day.

I wanted to ask about a few highways. Number 10 south of Brandon is being surveyed and apparently readied for construction as an extension of the eastern bypass. I just wonder what we might expect to see on that stretch of highway this summer.

Hon. Steve Ashton (Minister of Transportation and Government Services): Before answering the question, I have some information that the member had requested at the last committee hearing. So with the member's indulgence, I will deal with those.

I have a list of the rural high schools offering driver education in 2001 and also prospective communities offering driver education in 2001-2002. The member had asked for a summary of staff years. I have provided that information. It is basically virtually unchanged, just a slight reduction over the last five years. The member had asked for information on the Alberta driver's licence. The member asked for information on the appointments to boards within the jurisdiction of the department. The member also asked for information on staffing activity, the number of staffing positions filled: 1999-2000, 415 positions filled; 2000-2001, 432 positions filled.

The member also asked about direct appointments. In the context of what we are talking about in terms of Order-in-Council appointments, there are none. I think he may be referring also to situations primarily where we have term positions that are appointed to full time, and there is no competition held as a result. In '99-2000, there were 51 of those kind of direct appointments, and 2000-2001, 62 direct appointments. Once again, those are conversions of term staff to permanent staff after the initial term hirings have gone through the competitive process. So there was an interview, but it was for the term position, and that was deemed to be sufficient not to have a second interview for conversion to full time. Actually I do not need to table that. I think I have read it into the record.

Mr. Gilleshammer: Thank you. Maybe a question further to that. I noticed in the org chart that you have regional offices in a number of locations, and as a government and as a rural member we were always interested in the decentralization initiative that happened in the early '90s.

Has this department created more jobs in rural Manitoba in this Budget or in this last year? Has there been any shifting of numbers of employees from one region to another? Perhaps I

will just stop there and have the minister comment.

Mr. Ashton: In terms of the comparison to last year, there are five regions, as the member is probably aware. We have 50 in the Eastern Region, unchanged; 49 in the South Central Region, unchanged; 45 in the South Western Region, unchanged; 37 in the West Central Region, unchanged; 30 in the Northern Region. That is an increase of one FT.

Mr. Gilleshammer: These regional offices and the districts that you just referenced, are they basically the regions—when you announce capital programming, those are the five regions that you reference in attempting to give a balance to your capital program?

Mr. Ashton: Those are the five administrative regions, if you like, which do the work in the area, including for capital, if you hear different regions. Sometimes they are described by geographic notation, but certainly within the department it is region 1, region 2, 3, 4 and 5.

Mr. Gilleshammer: In the capital program, there is always great interest out there in where you are building and rebuilding highways with municipal leaders in the towns and the cities and villages and R.M.s. What is the formula that the minister has been using to determine where this department is going to spend their capital resources in this Budget?

Mr. Ashton: Is the member talking about this Budget or the previous Budget? Obviously, our capital project list for this year has not been announced yet. It should be announced shortly, but is he talking about this Budget or the previous Budget?

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Mr. Gilleshammer: Whether it is this Budget or a previous Budget, I am assuming or I am interpreting from what the minister is saying that these are the five regions where you try and balance out the work activities of the department. I am asking if there is any particular formula you follow in accepting contracts and proceeding with work.

Mr. Ashton: In terms of the allocation of specific projects, what projects are eligible, what projects are not eligible for cash flow, that basically is based on a series of factors. Basically, the same process was used by the previous government.

The basis for surface road, for example, generally tends to be in the 400 range. There can be other factors involved, too, in terms of community access, but we basically have not changed those specific criteria.

In terms of what then happens, obviously, is that you put everything into the overall hopper. There is more emphasis in terms of district No. 5, region No. 5, based on the fact that in the '90s, region No. 5 received as little as 4 percent of the capital program, but between individual projects we essentially are using a similar process to what the previous government looked at.

* (16:20)

There are other formulas that are looked at. When I say formulas, it is not an automatic element of the formula that if you reach the magic number that you then reach cash flow, but generally that is the point at which it is considered for cash flow. So for example if there is a sufficient traffic volume, we would look at four-laning, paved shoulders and paving or dust control. They all tend to be volume related.

I can probably provide a copy of the basic planning numbers that are used. The last revision of those numbers was '95, just to give the member an idea of the general concepts.

I mentioned traffic flow but obviously safety concerns. We are working on a number of projects right now which are very much related to very significantly higher safety concerns. There is road surface conditions, that is I think an obvious one, road and bridge geometric inadequacies. We have quite a bit in the system, as the member would know, in terms of perhaps designs that met standards at the time that the road was constructed but certainly are not consistent with engineering standards currently, road and bridge structural inadequacies.

I can tell the member we are spending a lot more of the budget over time, for example, on bridges. You know a place on a bridge is just an

indication of the age of bridges in the system and also in some cases the need to upgrade bridge structures, replace bridge structures to reflect RTAC weights. Capacity problems, traffic counts, I already mentioned truck traffic data, long-range upgrading plans, construction continuity, economic development, economic savings and maintenance costs. So those are the formulas. Most of the benchmarks that are being used currently were changed, I think, for the last time in 1995. Those are currently basically what we are looking at.

Mr. Gilleshammer: Mr. Acting Chairman, I just want to confirm what I think the minister said, that region No. 5, which is the Thompson regional office, the northern part of our province is getting a disproportionate amount of work in the last Budget and perhaps in this Budget. Is that what the minister is indicating?

Mr. Ashton: Well, I would suggest it is a proportionate amount of the Budget. There are a lot of challenges in region No. 5, roads that received little or no attention over the years. I mentioned 4 percent, 1994 I think was the low ebb, but the investment in the capital budget over the last number of years has not even matched the per capita part of the road network. I mean, I think we are looking at about 11 percent of the road network being in that area. That is the number that the previous government used to quote. That does not include, by the way, the 37 communities that do not have a road. So what we are dealing with is some significant deficit in terms of roads in that area, but as the member will have seen in the last capital budget, we have also addressed needs in many other areas.

I know there are a significant number of projects in the Interlake, Westman last year, Winkler Main Street, 433 in Lac du Bonnet. So we are dealing with needs across the province.

As a matter of government policy, we indicated a number of years ago that we would certainly address the infrastructure deficit that was out there in the road system. That is what we did in the last capital budget. I am sure the member will appreciate that one budget does not catch up for that entire period. There certainly will be some further focus in this Budget. I can

also indicate, as a bit of a preview to the budget, we will also be addressing some minimum standard issues in other areas.

We have already discussed, for example, the fact that we have extended a winter road into every Manitoba community. That did not exist 18 months ago.

I mentioned earlier that we had taken on the challenge of extending the road network. The previous policy was no extension of the road network. We are also looking at a number of areas where communities have gravel road access and where we can provide an improved situation in terms of safety, particularly in terms of dust control, when we are dealing with many communities that often do not have the option of either a paved or a dust-treated surface.

So I think you will see some further initiatives over the next number of days in that area and some of those are in northern Manitoba—actually many of them are not—and the bottom line is we believe that there needs to be more emphasis on many of the communities in this province that do not have any access or have minimal access. Once again, that was part of government policy.

Mr. Gilleshammer: The minister had indicated last day that, in terms of new construction, the department is able to do one project out of twenty that are on the table or on the books. So we understand that there is going to be a growing deficit because that number is growing. The minister referenced the fact that 11 percent of the road network was in the North. That figure probably has not changed that much. What proportion of the capital budget of \$100 million from last year would have been spent in that region of the province? I am just wondering if he can quantify it for me.

Mr. Ashton: You would have to break out the non-regional based programs. In fact, we put in more than 25 percent of the new capital projects. We did that. There were also ongoing projects and to put it in perspective, once again indicate the deficit that was out there. The amount of the existing capital project list that was in northern Manitoba which indicated the construction intent of the previous minister and previous government was 6.89 percent. What we did by putting in a higher amount on the new projects, it

allowed us to look at dealing with the real problems with roads such as 373 to Cross Lake and Norway House and 374. Some other long-standing difficulties and we anticipate dealing with some of those again this year.

At the same time we cash-flowed a fair number of the projects. The member will know, of course, you have a two-year time frame. So last year we had a combination of the new project list and the old project list. Once again, 6.89 percent was not an adequate reflection of the road needs in this particular region. We did put more of the new project list in that area and the combined flow. I think that provides some greater balance than we have seen in the highways budget for quite some time. We did not see one region getting as low as 4 percent of the capital project list.

Mr. Gilleshammer: Certainly it is the Government's prerogative and the minister's prerogative to make those decisions on where capital money is spent. He has decided and Government has decided to spend 25 percent of that capital in region 5, in the North. That is something that they have established and will have to be accountable for with people who may see it a different way. That is just the way it is and I accept that.

I was asking about No. 10 south before we got distracted into the tablings the minister had. I would ask again, No. 10 south of Brandon to No. 2 highway has been surveyed, and I think designed and staked, and meetings have been held. What is going to happen this construction season?

Mr. Ashton: I can indicate the portion from 453 to 110, which is the current portion that is receiving attention in that area is either going to tender or has gone to tender. I can confirm that for the member. The original tender date actually was prior to today. Grading of that area will be the next step of the redevelopment of that particular highway.

Mr. Gilleshammer: Just for clarification, I do not know whether I understood you, that is No. 10 south of Brandon to—

* (16:30)

Mr. Ashton: 453 to 110 south of Brandon, and from 453.

Mr. Gilleshammer: Okay, 453, where is that?

Mr. Ashton: If you take the bypass going south, 453 is about halfway between Carroll and Brandon. It cuts across east-west.

Mr. Gilleshammer: Between the log cabin—

Mr. Ashton: Part of it. I am getting the landmark description is from Clementi Hill to Brandon.

An Honourable Member: Okay, I understand.

Mr. Gilleshammer: There is, I guess, a long-standing discussion going on between the department and landowners in that area about changes to limit access where you are putting passing lanes in. Some of the landowners feel you are being a little more aggressive than you need to be in terms of the length of the passing lanes. It could impact a number of residences and maybe one or more businesses in that area.

Is that a plan that I have talked to the deputy about in the past? Is it unchanged? Is it proceeding with the same passing lanes as had been indicated the preference of the department before?

Mr. Ashton: The department, as it always does, went through a long-term development process, developed a number of proposals, did listen to some of the concerns in the area.

I certainly acknowledge that there came a point at which the department and I felt, as minister, that while there may be some inconvenience, we felt that having proper passing lanes was important for that highway. This is a highway that perhaps 10, 20 years ago might have seen even more significant upgrading at this point in time. Increasingly we are looking at passing lanes, partly as a matter of cost, but also they are relatively effective. They are in the range of effectiveness of moving to four-laning with obviously much less cost and impact on the surrounding areas.

While I certainly acknowledge that some of the landowners may be somewhat inconvenienced, unfortunately, any option that would have eliminated that inconvenience or even reduced it further would have affected the degree to which the passing lanes would have been effective. So I certainly acknowledge the concerns of the landowners. I can assure the member I do not think the department's intent was to be overly aggressive, but there comes a point at which if you are going to improve safety, you have to maintain certain standards and certain quality of construction in terms of that.

I suggest to the member, and I know we have talked about this before and he has raised this on behalf of his constituents and riding as well, that I would be more than happy to provide some of the background information, but any further changes I think would have significantly impacted on the real safety benefit of these passing lanes. It really will make a difference on an area that has got a significant growth in traffic, as the member knows being in his constituency and area of the province.

The Acting Chairperson (Tom Nevakshonoff): Before I recognize the Member for Minnedosa, I ask anybody else in the audience, if they have cell phones to turn them off at this point in time, please.

Mr. Gilleshammer: Can the minister indicate whether all of the required land has been purchased at this time, or whether there is going to have to be expropriations in that area?

Mr. Ashton: All the properties have either been acquired or have gone through expropriation. I can add that there was an inquiry on this expropriation. As the member knows, where there are issues related to the project itself rather than land evaluation issues, there often or in fact usually is an inquiry so some of the concerns that were expressed by landowners would have been raised in that context. But the land has been acquired for the project.

Mr. Gilleshammer: In terms of the expropriation that you did, was it just one piece of property or was there more than one landowner involved?

Mr. Ashton: There was more than one.

Mr. Gilleshammer: Can you indicate how many?

Mr. Ashton: The project affects 16 separate parcels of land. I can also indicate, to be specific on the inquiry, it was held on December 19, 2000, in Brandon, and the inquiry officer, in the report, indicated that the intended expropriation is fair and reasonably necessary to achieve the authority's objective.

Mr. Gilleshammer: How many landowners had their land expropriated?

Mr. Ashton: I do not have that information. Just to indicate, there were objections brought by four landowners. So it will be at least four. It may possibly be higher, but I can get the specific number.

Mr. Gilleshammer: Well, that is usually a good barometer of the feelings of the people in the area, when the land is difficult to buy and the heavy hand of government comes in to expropriate it. So I would encourage you maybe to take a second look at that, to the minister. There are passing lanes there now, and what this plan will do is extend them considerably. There just may be other options, but if you have decided to go ahead with it, that is fine. We will leave that there.

I want to ask about Highway 25. I understand restrictions were placed on it this spring for the first time ever. I know the minister met with the group that I met in the hallway just by accident the other day, consisting of at least one mayor and a reeve and some councillors, where people were going to ask the minister to take a second look at Highway 25, which is the highway leading from No. 10 into Rivers.

As I say, it was one of the ones restricted this spring, and I just wonder where that is at this time.

Mr. Ashton: The member is quite correct. It was restricted for the first time this spring. It is reflective of some of the situations that do develop with our roads. I certainly indicate now that this is going to be a very challenging spring

overall, because of the wet sub-grade. Because of a lot of moisture from last fall, we are going to be seeing some further difficulties in roads. I hope to give a further update to members at the Legislature tomorrow.

We did meet and obviously recognized the impact. It was not a decision that we took lightly, but it was very much to protect the road, as the member is aware. When you end up with this kind of situation, if you do not put the restriction in place, it can deteriorate the road much more severely. Having had the opportunity to meet with not only affected municipalities but also people from the trucking industry and other people from the area, we will certainly be looking at what we can do in the future to address that particular situation.

I want to acknowledge on the record, too, that we also did try to work with the people in the area to the degree which we could, while still protecting the road surface, in terms of the actual restrictions. But I certainly understand the impact that it has had and can potentially have in the future.

It is one thing when you have a road that is either RTAC or not RTAC, and you know that in advance, but the difficulty is obviously traffic that is predicated on it being an unrestricted RTAC route. We certainly acknowledged the impact that it had on the area. We are looking currently at what we can do in the future to mitigate that.

Mr. Gilleshammer: Is it normal business to restrict RTAC roads? This is the first one I have heard of, but I am just wondering if this is a common occurrence.

* (16:40)

Mr. Ashton: Yes, it is relatively unusual. One of the factors involved is the fact that the RTAC system has been around since 1988. If you go back to roads that were constructed previously they have tended to be older. You will see the impact on those roads far more than the RTAC roads, but it is an indication again that we have some RTAC roads that are starting to show some impact of age. That combined with wet sub-grades can be very difficult on the road surface.

That is why we had to make this decision this year.

Mr. Gilleshammer: Well, I thank the Minister for that answer. I travelled 25 highway recently, and I can tell you there are other highways in much worse condition. I found 16 Highway this year probably more beat up than I had seen it for a while. Number 25 did not show those signs, but maybe highways engineers have a way of measuring and testing roads like Highway 25 that to the naked eye one does not see, but it was not broken up. It had not seemed to have changed much. I deliberately drove down there just to see what condition it was in. While admittedly it is not a superhighway, I could not see any difference from this spring to other springs. Certainly I have noticed that, as I say, on 16 and places on No. 10 to a much greater degree. So I am wondering what the standard is that you measure this by.

Mr. Ashton: It is a technical decision based on deflection rebound. To a certain extent the fact that it is not broken up indicates the restrictions are working. If we had not restricted the road you would have seen it in much worse shape. Truck traffic, heavy traffic, school buses even have a significant impact on road surfaces. I am sure the member is aware of this, but a truck can have the impact of a thousand cars. Depending on the load it can be more significant. If it is overloaded, you tend to get even more impact. So it was based on a technical decision.

I think the fact that it is in the shape it is in now is indicative of the fact that it was the right decision by the department to protect the road. While I recognize some of the inconvenience it has impacted, the impact of severe deterioration of the highway would be even more significant on our highway system and the communities involved. So that is why we took the step.

Mr. Gilleshammer: Can you just tell me how many RTAC roads were restricted this spring? Was it five, ten, fifty?

Mr. Ashton: The answer is Highway 2, Highway 3 and Highway 25.

Mr. Gilleshammer: So under this new policy that has not been used before on RTAC

highways, it was deemed necessary to restrict only two of them. Given the condition of Highway 16, would you ever consider restricting it? Being one of our national highways, I would see some difficulties, but there are some places where it is pretty beat up as well.

Mr. Ashton: I would not classify it as a new policy. I think it is just an ongoing monitoring of the system by the department. You know, it was certainly based on the technical situation. I think the member raises a good point, especially with 16 being part of the national highway network. I mentioned earlier and will mention again that we are likely to see, in fact we will see the first money under the federal government's national highways initiative next year and certainly, we will be looking at 16, with Highway 1 as well. I think, when there is even any question about the road, Highway 16 or Highway 1 on the national system, I think it points to, once again, the need for a national policy on national highways because effectively, for the last five years, there have been no national highways in this province. They may be designated that way, but they have not received a cent. I know the previous minister, the Member for Lac du Bonnet (Mr. Praznik) was pretty vocal on this as well. That has not changed. I just think the member makes a good point.

There has been some significant work done on 16 in the last number of years but, once again, there is huge traffic volumes on 16. It is an important part of the western Canadian highway system. It does require fairly significant ongoing attention, and I am certainly more than aware of it. I have driven a good chunk of 16 myself. I think I know the sections the member is referring to, and it certainly will be one of the priorities for us in the national system.

Mr. Gilleshammer: I would ask the minister if the standard used on Highway 3 and Highway 25 to restrict these RTAC highways, which, I think, is a new direction for the department to go, a new policy, was the same standard applied to all RTAC roads in the province?

Mr. Ashton: It is the same procedure for all roads. You know, we monitor roads whether on the national system or whether they are designated under other designations within the

provincial system. The same process is used for all roads.

Mr. Gilleshammer: Is it fair to say these were the two deemed in the most delicate state that they had to be restricted.

Mr. Ashton: That is correct.

Mr. Gilleshammer: I want to ask about the Brandon bypass. I have a constituent who phones me occasionally who lives in the village of Chater. In fact, I am just playing telephone tag with him now, but his concerns, I think, have been brought to members of the Legislature and to the minister in the department before. The eastern access road that comes across the Assiniboine and then jogs down the Shilo highway before it heads north on an existing highway was seen as a temporary route. My constituent is wanting to know if the original design is going to be accepted and used in the near future, which would take the by-pass straight to No. 1 highway instead of going through the village of Chater.

Mr. Ashton: The department is still working on the design. It is a fairly significant project in terms of cost, so it has not been cash flowed.

Mr. Gilleshammer: I hear the minister saying the department is working on the design, and presumably your engineers could design that in a year or so. Would that mean that would become a priority of the department to advance that project and not have the large number of trucks that use that bypass that go through the village of Chater, there will be, within a year, a remedy for that?

Mr. Ashton: It is not unlike some of our other projects and everyone knows some of the others that are out there. There are projects that have been on the books for quite some time, potential projects, and to a certain extent what the department has done and this has not changed for this Government is, you know, where there is a perceived future need, the plan is there, the plan is, a planning document we are looking at this, for example, now ongoing discussions in Neepawa which the member would be I am sure more than aware of in his neighbouring constituency. So, in that sense, when I say that

the plan is there it is still an operative plan, but I just ask for a quick estimate what the cost would be and will be, will be \$10 million plus. Obviously, looking at some of the other needs on the highway system, the member in his previous questions mentioned some of the existing pressures. I would suspect that would be the kind of focus that we would be looking at rather than this, you know, in the immediate sense. As I said, the plan is on the books but it is not there for imminent cash flow and it is not in the capital program.

* (16:50)

Mr. Gilleshammer: There is a bridge structure on that stretch of road as you come off the Shilo highway and head north. It was an existing structure that probably was built at a time when it was not contemplated that these huge trucks would be using it and using it frequently. The minister will have traffic counts to indicate how many trucks travel that way. Is he comfortable that that bridge is sufficient to maintain the weights that are going over it?

Mr. Ashton: Actually it is a legitimate concern and we are working on it. We are working on strengthening the bridge to reflect the traffic movement. As I say, it is a legitimate point and it is being worked on by the department right now.

Mr. Gilleshammer: So, when the minister indicates that there is a need to strengthen the bridge, is that simply sort of Band-Aid work where you put some more supports under it or do you replace it and do it right?

Mr. Ashton: It will be brought up to spec, and I certainly would not agree with the characterization of the work being Band-Aid. In fact, as the member is probably aware, we are doing a lot of work on bridges now that is proving to be very effective in terms of supports, some very innovative supports have been developed right here in the province through ISIS. It is going to provide the specifications that are required to make sure it can handle the traffic. I can assure the member of that. And this is generally where we have been moving on bridges. I mean rather than get to the significant cost of replacement, as the member is probably aware bridges can be

quite an expensive part of our Budget. Wherever we can strengthen we do that, but it will be strengthened to specs, specific specifications and will be I think reflective of the traffic flows that member has pointed to. It is just that it is a legitimate point and the department is working on it.

Mr. Gilleshammer: My constituent often raises concerns around safety with the amount of chemical, fertilizer, gasoline and propane that is hauled through that area next to the water supply. Is there any concern in the department that there needs to be any further regulation in terms of speed zones or perhaps paved shoulders or any other remediation to the existing highway to make it safer?

Madam Chairperson in the Chair

Mr. Ashton: There is an ongoing attention to those kinds of concerns, I mean, the dangerous goods route through Brandon obviously and through this particular area. I would not say there were any concerns over and above what you would find on similar roads elsewhere. With this degree of traffic flow and traffic volume, you are going to get a mix of traffic, including commercial traffic including those kinds of vehicles. So I appreciate the member raising the concern of his constituent. The department would be generally aware of such concerns in the system, but not focussing particularly on this particular road as being anything over and above the highway system generally.

Mr. Gilleshammer: Can I ask about where the department gets its signs produced these days? Is there a long-term arrangement that has been made to produce signs for the Department of Highways?

Mr. Ashton: The sign contract has been with Signal Industries out of Dauphin. The member may be aware of the background of this. The previous government privatized the contract. It was initially extended by the previous government in its original length, and we had a further extension. We put it up for tender again recently. I think there has been a submission from the different companies that submitted a tender. We are currently going through the award stage. It may still in fact be before Treasury Board. So I

cannot give the member an indication yet in terms of the specific successful bidder until we go through that, but probably in the next few days we will be in a position to make the member aware of that.

Mr. Gilleshammer: So the signs are currently being produced in Dauphin with the company that has been doing it, but the tenders were let. I am wondering how many companies tendered on this particular contract.

Mr. Ashton: Five.

Mr. Gilleshammer: Thank you. So you are in the final stages then of reviewing the tenders. Presumably the company that is going to be successful will have met all the requirements and will be the lowest tender. Is that basically the criteria that you would look at, the ability to fulfill the contract and then the lowest tender?

Mr. Ashton: It would be the lowest qualified bidder. We would look both at the price and also whether the bidder met the specifications and requirements of the tender.

Mr. Gilleshammer: Okay, I think that is what I was asking. Presumably you have requirements that have to be met. If people have reached the final stage and they qualify to do the work, then you would naturally look at the lowest cost to the department.

Mr. Ashton: Yes. When the member says qualifying, you know, essentially, people can put in tenders as they see fit. What then will happen is that the department will look at those tenders and will look at both the price and whether they have met the specifications of the department, and then obviously that will be the combination of factors that will be looked at. It is no different from any of the other contracts in government. The member is, I am sure, aware of this. You know, we have our needs as a province, and the department has its needs. Those are part of the specifications.

Once again, until the tenders are actually submitted, that is the point at which we ascertain that. It is fairly standard within government contracts. In some cases, we may get a bid that may appear to be a lower cost, but if it does not

meet the specifications or may have factors that were not included and that would lead to a higher cost, we look at that. As I said, I wish I could tell the member. I can tell him it is very close to being finalized. I will be able to make information available to the member on the specific successful bidder probably very shortly.

Mr. Gilleshammer: The location of the company who is bidding on the contract, is it of any consequence to the minister? These tenders are open to anyone across the country that has bid and there is no preference given to Manitoba companies?

Mr. Ashton: Thanks to the internal agreement on free trade, which I am sure the member is aware of, that predates my becoming minister, we are in an environment where we are required to open the tendering process to other provinces and vice versa. Obviously I think Manitobans would prefer as much as possible to have business go to Manitoba companies, but we actually are confident that a lot of that can be achieved through making available opportunities, get some awareness with companies in the province.

* (17:00)

I will give you an example. I realize it is a bit off this specific tender, but on the Government Services side we have brought in a new initiative on the procurement side. One of the things we are hoping to do is make businesses more aware of what is out there and make it more accessible to Manitoba businesses. We actually think Manitoba businesses can compete for tendering here in the province.

The difficulty of course is if you end up in an environment where you start to discriminate against other provinces' companies, you can expect the same kind of treatment, and it would restrict our companies from access to the remaining 96 percent of the Canadian market. So we have continued with that. As much as we obviously hope to see as many contracts as possible go to Manitoba companies, under the Agreement on Internal Trade we are required to have it available to all bidders, and we respect that and obviously would look to what is best for the Manitoba taxpayer. If it is out of province

and that company has the lowest qualified bid, obviously that would be what we would look at. I think that is the best use of taxpayers' money, and that is something we have not changed.

Mr. Gilleshammer: I am pleased to hear the minister say that, because we as a province do depend on trade a great deal, interprovincial and trade with other countries. I think it is important that we respect the fact that many businesses throughout our province bid on work across the world. Certainly within Canada we are party to those interprovincial trade agreements. I think it is incumbent upon us to play fairly and to respect the fact that we have signed agreements and that, everything else being equal, we will go with the lowest tender.

On a new issue, the minister no doubt would take time from his busy schedule to look at the newsletter of the heavy construction industry. The last one, I am reading here, or the current one I am reading from April 25, talks about a disastrous construction season looming. The writer has written to the Premier (Mr. Doer), to the federal political minister for Manitoba, to the mayor and others, warning of a looming disastrous construction season with negative consequences upon the heavy construction industry and its employees in Manitoba. It goes on to indicate that heavy construction employs 10 000 Manitobans directly and indirectly, many of whom remain unemployed. I am just wondering if the minister can give them some comfort that we are going to have a construction season and that these tenders will be let some time in the near future.

Mr. Ashton: Not only did I take the time out from my busy schedule to read that, I actually took time out last night to meet with the association, along with senior officials from the department. I assured the association that we are very close to announcing our capital program for this year.

The capital program itself only partially deals with this year. Some of the projects will be cash-flowed, but as the member knows, primarily when you announce a capital program you also are giving notice of intent for next year. We have already got \$27 million in either carry-over or initially announced projects. There will

be a significant number of projects coming up over the next period of time.

I have also indicated that we have a bit of a paradox here. On the road side, there is going to be a significant amount of construction this year, including South Indian Lake, which is not part of the Core Capital program, but it is noted in the Estimates and it is something I think is long overdue. It is going to probably involve about \$13 million this year, a minimum of additional construction expenditures. There are also some areas, I outlined the association, the airport capital. For example, we have increased that. We have a new initiative. That proposal put further improvements to airport capital in co-operation with the federal government. Winter road construction, we have increased the winter road budget from approximately \$2 million to what could this year be upwards of \$5 million to extend the winter road network into four Manitoba communities. I mentioned that in my opening remarks. So, in the general context, there will be some additional construction this year. Certainly, in nominal dollar terms, it would be probably more road construction and transportation-related construction than there has been for quite some time.

Now having said that, the concern in the industry and the reality is that some of the other areas of construction are not that active right now, some of the other sectors. They are also still waiting for City of Winnipeg projects. We have also infrastructure, the Grain Roads Program, a number of federal-provincial programs that may be holding up some projects. I will just give an example on the Grain Roads Program. We are still waiting for Treasury Board approval from the federal government. We put our agreement through Cabinet. We have agreed to participate in the program. We have money budgeted in the capital program, but that may come later in the season and that is compounding the situation in the industry.

To be quite frank, in terms of what has happened, our dollars in the capital budget are certainly up and some of the construction levels are up, but there have also been some significant increases in costs that have impacted us and also eventually impact on the industry. The increased price of asphalt is a significant factor out there.

So when the industry writes they are, I think, in the short run, quite correct. We are trying to move our new capital project out and some of the new projects out in the next period of time, but in the medium to long term I would like to stress that I think the industry has raised some significant points.

One of the key challenges for us—and if you look on the horizon in the medium to long term, there are some very encouraging signs. The floodway, if we can move ahead on the floodway, that is going to be a huge benefit for people in this province, and it also is going to be a significant boost for the construction industry. Remote access, the southeast side of Lake Winnipeg, for example. I mentioned that in my opening remarks. The initial dollar figures we have seen for extending the road network on the southeast side of Lake Winnipeg range around about \$300 million. It could cost you a billion dollars plus to extend a road into every Manitoba community, but if we can have a partnership with the federal government—and we have been talking to them—and perhaps with First Nations and the communities in the area, and I think with the industry, these could be major projects.

I will tell you what I quoted to the industry yesterday, and I will mention this publicly here. As an economist, I remember when Keynes was quoted once saying that in the long run we are all dead. That was part of his critique of economic models that are always based on the long run. I realize that is cold comfort to some people going through some difficult times in the industry right now, and I acknowledge that and I want to acknowledge on the record that I think they have raised some legitimate concerns. We are going to be doing what we can to get our projects out.

I also think, and I want to acknowledge on the record, that given some of the circumstances that have developed this year, I think going into next year our intent would be to get the capital program out even earlier. I think there is a legitimate concern there, and it is not strictly the Highways capital program, it is a factor of the City of Winnipeg I mentioned, but there are some pressures on the construction industry.

The concern I have as Minister of Transportation is if we end up with people

leaving the industry, what we will end up with is we will not have the construction capacity for some of the projects I mentioned. We also will not be getting the competitive tenders, and here is one of the paradoxes. We are probably getting quite competitive tenders, given the circumstance, and perhaps too competitive. When you have people who are really hungry for business, you may get some fairly low-ball tendering. What that does over a period of time is it drives people from the industry. So that is a concern to us.

* (17:10)

The report that the member read into the record, some of the comments were certainly echoed in the meeting I had yesterday with senior departmental officials, and it is something we do take seriously. There is a difficult situation in the construction industry right now, and while there may be some very good prospects in the medium to long term, there are some real concerns in the short term.

Mr. Gilleshammer: I recognize the minister is waiting to announce his capital budget, but is there not some carry-over work from last fall that could have been tendered? If this is more a cash-flow problem than a problem to do with announcing a new program, that whether it is Treasury Board or the Minister of Finance (Mr. Selinger) indicating when those tenders can go, by delaying them it does allow you to manage your cash flow, but it is keeping the construction industry from doing their work.

Mr. Ashton: What I can indicate is there was \$9 million of carry-over, \$18 million that has already been tendered, and we actually provided the industry with a list for the remainder of the year of the existing capital program and our intended dates of release, an award of tender.

So they have that. There are some projects in the new capital project that will be cash-flowed this year. Those will be the only elements that will be new to the industry because there will also be a significant part of that which actually will be announced as intent for next year. So they actually have been provided a fair amount of information.

What is holding it back? I mentioned the Grain Roads Program. That has not been approved. That is cost-shared between us, the federal government, the municipalities and the federal government. That is a chunk, but a significant chunk of it. On the national highway program, there is nothing this year; so that could have made a difference.

So in a general sense, we provided whatever information we can. We are cash-flowing projects right now, and we are trying to get the new project list out so that the portion of that that will flow this year can also be put to tender fairly early on.

One of the other concerns I can mention to the member that the industry has, which certainly is something we do take seriously, and that is the relatively short construction season in the province. The prime construction season for a lot of roads really is July and August, particularly paving projects.

So we are to be having some dialogue with the industry to see ways in which we can improve communication, although I want to stress again that we have given a fairly complete tender list to the industry. So it is not strictly informational. Part of it is they have got concerns on the city side. A lot of the infrastructure programs have not moved ahead yet. There may have been significant dike-related projects in the past.

So there is a bit of a combination of factors that has led to more than a significant downturn right now. We are hoping, though, especially when a lot of these projects, most of which we have already got slated to go, once they are on line and awards are tendered, that that will make a difference, and the companies will be able to call back a significant number of their employees.

Mr. Gilleshammer: The point I was making is that the one signal that you need is from Treasury Board to go ahead and tender these, that they are part of your capital program. The work has been done; you just need the word to go ahead and tender them and you could proceed with them.

Mr. Ashton: That is the case with the new project list, and the announcement will come up very shortly on that. The existing capital budget, essentially once the capital program is approved by Cabinet—as I am sure the member will be aware, that is the key decision point. Treasury Board is, of course, critical and the Minister of Finance (Mr. Selinger). The member would know this from a previous role, that in every Budget you have to determine how much money you have to spend, so the Finance Minister and Treasury Board are absolutely critical in that end of it. We know how much we have got to spend this year, and we have got the new program close to being announced. It could be out in a matter of days now. I am trying to get it out as soon as possible so that that portion which does flow this year can also be added to the revenue stream. I said this to the industry and we outlined there are projects that we already have cash flow coming through the system currently that will kick in over the next period of time. There is a time period between the release of the tender and the award of the tender and the ability of companies to get mobilized.

One other point, just to finish off, that the industry did raise which is of concern and certainly a legitimate concern, but it is a reality. That is the fact that there are far more environmental requirements that we are dealing with, not only provincial but federal. We are running into an increasing series of complications with the federal Fisheries Department. They have a significant number of inspectors in this province, and we have already run into a number of projects where obviously we have had to deal with specific concerns related to the federal Fisheries Department. That does complicate things not only for us but for contracts as well, and we are certainly aware of that.

The bottom line, though, is I think a lot of that is to do with the fact that as a society we are a lot more cognizant that everything we do can have an environmental impact, and certainly road construction can have a significant impact on the environment. Notwithstanding that, I think there are some legitimate concerns. We have certainly expressed that with the time frames that are involved. There have been a number of projects where we have had some

delays that I do not think necessarily related to scrutiny but just a matter of getting people at meetings, getting issues resolved under the current regulations we have in the environmental side. So I want to also acknowledge the fact that is a concern for the industry but we are aware of that and we face the same challenge as a department.

Mr. Gilleshammer: I am just going to turn it over to my colleague to talk about Government Services. But just before I do, one further question. Was there any money lapsed in your department last year on the construction budget?

Mr. Ashton: We lapsed \$1.8 million in the fiscal year 2000-2001.

Mr. Gilleshammer: That lapse is out of the construction budget?

Mr. Ashton: That is correct. There were a number of projects through various factors, weather, other delays, so it is a \$1.8 million lapse.

Mr. Edward Helwer (Gimli): I have a couple of highway questions that I would like to get. I might as well do them right now, before we bring in the Government Services people. I guess because of the rain and the wet weather in the Interlake area, some of the highways, especially a couple: No. 415 and No. 322 and also No. 416. I believe parts of them are closed because of frost wells. I guess they have been trying to patch them. The department of highways has been working trying to put rock and one thing or another in them to try to make the roads passable, but I believe these three roads in the Woodlands area are still closed I believe due to the weather and due to the softness of the road. Is there any indication when they will be able to get them in shape to reopen again?

* (17:20)

Mr. Ashton: I would like to acknowledge and I will have a further report tomorrow for members, the specific situation currently. We always have challenges in Manitoba in the spring as the member is aware. This year is a real challenge. A combination of some of the

significant moisture that we had in the fall along with the circumstances this spring that led to some real difficulties. I met earlier with senior staff and we went through some of the highways that are impacted. I certainly want to acknowledge the inconvenience it puts Manitobans in who use those roads. Unfortunately, there is not much we can do to control the combination of the wet subgrades that has led to this and the weather. Every time I look out the window and see more rain. Well, there are maybe some advantages with the frost side but it certainly adds to the problem.

The key element affecting the degree which those roads will be passable in a more normal manner will be the weather over the next period of time. I can indicate, we are also currently working on plans to repair the sections of highways that are impacted and we are anticipating a fairly significant cost this spring due to frost boils, general wet subgrades, combination of circumstances, and this is over and above anything we may experience from the disaster situation that has affected Westbourne, the Interlake and parts of the southeast. What I am referring to is not necessarily disaster-related but I guess for the department it is a bit of a disaster, but that is what we have to deal with. What I will try and do is tomorrow give more detailed information to the member on some of the roads that are impacted.

Actually I can give the member an update, if he wants, on the ones that are closed currently if that is of any assistance. This is the general information. It deals with some of the closures. There is a bridge out in PTH 26, south of the junction with 248. On PR 200, four kilometres south of the floodway to St. Adolphe it is closed, it is open to local traffic only, that is because of water over the road. PR 217, from PR 246 to 200, it is also closed, same situation. 218, from eight kilometres south of PR 201, that is closed, local traffic only, soft and muddy. 246, from PTH 23 to PR 217, that is closed, local traffic only, once again, water over the road. 262 is closed, water over the road, a section there. On 265 as well. What I will do is maybe just indicate the highways and if the member wants I can table it: 265 to 302 is closed, local traffic only; 311 same circumstance; 350 is closed in one section; 391 is down to one lane traffic; 415

is down to local traffic only, one lane traffic in the section between 518 and 322; 418 is affected in some sections; 462 is affected; 481 is affected at some sections; 489 is affected; 518 is affected in some sections; 587 as well, once again that is water over the road; Prairie Grove underpass which is under PTH 59, same situation; and there are a couple of main market roads, I see three of them in the Whitemouth Lake Road area, St. Labre Road I believe is closed, Burdina [*phonetic*] in the R.M. of Laurentia and the Warkentin East Road that is closed due to a washout.

I think the member can appreciate there is fairly significant impact most specifically related to high water levels or the roads being soft and muddy due to the conditions of the subgrade.

Mr. Helwer: I thank the minister for that. You know, I can realize it has been one of the worst springs for frost boils that we have had for quite a few years and there is no doubt some of the roads are in worse condition than they have been for years because of the frost boils. Then the rain, of course, this past weekend did not help very much. I just want to mention the importance again of 415 and 518, I believe is. It goes over to St. Laurent there. Because all that area is in a hospital district just east of them, it is necessary, in case of any emergencies, ambulances have to get on that road. It is the only road across over to the hospital at Teulon. So it is important to try to, I believe, get those roads in a passable condition. I realize you cannot do too much this time of the year other than try to fill in the holes and make them passable until such time as they dry up till you can repair them. I would appreciate everything that the highways people can do to try to keep these in a passable condition.

I just want to talk about some of the grant and aid for streets and roads. The amount that you have in your Budget for the grant and aid program is \$1.3 million. It has been that for some time. It is a very popular program with towns and villages and some of the municipalities. I know that probably the gas tax increase from some of these communities would be quite significant. Is there any hope of any increase in that grant and aid budget in any future?

Mr. Ashton: The grant and aid budget has not increased. What we experienced this year, though, was actually a drop in the number of applications probably due to the fact that a number of municipalities are pursuing their infrastructure needs through the infrastructure program. So, in actual fact, it should take some of the pressure off the program. Last year we received close to \$2.9 million of applications. This year it was around the \$2-million range. It is certainly a well-subscribed, popular program. To a certain extent, there was some disappointment in some municipalities last year, but the odds are a little better in the grant and aid program than they are in the overall capital programs. So I think, with the degree to which we are seeing the applications coming in, the current level is probably an appropriate one. The announcements will be coming out, by the way, on this year's grant and aid funding decisions fairly soon, but, obviously, we could not fund all the projects. There will be a number of fairly significant projects, and what we also do in dealing with this program is we try and balance out some of the demographic numbers, giving some greater weight to smaller municipalities which cannot otherwise afford these kinds of projects. That is one of the key elements. The other element we do look at is what the experience has been in the past. It is not something, obviously, that municipalities should budget for because it is a grant program. I would hazard a guess this year that you will see people being perhaps a little bit more satisfied with the results than last year by the simple fact that it is a lot easier to take \$1.3 million and apply it to \$2-million worth of applications than it is for 1.3 to 2.9.

Mr. Helwer: It has been a very popular program amongst the towns and villages and municipalities, and for the amount of money that you do have in that 1.3 you get a lot of mileage out of it actually because of the fact that it is cost shared with the towns and that. So it is a good program, and I would certainly encourage, if it is at all possible, to increase the amount in that and to try to look after more of the needs that come in.

Just one other question on highways, and that is there is a bridge on Highway 17 that was burned by fire here a number of years ago. It is

restricted. There has been a petition from some local residents there to try to get that improved. A lot of grain moves across that Highway 17 from No. 8 to No. 7 there actually. It is across Netley Creek. There is going to be a contract there to upgrade the drainage on Netley Creek. I was just wondering what the plan is on that bridge on Highway 17.

Mr. Ashton: What I can indicate is I can get some more details for the member. The advice I am getting is that there are some engineering issues that are ongoing there, but I will certainly undertake to follow up perhaps in writing to the member on the status of that.

* (17:30)

Mr. Helwer: I think the bridge would probably be replaced with a concrete culvert there and it would have to be done in the winter, I believe, or something like that, when you can build a fly-by or whatever you call that to go around the construction zone. Hopefully, if you could work that into your Budget and try to get that done as soon as possible it certainly would be appreciated, I think, by those people in that area.

Just on another topic in the highways department. At the present time, all commercial trucks and trailers have to be inspected and have a safety. Is there any plan on that also being transferred over or to include farm vehicles, smaller farm vehicles such as tandem trucks or class 3 trucks?

Mr. Ashton: There are no current plans in that area. Obviously if there were significant problems we would certainly have to address that, but generally I think those vehicles are kept in reasonably good shape. People have a very specific personal investment in them. But we are not pursuing any new initiative in that area.

Mr. Helwer: I appreciate that, because I do not think there is any need to increase that for farm vehicles at this time, because with the elevators further distances apart, there is probably more demand for commercial trucking. Commercial trucks have probably taken over some of that business that was by farm trucks and hauling it. So I am glad to hear that.

I wonder if we could switch over to Government Services now. I have a few questions. Are your Government Air Services under Government Services?

Mr. Ashton: Yes.

Mr. Helwer: Just a couple of questions on the Government Air Services. One of them is the water bombers. You now have seven, I believe, in operation plus some other firefighting equipment. I guess with this rain there is kind of a slowdown in the work of the water bombers, but they were busy, I suppose, last week.

I was just wondering if at the present time you still house them in Winnipeg here. Are there any plans to changing where you do maintenance in Winnipeg here?

Mr. Ashton: The lease goes for another five years, so we are not looking at any immediate situation there. Obviously these are the type of decisions that if you have a change in lease you perhaps review the situation at that time, but when you are into any length of lease obviously that commitment is ongoing. We are not looking at any moves in this area right now.

Mr. Helwer: What I gather then, the lease has been renewed for another five years. Is that what you are saying?

Mr. Ashton: There are five years left.

Mr. Helwer: I thought it was only a couple of years left, but if it is five years, that is fine.

I guess that sometimes you do some other work for other areas and one thing and another. Do the water bombers recover enough revenue to pay their operation in Manitoba, or how does that work?

Mr. Ashton: There is full-cost recovery.

Mr. Helwer: In the case when they do other work for fires other than forest fires, how is that cost recovered?

Mr. Ashton: It is fully cost recovered. It is charged at the rate that is required to recover all the costs.

Mr. Helwer: I noticed last year at a couple of times they were also helping out in house fires, I guess, or larger commercial building fires. I think one was in the town of Selkirk, I guess, and one thing and another. Was that one that would have been charged out at the rate of whatever the cost would be?

Mr. Ashton: The bottom line here is the client in this case was Conservation. What cost recovery Conservation would have had, if any, I could not ask for and would probably refer the member to the other committee. However, I believe Conservation is currently in its Estimates, so we recovered the costs from the other department.

Mr. Helwer: Good. I appreciate that. I know that they do a good job these water bombers, and some are housed in Gimli at the old air base there, one thing and another, for some time during the summers. Well, they are based there for part time in the summer, I guess, because of the ease to move quicker.

I guess some have been as far south as South America. Where is the extra custom work that you do with those mainly for fighting fires? Are there other provinces in Canada, or is it the U.S. and other countries?

Mr. Ashton: Madam Chairperson, the bottom line is on this we do have agreements with other Canadian jurisdictions. There has been some discussion in terms of the United States to work out a uniform lines resource sharing agreement. Primarily, if our resources are used elsewhere, it has been within Canada.

Mr. Helwer: In some of the Government offices that can provide to other departments such as the Department of Agriculture and I guess other Natural Resources or Conservation. The Ag office in Stonewall, are there any plans on enlarging that or changing that office there?

Mr. Ashton: We would have to get back to the member on that. Obviously Government Services provides service to departments. They are the clients, but in this particular case I will certainly see if there is any ongoing activity that involves that department in Stonewall.

* (17:40)

Mr. Helwer: Likewise in the building in Teulon, the provincial building there is leased from the private owner. There are a number of other departments there, Agriculture and Family Services, I believe, are the departments in that. There were some problems with the people that owned the building there last year and the Department of Agriculture was looking at moving to another location. Has that been resolved in the Teulon area?

Mr. Ashton: As I did with the previous one, I want to get back to the member. I can get a detailed response to him. What I suggest, too, if I can I will try and get it for the next Estimates sitting, but if we do complete Estimates in the meantime I will respond in writing to him.

Mr. Helwer: Okay, that is fine, thank you. The food services tender, I guess, down in this building is up for renewal or, I guess, will be in the near future. Do you anticipate, will that go out to tender, or how will that be handled?

Mr. Ashton: The existing agreement is up in August, and the normal procedure is to go to tender.

Mr. Helwer: Just on the part of the Industrial Park there at Gimli that was owned by the Province and sold to the R.M. or turned over to the R.M. in some cases, there are still some buildings that were owned by the Province there and land management had some property for sale. What part does land management there have for sale yet, or have they been successful in moving some of those properties?

Mr. Ashton: One of those properties is on the market.

Mr. Helwer: I did not quite understand that.

Mr. Ashton: One of the properties the member was referring to is on the market.

Mr. Helwer: Okay. I think, I believe one of the old hangars was sold there for salvage value and was damaged by fire and whatever, but I imagine that has been cleaned up, and that is sorted out. Are there other properties available there at this time?

Mr. Ashton: There are three properties that are currently with short-term leases, with an economic development agency which I am sure the member is aware of. We are in discussions with that agency on the longer-term situation, whether we look at longer-term leases or sale or other options.

Mr. Helwer: Under the airport improvement program whereby—I forget the number of the budget that you have for that. I believe a number of municipal airports, such as the one in Gimli there, have applied for some assistance to try to repair some of the runways, the cracks and one thing or another. Is there any more money in that budget for airport improvements, and where is that mainly being spent?

Mr. Ashton: I will just have to do a quick shift. That is on the Transportation side of the department. There is no change on the program. Some of the announcements I believe have gone out. The others are in the process of going out this year in terms of this year's decisions. The programs now ongoing will be continued this year as well.

Mr. Helwer: I have just been handed from my colleague here a note with a listing of some of the improvements, 17 projects that have been approved. I guess one of them is at Gimli for about \$60,000 for apron replacement or apron fixing, so I appreciate that.

Mr. Ashton: Actually, I can indicate that has been approved. That has been approved, the \$60,000 for Gimli.

Mr. Helwer: So all these listed in this particular thing have been approved, 17 projects for assistance, various municipal airports around the province. Good.

Just a couple of questions on Mail Management. I guess over the years there have been some changes made in the way Mail Management is operated. I noticed some of my colleagues have been having trouble with the slowness of mail, with how long it takes to get out of this building and one thing or another. Are there any improvements planned or is there anything you can tell us that would improve the service of Mail Management?

Mr. Ashton: I am wondering if the member is referring to a specific situation. I would be more than willing to follow up on that, because the information that we have is that 99.8 percent of the mail goes out on the same day. I do not have the performance targets here. Also, in terms of the next business day, depot-to-depot delivery of interdepartmental mail, it is 99.9 percent.

Now, I realize the member might have been the 0.1 percent at one time or on another occasion. So if the member has any specific examples or if he wants to provide them in either the committee or to us in correspondence, we would certainly be willing to look at it. I know there are occasional situations where there are difficulties, but, generally, Mail Management has been very efficient.

Mr. Helwer: Yes, I think in most cases they have done a pretty good job except I think most of the problems, complaints, came from members who were sending franked pieces out and they were going to the wrong areas mainly. It was kind of slow getting out, plus what happens is it could be that two different members are looked after from the same post office probably in rural Manitoba, as an example, or just outside of Winnipeg, and there have been some areas where there has been some overlap and some areas missed. It seems that they still have not got the areas quite pinned down as to where the right mail goes to the right place.

I am not sure if that is a Mail Management problem or where it stems from, but there have been some problems in that regard.

Mr. Ashton: I certainly appreciate what the member is talking about. I remember one time one of my Christmas card franks went to Selkirk. I know Selkirk is the gateway to the North but I thought that was going a little bit too far. I did not realize until I got a call from somebody in Selkirk who said: Thanks for sending me the card, but I still do not quite understand how the MLA for Thompson would send me a card. It was somebody I did not know. Anyway, we did get that corrected in the end, and I did assure the Member for Selkirk (Mr. Dewar) that I was not planning on switching seats to cut down on the commute time between Thompson, down to the

Selkirk to Winnipeg commute. So I know what the member is talking about.

We have raised this on numerous occasions with the Post Office. In some cases it may be the result of the person in the rural post office not being aware of the specifics, maybe a clerical error. I know in my own case I have had franks that have not been properly delivered according to the class of mail that is in place, so I have had to raise that with the Post Office. I have had other times where material has not been delivered on a timely basis. In that case, again, it was at the Post Office. So I appreciate the member raising that.

The intent of Mail Management is to get those franks out and the mail out generally. What I suggest is if there are specific circumstances to please raise it with us. We will make sure that we sit down with the Post Office. I am not trying to point fingers at the Post Office. If there is any fault from our side we will deal with it. Generally I think it has been a very efficient system, and certainly long before I was minister, but there is always room for improvement. We are at 99.9 percent, so we will work on the 0.1 percent.

An Honourable Member: I will defer to my colleague.

Mr. Gilleshammer: I have some concerns in that area too. I do not know whether there is a solution. My boundaries encircle Brandon East and Brandon West. Any constituents who receive their mail at the Brandon Post Office because they have a box and they work in Brandon, I do not know how anybody would solve that, unless you identified the box numbers of people living in the rural area, most of whom receive theirs at a rural lock box location. I guess it is a challenge I see for Mail Management, but I do not offer any solutions.

Mr. Ashton: That is a real issue, the rate of postage, because that might be something LAMC might want to look at, because if you did move away from that, I am certain it would cost more, but then you could actually target the specific addresses.

I know it is the same situation in my area. There are a lot of people who live at Paint Lake

and have a post office box in Thompson that happens to be in the same constituency now. It has not always been in the same constituency, so it is the same problem. The current mail rate we receive is a fairly advantageous mail rate. It is fairly inexpensive, and it is based on essentially a bulk mailout. So that may be something that could be raised through LAMC.

I certainly echo the frustration, but it is actually fairly similar to what happens in my area in apartment blocks. I have had this discussion with the Post Office, but my constituency franks go right next to the Safeway flyers. I have had some disagreements on whether that is what is supposed to happen, the mail rate that does go out, but they say that it is treated the same way as a flyer. That may be something we could look at, but of course it would cost money.

As a basic principle, by the way, just on a side note here, I do think it is important. One of the issues I want to indicate we have raised on constituent mailouts is the fact that the federal members of Parliament do not have their mail treated as junk mail. We felt the same thing should apply in our case, even if people have a "no junk mail or flyers." I do not consider mailouts from MLAs to be junk mail. We are in an ongoing dialogue with the federal minister on that. They have not moved on that, and I think it is really unfortunate. They quoted the obligation they have to deliver a member of Parliament's mail, but it does bother me. I know there is an increased number of people who have a sign up indicating no junk mail, so they do not get any communication from their member of the Legislature even if they, themselves, do not consider it junk mail. I would say most Manitobans would not. They may not always like the content, but they usually like to know what is going on from their member of the Legislature.

* (17:50)

Mr. Helwer: I believe it is called third class mail, but I think we have talked about that at some time in the past in other years and certainly nothing has been done to change it. That would be a step in the right direction, I believe, to give free mailing privileges.

Under the emergency measures program, under the latest flooding and some of the latest rain we have had in the last weekend, how many municipalities now have applied for assistance under the assistance program?

Mr. Ashton: Forty-four resolutions requesting disaster financial assistance. In the interest of time, I can provide that to the member or perhaps table it. In fact I just want to save time in reading it. Could I ask that there be leave to have the list put in the record?

Mr. Helwer: Sure, that would be fine. You can just table that and put it in the record.

Out of the 44 resolutions, I guess somewhere in the Portage area, the Westbourne area, some in the Interlake area, some in the southern Manitoba area. The area that was in '99 there, where the problems were with the southwest with the disaster assistance program, where some of those municipalities applied for assistance also and did not qualify in some cases and in some cases they did; not only that the municipalities did not qualify for some of their own work and damage to their roads, the road systems and one thing and another, but the part that the farmers, of course, were concerned with they did not apply. Has there been any other resolution to that in the last little while?

Mr. Ashton: What I will do because I know we are reaching the hour of adjournment here, but I think when the member sees the list, it will probably be self-evident. The obvious area we are seeing impact now with the 44 is southeast, Interlake, and up in the Ste. Rose, Westbourne area, but the member may wish to go through and look at the geographic indications.

The previous disaster there were actually 61 municipalities that were impacted. So it was fairly widespread. I mentioned this early in my comments that we have raised the ongoing situation in '99 with the federal government and the minister, because, you know, going back to the '99 situation, there was damage, covered for damage to property but not damage to productive capability of the farmland. It would be interesting to see what transpires this spring, but certainly in combination with November, well, we have already documented upwards of

\$400,000 worth of damage at that time. Just looking at this, without giving any off-the-cuff estimate but obviously looking at some damage, you know some eligible damage, we will raise concerns as well.

I think there may be some circumstances where there may be some specific farm issues again in terms of the productive capability of the land. It is too early to predict because weather could work in our favour. It has actually worked fairly well this spring, relatively speaking. I mean it could have been a lot worse if we had more significant moisture. I think the member will see the geographic distribution of the 44 communities, and it is consistent with what people would expect based on the distribution of the south eastern Interlake and Ste. Rose area.

Mr. Helwer: I believe that you will be getting a few more municipalities in this next week again because of the rain over the weekend. I know in the Interlake area, the R.M. of Gimli is one where there are a number of flooded basements and areas flooded. Just to clarify this, in areas where there are flooded basements from overland flooding, does that also qualify for under the disaster program?

Mr. Ashton: Yes, if there is a program established, that would be one of the type of expenses that people would be eligible for. The basic test is whether it is an insurable damage, not insured damage. If you do not buy insurance but it is available, that would create difficulties in putting a claim for it; but if it is not insurable, which generally overnight flooding is not insurable, that is where it is eligible subject to a program being established.

Mr. Helwer: Sometimes heavy rains can cause local flooding and that was the case in Elie the past summer and other areas, of course, too. So some of those areas do qualify under the program. Is that cost-shared by the federal government also? Under what percentage of the program?

Mr. Ashton: What I say is I can provide the member basically a sliding formula. There are municipal contributions and provincial contributions, and then the 9010 form kicks if it is a

significant disaster. But I will provide that information for the member.

Mr. Helwer: So this year with 44 or 61 municipalities the whole program would not click in. It would not be a 9010 program at this time yet.

Mr. Ashton: We are obviously assessing the current situation. We would certainly encourage, as we do with any potential disaster situation, for people that feel they have damage they might be eligible to contact municipalities who are the first contact on this. We also have our EMO staff right now out in the field. Certainly there could be a potential with this number of municipalities affected for a program and for a fairly significant cost-sharing, but I do not have a current estimate on the damage and I do not think we will really know until the weather improves and some of the situations clear up.

Mr. Helwer: Just on the issue, you talked about mould in your opening statement, and one thing and another, and mould in buildings. I know that from the 1997 flooding that we had, both 1996 and 1997, from the regions just around the Selkirk area, we had a number of homes that after they had dried out, some mould started to appear. Of course, it is not very good for the health of people in those homes. What has been done with some that did have that mould, and how was that finally resolved with the mould in some of those buildings?

Mr. Ashton: I am just wondering that, since we are close to six o'clock, I could provide detailed information. Perhaps at the next committee hearing.

An Honourable Member: Sure, we can do that.

Madam Chairperson: The hour being six o'clock, committee rise.

EXECUTIVE COUNCIL

* (15:00)

Mr. Chairperson (Conrad Santos): Would the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Executive

Council. Would the minister's staff please enter the Chamber.

We are on page 21 of the Estimates book, Resolution 2.1 General Administration (b) Management and Administration, and as previously agreed the committee is having a global discussion. The floor is now open for discussions.

Mr. Stuart Murray (Leader of the Official Opposition): I thought maybe, in light of the fact that the Premier (Mr. Doer) was in Brandon, that perhaps I could ask a question that has something to do with that area and at the same time, I think, commend the Premier for striking an all-party committee as he did on Shilo, the transfer of PPCLI to Shilo, and would like to congratulate him for getting the all-party committee together.

I would also at the same time like to congratulate, I think, the efforts of both our deputy leader, the Member for Minnedosa (Mr. Gilleshammer) and as well the Member for Fort Whyte (Mr. Loewen), who was also involved in that committee. I would like to ask the Premier—in his ministerial statement we went back and forth a little there—and I guess the question I would like to ask the Premier is if he can tell me if any talks at all have begun on the future of the Kapyong Barracks property here in Winnipeg.

Hon. Gary Doer (Premier): Mr. Chair, as the member opposite is aware, this announcement of the closing of Kapyong Barracks I think was made by the former Mulroney government quite a number of years ago and has had some capital investment, but with the living quarters for members of the 2PPCLI and very little capital, relative to say Shilo, the final decision of the Minister of National Defence was announced. Also, subsequent to that was an announcement that the M.P., Member of Parliament Anita Neville, would be charged with the responsibility of the disposition of that land.

I have heard conflicting stories in the media, nothing that I have had confirmed between the Member for Winnipeg South on the disposition of that land and its availability for an underpass and from the Minister of National Defence that this land would be disposed of by the federal

government in the typical way and that is be available on the marketplace, so we have not heard any confirmation of that.

I would say that when we have disposed of land ourselves, for example, the Brandon Mental Health Centre, we came up with a plan, and then made our financial announcement to the community of Brandon and made the decision on our own and offered it to the community. The community made a suggestion back, and we dealt with it and disposed of it.

So the federal government would not be dealing normally with the provincial government on the disposition of this land, and so far to date has not indicated that they would, and given there is an apparent conflict of information already from the Defence Minister and the member adjacent to that area about the availability of that land for purposes of an underpass versus not being available for an underpass.

Mr. Murray: Mr. Chair, in the understanding that, as the Premier indicated, it is in the hands of the federal government, in the event that some discussions do come forward and he is made aware of them, would he agree to at least notify or have involved the member from Tuxedo, as that part obviously falls into her constituency? It would be I think appreciated on this side if the Premier would indicate that if discussions came his way that he would make every effort to include the Member for Tuxedo (Mrs. Stefanson).

Mr. Doer: Yes, if they engage us in this discussion, maybe they will need us after they have split, then we would certainly involve the MLAs on one side of that area. I think there will be three MLAs affected. Fort Whyte, Tuxedo and River Heights would be adjacent to that area. Quite frankly, some of the talk about an underpass, when you do not have appropriate other infrastructure, i.e., expanding roads and a bridge, the St. James Bridge, then you have some deficiencies. But, yes, we will involve the members.

Mr. Murray: Mr. Chair, I wonder if the Premier just could provide an update to the people of Manitoba on the Devils Lake and Garrison

projects, specifically wondering what is the status of the American and state government on these projects.

Mr. Doer: We have a situation where the state of North Dakota is assuming a fair amount of, in our view, sovereign power of a state to proceed unilaterally on some projects that would be, in our view, contrary to the international treaties. In June of 1999, the administration with President Clinton met with the North Dakota senators and the North Dakota governor to cut a deal on the Devils Lake proposal. Subsequent to that North Dakota announced unilaterally that they were proceeding with a unilateral outlet in July of 1999, a fact that I was not aware of publicly at that time. *[interjection]* No, it is not an Order-in-Council. It is what went on in Question Period. *[interjection]* We can relive whatever we want.

The Devils Lake proposal has been announced prior to our election, and since our election we have tried to argue that it is contrary to the International Joint Commission boundary water treaty in the sense that it affects water quality here. Former Premier Filmon threatened court action. We have investigated court options on it and it is not as easy as it looks unless the action is taken. We have legal opinions, and it really depends what venue there should be.

If the member opposite watched the Florida court decisions that took place up to the Supreme Court of the United States, the American courts can be slightly, well, they can be very different from Canadian courts that are not as directly tied to parties after the people are appointed to the bench.

We are obviously opposed to the Devils Lake outlet. The water has gone up slightly this spring. I am not sure what has happened in the last week with the excessive moisture. It has not gone up as high as the peak in '99, but there is a natural outlet to Stump Lake, which we prefer, as opposed to an unnatural outlet being built unilaterally in Devils Lake.

We have indicated that we feel this should go to a federal environmental assessment in the U.S. government. North Dakota has offered us the chance to participate in their unilateral

process themselves. We have said, no, it should be Canada and the United States.

On the Garrison Diversion project, there was a compromise resolution passed in September of '99. There was a major expenditure of \$650 million U.S. passed through the Senate subcommittee, again without any attention here in Manitoba or political objections. I became aware of it on my first day of being sworn in and immediately was contacted by Ambassador Chrétien. We dealt with the Foreign Affairs Minister immediately upon election. We were quite surprised to see how far along this thing had gone without any objections. That proposal was amended in the dying days of the Senate and Congressional hearings in 2000. It is still a worrisome proposal because it appropriates money, but with some riders on it for downstream impact and interbasin transfer.

Subsequent to that, we have kept Minnesota on side opposed to the Garrison Diversion project, the North Dakota state water act. Missouri has now joined us. Missouri we think is an important ally because they get 58 percent of their water that goes by the arch at St. Louis from the Missouri River. They make the point it is not called the North Dakota River, it is called the Missouri River, and they are opposed to one drop of water leaving that ecosystem. We are opposed to it for foreign species purposes and water quality purposes.

Missouri's intervention, I think, is helpful. They have signed a memorandum agreement with Manitoba. I think it is safe to say they have more clout with the present administration with former Senator Ashcroft now in the Bush Cabinet, and Tom Thompson, who is also opposed to diversion projects, being a former governor of Wisconsin.

We have raised this with the new Foreign Affairs Minister who has raised it with Colin Powell, but it is safe to say that North Dakota is acting in a fairly unilateral way, and it is contrary to the best interests of Manitoba. We argued very strongly with Canada that we have done everything you have asked us to do. We have retained legal counsel. We have lobbied. We have got Minnesota on side opposed to it; we have Missouri on side. The real protection of

the treaties is a matter of two countries, not a state and a province. We have made that point to the Prime Minister. I discussed it with the Prime Minister as well.

* (15:10)

Mr. Murray: Could the Premier indicate, with his discussions with the Prime Minister, what his response was, and in fact if he is on the same page on this issue as the Premier?

Mr. Doer: He has raised it with former President Clinton. I am not sure whether he has raised it with President Bush. He knows that it was raised with Foreign Affairs Minister Manley, with Secretary of State Powell.

I do believe now that when I got elected, in the first 12 or 15 months, I have been playing a lot of catch up because the North Dakotans were saying that Manitoba and Canada were not opposed to either one of these projects when they are getting money appropriated. There was an absence, I guess because of the provincial election, and the lead up to the provincial election, of a contrary voice, but now that we have that voice out there, I think it is important to expand this to an all-party committee. Governments come and go, and this water will come if it is allowed to.

I have asked for a meeting to be set up in Washington sometime near the end of June. I am going to be inviting a representative from the Official Opposition and perhaps a representative from either Canada—but certainly the members opposite should be involved in this. I know that former Minister Enns, then-Opposition critic Enns was involved in the '80s on the Garrison Diversion project, if I can recall correctly. I am just going by memory, but it is better to have because we are dealing with a Republican governor, two Democratic senators and one Democratic congressional representative in North Dakota. I think it is good to have unity across the aisle.

We have had support from Governor Ventura and Governor Holden. We have support from the Great Lakes Water Commission on opposing diversions, but you know it is like Monty Hall down in Washington. Sometimes the merit of your case—we have the taxpayers'

organization against the naming of one of the top 10 boondoggles, we have the environmental groups. So we have the Taxpayers Association of the United States, plus the environmental groups, the Audubon, and all kinds of organizations opposed to it, but it keeps moving. As the former government knew, they just keep declaring things unilaterally and, to the dismay, I know, of former Premier Filmon in June and July of '99.

Mr. Murray: I am delighted that the Premier and the Taxpayers Association are on the same page; it is terrific. I would ask just for clarification, if I understood correctly, you commented that prior to you being sworn in as the Premier there was really no voice in terms of opposition in Canada, i.e., the federal government, up until that point, if I understood correctly.

So I guess my question then is: Has something changed since you have been the Premier of the province? Is that something that you have brought, or is it something that has changed on the federal scene?

Mr. Doer: I think we threatened North Dakota with court action in the past, and I think that is legitimate. The problem was I guess when North Dakota proceeded on a unilateral basis in '99, I think both Canada and Manitoba should have been down in Washington at the Senate committee hearings, subcommittee hearings, because that is where the \$650 million was approved. If I recall back in the '80s, Manitoba did appear before the subcommittee that was chaired at that point by the American representatives, the Senate representatives, and the money was stopped at the subcommittee level. That is the best place to stop it, because once it gets into the omnibus provisions, it becomes a problem.

When I came into office, the first week I was in office, Prime Minister Chrétien raised it with President Clinton at the meeting in Ottawa. I met President Clinton myself but you know the longer meeting took place between Canada and the United States with the President and the Prime Minister.

I do not believe the Americans should define Canada's position in Washington. You cannot

allow them to do that. And Manitoba cannot allow North Dakota to define Manitoba's position in Washington. It is a lot of lobbying and it might not make any difference but it is just, Washington is a place where deals are cut and they at least have to know you are there. The officials did raise it from Canada and Manitoba but I think we have to be more aggressive politically. And I think we, in government, have to expand it to all parties.

Mr. Murray: Mr. Chairperson, upon taking office, the Premier made a lot of strong statements about how he implemented a so-called hiring freeze. He indicated time and time again that only essential positions would be filled. Then it was revealed that there was no hiring freeze and, in fact, hundreds of new employees were hired, the majority of them non-essential. Again, the Premier is proving himself incapable of managing responsibly in our opinion.

He is unable to make needed difficult decisions. For example, upon taking office, the Premier went on at great length about the many dollars he was saving because he reduced the size of Cabinet. Yet, in his first Cabinet shuffle, he added another minister and he appears to be looking at adding yet another minister. I just wanted to talk about a comment that he made in the *Brandon Sun* article on April 27. He said, and I will just quote: Doer said he will keep a promise to hold his Cabinet to fewer than 18 ministers but would not say if he will add one more minister his next shuffle.

My question is: While he yet again avoided answering the media question, can the Premier today please indicate if he has any plans to add another minister to his Cabinet?

Mr. Doer: I said in the election campaign that we would have a smaller Cabinet than the previous government and I have kept that promise.

Mr. Murray: So I take that as a no.

Mr. Doer: I never tried to anticipate or ask the former premier how large his Cabinet would be. I noted that I think the member from Lakeside was added in the first Cabinet shuffle of Mr.

Filmon. I am just going by memory now, but I think I could see that announcement being made in—I am trying to go by memory—'89, maybe a little earlier, the former premier added a member, a good member I would suggest. I said I would keep our Cabinet smaller than the previous government. I have kept my promise. I am not going to try and put words in your mouth and I would ask for the same regard in terms of what I said.

Mr. Murray: Mr. Chairman, the Premier has also spoke at great length about how he has reduced the number of deputy ministers at a great savings to the Government. However, several individuals while not called deputy ministers are in fact being paid at a deputy minister's salary. For instance, Mr. Terry Duguid, who heads up the Clean Environment Commission is being paid at a deputy minister's salary. I am sure that the Premier signed the Order-in-Council.

Can the Premier indicate which other civil servants have been elevated to a deputy minister's salary, and because of this, has there actually been any savings to Government?

* (15:20)

Mr. Doer: Yes, I believe that Mr. Duguid filled the position. It was formerly held by former Deputy Minister Dale Stewart. I am just going by memory from my opposition days, but I believe Mr. Dale Stewart was moved from Deputy Minister of Natural Resources to the secretary of the Clean Environment Commission. Is it chair or secretary? But, however, he is Chair of the Clean Environment Commission. So I think that you will find that was not an additional position.

Mr. Murray: So can I then ask the Premier: Are there any other civil servants that would be being paid at the same level as the deputy minister?

Mr. Doer: I just want to make sure I am 100% accurate, but there have been positions that are Orders-in-Council that we deal with in terms of salary. I think if you look at the number of deputy ministers we reduced—the highest paid deputy minister the contract expired, Mr. Cal

Rubrick, who had extensive salary and benefits. We had an unusual situation with former Acting Deputy Minister Hikel. It has been talked about by members opposite. I will take a look at it, but we do have less deputies than when we took office.

Mr. Murray: I wonder if the Premier then could let me know if there are others who have been classified who would be being paid at the level of deputy minister.

Mr. Doer: Yes, I think that is DM 1, 2 and 3, and I will have to take that as notice in terms of classifications. The statement about "less than" I think holds.

Mr. Murray: I appreciate the Premier's response, and I wonder if I could just get his commitment to—a nod of the head will be fine if he would provide that for me.

Mr. Doer: I should have nodded, then I would not have been on record. *[interjection]* Mais oui.

Mr. Murray: Mr. Chair, you are far too quick on the draw for me. I was going to ask at the end of the word if he could provide them to me soon.

Mr. Doer: Soon.

Mr. Murray: Mr. Chairperson, I wonder if the Premier could explain why he, as Premier, who, I believe, long has been an advocate of open and accessible government, is singing a different song since taking office. Specifically, FIPPA requests are bogged down. Some have been returned with totally inappropriate notes explaining how costly the requests were. The Ombudsman has chastized them.

Could the Premier explain why his Government has been tardy in providing information, and in one case, why his own staff even broke the law in this regard?

Mr. Doer: Well, I think I answered the question last year. We had one inaccurate number in one report, so it was a couple of days late. The deadlines were broken a number of times and documented in annual reports all the way through the '90s. I would point out, Mr.

Chairperson, that there has only been—I think there are two court cases dealing with the decisions of the Ombudsman that have been generated out of The Freedom of Information Act. If I am going by memory correctly, one of them is an agreement reached by the previous government with Maple Leaf Foods, which the court determined that the former government erred in law by withholding information about the amount of money that was going to Maple Leaf Foods. I can understand why they did that, because when we came into government we found out—not to say we were not against it—the amount of money was quite a bit higher than what was in the press release. So that was withheld from the public. You had both information that was inaccurate and information withheld. The courts have ruled against the previous government.

The Ombudsman is one step in the process. We have had situations where our legal counsel has given us advice about the act and the Ombudsman, who I do not believe is a lawyer, has given us other advice, and we have actually gone with the Ombudsman, even though we were given legal advice not to. So I do not believe there are any court cases pending from our action. I believe there is one still pending from the previous government and there was one already adjudicated.

That ultimately should be the judge, because the last step in the FOI process is the courts. The courts are the final say, not this Legislature, not the Ombudsman, but the courts. There was a case that was filed to the courts about VLT lottery revenue and was settled before it got to the courts by the previous government. There is a couple that won an adjudication against the previous government, and I am not aware of any matter that has gone to the courts or has been appealed to the courts from actions we have taken so far.

Mr. Murray: The Premier says that, as far as he recalls, the fact of the reference that his staff broke the law in terms of the dates, he indicates it was just a couple of days late. It is somewhat similar to a 100-kilometre speed limit and the police pull you over and you say, well, I was only doing 105, officer. I mean, you are either over or you are not.

On that basis, and as the self-proclaimed enforcer of his party's ethics, what disciplinary action was taken against the staff, and if I believe he has stated that he accepts the ultimate responsibility of the breach of law, what action might he take against himself?

Mr. Doer: I was responsible for the decision. I took responsibility in the House. I took full responsibility for the fact that I wanted accurate information out as opposed to the timing. I have to say there are many matters that we deal with. The member opposite compared this to a situation of going 105 kilometres per hour. I do not think the member opposite is suggesting I fire a member of Government senior staff for going 105 kilometres an hour. I daresay I have to say to the Leader of the Opposition I have actually had a speeding ticket before, so under his comparison of 105 kilometres an hour I have had a speeding ticket. If the member opposite has not had a speeding ticket in his life, congratulations. I have had some, and I accept the consequences.

Mr. Murray: I am delighted to know that the Premier is a speeder.

An Honourable Member: I would not say speeder. I have had a speeding ticket.

Mr. Chairperson: Order, please.

Mr. Murray: Oh, sorry, maybe I misunderstood, Mr. Chair. Surely the Premier acknowledges that the public has the right to request information, even if it might make his Government uncomfortable. I believe he was a strong advocate of that when he was the Leader of the Opposition.

Further, I am informed that the Premier does not get involved in Freedom of Information requests. I would like to point out that recently one of our research staff did make a request for the Premier's travel itinerary, including costs, accommodations, destinations, et cetera, which is under normal circumstances, and when our staff person received the information we were somewhat surprised that it included a comment made from the Clerk of the Executive Council, Mr. Jim Eldridge. It stated, and I would quote: That the Premier has requested that I advise you

that the travel cost details shown are comparable to the totals for yearly travel by the previous premier. For your information the staff time required to process this request was in excess of 75 hours. The total cost is estimated at \$3,000. I just wonder if, as I understand that the Premier does not get involved in Freedom of Information, did he, in fact, interfere in this particular Freedom of Information request?

* (15:30)

Mr. Doer: No.

Mr. Murray: I wonder then if the Premier could ask who might have directed staff how to manipulate the answer?

Mr. Doer: The answer was not manipulated. If the member opposite feels it was, he has recourse.

Mr. Murray: Well, Mr. Chair, I would like to make a point here. I think what is important is that on these requests that our staff did not ask for the comparisons to the previous government or the previous premier. How much time and money was spent on the portion of response should come out of the Premier's own pocket. It was never requested. In our view I think it is blatantly a misuse of his power.

I would go on to say that surely the Premier remembers that while in opposition the NDP were some of the biggest users of FIPPA. Surely the Premier accepts this fact that providing the public with ready access to information is the price of democracy. I would ask that the Premier acknowledge also that he does not want to be singled out as a Premier who thwarts democracy.

Mr. Doer: Yes, the member opposite might want to know that when we did FIPPA on the former premier and did not make it public, particularly the travel of the former premier's spouse out of respect for the job she was doing for the people of Manitoba; when we did FIPPA, the issue of travel to Davos, the issue of the requirement to be a member of that organization at \$25,000 Canadian was never made public to us. I still have the request, it was wrong, that I asked for years ago. Obviously, it is important for us. I do try to keep my requirements in travel

as cost effective as I can, and I do consider the previous incumbent's travel as a benchmark to whether I am being more, or less, or the same as he was in terms of the cost to the taxpayers.

If I have given you too much information, having received too little information, so be it.

Mr. Murray: Well, I would like to come back to the comment that was raised on the FIPPA for the Premier's travel request that did state that the Premier's request that I advise you the travel costs details shown are comparable to the totals for yearly travel by the previous premier. So, my quote, I am going from the note, and it does say in here that the Premier has requested that I advise you that the travel cost details are shown.

I would just like to ask the Premier indicating, I believe, he said he was not involved. This note says that he was advised to tell us. Could I just get clarification of the truth?

Mr. Doer: Mr. Chair, I just provided information to the Opposition and it is dealing with my travel, the travel of the Premier, so obviously it is specific to the expenditures I am responsible for. The information was not interfered with. The request was provided straight up, and if the member has any problems with that he can take it to the Ombudsman.

Mr. Murray: Mr. Chairman, I would like to get an answer to this so we can move on to other things. So did the Premier interfere with this request, yes or no?

Mr. Doer: Well, Mr. Chairman, there is a process if the member opposite is not satisfied, in law. This is not a debating point in this Legislature. There is an appeal process to the Ombudsman. I will deal with this issue in the public arena because I can show you a newspaper article where it was stated by the previous government that there was no membership required for the Davos international meetings that took place once a year, point No. 1.

Point No. 2, when I requested in FIPPA, the information, we were told there was no payment and in fact that has come back to be opposite. It

is something we provided. Quite frankly, it was no extra work on that because the *Free Press* had a FIPPA in January or February of 2000, and that information was made available in the public arena. It is not a new bit of information. It did not require any new work.

Mr. Murray: I think the issue that we are talking about here, and I think it is an important issue, is we are talking about the credibility of the Premier. I think what I am trying to ask in a very straightforward way is as is indicated here. I will read it again: The Premier has requested that I advise you that the travel cost details shown are comparable to the totals for yearly travel by the previous premier. So I ask the Premier again: Did he direct that note to be put on that FIPPA?

Mr. Doer: It is comparable to the material we sent to the *Free Press* last year, and if we are overadvising the members opposite, so be it.

Mr. Murray: What we are trying to establish I guess here is fairly simple. It is a yes or no. Did he direct the response to the FIPPA request, yes or no?

Mr. Doer: The materials prepared pursuant to the act, pursuant to the definitions in the act and pursuant to the materials that were produced to the members opposite, the issue can be dealt with if the member opposite feels in another manner. As I have said before, the third level of dispute on this issue is the court. The materials have been produced and it is with the Opposition in a timely basis.

Mr. Murray: Mr. Chairman, I just would like to go back to the note because I think this is important. As I understand it, the Premier indicated earlier on when asked that he did not interfere, and I just have it under the actual letter and again I find that the wording is very clear: The Premier has requested that I advise you that the travel cost details shown in the attached summary, et cetera. He is saying that he did not interfere, yet he has a note here from Mr. Eldridge that says clearly that the Premier has requested that I advise you.

So I know that the Premier makes all sorts of references to actions and opportunities, and

all of those things are very interesting, but my question is quite simple. Again, in light of the fact that he said that he did not interfere, in light of this response from Mr. Eldridge that clearly says the Premier has requested that I advise you, did the Premier direct Mr. Eldridge to write that note?

* (15:40)

Mr. Doer: I believe the material was produced pursuant to the law, and if the member opposite can cite any part of the law that has not been followed please alert me to it. The whole material was prepared consistent with the law. I do not know why the member opposite is worried about getting information that clarifies some of the material that was not released in 1997 and 1998.

Mr. Murray: The reason that I am concerned about it is that it really comes down to a matter of the Premier's reputation. On one hand, he says that he did not. On the other hand, we have a fact that says that he was requested. I appreciate the comments about course of action and all sorts of other issues that can be taken. All I am looking for and I believe as I said at the beginning of the process, on behalf of Manitobans, I am looking for some answers that I believe the honourable Premier should answer directly. So I find that the answers about the *Free Press* and courts and all those other things, I understand that those are options. I am asking him, as the Leader of the Official Opposition to the Premier understanding that this is all about integrity, all about what you believe is the right thing to do or what you believe is the right way to run your office and the Government.

So I am just asking again that you indicated you did not interfere and Mr. Eldridge has indicated that you requested him to advise. I am not looking to go to the courts of any sort. I am asking you as the leader of the party, as the Premier of this province, a very straight-ahead question: Did you direct it, yes or no?

Mr. Doer: I said before and I will say it again, if the member opposite would read the law and read the response that he was provided for I believe—[interjection] Well, members opposite might want to read the law. I can tell the member

opposite that the whole issue of the Davos membership was not released to us in opposition. I can go back to the court but that is a long time ago. Having said that I believe if the member opposite reads the law and reads what was provided he would find what is provided in its entirety is consistent with the law.

Mr. Murray: This is not about the law. Frankly, it is about being honest to a question that was asked. All we are trying to do is get a straight answer and you can cite the fact that there are courts and there is law and there is all sorts of things to look at, and I appreciate that. That is not a route that I would like to go, frankly. I do not see any upside to do that. To me this is a very, very simple question, that the Premier has indicated one thing. He appears to be contradicted by a written response and surely somebody is telling the truth and somebody is not.

So the question is very simple. As you said earlier that you indicated that you did not interfere, yet we have written words on a letter, an official document, that says the Premier has requested that I advise you, and so I am not looking for courts. I am not looking for anything other than a straight-ahead answer that basically indicates that either you did direct this, as is indicated in the writing, which is not what you indicated when asked the question earlier. I am just asking if you interfered, if you directed this response to the request from FIPPA.

Mr. Doer: I am still awaiting an apology for being purported to be a fishing partner of one Doctor Postl, so having said that, the bottom line is we followed the law. I believe strongly that all the issues, all the requirements of the law had been met, and this is a legal request from the Opposition Party. It was a legal response, and I believe it falls within the law.

Mr. Murray: It may in fact be, according to the Premier, a legal response that falls within the realm of the law, but I think it is a moral question. The question becomes whether or not what the Premier indicated earlier in his statement, that he did not interfere, or whether it goes to the heart of what is written here, a signed letter that says that the Premier has requested that I advise you, which would indicate to me

quite clearly that there is some direction given to the response by the Premier.

Again, this strikes me that it strikes to the heart of the issue of all about what it is that standards are and what you feel is important. We are not talking about the law. I am just strictly asking a simple question about whether, as indicated in this letter, which is quite different than what you said upon the first question, did you direct the response to the letter?

Mr. Doer: I think it is morally appropriate that when we requested this information that it not be hidden away in another department and never to be revealed (a) in *The Globe and Mail*, and then (b) in the FIPPA request that we had. So, if the member opposite feels she is overinformed, it is certainly a lot better morally and integrity-wise than the response that we got back in the '90s. So we followed the law. I suppose it would be interesting to find out where that information was not provided back in the '90s when we asked for it—membership is an issue of cost to the taxpayers and should have been revealed accordingly. If members opposite believe it should have been withheld, that is their right. Having said that, I am not going backwards on this thing. The bottom line is we followed the law. We have not been challenged in court, and we have not failed in court as the members opposite have in their watch.

I do not know whether the member opposite has read the last Ombudsman's report on the Maple Leaf case. I have.

Mr. Murray: Well, the Premier says he does not want to go back; yet every time I asked the question he cites things from the past. I think it is fair to say that we will move on because he clearly will not answer the question. It is a fairly straight-ahead question, whether he directed this or not. He says he did not. I think I heard him say that quite clearly that he did not, and yet the record would show that the Premier has requested that I advise you.

So I think it is unfortunate that rather than answer the straight-ahead question on a yes-or-no basis that he rather reflects back on other things past, particularly when I believe if I were to reflect on other things past, I think that the

then-Leader of the Opposition went on numerous sorts of tirades about advocating open and accessible government. I just think that it is unfortunate that he will not answer the simple question, but I think we will move on.

I would ask the Premier, and I would say that I am disappointed that you would not just answer the question. I think it is a straight-ahead question, a yes or no. I just think it is unfortunate that the Premier would not answer the question, but I would ask the Premier if he could provide the total number of staff employed in Executive Council, the classifications and salaries, including cabinet communications, and the information resources division or IRD, as it is referred to, of Culture, Heritage and Tourism which works in co-ordination with, and under the direction of, cabinet communications.

* (15:50)

Mr. Doer: I believe the cabinet communications is under the Estimates of the Executive Council and, I believe, IRD is under the Department of Culture, Heritage and Tourism. So the members opposite may want to ask that question in the IRD questions. The staffing levels in Communications are comparable to the previous year. I think we had two changes in positions. I think Donne Flanagan was announced to members opposite last year taking the spot of Bonnie Staples-Lyon. Jacqueline Friesen has taken the spot of Candace Holstrom from last year to a lower salary, I believe. Riva Harrison was an incumbent last year, and the existing situation with Mr. Modha was consistent with a secondment from the past.

The staffing levels are 44 SYs, 8 vacant and secondments that have taken place. When we came into office, the staffing levels, I believe, were 48 SYs with secondments and SYs, and they are exact. They are not more, but they are not less than. We do plan on a couple of people being seconded for just a short term basis, and we probably will have two reductions and one addition. I find secondments are useful, because as the tasks change in the Executive Council—I suppose that was what the former premier did as well. You can have different resources available for different tasks.

Mr. Murray: I believe that the Premier is correct that IRD falls under Culture, Heritage and Tourism, but the fact that they are co-ordinated under cabinet communications, and I understand that the Premier may not have this today, but I wondered if he could provide that information to me as requested.

Mr. Doer: Mr. Chair, I think there is information that comes from departments through IRD, there is information that comes from departments through the cabinet communications, but I do not participate in a great deal of "co-ordination." For example, I do not think I participated with somebody from there writing my materials. I cannot recall that. Yes, they will be available under that department.

Many staff have not changed with the change in government. Some of the order-in-council positions, obviously, on the policy side have changed. We seem to have a different policy from members opposite in a couple of areas. But, for example, the three people sitting here are all public civil servants, non-partisan civil servants, and we have tried to keep as many of those people in the Executive Council on the change in government as we could.

Mr. Murray: Would the Premier please undertake to provide the list of all advertising agencies and other suppliers which have received work from IRD since January 1, 2000?

I would just like to make something clear, Mr. Chairman. I am not asking the Premier to instruct staff to provide comparisons for previous government. I do not want them, as indicated in that note, wasting taxpayers' dollars to provide political justification for the Premier. I am just asking him to provide the list of all advertising agencies and other suppliers which have received work from IRD since January 1, 2000.

Mr. Doer: Well, again, we are outside of the Estimates of Executive Council. Those can be asked in the IRD Department, or it can be FIPPA, I suppose, as well, but I certainly do not have them at my fingertips, and it is not something I normally deal with.

The only contract I am aware of is the tourism contract, certainly was aware of, and that is public knowledge and public information. I certainly do not have working knowledge of those awards, but I will certainly alert the minister for their Estimates.

Mr. Murray: I wonder if the Premier could provide the advertising and production expenditures for all departments, Crowns and specialty operating agencies of the Government, specifically those under the direction of IRD.

Mr. Doer: Well, I do not believe the Crowns are under the direction of IRD. In fact, sometimes we receive concerns from the advertising companies themselves or some people in the industry about this Crown hiring this company for this reason that we were not even involved in. So, certainly, the decisions that are under our IRD authority, the minister can make those available in his Estimates.

Mr. Murray: Could the Premier provide a list of all non-tendered contracts over a \$1,000, those particular contracts that were let by the Government since January 1, 2000?

Mr. Doer: I believe there is a provision for those contracts to be released under the conflict-of-interest amendments that were made by the previous government. I believe the amount, there is a certain threshold, but those are available, I think, on a regular basis from the Department of Finance.

If I am not mistaken, we used to be able to get them about every 30 days in the Department of Finance, so is the member saying that those have not been available as required? I do not know whether we have—I think the information has been released out of Executive Council. I will certainly make those available, and they would have been available to you already.

I think we bought some gifts for hosting, I think from a company—the only one is Fort Rouge Plate and Auto Glass Ltd., \$1,700 for the Protocol Office.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

Mr. Murray: I wonder if the Premier could tell us the status of employment of Mr. Steve Courchene. Could the Premier tell us where he stands on signing the O/C of someone who, we have discovered, has somewhat of a questionable background?

* (16:00)

Mr. Doer: I will have to check this with the Minister of Industry, Trade and Mines (Ms. Mihychuk), but I do believe he had a report completed by the Civil Service Commission that indicated that he was, contrary to allegations, not in any difficulty in the Civil Service Commission, but he did resign subsequent to that.

Mr. Murray: Just for clarification, did the Premier say that Mr. Courchene has resigned?

Mr. Doer: I believe he has. I will double-check that.

Mr. Murray: I am sure that the Premier will get back to me just on that and soon. Could the Premier explain the appointment of Mr. Eugene Kostyra? I ask it in light of the fact that there is a track record there that, under his stewardship, Manitoba had, and we are seeing this today, the highest taxes and the biggest deficit. Ultimately it was his budget that brought down his own government. Could the Premier tell us how it is that he came to appoint Eugene Kostyra to his role?

Mr. Doer: Just for factual information, I would refer the Leader of the Opposition to the Public Accounts and the Audited Reports, and he will find that the highest deficit was '92-93, a time when Mr. Neufeld documented a deficit of 862, just so we have some clarity on the facts.

Mr. Kostyra is secretary to the Committee on Community Economic Development. He is dealing with a number of private-sector proposals right now, and it is just a way to ensure that we are dealing with all the proposals we receive across different departments to make sure that we can have a co-ordinated response to both community economic development and the economic opportunities.

Mr. Chairperson in the Chair

Along with the Department of Government Services and the Department of Education, he was involved, for example, with the City of Winnipeg in negotiating an extension of the heritage tax from 10 to 20 years to make the new Red River Campus more cost-effective in the year 11 to year 20. So that is some of the work he does on behalf of us. He is an Order-in-Council appointment. The members opposite had people in there in those comparable positions to do some of those jobs, and they obviously come and go at the will of the people when the elections were won and lost.

He is not appointed through the traditional Civil Service as members sitting at this desk are, but is rather an appointment under the other section of The Civil Service Act, and at the will and pleasure of the government of the day.

Mr. Murray: Mr. Chairperson, I just would ask the Premier, in light of the history of Mr. Kostyra, we find that over the past number of years, I think he was certainly deemed to be less than—if I could sort of categorize it—a strong Minister of Finance, and I think history would prove that. It is not me saying it. I think it is a fact.

So I guess my question to the Premier is: What level of confidence, knowing that it is his appointment, what level of confidence does he have in Mr. Kostyra, knowing his past, that he has somehow gained some experience that allows him to direct the economic development of Manitoba?

Mr. Doer: I just heard from a very major business person in Winnipeg the other day who was applauding his work on the new ballet centre in downtown Winnipeg back when he was minister. I do recall that the auditor identified a surplus of \$52 million in the '87-88 fiscal situation. Those are not my numbers. Those are the auditor's numbers. Thirdly, members opposite had an opportunity to remove some of the taxes that were levied to get to a balanced situation in those days. Ironically, we were the ones who got rid of the flat tax and surtax. Fourthly, he was the one who privatized Flyer bus company. It is kind of an interesting

contradiction when members opposite nationalized the gas company pipes with us. So, as I say, he did a very good job on Flyer bus and I had, as I say, some examples of people who had worked quite successfully with him, but ultimately he was asked by—I almost said Stu Murray—Glen Murray to be on his transition team at the City of Winnipeg. He has had a very good relationship with—*[interjection]* I beg your pardon.

Mr. Chairperson: Order, please.

Mr. Doer: You do not like being good? You do not like being compared to Glen Murray? Well, that is an interesting point.

Mr. Chairperson, he was asked by the City of Winnipeg to work on transition. He has a good relationship with Mr. Gilroy who is there as well. So there are a lot of issues; for example, just the ambulance issues with the Department of Health, Winnipeg Regional Health Authority and the City of Winnipeg. You know, we had a bit of dust-up in the media for a day or two, and we resolved it. I just think that when it comes to things like Flyer bus, he has a track record, but the member opposite will agree to disagree.

I remember meeting a former Conservative Minister of Finance who said to me privately: You know, there was not much we could find in our first year budget when we came into office. But that will never be something he will say publicly. I think that is just the political process, and I respect that.

Mr. Murray: Could the Premier provide a list of deputy ministers, ADMs, executive directors, that left his Government between the period of January 1, 2000, and April 1, 2001? Further to that, could the Premier explain which of these people retired, which of them sought opportunities elsewhere on their own initiative, and which of the employees were forced to depart?

Mr. Doer: Well, yes, in terms of deputy ministers—what date was the request?

Mr. Murray: From the period from January 1, 2000 and April 1, 2001.

* (16:10)

Mr. Doer: Winston Hodgins left the public service and was retained for a period of time at the Water Services Board, and then ultimately was confirmed in the Lotteries Corporation position. Roxy Freedman left the public service. I urged her to stay and have known her for years. She wanted to retire and she was replaced by Mr. Carson. Mr. Carson was replaced by Ron Hikel, on an acting basis, who has since been replaced on an acting basis by Mr. Sussman.

Shirley Strutt replaced Paul Hart. Paul Hart was the Civil Service Commissioner since 1968 or 69 I believe, or no, no, I am sorry, '79. I think he was appointed in '78-79. He is not hired or fired by the Premier. The only person who could fire that individual is by two-thirds votes of this Legislature, based on a law that was passed by the Lyon government in a distant time ago or not too distant time ago, depending on one's recollections. Mr. Hart was replaced by Shirley Strutt. I mentioned yesterday about the Leg Counsel replacement as well. I can get the ADMs, but that is the deputy ministers. I think you will find, with each person that has left, there have been people that have come in, most of them would be known to members opposite, having worked in the public service.

It is a challenge. The deputy jobs are tough jobs; they are very, very tough. You have the expectations of the minister, the public and the public service to deal with, and they are not always easy jobs.

I just want to say I think we are very fortunate to have excellent members of the senior public service. I think that one of the issues we will be confronting over time, and I think all public services will be dealing with this issue. One of the expectations I have of—and we should have for Ms. Shirley Strutt—is the whole issue of how we regenerate new people, getting them new management experience to get the new jobs.

We have an excellent example of a person sitting in front of us who was a management intern, I believe, and then worked in the Department of Finance, then worked in federal-provincial relations and now is an ADM. We are going to have to do a lot more of that, I think, in

the public service to try to get people of that kind of talent and move them quickly into experienced positions to allow them to get the experience. We have a lot of good deputies who have worked a long time in the public service, and it is a tough job. So we have to make sure we get the next level close to them to get that experience before they make their own decisions. I say that in a general way, notwithstanding the fact that Mr. Eldridge and I have been around for decades, almost as long as the Member for Lakeside (Mr. Enns).

Mr. Murray: The Premier gave a list of deputy ministers, which is very much appreciated. I wonder, understanding he may not again have it at his fingertips to read into the record, but we would request that the Premier also provide a list of the ADMs and executive directors that left his Government between the period of Jan 1, 2000 and April 1, 2001.

Mr. Doer: The only individual on the deputy minister list that we made a decision—I guess it was on the 4th that the contract expired for Mr. Rubrick and we did not extend it. We feel we have very competent people dealing with technology who are more affordable and live in Manitoba for those positions, so that is the decision we made.

But it was a contract. We followed through on the conditions of the contract and we moved on. But that is the only deputy minister since the date you have described where there was a parting of the ways. It was a decision we made in government. I am not so sure it was opposite to his views either, but at the same time we made that decision.

Mr. Murray: Again, Mr. Premier, just in the event—and I appreciate your explanation, but I am just wondering if you could provide the list of ADMs and executive directors from that period of January 2000 to April 1, 2001. As I say, I understand if you do not have it, but if you could provide it in writing, I would appreciate it.

Mr. Doer: Yes, we can provide that. The issue of the employing authority for those individuals is at the deputy minister level, so to deal with the second question you asked, who left voluntarily and who did not, I am not aware of all the

conversations that took place at that level. I am at the deputy minister level.

Mr. Murray: I wonder if the Premier can explain why the staff of Cabinet Communications relocated to Room 230, which eliminates a well-used public meeting room that is within easy access to stairs, elevators, security and washrooms.

Further to that, I wonder if the Premier can tell Manitobans why it was necessary to relocate this office to the back of the building on the third floor far away from security and not nearly as accessible to the public.

Mr. Doer: I was not involved with Government Services on location of staff during the transition period. I know that there was a computer room up on the second floor across from the press room, I believe. The member opposite, the Member for St. Norbert (Mr. Laurendeau), knows what I am talking about.

Having said that, I was not involved in the location of—I think Government Services worked at a transition. I did not personally say, except for Cabinet, the ministers' locations. I will have to take that as notice as to how that happened.

Mr. Murray: As I understand it, Cabinet Communications does fall under the responsibility of the Premier, and so I would ask again for him to follow up on that, only because I think that as this is a public building, we all acknowledge that, and the public is welcome here, and the ease of access of meeting space and that sort of thing I think is important when we invite the public down.

So now we have a situation where rather than allow the public to have easy access to a room that was well known and was used quite often, as I understand it, as a public meeting facility, we are now asking the public to go to the third floor to a room that is more difficult to find perhaps.

Just in light of the fact that the openness that we are looking for with the public opportunity, I guess I just would ask the Premier, I know he says that he is not involved in Government Services, I appreciate that, but I would ask the

Premier to explain why the Cabinet Communications, which are under him, would be relocated to 230 and thus making the public room move up to the third floor?

* (16:20)

Mr. Doer: I know it was used as a D.M.'s office and then it was used as a meeting room. I cannot remember what it was used for after that. I seem to recall former D.M. Carson in that office. I will check it. I am just going by memory now, I am not going by facts. I think former Deputy Minister Carson was in that office, and then it became a meeting room. Then there was a problem because it is a phoney wall which is adjacent to the caucus room of the NDP I believe, if I am not mistaken. But there has not been a reduction of meeting rooms in the building. As I understand it, in terms of the issue of public meetings I will have to see. I have attended a meeting on the third floor with a number of people at one point, but I did not make the decision. I will find out the reason. There might be a good explanation for it, and one would hope there would be.

Mr. Murray: On that basis, can the Premier confirm that the now transformed meeting room that has been relocated to the third floor, is that office a public meeting room that can be booked by any MLA?

Mr. Doer: I will inquire about that. Again, the Department of Government Services is not here. I do not book the rooms. I will find out. I am not sure if the member opposite has got a meeting and has not been able to get in there. I can assure him, lots of times we tried to get meetings in the room on the hallway and we were not allowed to in days gone by too, where there was an internal civil service meeting and we were not able to have a public meeting. But there is a lot of space around here. Sometimes we use the dining room, sometimes we use the committee rooms. Room 200 is a different matter. It is under the watch based on protocol. It has certain protocol requirements, but I think the rest of the rooms are pretty easy to meet in.

Mr. Murray: I just want to make sure, and I think just out of recollection that the Premier said that the fact that 230 has been taken over,

eliminating that public meeting space, that there is no less meeting space because of that. In other words, the room on the third floor is in fact a public meeting space accessible to all. I appreciate that he does not book them.

I just wondered on that same issue if the Premier could tell Manitobans, in that room apparently there were two paintings that were on the wall, two monarchs, the Queen Victoria and Prince Albert, that were located in that room. I wonder if the Premier could confirm where those paintings might be located.

Mr. Doer: The more you ask questions, the more I am convinced that the Cabinet Communications was moved into a former deputy minister's office and that the small meeting room that was adjacent to the caucus room is being utilized by the caucus with the larger caucus size, with the 32 members. I believe the paintings are still there. I am just going by memory, but I do not think the Cabinet Communications took over. Now that he is asking questions, I am trying to visualize it, and I think they took over a deputy minister's spot. There were two deputy ministers. I am just going by memory here. The member opposite would understand this better than I would because she was in Cabinet. I think there were two Deputy Ministers of Education and one minister. One of them was located there. I seem to recall Mr. Carson there before he went to Health. I bet you Mr. Eliason was in there. *[interjection]* Advanced Education? Mr. Eliason was in there? *[interjection]* Tom and then Mr. Eliason. So I think I am right. So I think we have less deputies. The communications office is there.

Mr. Murray: Just looking for clarification then, do I understand then that the NDP caucus room expanded into that room? Well, maybe just let me ask that question. Did the NDP caucus room expand into that room?

Mr. Doer: Yes. This is not a matter for the Premier, because this is a matter that was dealt with by the two parties or the number of parties. For example, I do not know which ones are air-conditioned and which ones are not and all these other things, but there is a Conservative caucus room which was the Government caucus room, and then there was an opposition caucus room

that became expanded from 24 to 32 members, so obviously there was some work going on between the parties. There were a lot of, on locations, decisions made between both parties as opposed to the allocation of space in this Legislative Building.

Cab Com was located at the deputy minister's office. I am almost sure of that now that I think about it, and we have less deputies, so there would be space available. So Cabinet Communications did not displace a public meeting space, but the other question is: Is that meeting room available on an equally accessible basis? I will check that out, and obviously it should be. From time to time we could get into that meeting room. Most times, actually, we could not when we were in opposition, but if it is now available, it should be used by everyone. It should not just be under the purview of the Government. It is the public's building and all members' building.

Mr. Murray: As I understand it then, the two paintings, Queen Victoria and Prince Albert, would now be located in the NDP caucus room.

Mr. Doer: I do not think they have been moved. They are big paintings. I will have to check, but it seems to me, when you ask the question, they should be available for public viewing. I do not know whether they in Room 200 or not, but I will ask the Clerk of Executive Council to work with the Department of Culture and make sure that the paintings of Prince Albert and Queen Victoria are appropriately displayed in public. I do not think it is a point anybody thought about before. I do not think they should be hidden away. I think they are part our history and heritage, and they are big paintings.

If the Leader of the Opposition is putting in his bid for both of them, he probably will not see the sun shine for a number of months, but I will ask the Clerk of Executive Council. I am colour blind, and I am not the best person to judge art. I just know they are big paintings.

Mr. Murray: The Premier, being colour blind, you do know that your party colours are orange, just out of curiosity?

I raised the point only because I believe that those are public paintings. I think there is great

history in the building. I think there is great history. As I understand, they were in 230, which was a public meeting room, so we just want to ensure that those magnificent paintings, the grand size and all, that the public still has an opportunity to come and view those. That was really the purpose for that question.

* (16:30)

Mr. Doer: I do not know whether they were moved years ago to make place for premiers' pictures or speakers' pictures on various committee rooms. Normally, the monarchy has been located in room 200. I do not know whether they were there before or not. I just recall—and why they were moved out of there, I do not know either. Who moved them out of 200, is the question I have, because I think they were there when I was first elected. Maybe that was the previous government. I will look at it. They should be there for public view and tastefully displayed instead of sitting beside a poster of Mario Lemieux or something else in somebody's work office.

Mr. Murray: Over the course of the last 18 or 19 months, Mr. Deputy Speaker, numerous editorials, news programs, articles, have discussed the development and priorities of Manitoba Hydro. They have also discussed the Doer government's lack of consultation. This really comes in light of the fact that these proposals, as far as we know, could add up to some \$5 billion. Recently, the Minister responsible for Manitoba Hydro received correspondence from both the Consumers' Association of Canada and the MSOS, the Manitoba Society of Seniors, requesting a public utilities review of hydro on the grounds that there has been a substantial change in circumstances since the last general rate review in 1996.

I wondered, Mr. Deputy Speaker, Manitobans want to talk about this asset, an asset, I believe, that the Premier (Mr. Doer) has himself stated on record could potentially make Manitoba "the next energy producer for the next 50 years." We, on this side of the House, do not disagree at all with this assessment of Hydro's potential. What we are concerned about is the process, or the lack thereof, as some of these

projects move ahead. I would like to ask the Premier (Mr. Doer): Can we get his agreement today that he will request the requests of the Manitoba Society of Seniors and the Consumers' Association of Canada, and bring Manitoba Hydro before the Public Utilities Board?

Mr. Doer: Well, I think the last time Hydro was before the Public Utilities Board was 1999 on a proposal to purchase the Centra Gas Corporation. The proposal to purchase the Centra Gas Corporation was evaluated by the PUB. It was identified to be having about \$175 million in equity purchase, and \$65 million in good will purchase. The PUB deemed that it would have no positive benefit, but no negative benefit, to the ratepayers of Manitoba. They also raised some questions about the issues of taxation agreements that were made between the previous government and Hydro on the tax considerations. As I understand it, the PUB—that has added to the debt of Hydro in the sense that it is a 100% debt purchase. The way it was purchased, was almost entirely debt, no equity, and that is a matter that has been identified by the PUB in previous hearings to deal with in terms of the debt equity ratio. They have certain expectations on the debt equity ratios that they will have to deal with in this so-called pledge that the conditions have changed.

I think further advice has been provided by Mr. Mauro in the chairpersonship of the Crown Corporations Council, wherein he states that Hydro, over the medium term—a question was asked by the member from Minnedosa (Mr. Gilleshammer)—should be at a certain 75-25 debt-ex ratio by a certain time, and PUB hears applications all the time.

The last action we took was actually to remove the tax agreement from the previous government on Centra Gas for the consumers and therefore save some relief for consumers who had been clobbered by commodity prices. The matter is before the PUB, and the application goes there, not here.

Mr. Murray: Well, in light of some of the comments that we have read and some of the indications that we have picked up from the Government's Budget for their discussions of potential expenditures of expansion of Hydro,

we would very much request, I guess, and would like to hear the Premier's response to the ability for the appropriate authorities when you are looking at moving ahead on expenditures of \$5 billion. I think it is very, very reasonable that the appropriate place to look at those expenditures would be in the Public Utilities Board. So I would ask the Premier, in the light of the fact that there is concern between the Consumers' Association of Canada and the Manitoba Society of Seniors, two groups who I believe are very serious about their membership and, for the obvious reasons, raised the concerns with the Minister responsible for Hydro, so I would ask if the Premier would agree, in light of these expenditures, to have Manitoba Hydro appear before the Public Utilities Board.

Mr. Doer: First of all, if there are proposed new projects, they will be required to go before the Clean Environment Commission reviews, and I will have to inquire about the PUB requirements, but, obviously, we will follow the law. I think the matter of the policy issues will be dealt with at the committee hearing, which I believe is scheduled for later this month at Hydro before the public resources committee of the Legislature. There are some decisions, though, we have made that we believe will require legislation. For example, an equal Hydro rate for all across Manitoba will be legislated and debated on this floor, and the members opposite can choose to vote for it or against it.

Mr. Murray: I know the Premier would understand that the fact that regardless of what committee other than the PUB, the Public Utilities Board, that Hydro appears in front of, you are not getting the same answers, I think, that are desirable when in fact you do appear before PUB. I believe the honourable Premier would agree that the Public Utilities Board is one of those places that it allows all interested stakeholders, if I could use that term—and those are the people who obviously use Hydro and are involved in Hydro. I mentioned two of them, the Consumers' Association of Canada and the MSOS, Manitoba Society of Seniors, that are very concerned about the direction, and look towards the Public Utilities Board as a place where, frankly, they feel that they have the opportunity to raise the questions that are of great importance to them and to their

membership. Again, I appreciate and very much agree with the Premier, and would not expect them to do anything than follow the letter of the law. However, I think that the Public Utilities Board is a place where you get all stakeholders, and give them an opportunity to question the direction and the management as to where Hydro is going, its plans, its direction.

So I just will ask the Premier, that in light of the \$5-billion expenditure that has been discussed, and we have been following things that the government of the day has said, would the Premier agree on that basis? We understand that they will go to the other committees, but I think what stakeholders are interested in, is the opportunity to get it before the Public Utilities Board. So I would ask the Premier: Would he agree to bring Manitoba Hydro, in light of the expenditures that are being discussed, before the Public Utilities Board?

Mr. Doer: There is no specific proposal right now to go to the PUB. You mentioned \$5 billion. There is certainly a lot of resource that is available for development. I believe the Crown corporations are accountable to the public, whether they used to be the telephone system or now, Hydro. Perhaps we should have sent the PUB—of course, all members of the PUB, the Manitoba seniors, Manitoba consumers, and Manitoba municipalities, all these groups were opposed to the flip-flop on the sale of the telephone system, but there are no proposals right now. There are some potential sales extensions that are going on pursuant to the agreement that was reached on Limestone, and if there are proposals that require financial investments, there will be appropriate regulatory authority with public input.

I think there will be a place for people to speak out if there is a bill necessary on Hydro rate equalization, but we will follow the regulatory procedures. I am a little uncomfortable with the question, I have to say. I am a little uncomfortable with the question except to say that we will follow the law and the regulatory procedures.

Mr. Murray: I do not mean to make the Premier uncomfortable with the question. If you look at the cost of known Hydro projects, which

I think are well known, and that is the Gull Rapids plant and the Brandon natural gas generation, and when you have put in things like rate equalization and the Selkirk plant conversion, the South Indian Lake highway project, those are somewhere in the neighbourhood of \$2.28 billion, and there are others that have been discussed.

The Premier indicates that there is no direct proposal in front of them at this point, but I guess the questions that I think are relevant in this are: In light of the \$2.3 billion, the cost of the known projects that are in front of us, can Hydro afford, and are they able to handle, the debt load? I think that is an issue that we would like to hear from the Premier, but I think also, Premier, stakeholders would like to ask members of Hydro through the Public Utilities Board.

* (16:40)

Mr. Doer: The South Indian road agreement was reached by the previous government in 1992. It was footnoted on Footnote 17 in the Hydro annual report, and it is an obligation that was signed by former Deputy Premier Downey, as Minister responsible for Hydro, to be achieved within 10 years. I am assuming that that issue was dealt with by the PUB in 1996, because I am sure the former utility heads did not withhold that from the PUB.

Secondly, the issue of the Brandon conversion is intended to produce more reliability for southwest Manitoba and not affect the rates. The capital is under their existing capital budget, so it is not an extraordinary capital budget item.

The Selkirk issue—we identified four years in a row, '97, '98, '99, 2000—where there were problems of generation of power with coal with no scrubbers, so that was a matter before the Department of Environment, as well as the Government.

The other projects, there is no proposal to build those dams. At this point, there are discussions, but, quite frankly, one of the issues that has to be resolved so far is the extension of the Northern States Power Agreement, which is now the northern Xcel utility, and that matter is

before the decision-making bodies in both the state of Minnesota and in other states. That issue will determine whether, in fact—for example, if there was any reason why that sale is turned down by the regulatory bodies, that would have a dramatic impact on the projects that members opposite have cited for purposes of construction.

Obviously, if you have capacity in your existing system, and you do not have sales, then you are not going to go out and build more. We would not at least. So we will follow the law on these things, but a lot of these things are speculative right now. There is lots of speculation. We are preparing, we are doing a lot of preparation, but there is no specific proposal. We have said on all of those, that they will follow the normal regulatory process, including the Clean Environment Commission.

Mr. Leonard Derkach (Russell): Mr. Chair, my question to the Premier has to do with the Public Utilities Board and how the Premier views the role of the Public Utilities Board vis-à-vis the activities and expansion programs that Hydro is, or may, be involved in.

Mr. Doer: I am not aware of their involvement in anything more than the takeover of the Centra Gas decision in 1999, and the expansion of gasification in rural Manitoba throughout the '90s that members opposite were aware of. The members opposite would probably be pretty aware of the situation of the five-year payback for rural capital expenditure of the gas expansion. I am not sure what the member's opinion is of that, but that is certainly a restricted provision for purposes of rural gasification.

You sometimes find on items such as improvement of rural services, that you get arguments made by the Consumers' Association of Canada, which would argue for the Consumers' Association of Winnipeg against the consumers of rural Manitoba. I am sure members opposite are aware of that. I have read some of the decisions and I respect the fact that these are quasi-judicial bodies that have made these decisions, and have made these precedents. I am more aware of what decisions have been made at the PUB relative to rural gasification, and what its opportunities and limitations are for us.

Mr. Derkach: Mr. Chair, I guess, as someone who was involved directly in the expansion of gas for many communities in rural Manitoba, I know sometimes the issues that you run up against, but, on the other hand, the process was put in place to ensure that the entire process was transparent and that we abided by quasi-judicial body's decisions that were made. Although, personally, I sometimes did not agree with the five-year payback and I would have rather seen a ten-year payback, which would have made it much more feasible in some communities to move ahead with their expansions.

We did it by the five-year rule because that, indeed, was what the Public Utilities Board had sort of put down in place. I guess I am talking more specifically about the Hydro projects that are on the books, may be on the books, will be coming forward, and I have to tell the Premier (Mr. Doer) that I support any expansion that we can generate in a positive way from the resources that we have in Hydro and the sales. Of course, it all has to be financially sound, and we all understand that, but certainly I am one who would support that because I think it is good for our province.

I do want to ask the Premier. I do have some concerns about some of the recent actions that were taken by Hydro, but those may be outside the Public Utilities Board. But I do believe that it is a structure that we have put in place which tells the public of Manitoba that we can lay our cards on the table and have a quasi-judicial body still come forward with decisions that are going to be made in the best interest of the province. I guess I am asking for some assurance from the Premier that indeed these will be put to the test before the Public Utilities Board, where people from all walks of life can come forward and make their views known before the board.

Mr. Doer: Yes, we seem to have put all of our cards on the table with the MPI proposal in the fall of 2000. We did not do that well on the one proposal. The argument about the public right to determine these things, I think, is appropriate.

We are in a bit of a situation, where we have the situation where the Conawapa deal was cancelled. It certainly could not have gone

forward on the time that it was indicated to go forward in the '90s. It was cancelled. Right now, we have extra capacity 2005 out to 2015. That is now the Limestone project that has generally the capacity that has produced that power, and we still do not have—you have noted the opposition to this agreement by one Aboriginal community in Manitoba. You have noted the support of other communities in Manitoba on it, but really that becomes the key factor for what opportunities we will have. If that sale does not go through, and it is not 100 percent confirmed, or it is not 100 percent certain, then we will have a certain amount of megawatts from the year '05 to the year 2010, and we will be in the sales business again as a utility so that the excess capacity can be utilized for the benefit.

Now, there are lots of buyers out there in this situation, but there is regulatory requirements. The bottom line is there is a lot of discussion and there is a lot of preparatory work being done by Hydro, both before we were in office and now in office, on working with smaller dams that would be available to operate on existing transmission lines. Opportunities on larger dams would require new transmission lines. Those are huge financial decisions. They should go through the independent scrutiny that is required by law, and they will, but it is premature to say that until we get some certainty. To me, certainty is signatures for that capacity, '05 to '10, or '15, rather.

* (16:50)

So, that is the situation right now. It is a bit premature on it, but, yes, I said to the Leader of the Opposition, and I will say it here, we will follow through on the regulatory requirements, including the Clean Environment Commission, and what requirements there are in the PUB as well.

If I am not mistaken, the Conawapa proposal was going to go to both bodies. I am just trying to go by memory. I will check it. I will go back to it. That would be the first one on the new environment act that was amended in 1987, and proclaimed in '88, and amended in '92, by people that are right across from me.

Mr. Derkach: The Premier has mentioned the Conawapa issue, one that we certainly looked forward to when we were in government. However, as the Premier knows, not always does everything fall into place, although I think it would have been a tremendous project for our province. Once again, we as a Province were ready to proceed with it, and I think proceed through the proper channels. But a project of that magnitude could break the province if, in fact, the sales are not secure and the sales are not there. I think the Premier is well aware of that.

We were lucky in Limestone. I have to say that. I think everybody recognized that Limestone could have become a problem for us as easily as it was a benefit for us. Thank goodness things fell into place where the economy, the needs, made Limestone a success, and I think to the benefit of the province.

I do not think we can proceed on speculation anymore in the current world economic situation. Our province is part of that. Although we are eager to see more development in this province, because that certainly helps our province in many, many ways to compete, to bring people into our province, more skilled labour, more professional jobs available to people who graduate from our institutions. We have to be cautious how we proceed.

So, I am somewhat comforted that the Premier indicates that, indeed, these projects and the activities in Manitoba Hydro are going to be brought before the Public Utilities Board for scrutiny, and that we will not be moving ahead in any front without ensuring that the process is followed completely, as it was with gas.

I know sometimes it is difficult, as a minister, to take a process through the Public Utilities Board and find out that there is some frustration. The five-year thing was my biggest frustration. If I had my druthers, I would change that, but I could not. I do believe, that at the end of the day, it was the right thing to do, because had we not done that, we could have got some communities in some difficulty, including ourselves, had we not followed the process and allowed for the expert witnesses to come forward, allowed for the public input, and allowed for a quasi-judicial body to assess every

aspect of the project before the green light was given.

So, to that extent, I am comforted that the Premier has indicated that, yes, he will put every project to the test before the Public Utilities Board.

Mr. Doer: I think the point we agree on is, you have to have the sale before you can talk about a proposal. I want to assure people that there is a replacement of generation from coal, or partial coal, to gas in Brandon and in Selkirk. That helps us in reliability, if there is a drought, particularly to service southwest Manitoba.

I think that it would be an interesting debate, rural electrification, which was proposed, I think, back in the '40s or early '50s—the first one was Tommy Douglas in Saskatchewan. If you had a five-year payback, you would not have put electricity to the farms in western Canada. Our five-year payback was not there when we first started, and you continued with the elimination of party lines because they were discriminatory for the new technology and health emergencies in rural Manitoba. The payback was not there in the first five years.

It is an interesting issue, and this is an interesting rural-city issue. You get bodies of people that do not want to see—this is a good example, but rural telephone services, the elimination of party lines, required a small increase in every consumer across Manitoba, including urban dwellers. Of course, that was opposed by some of the same organizations that were mentioned in terms of hydro.

Having said that, if we had not made that decision—and both parties did it; the payback was not there in five years—would we have had rural electrification in five years? Did that require then an increased subsidy from the taxpayers? With the Interlake expansion of gas, it was money from the federal and provincial taxpayers that maybe could have been paid for by the ratepayers if the period of time was longer than five years. Is that any bargain for this Legislature when you write a cheque and we honour it? So this is a much larger debate than the question.

The bottom line is I agree with members opposite: firm sales, long-term that deal with your existing capacity, are what we are trying to deal with now. If there are sales, long-term, that would create more demand, then they have to go through the regulatory bodies. This is a longer debate than my Estimates, but it is an interesting one.

Mr. Derkach: The Premier noted that rural telephone lines—and it is the same struggle that, when I was minister, I had with the expansion of natural gas to the rural communities because, as the Premier knows, if we expand natural gas in the cities, whether it is Brandon or Winnipeg, or any town, that immediately goes on everybody's bill. There is an automatic cross-subsidy to pay for. When we expanded into the rural communities, all of a sudden that could not be treated in the same fashion. There could not be any cross-subsidy to allow for those communities to receive lower rates. There was a dilemma there.

I guess I want to ask the Premier whether, in his tenure, he sees his Government being bold enough to move beyond that issue to allow for rural communities to access natural gas. As he knows, if our rural communities are to move ahead in attracting small industry, or industry of any size, they have to have access to that source of energy.

My question is, from his answers where he underlined the same frustration that I felt, whether or not he would be prepared to move beyond the issue of a five-year payback and the cross-subsidy issue.

Mr. Doer: This might be an interesting item for discussions between the parties. What is the public confidence in the payback, particularly now that we have moved from a private company to a non-profit Crown entity. Now that you have nationalized the gas company in a counter-Thatcher way. *[interjection]* What is that?

* (17:00)

An Honourable Member: You thought we were going to sell it all.

Mr. Doer: It was kind of an interesting tactic. So it is an interesting debate. We might even have a little bit of it here in this Legislature with the rate equalization from Manitoba Hydro customers outside of Winnipeg and Brandon, because that I believe needs legislative authority pursuant to our Speech from the Throne and Budget.

It is a smaller debate of a bigger issue. It will be interesting to see, because that, technically, I think, is an appropriate thing to do. I think the member opposite would probably agree with that. I think we should have a larger debate. Do I have the nerve, et cetera? On one hand, I am getting asked to respect the PUB by one individual; then I have some sympathy with you, and we sit here and not deal with it. We are not dealing with the situation. I think we should look at good economic models that will allow for rural communities not to have all this burden. I think it is an unfair burden, five years. You just said so yourself, but that is the decision of the PUB.

So we ended up with cross-subsidizing from taxpayers' money. That money could have maybe been used for more water projects, for example, instead of gas, where you have a user-pay system. And gas, what the heck is the public doing putting money into it, directly from this Legislature, because of a five-year restriction? So I have some sympathy with the member opposite.

Mr. Derkach: I was just expressing a frustration that I had in terms of trying to move aggressively ahead with what I thought was such an important issue. However, we did, as a government, respect the authority and the decisions made by the PUB and did not move away from that principle. I guess my question is basically on principle. That is whether or not the Premier agrees with the principle that has been established in taking these projects through the PUB process. In time, if we are bold enough to change perhaps legislation that governs the PUB, that is another issue, but, until we do that, as long as we understand that there is a commitment from the Government to take these processes through the Public Utilities Board.

Mr. Doer: I think that, if this Legislature delegates a certain responsibility to a quasi-judicial body, then there are the appropriate

authorities for them that we have to honour, unless we change the legislative framework. That is a debate that should take place here. In that regard, we have respected the decisions that have been made by the PUB, the same way the member opposite has. Right now there do not seem to be a lot of fans of gas in the last couple of weeks, or last couple of months.

Mr. Marcel Laurendeau (St. Norbert): I know that our Premier is one who believes in openness and fairness in debate. This is a Premier who has spoken in the past on his openness and how we should have open debates in this House. I am just wondering if this Premier would give us the opportunity, in this House, that he is giving to City Hall, and have us briefed by Eugene Kostyra on the merits of the arena, which he is doing tomorrow morning at 10:30.

Mr. Doer: There is no deal yet, but I am certainly willing to—and I have not caught up on the latest events of City Hall. I have been sort of out of the loop today, but I am certainly willing to brief all members when the private investors are dealing with this issue as well. I am certainly willing to brief everyone on it. I think people should be briefed. Today I was thinking about the Keystone Centre in Brandon, and our investments there.

Mr. Laurendeau: Could the Premier then inform this House if he was the one who directed Eugene Kostyra to give this glowing plan to City Hall tomorrow morning at 10:30 with Ernie Gilroy and present the merits of a downtown arena at the Eaton Place? I do believe that Eugene Kostyra works for the Premier.

Mr. Doer: I had just been mentioning to the Leader of the Opposition the excellent relationship Mr. Gilroy and Mr. Kostyra had on resolving issues like ambulances, like dealing with a lot of the issues that face City Hall and the provincial government. I will have to see whether in the past incarnations—I remember back in 1982, before my time, when former Premier Pawley and former Minister Axworthy, or '83 rather, came to an agreement about an arena on north Portage, and it fell apart. I am not sure whether the member was a member of council then, but it fell apart at council because of the issues of Enterprises.

This is a situation that is still fairly fluid, in terms of authorities, the private sector authorities and the public sector authorities, including the federal government. There is obviously some synergy on some of the issues now being produced. I certainly am willing to have a briefing session for members. I think we have condolence motions tomorrow and we have Cabinet, but I am certainly willing to go over all the stuff as we understand it. There are still other authorities, I think, that are still being sought as we speak and have not been achieved yet.

Mr. Laurendeau: The direct question was, though, had you given direction to Mr. Eugene Kostyra to make this presentation to City Hall tomorrow. Is this an initiative he is doing on his own?

Mr. Doer: Mr. Kostyra has worked with City Hall before. I want to be very honest with the member. We are working with the City; we are working with the federal government; we are working with private sector investments. Ultimately we will be accountable to this Legislature for the expenditure of money, and we will be accountable to the public of Manitoba.

So we will be accountable. I mentioned before, and you should be aware of this, and I am not sure where he attended or where he did not attend, but when we came into a roadblock on Red River community college and the downtown Princess Street Campus, and we got some issues resolved with the City, our due diligence indicated that Red River would be cost-effective for the first nine or ten years downtown, but the heritage tax, for example, would expire after nine years.

So we went back to City Hall, and Mr. Kostyra was part of those discussions, to get a co-operative agreement on the Red River campus on (1) their responsibilities of obtaining land for the 2000 students and adjacent buildings; (2) their responsibilities on the parking lot; and (3) on a proposal we had to extend the heritage tax from 10 years to 20 years to make the cost per student cost-effective.

Mr. Laurendeau: I am trying to wrap my thoughts around this, Mr. Chairperson. Is Eugene Kostyra then representing the Government? Is he there on behalf of the Premier? Is he

there on behalf of the business sector, or is he there on behalf of City Council? Who is he representing tomorrow when he puts forward the merits of this project?

Mr. Doer: I have not had a chance to discuss the events of the last 24 or 48 hours with anyone, so I will just take the question as notice. I have been in Brandon.

* (17:10)

Mr. Laurendeau: Mr. Chairperson, I was wondering if the Premier is feeling left out of the loop, I guess, especially from a Premier who says he believes in openness as he sat on this side when he was in opposition.

An Honourable Member: The word is transparency.

Mr. Laurendeau: The transparency, he spoke of that many times, and here we are. The City Council of the City of Winnipeg is being briefed tomorrow morning by Mr. Eugene Kostyra, who works for this Premier, who it looks like has not informed this Premier that he is doing it, and yet we, on this side of the House, have not got a clue where they are going on this thing, other than we know they are spending \$50 million. In all fairness, Mr. Premier, how can Eugene Kostyra, representing you, go and sell the merits of this project to the members of City Council without members of this House even knowing where it is going, or has he already briefed your caucus on this?

Mr. Doer: The veracity of one comment the member made is inaccurate and I will check on the veracity of his allegations. I would image, Mr. Deputy Speaker, that if there is briefing going on at City Hall, one would imagine it is the mayor and the private investors, but I will check his comment. I certainly know that there have been officials meeting between city, federal and provincial levels, and it is no mystery about who those are. He is a part of our officials group, but I would have thought that if there was good news, the member opposite would be a little happier.

Mr. Laurendeau: I cannot decide whether it is good news or not. The facts are being hidden

from us. The facts are that Eugene Kostyra, who works for this Premier, is going to City Council tomorrow morning to brief them with Ernie Gilroy, when we, on this side of the House, have not been brought up to speed on it. Everything is being done in secrecy behind closed doors. For a Premier, who has spoken about openness and transparency, to be doing this type of a deal behind closed doors—the public is wondering what is happening with this deal. The public would like to know. Is it the infrastructure money that is being spent on this deal? What money is the Government spending on this deal? How much is this deal costing us? Where is it actually going? Is it going at Eaton's, like we hear through the newspaper? I mean, are these lighting rods that are being set up by this Premier and his department to see if they can take the heat when the actual decisions are being made? Has his caucus been briefed? I am sure his cabinet must have been briefed on it. I do not think Eugene Kostyra would be out there on his own without somebody knowing. Somebody in the Premier's office has got to know that Eugene Kostyra is going out. This guy cannot go out and operate like a loose canon. I am sure that they would prevent that from happening. It is getting scary here. When will we be briefed, if City Council is briefed tomorrow? If City Council is briefed tomorrow morning by Eugene Kostyra and Ernie Gilroy, when will this House expect to be briefed by this Government?

Mr. Doer: I have been working with some private sector investors, who have been trying to obtain certain decisions on their own as investors. There are three levels of government that are trying to determine if there is enough to go forward. I do not believe all of the authorities and all the agreements have been reached yet. There is lots of information alleged out there, Mr. Chaie. Some of which I have heard is inaccurate, and some is accurate, and some is not resolved yet.

I have heard rumours before about people being at some meetings and not being at meetings. I have been allegedly at fishing trips that I had never attended before. I cannot afford those Bob Izumi fishing trips. There is lots of stuff floating around and if the member has heard something I just want to check it out. To me, the responsibility of dealing with this issue at City Hall is the mayor's. Mr. Gilroy has been

working with Mr. Kostyra. I am trying to remember, back in the spirit of whatever the name of that organization was, who was there from the provincial government, or if there was anybody there, at City Hall. I do not know. I am not going there tomorrow. That is one thing I know. I am not sure whether the private investors are going there or not.

Mr. Laurendeau: Mr. Chair, I guess the Premier will have to take this one under advisement as well, because I would like to know. Has he been directed? Has Mr. Eugene Kostyra been directed to manage this project through City Hall on behalf of this Government? Is he there to put forward the Government's position on this arena proposal?

Mr. Doer: The mayor is responsible for the discussions that have gone on. Ultimately, I am responsible for our discussions. I just want to double check. As I say, the rumours are flying fast and furious, and I understand the member's question, but the issue of who is responsible at City Hall is the elected mayor of the city of Winnipeg.

I met with Mr. Duhamel and Mr. Murray about six weeks ago, five weeks ago. I think the member knows that. I do not think we have met as a group since then. I assume the mayor and maybe the private investors are presenting it, but certainly Mr. Kostyra has been working with Mr. Gilroy, and I do not deny that.

Mr. Laurendeau: Mr. Chairperson, I wonder if the Premier could advise me of whether or not a Grow Bond has been approved or discussed for the arena proposal as of yet.

Mr. Doer: I have just had a note given to me that there was never a plan for Mr. Kostyra to go to City Hall, and he is not going to City Hall. So I just do not want to deal with anymore rumours right now. It is probably best.

An Honourable Member: I am just asking you a question.

Mr. Doer: Yes, I know that.

An Honourable Member: I think I remember you doing the same thing from this side.

Mr. Chairperson: Order.

Mr. Laurendeau: I am really glad that the Premier calls it rumours because that is what we have to deal with on this side of the House because of the openness of this Government. If this Government was a little bit more open and transparent, we might not have to deal with rumours, Mr. Chairperson. All we are hearing right now is the rumours that are out there. The rumours that are out there are that this Government is initiating the discussion and Mr. Kostyra is their lead on this thing with City Hall.

All we are asking is that we have the same opportunity, as legislators, so that we can take an honest look at what is being brought forward by this Government, so that we can have a good, honest debate and have this transparency here. I know that this Premier believed in that because that is something he always spoke of. How are we supposed to make decisions when they keep us in the dark?

If this Premier is trying to get us on-side, this is not the way to do it. This is one way that he is going to find us taking a stand against him. As Her Majesty's loyal Opposition, it is our job to critique these types of things, and we are going to continue to do that, but we need information. When we seek information and we do not get any answers, we have to go by what the Premier calls the rumour mill. If the *Free Press* and *The Winnipeg Sun*, the A-Channel and the other news media are rumour mills, then that is where we will have to get our information, but until we get proper information from this Government that is what we have to deal with. We feel that this is an important issue that the public should have an opportunity to debate. That is something that this Government has been preventing.

Now, when I hear that City Hall is being briefed tomorrow morning at 10:30—if they are not being briefed tomorrow at 10:30 by somebody from this Government, then I apologize for bringing rumours to this House, but what I hear from reliable sources is that they are being briefed tomorrow morning.

* (17:20)

It bothers me when I hear that my colleagues over there at City Hall can be briefed on this subject which is a matter that the public should

be briefed on, not behind closed doors but publicly. Let us not just put up little lightening rods and see if we get struck down. Let us put the whole point of view out front, and let us have that good, honest, transparent debate on the issue. Let us see if that is what the public wants. Do they want that arena built in the old Eaton's building? Do they want it built somewhere else? Do they want us to use the existing skating rink? That is what Glen Murray used to say. We could do something with the existing one. He never wanted a new arena. Even yourself used to have questions around it when we were having the arena debate. Tim Sale had many questions around it. He and his Thin Ice, that is all he ever used to talk about: Thin Ice, Thin Ice, Thin Ice. Well, Mr. Tim Sale is being briefed on this, but we are not, so it is thin ice that you are on right now, Mr. Premier, because you are not giving us any information.

When we are dealing in the dark, we are going to keep having to deal with that rumour mill which you bring forward. If Eugene Kostyra is proven to be there tomorrow morning, and I hope he is not, because, now that the Premier has put on the record that he will not be there, I am sure Mr. Eugene Kostyra would not dare show up at that meeting.

So, Mr. Premier, please, if this is going to be an open and honest debate, give us the information so we can have it and the public can be brought in on it. *[interjection]*

Mr. Chairperson: The Member for Lakeside has not yet been recognized. Should not the Member for St. Norbert (Mr. Laurendeau) direct his question through the Chair?

Mr. Doer: We are working with a number of private sector investors, and I want to assure the members opposite. The members opposite know that we did not have any debate on the baseball park, which was two-thirds public money and one-third private money. In this case, we are dealing with a number of private-sector investors. If it was 100% public money from this provincial government, then I think that the point would be valid. I would prefer to have, if there is an agreement, the agreement out in the open for everybody to see, and I have discussed that with some of the private-sector investors as

late as this morning. It is my preference for them to release their proposal, but it is private money. It is important for the success of the project, but it has different—and it is more than one private investor. I am trying to work with the private investors in this area.

So I respect the points being made by the member, and I hope he respects the fact I am trying to work with some private investors. I hope the private investors are keeping—there is contacts in all parties from the private investors. I am sure members know that. I hope, at the end of the day, we will deal with this. I think City Hall has a different issue that they have to deal with. The member opposite would probably know, given his experience on City Hall and Winnipeg Enterprises. That is a big different dynamic than we have because we do not own an existing arena, if there is a proposal. I am not sure exactly what they are taking there, whether it is the existing arena, the enterprises issue, because they guaranteed the debt based on an act of this Legislature in 1952, a private members' act, actually, not a public act.

So again I am not aware of what exactly is going to City Hall tomorrow, but I have been dealing with the mayor. Mr. Kostyra has been dealing with Mr. Gilroy and the chap from the federal government. I am not sure whether this thing is even gone, at what level it has been approved or not approved or if anything has been approved at the federal level, and I am sure exactly how far along the investors are on it. Is it closer than it was five weeks ago? Yes, but I will find out more actually when I get out of Estimates today. In some ways, I am answering questions on lots of things, but you get in this House and there is a whole different world out there. Some would argue this is the real world and that is not, but some would argue the opposite.

Mr. Laurendeau: Well, welcome to the real world, Mr. Premier. Through you, Mr. Chair, to the Premier, I wonder if the Premier might inform this House whether or not there is any form of a guarantee on any part of the debt that is going to be formed by this company either in a Grow Bond or in a strategic investment?

Mr. Doer: Our goal is to minimize risk to the people of Manitoba.

Mr. Laurendeau: I guess I will try it again, Mr. Chair. Is there any guarantee on any debt being taken on by this Government?

Mr. Doer: Our goal and objective is to minimize risk to the public of Manitoba short term and long term, that our investments would not be tied to risk later on.

Mr. Laurendeau: Mr. Chair, in that case, I guess we might be becoming a bank, from what the Premier is saying. I guess we could be taking part of the building as collateral, from what I am understanding from the Premier's statement. Is that correct?

Mr. Doer: We will not be a bank, Mr. Chairperson.

Mr. Laurendeau: Then could I ask the Premier what he is taking in collateral if he puts out a guarantee?

Mr. Doer: Again, I do not want to go much further. I just would say that we are not going to be a bank. Is it private sector and public sector? Yes. The degree of that will be I think quite—I said yesterday certainly within the ballpark numbers, investments, that have been made by the previous governments to the benefit of this community, but we know there are other projects as well. We are not looking just at the Winnipeg entertainment centre. There are other projects in rural Manitoba that are being on the table in infrastructure.

We have already made an announcement on the ice plant at the Keystone Centre for the curling bonspiel next year that is required. In fact, today at the Brandon Chamber of Commerce, we were dealing with some of the issues around the Keystone Centre. So we have other issues to deal with across Manitoba, as well, in recreation. I think that there are a number of entertainment destination recreation centres proposed in the rural infrastructure programs as well as in Winnipeg.

The member opposite may remember my comments in 1994, when I said we should cancel the Kenaston underpass and build the arena. I think I have been fairly consistent on that point. I even have received the odd phone call and

letter about it, so I do not think I have been off what I have said before on this issue. I think that some of the circumstances have changed from '94-95; some of the circumstances are the same.

Mr. Laurendeau: Mr. Chairperson, through you to the Premier, if City Hall, after they have been briefed by whoever is going to brief them tomorrow, in their wisdom next week kills this vote in council, is the issue dead?

* (17:30)

Mr. Doer: Well, there are three parties in the public sector, and, again, that has been well on the record. City Hall killed the deal in 1984, '83. I cannot speculate beyond that, but the bottom line is there are some people at City Hall who are probably in favour of it and probably some against it.

The member opposite quoted a councillor from the past, but I think that each of these issues should be dealt with on its own merit.

It was interesting to me to see former Mayor Thompson opposed to the ballpark, and Councillor Murray, now Mayor Murray, in favour of it. So I think that people see these things. Obviously the best solution is full private so anything less than that, there is a debate about it. I just want to say to members that we do not see the debate only in Winnipeg. There are other debates; there are other projects that are necessary as well outside of Winnipeg.

Mr. Laurendeau: Mr. Chair, on the question of the viability, seeing as we are being left in the dark, I wonder if the Premier could inform us on whose decision it was to say 15 000 seats versus a 10 000-seat arena. Was that the private sector driven to be 15 000, or was that the Government's wishes to see a 15 000-seat arena?

Mr. Doer: The member mentions arena, and I think without going into too much detail on the seats, you will find that more events will take place in any venue beyond a hockey game than is in the existing facility. Again, the existing facility is owned by the City of Winnipeg, by Enterprises. That may be the issue they are dealing with tomorrow at council. Again, I am a

little out of the loop today, because I have been in here and in Brandon and dealing with another economic proposal this morning that had nothing to do with this issue, which I hope is good news too, if this is good news.

Mr. Laurendeau: When you see fait accompli, it sure sounds like it when you speak with this Premier today, because everything that he says seems to talk around that entertainment facility, that they have already got the grand scheme already designed and planned. We see the entertainment facility with its VLTs up in the lounge. We see 15 000 seats that can do the entertainment and bring in the certain crowds. We hear that the discussions have already been had, even though the papers I had read said that for the Moose all they needed was 10 000 seats. I understand there are only 40 nights a year, I think, or something like that that they need it. It is interesting. What did the Premier call it again? Rumours? I guess that is what it is being built on, is rumours because that is what we have got to drive our questions and get our ideas from, is the rumours.

Mr. Premier, I do not know if this is any way for us to move ahead. I do not believe that we can jump on-side and support a project just because the grandiose scheme is being drafted in the back rooms with Ernie Gilroy and Eugene Kostyra. It scares me when I think this is being driven by just two, maybe three people, and all we have got to do is sign on the dotted line. We do not know what we are signing, and we do not know where we are going. To be signing a blank cheque and not be able to critique that, it really bothers me especially when I see the infrastructure falling down around me within this city of Winnipeg. It hurts me to think that the City could throw \$10 million or \$15 million, or whatever their share is going to be, toward that, when I have got homes in my area that get their basements flooded. I have got homes in my areas that cannot get down the streets when it rains because there is two feet of water on them.

Mr. Premier, it bothers me if City Council thinks they can just pass this thing through without the public being informed because I do not think the public will allow it to happen. I think the public expects to have this debate happen. Right now it feels like it is being snuck

through the back rooms of the Legislature and City Hall. Mr. Murray and Mr. Eugene Kostyra have got their little plan all together. They want to just dot the i's and cross the t's and come down, and hopefully the Moose win the next game and everybody will be praying for the Moose to win so they can bring it on and be proud of this new 10 000- or 15 000-seat arena, whatever it ends up being.

I really hope that that is not what they are doing, is hoping that they can win to get that extra stir in the people, because that stir is not going to last long. They are only getting 5 000 and 6 000 people to the game right now. Is a really new arena going to bring them 14 000, 15 000? I wish it would. I would love to see an NHL team back here, but we will never get one with a 15 000-seat arena. We know that. It cannot happen. You have to have 17 000 minimum. So what is this debate that we are going to have around this entertainment facility? What is its purpose, and where are we going in the future? I understand it is going to be driven by the private sector, but we do not know how much we are on the hook for, if it fails. I know you are not a bank. I do not know what equity you are taking into it. I do not know if you are taking any equity into it. I do know that you are committing some funds. I do not know what those funds are.

We hear the rumour mill, but it bothers me to think that we have to deal with rumours and that the facts cannot be out there for the public to deal with this issue. When the public is driving down Pembina Highway and losing a wheel in a pot-hole, when they are coming down from Transcona, down Regent Avenue or down Nairn, and you hit the potholes, that is infrastructure, Mr. Premier. That is infrastructure, and that is where the City should set its priorities—on infrastructure. When they are flooding, Mr. Chairperson, when they are flooding the city of Winnipeg in different areas, you have to deal with those matters. We dealt with it with "Lake Shirley" out in Transcona when we put that in because we knew there was a problem out in Transcona with the flooding, and the City supported that. When we have transportation issues we have to deal with them in the city of Winnipeg because it is important. It is important because the City has a minimal amount of funds

to deal with because their tax base is so small. This debate has to happen, and the public must have an opportunity to visit it and not just do it and ram it through and sign the deal. That would not be fair. I believe the public has a right to bring forward this debate and hear about it and not hammer a deal through the back rooms with Eugene Kostyra and Ernie Gilroy. That would not be fair. That is not transparent, and that is not open government.

Mr. Doer: First of all, the lead minister for us is Minister Lemieux who is involved with Fitness and Sport, and the Minister of Intergovernmental Affairs has been involved. The Leader of the Opposition asked if I was involved in the discussions. I attended a meeting five or six weeks ago, I believe, with people. It is a bit of an interesting issue. I did not get consulted. I did not get an opportunity to sign on the dotted line for the \$10-million or \$12 million worth of infrastructure behind this building to take the grass away and make it into a fountain and cement. That is even around this Legislative Building. That was part, I think, of the last infrastructure agreement. But I feel obligated to work with the private investors, and they are dealing with members of the community. I feel that they have a certain amount of their own risk on the line, their own capital on the line, so when they say we are not ready, we do not have an agreement yet, or we are at this point, I am respecting that. I do respect the limitations that it presents at the front end here trying to deal with the private-sector investors, three other levels of government, and then the rumours, and then the media, and all these other things. I think that I hear a very, very good speech in this Legislature or maybe back at City Hall, from the member opposite and I think all of us know that, to us, it is not a neither-or. There are priorities of infrastructure throughout Manitoba. The first three infrastructure announcements we made concerned the floodway notch, and that was even given an engineering award. I would have done that before anything—entertainment centre, or anything else. We did that because we got the extra. We had a 99-to-1 return on the notches for both the forebay in Grande Pointe and the areas adjacent to the floodway. The other announcements we made so far—and do not forget we are negotiating as one partner; even the Kenaston underpass was not agreed to by the former

Liberal government. Maybe I have been a little bit too transparent on the Kenaston underpass, but I did say it was not a priority for us or other levels of government. I was just telling the truth.

* (17:40)

Just on infrastructure, the other announcements that we made were for Cormorant, Balmoral and Haywood on water in rural Manitoba, and so we see this as not an either or. There are water projects that we are going to have to do. There are flood protection projects; \$82 million of the flood protection in this year's Budget alone, and we will have to as the Member for Lakeside (Mr. Enns) said: when we get our engineering report, we do have to have a public debate. I read the Member for Morris's (Mr. Pitura) comments this weekend. It is close to what we believe in as well. I thought they were very well thought out as a former Minister responsible for Emergency Measures, and we will want a good public process and a legislative process in that area.

Some of these matters will be in debate in the Legislature, potentially. Because if they require money—and I can assure the member opposite there is no money in the Premier's expenditures this time around on this issue—then there should be appropriate debate in this Legislature. There is appropriate opportunity for members opposite to respectfully disagree. You might have an interesting caucus on it once you see the agreement, if there is an agreement. You are right. There might not be an agreement. I do not know the process at City Hall. I am not caught up with it. They have an asset already, as you know, and they have been part of the discussions on a new asset, and they are also part with the province on an existing asset called the Convention Centre.

But the member opposite will know. For example, this Legislature has spent \$40 million on the Centennial Concert Hall in the last 10 years. So this Legislature has spent money on the quality of life in Manitoba. It has spent money on the ballpark, and I think it was a good investment. I prefer the ballpark to the fountain in the back. The member opposite might prefer something else. Beauty is in the eye of the beholder, in some ways. I like the ballpark. I like

taking my kids to the baseball field. It was two-thirds public money. I think it has been good for us. More credit to Sam Katz for doing it. Almost everybody thinks he built it brick by brick, but the members opposite know he did not. That is why he is a good salesperson.

This community, in my view, needs both. It needs infrastructure, and it needs optimism. It needs a vision, and it needs basics. We need the grunt work, and we need the Hallelujah Chorus. So that is where I come from, and I think members come from the same place. Because at the end of the day, you get X number of years in office. At the end of the day, did we improve the quality of life? Did we improve the quality of opportunities? What have we left as a legacy? I got a lot of criticism for the Forks when I was minister responsible. Now everybody claims that they did it. That is okay. It is good. It is good for the community. I got real criticism. So I have always believed that if you do things, you get criticism, and you just have to say: that is okay. That is okay, and I hope we can move together if there is a proposal.

But I think the bigger debate is going to be at City Hall. I think the member is right, because they have an existing asset. I also think that the debate cannot start and stop in Winnipeg. There are other projects across Manitoba that we have to deal with. I say that just dealing with Keystone today, and there are others across Manitoba. I think in the existing federal infrastructure program there are all kinds of proposals. Not all of them will be met, and not all of them will be able to get as much private money if this—as other projects. So be it. It still means that communities have got challenges. You have just had flooding in some parts of your riding, and I understand your feelings and I respect them. I respect your savvy around City Hall. *[interjection]*

Well, that is an interesting point because—what is that? *[interjection]*

It is not going to pass at City Hall, you say?

Mr. Chairperson: Are we in committee or in conversation?

Mr. Doer: Thank you. I was just curious.

Mr. Murray: We will go right out of the realm of rumour into, perhaps, fact. I would then ask the Premier, at one juncture, there was a discussion at a convention that the then-Leader of the Opposition had some discussion about a 32-hour workweek. I just quote his comments, he said: Gary Doer said, if he were to become Premier, he would convene a summit of business, labour and government to talk about reducing the workweek, limiting overtime and having prorated benefits for part-time workers.

I just wondered if the Premier could comment on what he was quoted as saying and if he currently still supports that position.

Mr. Doer: At the time of the resolution, I said I did not support going to a 32-hour workweek. I think that was quoted in the article. If it had not been quoted, eventually, in the article, I would have heard about it from the former Premier of Manitoba day after day after day in the election campaign.

I think you will also see in that article where I talked about the fact that, in terms of working time, we have to deal in a competitive situation with other provinces. I think that is also in the article. I am just going by memory now, but that is, I think, also in there.

Mr. Murray: Perhaps, for the Premier's memory, I could slide him the article. He definitely does indicate here an overwhelming support to resolution, talked about a 32-hour workweek and that, if he did become Premier, he would convene on some of the business, labour, government to talk about reducing the workweek, limiting overtime and having prorated benefits for part-time workers. He did say that. His recollection is perhaps that he might not have.

To move on, I would just ask just outright if it is something that he currently supports.

Mr. Doer: We have no plans of bringing in a 32-hour workweek.

Mr. Murray: I think "antagonistic" perhaps is one word that might come down when one speaks of Bill 44, I wonder if the Premier might be more open with Manitoba business regarding any new labour legislation that they may be

bringing in. I ask it under the basis, when he looks at any labour legislation they may bring in, that his indication, I believe, to business, when he first became Premier, was that he would not be bringing in labour legislation and did so sort of against the indication that he would not be opening up any labour laws, but did so. So I wonder if he has any plans on springing legislation in on the business community such as he did with Bill 44.

Mr. Doer: The issue of legislation, I think we have said before that we are trying to get better ways of resolving and preventing Workplace Safety and Health injuries. That is not under the labour code directly, but there are some sections of Workplace Safety and Health that we are working on a consultative basis with people. I think part of what we want to do is get more education at the workplace. Part of what we want to do is deal with young people. Part of what we want to do is have a strategy on farm injuries, where a lot of injuries take place, and it is outside of the labour code. So some of the things that are necessary to reduce the number of deaths from 25 down, particularly young people that are on their first summer job, or maybe their first job—We are looking for ideas from business. I think that is presently what we are working on right now.

* (17:50)

Mr. Murray: So the Premier will confirm that at this time that he is not looking at making any substantial changes to the labour laws that have this sort of negative effect or negative impact that Bill 44 had on the economic climate in Manitoba.

Mr. Doer: I think I have spoken at five or six Chambers of Commerce meetings in the last two months with full question-and-answer periods in every one of them, including today in Brandon, and I do not believe the subject has been raised at one of those meetings, at one of those Chambers of Commerce meetings. I may be wrong. I am just trying to recall. I will go back over my notes, but I have full question and answer periods after every Chamber of Commerce speech. I am open to any criticism, advice or questions people might have. I cannot recall any questions or any concerns about it.

I am trying to be careful. In government, the former premier would never say "never" because you do not know. For example, when we came into office in '86-87, there was a decision made by the courts on Sunday shopping. The whole Legislature worked together on Sunday shopping. I remember when we came into office we had to amend some laws, because the Sunday shopping law applying to Boxing Day falling on a Sunday after Saturday was closed, we found out that because Saturday was a closed day, Sunday, therefore Boxing Day, could be open from 6 a.m. on Sunday till 12. So we had to change the law because we did not know that was there—and I do not think members opposite would have known that was there when they passed the law. So we co-operated together on that issue. "Never" is a useful term for the member to use, if it is not never.

We are trying to work on Workplace Safety and Health. We have a process in place on minimum wage. The minimum wage went to \$6.25 this April 1. In fact, the members opposite had a report from Mr. McJannet to deal with minimum wage October 1, 1999. We held that back because, in some ways, we were critical of no increase for three years, but we were also critical of a big increase in the 1999 year, both on April 1 and on October 1. So we held that 25 cents till now.

We want what all Manitobans want, and that is fair, safe workplaces with productive operations that are producing good products for the world.

Mr. Murray: I should let the Premier know that I have spoken to a number of Chamber of Commerce events, and during the questioning period they certainly have asked me about changing Bill 44. Just so that you understand that.

I would ask: Mr. Premier, do you intend on making any changes to The Essential Services Act this session or within this mandate?

Mr. Doer: We have some concerns that we put on record when we were in opposition about some of the applications of a greenhouse person in a hospital being essential and somebody else who is not dealing with life and limb not being

essential. We believe in essential services. We believe life and limb situations should be deemed to be essential. I think we also believe in trying to have a strategy with a co-operative model. We just negotiated, for example, jail guards. We have negotiated under the old system that some jail guards were essential and some were not essential. We negotiated a contract where the next contract would be subject to arbitration if there is no agreement, as opposed to having strikes. There is an example where we have exceeded the existing essential services provision, or we have done it through collective bargaining.

So life-and-limb situations must be protected, particularly in health care, in a dispute, and that is the principle under which we are operating. We are working with front-line health care people and front-line management to determine what we are going to do, and when we are going to do it. The principle will be that life and limb are protected.

Mr. Murray: I just was looking at a piece from the *Brandon Sun*, and I just wondered, in here it quotes—well, I should not say that—it makes a comment that the NDP government is considering revenue options from municipalities, including a hotel room tax, Premier Gary Doer said.

I just wonder if the Premier could comment on that position, and ask if he is looking at bringing in more taxation into the province, under the line of a hotel room tax.

Mr. Doer: We are looking at some of the restrictive bills that are in place. We are actually looking at some of the more mature bills that are in place in some of the municipal jurisdictions in Alberta.

Mr. Murray: I appreciate the answer. I am just looking more to a specific response to the question which says in bold headlines that the Premier is looking at a hotel room tax. I am asking if he would be looking at introducing a room tax, an additional tax, on Manitobans, into Manitoba.

Mr. Doer: We are not and did not have a room tax in our Budget. There are a lot of provinces

that do not provide for a tax, or disallow a tax, for example, in Alberta and some other provinces. We are not planning on bringing in, at the provincial level, a hotel tax. There are a lot of issues. For example, when the reporter asked me, I said we are just looking at general legislation; I did not say we are looking at specifics, like the hotel tax. He wrote the headline. There is a provision even in The City of Winnipeg Act that disallows you from moving money from one account to another account.

The member opposite just talked about infrastructure, so it is not required at one account, and they cannot move it to another account, even though they are duly elected and responsible to their own citizens. We think that some municipal decisions should be a more mature relationship. We are looking at a broad number of issues. The most permissive act in Canada is Alberta's act. I am not sure how far we

are looking in terms of that; I just said the relationship has been treating municipalities in a fairly adolescent way, and whether we will treat them as young adults in terms of the constitutional requirements, I am not sure. We are looking at it.

An Honourable Member: More tax.

Mr. Doer: No, we will not be applying any more taxes, the provincial government, just to make that clear.

Mr. Chairperson: The hour being 6 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 8, 2001

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