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of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 14, 2001

The House met at 10 a.m.

PRAYERS

ORDERS OF THE DAY

PRIVATE MEMBERS' BUSINESS

**DEBATE ON SECOND READINGS—
PRIVATE BILLS**

**Bill 300—The Jewish Foundation of Manitoba
Incorporation Amendment Act**

Mr. Speaker: Resume debate on second readings of private bills, Bill 300, The Jewish Foundation of Manitoba Incorporation Amendment Act (Loi modifiant la Loi constituant en corporation "The Jewish Foundation of Manitoba"), standing in the name of the honourable Member for St. Norbert (Mr. Laurendeau).

An Honourable Member: Stand.

Mr. Speaker: Stand.

SECOND READINGS —PRIVATE BILLS

**Bill 301—The Bank of Nova Scotia Trust
Company and National Trust Company Act**

Mr. Speaker: Second readings, private bills, Bill 301, The Bank of Nova Scotia Trust Company and National Trust Company Act (Loi concernant la Société de Fiducie Banque de Nouvelle-Écosse et la Compagnie Trust National), standing in the name of the honourable Member for Elmwood.

Mr. Jim Maloway (Elmwood): Mr. Speaker, I move, seconded by the Member for Selkirk (Mr. Dewar), that Bill 301, The Bank of Nova Scotia Trust Company and National Trust Company Act, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Maloway: I am very pleased to speak to the bill that we have presented to the House. I wanted to say at the outset that this legislation, the purpose of it is to confirm the transfer of National Trust Company's trustee and agency business to Scotia Trust. In fact, in August of 1997 Scotia Trust bought National Trust Company, including all the interest of National Trust and all of its trustee and agency business. Scotia Trust now wishes to step into the shoes of National Trust, in respect of its trustee and agency business. To do so, Scotia Trust is proposing substantially similar legislation to this bill in each province in which National Trust has any trustee or agency business.

I wanted to point out to the members of the Legislature that this bill is all about saving the people of Manitoba delays and legal bills in their private affairs. It is all part of making this a very user-friendly government.

Mr. Speaker, I wanted to say—and I know the Member for St. Norbert (Mr. Laurendeau) is interested in this particular bill because he himself introduced a similar bill a few years ago, that the passage of the bill would save Manitobans and the Manitoba government offices much time and expenses in several ways: One, eliminating the necessity of applications to the Manitoba Court of Queen's Bench for trustee substitutions where National Trust acts as a trustee. For example, where an individual has named National Trust as an executor or trustee of his or her estate or will, passage of the bill would eliminate the necessity of a court application for an order of substitution under section 9 of The Trustee Act in Manitoba to name Scotia Trust in place of National Trust.

The bill, Mr. Speaker, would thus prevent cost and delay to the estate and beneficiaries, which we are all concerned about, Mr. Speaker, many of whom may be of relatively modest

means. In addition, the Public Trustee may be required to be given notice of such applications, resulting in time and government resources being expended in reviewing and responding to each application. So what we have here is a potential for eliminating a lot of time and waste by having individual trustees having to waste time giving these notices and paying lawyers to perform these functions.

Currently, Mr. Speaker, there are approximately 85 accounts operated by a national trust company in Manitoba. However, the approximate number of Manitobans that will benefit from the passage of the bill is much greater than that 85. Passage of this bill will eliminate the need for a separate court application to be made to appoint a new trustee under executor.

In addition, the Public Trustee will not be required to be given notice of these applications and to expend time and government resources in reviewing and responding to each of these applications. So we see here the Public Trustee having a role in this particular area if we were not to proceed with this bill. In addition, we will be eliminating the necessity of individuals to amend their wills who have listed National Trust as their trustee. Once again, we are reducing legal fees to people who are trustees of Scotia Trust.

Mr. Speaker, although a will can be changed to name Scotia Trust in place of National Trust, there would still be the additional expense for individuals to return to a lawyer to have the will changed and relevant documentation prepared and executed. The bill would also eliminate the need for individuals to change their wills for this purpose and save the individuals the expense, time and effort of returning to a lawyer for this purpose.

Once again, if you do not pass this bill you are forcing Manitoba citizens to go to lawyers at additional cost to themselves to fulfill the requirements of this amalgamation.

Mr. Speaker, there is an additional concern that some individuals may no longer have the capacity to make a will. For example, a person with a mental infirmity due to Alzheimer's

disease who now cannot make such a change in the will at all, passing this bill solves that problem.

Eliminating the time and effort which would otherwise be required by governmental offices to reflect the change from National Trust to Scotia Trust, for example, it will not be necessary to expend time, money and the Land Titles office resources to change the name for all land held in trust by National Trust to Scotia Trust. The act would be filed at the appropriate Land Titles office and would be referred to by the examiner.

As mentioned, passage of the bill would eliminate the involvement of the Public Trustee and eliminate the necessity of involving the overburdened Manitoba court system. So once again, Mr. Speaker, you can see that it is very important that we deal with this bill and pass this bill. I know the Member for St. Norbert (Mr. Laurendeau) is also very keen to respond to the bill, and he is, I believe, in support of the bill as well.

Referring to previous substantially similar legislation in Manitoba, in 1997 Scotia Trust obtained substantially similar legislation which transferred the trustee and agency business of Montreal Trust at that particular time, Montreal Trust Company of Canada and Montreal Trust Company collectively, to Scotia Trust. The governments of Saskatchewan and Ontario also passed similar legislation in 1997 with respect to the transfer from Montreal Trust to Scotia Trust.

Mr. Speaker, Ontario, on December 20, 2000, gave royal assent for substantially similar legislation to the bill in respect of the transfer of the trustee and agency business from National Trust to Scotia Trust.

So these are all the myriad and many reasons why I appeal to the members opposite and the members on this side of the House to move forward here, support this legislation, save Manitobans money on legal bills, save them the delays they would be faced with if we did not pass this legislation. Let us get on with this.

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, that was yesterday, this is today. It is very interesting how the leopard can lose his

spots. Not that long ago, we had the Member for Burrows (Mr. Martindale) ripping up his credit card for the Bank of Montreal and saying that the corporate giants were evil. We have members on the other side who are forever saying the big banks are evil, and here today the member stands up and he is supporting the big banks. Let me tell you, I am glad to see the leopard has lost his spots. I might even have a little confidence in this member.

* (10:10)

The member is correct. I did bring in two bills in the past that mirrored this legislation, and I am glad that this member was able to bring forward this bill and get it through his caucus, which surprised me, Mr. Speaker. With all the corporate hatred on that side, with all the credit cards being torn up, it really surprised me that he was able to convince the Member for Selkirk (Mr. Dewar) to even second this bill. We have got members on that side of the House, that is all they ever do is knock the big corporations. They knock the banks, and they rip up their credit cards, but today we have one that is standing there with the corporates. I must say I am proud of the day when I can see the Member for Elmwood (Mr. Maloway) standing up. So I am prepared to send this bill to committee.

Mr. Speaker: Is the House ready for the question?

Some Honourable Members: Question.

Mr. Speaker: The question before the House is second reading of Bill 301, The Bank of Nova Scotia Trust Company and National Trust Company Act.

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

Some Honourable Members: Agreed.

Mr. Speaker: Agreed and so ordered.

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 200—The Electoral Divisions Amendment Act

Mr. Speaker: Resume debate on second readings of public bills, Bill 200, The Electoral

Divisions Amendment Act (Loi modifiant la Loi sur les circonscriptions électorales), standing in the name of the honourable Minister of Labour and Immigration (Ms. Barrett).

Is there unanimous consent for the bill to stand in the name of the honourable Minister of Labour and Immigration?

Some Honourable Members: No.

Mr. Speaker: Leave has been denied.

Hon. Becky Barrett (Minister of Labour and Immigration): Mr. Speaker, it is my pleasure to speak on Bill 200, The Electoral Divisions Amendment Act, and I will speak as is the requirement on second reading—

Some Honourable Members: Oh, oh.

Ms. Barrett: I apologize for the unintended interruption on both sides of the House. I will speak to the principle of the bill as is the requirement during second reading and not get into the specifics of any section.

In the province of Manitoba, and I think it may be unique in Canada—I am not sure; I would have to check on that—but I know that our system in Manitoba is a very fair and effective system in dealing with electoral boundaries. All of the issues of how you determine what the 57 constituencies in the province look like, what their boundaries are and what their names are. The process is basically every 10 years after the census, I believe it is after the mid-decade census, the Electoral Boundaries Commission meets. They are individuals who are the president of the University of Manitoba, the Chief Electoral Officer and the Chief Justice in the Provincial Court. So it is a totally non-partisan group of people. It is the positions, not the individuals, that are itemized in legislation that governs the Electoral Boundaries Commission and its work.

These three individuals are charged with putting forward recommendations to the Legislature on the boundaries of the province of Manitoba, and, as I stated earlier, they hold public hearings and they take written submissions from citizens and groups who are

concerned about this issue. The first step is that they do their work in developing a draft map, and they use whatever technology, modern technology, is available. They have guidelines that they have to look at, with geographical there, to look at communities of interest. They are to take into account geographical boundaries, natural and human made. They are to look at communities of interest, and they are to look at historical connections as well. So there is a number, and the basis of it is designed to ensure that as much as humanly possible each constituent in each of the 57 constituencies that make up the Province of Manitoba's Legislative Assembly has an equal say in electing their member of the Legislative Assembly. That is the basis upon which the foundation, the rock upon which this process, is built.

So they take into account a vast number of items. A lot of individual attention is paid and after they have done a lot of this ground work, the commission holds public hearings, as I have stated. Mr. Speaker, they held several days of public hearings, I believe throughout the province and certainly in the city of Winnipeg, before the final draft was prepared for the Legislative Assembly's approval. It was passed by the Legislative Assembly with the names intact, as recommended, and with the boundaries intact, as recommended.

It is a wonderful process. I believe it is a very fair, non-partisan process. Mr. Speaker, it is a process that is repeated every decade. A decade is a long time. Things change, people move around, communities change, et cetera, but it is a process that does allow for change every decade.

So basically, my position and our position is that the Boundaries Commission has done its work well, has worked very effectively over the decades, and we see no reason why the Legislature would need to make a change in a name of a particular constituency in between the time that the Electoral Boundaries Commission does its work. So that is the position of our caucus on this piece of legislation. Thank you, Mr. Speaker.

Mr. Stan Struthers (Dauphin-Roblin): I move, seconded by the Member for Flin Flon (Mr.

Jennissen), that debate on this bill now be adjourned.

Mr. Speaker: It has been moved by the honourable Member for Dauphin-Roblin, seconded by the honourable Member for Flin Flon (Mr. Jennissen), that debate be adjourned. Agreed?

An Honourable Member: No.

Voice Vote

Mr. Speaker: All those in favour of adjourning debate, say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Yeas have it.

An Honourable Member: On division.

Mr. Speaker: On division.

SECOND READINGS—PUBLIC BILLS

Bill 201—The Electoral Divisions Amendment Act (2)

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the Member for Steinbach (Mr. Jim Penner), that Bill 201, The Electoral Divisions Amendment Act (2), be now read a second time and referred to a committee of this House.

Motion presented.

Mr. Helwer: I appreciate the opportunity to say a few words about the bill. Really, what it does is change the name from Gimli to Gimli-St. Andrews. Even though Gimli has been an historic name that should stay with the constituency, the change should be made because of the fact that when the Boundaries Commission made the recommendation of the boundaries last year, or a number of years ago to make up the Gimli constituency, they did not really think of the name as much as they did have representation from the municipalities

involved—West St. Paul, St. Andrews, town of Winnipeg Beach and the R.M. and the town of Gimli.

Mr. Speaker, if you look at the population makeup of the Gimli constituency, the R.M. of St. Andrews, which is the largest municipality in the constituency, with over half of the population there, over 10 000 people, 10 200 people in the Rural Municipality of St. Andrews, is more than half of the population of the constituency. So we want to certainly keep the Gimli part of the name because of the historic value, but we should also identify with the residents of St. Andrews and West St. Paul. In order to do that, I think it would be only fair that we change the name from Gimli to Gimli-St. Andrews. This would recognize the people of the constituency of St. Andrews.

* (10:20)

Let me just give you a little bit of the background about the Gimli constituency. There has been a Gimli constituency for many years in Manitoba. We certainly want to maintain that historic aspect of this constituency, but during the last Boundaries Commission report, there were a number of changes that they recommended in order for us to be able to make the constituency workable. It involved actually four constituencies. My friend from Selkirk, it was his constituency; my constituency was Gimli; the constituency of Lakeside; and also the Interlake constituency, which are the four in the Interlake area north of Winnipeg.

In order to do that and to make them equitable and easier to service, the Boundaries Commission heard the briefs from the various municipalities such as St. Andrews and Gimli and Winnipeg Beach and West St. Paul and a number of other organizations and people in the Gimli constituency and also in the constituency of Lakeside and in the constituency of Selkirk who made representations there. The reason for that is because at first the Boundaries Commission, the boundaries that they made split the Municipality of Rockwood and split the Municipality of St. Andrews, which is not in keeping with the way boundaries are normally established.

Normally boundaries are established on municipal boundaries. Especially in the case between St. Andrews and Rockwood, it is very simple to go on the municipal boundary because it is also a range line. It is only proper that it be done in that manner. So the representation that was made to the Boundaries Commission was that they do not split the municipalities and that they include West St. Paul, St. Andrews, the town of Winnipeg Beach and the R.M. and the town of Gimli into one constituency, and in Selkirk, the town of Selkirk and the Municipality of St. Clement, which makes sense to be together. Also in Lakeside, all the R.M. of Rockwood, including Woodlands and Rosser, make up that constituency there so it really makes sense. Interlake, of course, has Armstrong and the northern part of the Interlake. So the four constituencies really make sense.

The only problem that was not recognized at the time is the name. We want to keep the historic Gimli name. No one at that time made a representation, even from St. Andrews, thinking about the name, but because St. Andrews is the largest municipality there, it really does make sense that we include it in the name and call it Gimli-St. Andrews.

I think that is about all I have to say on this bill except that I would hope that my colleagues and the colleagues across the way see fit to pass this on to committee. Thank you, Mr. Speaker.

Mr. Daryl Reid (Transcona): Mr. Speaker, I move, seconded by the Member for Interlake (Mr. Nevakshonoff), that debate be adjourned.

Some Honourable Members: No.

Voice Vote

Mr. Speaker: No. All those in favour of adjourning debate say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Yeas have it.

An Honourable Member: On division.

Mr. Speaker: On division.

PROPOSED RESOLUTIONS

Res. 8—VIA Rail

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, I move, seconded by the Member for Dauphin-Roblin (Mr. Struthers), the following resolution:

WHEREAS VIA Rail serves northern Manitoba and provides major links to Thompson, The Pas, Lynn Lake, Thicket Portage, Pukatawagan and Churchill among other northern communities; and

WHEREAS residents of many northern communities are reliant on the passenger rail service for functions as common as visiting a doctor and purchasing necessary supplies; and

WHEREAS the residents of northern rail line communities, including young children, should not be subjected to second- and third-rate travel conditions; and

WHEREAS the operation of an efficient and modern rail service is of benefit to the residents of northern Manitoba; and

WHEREAS rail transportation is vital for manufacturing and the promotion of tourism, both of which benefit all Manitobans; and

WHEREAS northern municipalities and northern organizations have advocated for better and safer service; and

WHEREAS the federal government, in April 2000, injected \$400 million into improvements at VIA Rail, including a renewal of the fleet, improvements at rail stations among other initiatives.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider working with Transport Canada and VIA Rail to ensure that some of the \$400 million in new investment be used to improve rail facilities in Manitoba; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider ensuring continual support from the federal government for the development of rail transport in northern Manitoba where these services are so vital to the well-being of the population.

Mr. Speaker: It has been moved by the honourable Member for Flin Flon, seconded by the Member for Dauphin-Roblin (Mr. Struthers),

WHEREAS VIA Rail serves northern Manitoba and provides major links to Thompson, The Pas, Lynn Lake, Thicket Portage, Pukatawagan and Churchill among other northern communities—dispense?

Some Honourable Members: No.

Mr. Speaker: WHEREAS residents of many northern communities are reliant on the passenger rail service for functions as common as visiting a doctor and purchasing necessary supplies; and

WHEREAS the residents of northern rail line communities, including young children, should not be subjected to second- and third-rate travel conditions; and

WHEREAS the operation of an efficient and modern rail service is of benefit to the residents of northern Manitoba; and

WHEREAS rail transportation is vital for manufacturing and the promotion of tourism, both of which benefit all Manitobans;

Dispense?

Some Honourable Members: No.

Mr. Speaker: WHEREAS northern municipalities and northern organizations have advocated for better and safer service; and

WHEREAS the federal government, in April 2000, injected \$400 million into improvements at VIA Rail, including a renewal of the fleet,

improvements at rail stations among other initiatives.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider working with Transport Canada and VIA Rail to ensure that some of the \$400 million in new investment be used to improve rail facilities in Manitoba; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider ensuring continual support from the federal government for the development of rail transport in northern Manitoba where these services are so vital to the well-being of the population.

Mr. Jennissen: Mr. Speaker, it gives me pleasure to talk about this resolution, which is basically a resolution that is attempting to lobby the federal government for more support for rail transportation in this country and particularly in this province, and more particularly in northern Manitoba. I do not suppose I have to tell members about the historical importance of railways in Canada. From the days of Sir John A. Macdonald, the rail has been used as a method of uniting this country, of linking various disparate regions of the country together. It is unfortunate that today, when we look only at the bottom line, we sometimes forget the historical role that railroads played in the foundation, and continue to play in the economic expansion of Canada.

Railroads may appear to be less important to many people today, but I assure you, Mr. Speaker, that in northern Manitoba they are extremely important still today. The isolated geography and severe weather of northern Manitoba makes rail travel a necessity for many of those northern communities, particularly on the Bay Line and several communities on the Sherridon line, that is the line from The Pas to Lynn Lake. Much of the North relies on the rail service to allow for the regular delivery of needed goods and the consistent and safe transportation of persons to and from the region. For many of the most isolated communities along the northern line even the most common activities which people in southern Manitoba would take for granted, such as visiting the

doctor or purchasing household supplies require the use of rail transportation.

I could give you the example of Pukatawagan, which is a community in my riding, which is serviced by the Sherridon line. Pukatawagan does have an airport, but, as you know, air travel is very expensive, usually at least double that of rail transportation. If you live in Pukatawagan, the cheapest way to get out is by rail, but very often that rail service, that passenger service takes place only about twice a week. The trip from Pukatawagan to The Pas on a good day will take 10 hours; on a bad day, it could take a couple of days. Twelve hours is about normal for that run.

* (10:30)

Many of the children from Pukatawagan in senior high would go to school in Cranberry Portage. Now, as the crow flies, that is not far in terms of distance, but when you take the train, and the train comes only twice a week, then you would have to miss at least one day if you took the train, let us say, on Monday or Tuesday, whenever the train runs, and if you went home on a Thursday, well, you would miss Thursday and Friday in school. So it is a long, slow and torturous route, but, nonetheless, it is very essential.

It is also a concern to the people of Pukatawagan and others on that line, as well as on the Bay Line, that the passenger cars are not of, shall we say, modern standards. Some of those cars are as old as 1913. Service is sporadic. Now we do not have cabooses on that train anymore. At one time you could go to the caboose and order a hamburger. Now they cannot do that anymore. There was a fatality when someone fell between the caboose and one of the cars, and since that time, they have stopped running a caboose on that line. So those trains are not known for amenity, nor are they known for their lightning-fast service.

As well, I could point out that people of Pukatawagan tell me that the people who run the VIA service on the OmniTRAX line, the Hudson Bay railway line, are not always sensitive to Aboriginal people. They are also not terribly sensitive in terms of the fluctuation in

passengers, because around Christmastime, when a lot of people from Pukatawagan travel to The Pas to do their Christmas shopping, added cars are not there, so people have to travel in baggage cars, sometimes even the children, and some people cannot get on the train at all.

Those are some of the annoying things that people from Pukatawagan and other small communities connected to the railway line have to put up with. As well, if you travel by train, let us say, from The Pas to Pukatawagan, you may stop at night. You have to cross the railroad track to get to head toward Pukatawagan. There are no lights there. There is no station there, no amenities. Even though the people were promised when the railway line first came in that they would be given those amenities, that has never really materialized. So it is disappointing that our government which runs VIA Rail, which is a Crown corporation, pays so little attention to passenger rail travel in northern Manitoba.

The northern line is one of the most basic of necessities, as I said before. It is basically a lifeline. I am not just saying that. Others have said the same thing. Let me quote a report that was put together by Ron Duhamel and Elijah Harper in 1994, entitled *Report on Passenger Rail Services in Manitoba*, an example of the Liberal government investigating itself, I guess. Anyway, here is what they have to say on page 1 about VIA service in northern Manitoba. They are saying: VIA services are of critical importance to remote communities in northern Manitoba which, without passenger trains, would not have a year-round transportation link to the rest of the world. The train is literally a lifeline, and it is the only means of travel residents of some communities have for such essential trips as to the grocer or to the doctor.

Those are the words of Duhamel and Elijah Harper.

As a Crown corporation, VIA Rail has an obligation to provide quality service to its passengers on the northern Manitoba lines, and they have not been really following their mandate to the letter because the quality leaves a lot to be desired. Crown corporations established by the federal government, such as VIA Rail, serve all Canadians and must give equal

treatment to those who live in remote regions of the country. At least that is the ideal, and we have never come even close to that ideal.

As in the case of residents of northern Manitoba, there is often little or no choice in transportation to and from their community other than rail transport. This is unlike the situation along the Québec City-Windsor corridor or the Montréal-Ottawa-Toronto corridor, where many modes of transportation compete for the travelling public and where these high-density lines do make a profit. Of course, that is where VIA Rail likes to concentrate, where the profit can be made. That runs counter to the Canadian vision of making all regions equally accessible to the centre of Canada. Due to the isolation and sparse population and climate that is unsuited to permanent roads, rail transport is often the only lifeline for many in the North to necessary services, particularly in the winter months.

VIA Rail has made large investments in recent years to provide world-class service to commuters travelling along the Ontario-Québec corridor, as I said before, the Montreal-Ottawa-Toronto corridor, but has largely neglected the needs of travellers on its remote lines in western Canada. For many years, municipalities and other northern organizations that are serviced directly and indirectly by VIA Rail service to northern Manitoba have advocated for better service to the region.

I remember listening to speeches in this House where members have stressed this point. I remember listening to the Member for Transcona (Mr. Reid), the former transport critic, who would also highlight that issue. I have heard our northern member of Parliament Bev Desjarlais talk about that issue. I have heard various mayors, including Mayor Bill Comaskey from Thompson, talk about the issue.

In fact, I would like to quote Mayor Comaskey from the comment he made last year actually, the *Thompson Citizen*, Friday, July 7, and the headline is: The mayor blasts VIA for cutting capacity, and this is what Mayor Comaskey said then. He said: If any other organization were to run their business the way VIA seems to, they would have been bankrupt years ago. We will no longer accept this level of

service, especially from an organization that is heavily subsidized by the federal government. VIA has both the mandate and the responsibility to service the country, but they do not want to live up to that responsibility. The mayor said: It is total chaos on the Bay Line and not even managed chaos. To be honest, I doubt that VIA even knows what is going on here. The city of Thompson is not going away, and there are people who live along the Bay Line that depend on that service. Something has to be done to ensure a decent level of service is maintained.

Now, I talked to Mayor Comaskey, I think it was only yesterday, and I asked him: You know, has anything changed up north with regard to VIA Rail? He said nothing has changed. It is the same old broken record. We are still having major problems, particularly with bookings. As you know, when you book with VIA Rail, you have to contact their head office in New Brunswick and very often we get, I guess, vague or dubious or contradictory answers. Very often, when booking, it seems that the train is full, and yet when you check there are actually lots of seats on the train. Also, when VIA Rail renovated the system, so to speak, a little bit, some of the passenger cars put onto the Bay Line carried fewer passengers than the ones before. If VIA Rail were to take its role seriously, then the improvement of this industry would promote not only tourism but the development of the economy in northern Manitoba to a great degree. That is not happening now.

In April, 2000, the federal government announced the injection of some \$400 million into improvements of VIA Rail, and like a lot of announcements made by the federal government there is a lot of fanfare and a lot of hoopla and then very little is done. I referred earlier to the Duhamel-Elijah Harper report, and even when you read the report you see that the dominant tone of the report is cost-cutting, slashing. So, on the one hand, they say there is need to improve the service but on the other hand, they say well, you know, we are in a tough fiscal situation so we have to save money. Mind you, this was done in the early '90s when slashing and hacking was the mode also in this province.

In April, 2000, the federal government did promise to put \$400 million into improvement of

VIA Rail. Among the improvements that were to be made to the VIA Rail system were the improvements of various rail stations that VIA served, as well as the renewal of the existing passenger fleet. Among the improvements made to the passenger rail fleet was the purchase of 139 new passenger cars, the first major rail car purchase by VIA Rail in more than 20 years.

VIA Rail and the federal Department of Transportation that oversees the Canadian transport industry must take a leadership role in ensuring that these new resources are allocated for use on the remote lines in northern Manitoba as well. In other words, they cannot just hog the bucks for eastern Canada only. The current state of the passenger fleet for northern Manitoba is old and in need of immediate reinvestment to properly serve the needs of the communities in northern Manitoba.

The locomotives which serviced northern Manitoba along the route from Winnipeg to points such as Thompson, The Pas and Churchill, were built in the 1950s, as opposed to the fleet which services the Ontario-Québec corridor, which is less than 20 years old. So we have the old railroad cars, some of them going back to 1913, and we have the older locomotives as well.

* (10:40)

In the latest purchase of locomotives by VIA Rail from Europe, 21 high-speed locomotives will be added to the corridor fleet, while there has currently been no commitment on improving the northern Manitoba fleet. Again, we are treated as second-class citizens.

Many passengers on Manitoba's northern line feel that they are receiving, obviously, second-rate service due to the lack of improvement being made to the remote rail system in this province. I think it is important that this House call upon VIA Rail and Transport Minister David Collenette to review the current state of the northern rail system in Manitoba that is operated by this Crown corporation and ensure that appropriate steps are taken for improvement.

In fact, their own government obviously called for it in the Duhamel-Harper report,

although that report is long on advice and stresses cost cutting and is very short on producing results. There has been very little action even though the report talks about better track maintenance, usage of mixed trains, broader use of rail cars, more attempt to be able to move northern products such as fish, which, incidentally, brings me to a point, Mr. Speaker.

I had a call from Napoleon Charlette the other day, who is the president of the Pukatawagan Fishers Association. He was telling me that for the first time in a long time they did not send a refrigerated reefer car. Instead they sent an ordinary ore car, I believe. They loaded it full of fish. By the time it got to The Pas the fish was spoiled. Therefore those people have put all kinds of work, effort and energy into making a living, to be self-sufficient, and yet it is defeated because of these ancient transportation lines. It is not only just the fish. It is also wild rice.

Mr. Hyacinth Colomb, a well-known elder from Pukatawagan who will be receiving the Order of Manitoba this summer, told me that last year and the year before when he was sending his wild rice to The Pas on the train, wild rice that incidentally sells at 90 cents a pound green, the charge per pound to send it to The Pas was, I believe, on the railroad 25 or 30 cents. By air it was 60 cents. So they cannot make a living. Not only that, when it gets there by train it is dried out and is not considered acceptable.

Mr. Speaker, I could go on and on why it is necessary to improve the northern lines, particularly in view of the fact that rail transportation is environmentally friendly, in view of the fact that Canada has signed the Kyoto protocol in 1997, December 10, committed to the reduction of greenhouse gas emissions, particularly carbon dioxide. At the rate we are going, by 2010 we will not have cut the 6 percent. We will have increased at least 25 percent. So, if we want to get into environmentally friendly transportation systems, we are going to have to look at mass transit and we are going to have to look at the railways, because they are environmentally friendly, much more so than cars and trucks.

I could go on and on, but I will give others the opportunity to speak on this resolution. I hope they will support it. Thank you very much.

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, I commend the member for bringing this resolution forward, because I think it does offer us the opportunity to put on the record some thoughts on rail service in Manitoba and indeed rail service in all of Canada. I am very sympathetic to many of the arguments my honourable friend has made about rail service. Clearly there is an issue here that I think we can be very critical of the federal government, present and past governments, for very much abandoning the idea of rail service in our entire nation.

I grew up in the '50s and '60s. Rail service at that time, and earlier, was a very romantic way of travelling across this country. You could get on a train and leisurely enjoy the time as you passed from one province to another, one community to another. It was a great way to move people and to move product.

Other countries have seen the wisdom of enhancing rail service. For whatever reasons, we in Canada have let slip away from us the rail service that other countries enjoy. Today we have a very bare skeleton of the type of rail service that we see in other jurisdictions.

When the member says that we are subjected to second- and third-rate travel conditions in northern Manitoba, I would argue that is the case across the entire country with the possible exception of that corridor from Québec City to Montreal to Toronto and Ottawa. That area, I think, has had improved rail service, and there is substantial use of that.

I grew up in the little community of Erickson which was called the Rosburn subdivision. There was a rail line from Neepawa up to Russell. That is one of the lines that has now been abandoned. I would hope the Member for Flin Flon (Mr. Jennissen) will come back and listen because I think he has brought forward a very important resolution that we can support many parts of it. I know he has a very abiding interest in this. But that rail line has been abandoned now, and we know it will never be

replaced. Similarly, many lines across this province have been abandoned.

I think that the current NDP government in this province was supportive at one time of preserving these lines, and having short-line operators come in. But I can tell you, with the legislation they brought in last year that reflects on short-line railroads, I do not think we will see another short-line railroad developed in Manitoba, because the legislation brought in last year was very restrictive, very narrow. It did not allow short-line operators, in fact, to own and operate that line without government interference in it, particularly as it reflected on succession rights for unions.

Short lines are very small business, and they can only operate if they are allowed to manage their affairs without the interference from government. In fact, Gord Peters spoke to committee, and I thought made immense sense in pointing out that not only would we not see another short line developed in Manitoba, he was going to have great difficulty in continuing and, in fact, I think, talked about moving his business out of the province to the province of Alberta where he felt that there would be opportunities for him. But I digress from the resolution here.

I think that, in all likelihood, it is too late to save much of our rail resources in this country, and successive governments in Ottawa have allowed for the abandonment and the deterioration of what was once a reasonably good service and probably compared with other jurisdictions in the 1950s and 1960s. But since that time very little new resources have been put into the rail service. We have seen not only the abandonment but the deterioration of existing lines.

At one time Canadians from all parts of this country would use the rail service not only to ship product but for the movement of people. Now that is next to impossible. I see VIA Rail trains crossing the prairies with very few cars on them, with very few people using them, because the service has been so unreliable. It has been so unreliable and so inefficient that the public has just generally strayed away from them.

I contrast that to what you see in other countries. In trips to Europe, in England, in Norway, in France, where I have used rail service, you have very high-speed, modern trains that can move passengers between cities, between communities in a very efficient fashion, and if you miss the train there is another one in 20 minutes. They have invested very heavily in the infrastructure necessary to keep that service alive and well in those countries. It is going to take a major turnaround in the thinking of our political leaders in Ottawa not only to direct their attention to the reinvestment in railway service, but it is also going to take a tremendous amount of money.

* (10:50)

I know Minister Collette has indicated that there would be some \$400 million of new investment in VIA Rail. Our share in Manitoba would be about less than 4 percent of that. So there is not going to be a lot of that money flow to Manitoba. I forget how many years this is spread over, but looking at \$16 million to revitalize rail transportation in Manitoba is really a pittance. I am afraid, even though all of us, I think, are supportive of VIA Rail and improving rail service in the province, that \$16 million that might be assigned to Manitoba over five years is really a pittance when it comes to reinvesting in the infrastructure of railways. So we have lost, through successive governments in Ottawa, I think, the ability to use the rail system in this province.

I can remember debating this at university in the 1960s. At that time there were others who saw the dramatic increase in trucking just on the horizon where it would replace what we were doing by rail. You know, this in fact happened, but it has been a mistake because, as the minister of highways and transportation knows, the pressure on provincial roads has become immense. We have seen the destruction of our roads because of the high usage of transport trucks and buses and other vehicles on our roads.

The federal government not only has abandoned the railways, they have also abandoned any intention of putting federal money into highways infrastructure. In the last few years, we have seen zero dollars returned to the province by the federal government from the

\$150 million in gasoline tax that they take out of the province of Manitoba. So there has been a tremendous impact on our highways. So the federal government has won on both sides. They have dramatically reduced their expenditures on railways both in the rolling stock and the maintenance of rails. They have put that expense upon provincial governments and have not come forward to spend the tax dollars they get from gasoline on roads. So I think that in many ways whatever resources they put into rails now and into railway service is very much late in the game.

I would hope that the federal government would put forth a vision of where they see rail service going on into the future. I think that vision has been lacking, that vision has not been enunciated, and we have allowed railways to deteriorate, railway service to deteriorate where the customer has gone elsewhere. The customer has found other ways for personal travel, whether it is renting vehicles, taking buses or flying. As a result, the government has said, well, society is no longer interested in rail traffic. That is not true. I think we have come to that conclusion because of the abandonment in terms of expenditures for rail service throughout the country.

I want to go back to the short-line rail service that we have in the province. There are more lines that are being put forward for abandonment. I think this provincial government has a role to play here. I know the minister of highways and transportation and I think the Minister of Conservation (Mr. Lathlin) have put certain roadblocks in front of those who want to abandon rail lines, but all they are doing is stalling the process. Maybe what they should be doing is looking at repealing the legislation that they put in last year, which was very detrimental to entrepreneurs who wanted to look at perhaps taking over some of these rail lines and developing a short-line business. There is nothing wrong with the Government admitting they made a mistake because they will have seen by now that the interest in short-line rail lines in this province has all but disappeared. They are no longer economical.

You have foisted certain restrictions upon those who wish to invest in short-line rail

service, which means that they will no longer be viable as business opportunities. I would hope that the Minister of Transportation (Mr. Ashton) and the Member for Flin Flon (Mr. Jennissen), who has an interest in rails, and I daresay the Member for Transcona (Mr. Reid), who was a railroader himself and often when he was in Opposition spoke about railroads—he has been very silent on it since he became part of the Government—but I would think that he should raise within his caucus this issue of the legislation that was passed and approved by his Government last year, that maybe it should be reviewed and repealed because there are rail lines in rural Manitoba that still are used to haul grain that could be further enhanced by private ownership.

I daresay people like Gord Peters and others who have invested and found a way to make profitable these rail lines would be interested in further expansion and further purchase. Rather than have them flee the province for Alberta and make money elsewhere, give them an opportunity to take over some of these potentially abandoned lines. We have seen with the line to Churchill, and the Member for Flin Flon will know that, members of his caucus opposed the privatization of that line back in the '90s, but we have seen OmniTRAX come in, and with expertise garnered in other jurisdictions, make a viable rail line out of that. We have seen an increase in the amount of grain that is being shipped through Churchill when the federal government and the rail lines earlier were saying the rails are not strong enough to haul these bigger hopper cars. That was baloney and that has been proven wrong.

So, I would say to the provincial government: Move out of the way and allow private operators like OmniTRAX and Gord Peters and others to turn their attention, their resources, their expertise to developing these short lines. Repeal that legislation and let them have an opportunity to make these lines viable. I think the Member for Flin Flon (Mr. Jennissen) understands that very well, and I know he has a lot of influence in his caucus. He could get the Member for Transcona onside on this and talk to Cabinet colleagues to say: Listen, we made a mistake. There is nothing wrong with admitting that and repealing that legislation and seeing the

private sector invest in those rail lines that the federal government, that the CNR and CPR are not prepared to use, that they want to abandon.

Mr. Speaker: Order. The honourable member's time has expired.

Mr. Daryl Reid (Transcona): I am pleased to rise to add my comments in support for the resolution brought forward by the Member for Flin Flon.

Mr. Speaker, I have had the opportunity in my life as a legislator, and, of course, as the Member for Minnedosa referenced, even before I came to this place, to this Manitoba Legislative Chamber, I was employed by the CNR and had served 21 years in that capacity. I had worked on various pieces of freight and passenger rail equipment and had utilized the service many, many times in my life before coming to this place.

Of course, upon being elected, I have had the opportunity to travel with my colleagues in the Legislature to different parts of Manitoba, and I have used on several occasions the VIA Rail service, Mr. Speaker, travelling up to Churchill, Manitoba. So I am familiar with the services that have been provided in past years. I am familiar with the difficulties that are encountered along the way and how important, as my colleague the Member for Flin Flon references, the VIA Rail lifeline for rural and northern Manitoba.

Mr. Speaker, I remember travelling to communities like Thicket Portage, Pukatawagan, Pikwitonei and a lot of the isolated—

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have 13 minutes remaining.

The hour being 11 a.m., we will move on to the second resolution, which is No. 9.

* (11:00)

Res. 9—The Importance of Rural Diversification Initiatives

Mr. Jim Penner (Steinbach): Mr. Speaker, I am pleased to present this resolution today on the importance of rural diversification initiatives.

Mr. Speaker: Order. The honourable member has to move.

Mr. Jim Penner: I move, seconded by the Member for Gimli (Mr. Helwer), that the resolution on the importance of rural diversification initiatives be accepted.

An Honourable Member: Read it out.

Mr. Jim Penner: Read the whole thing?

An Honourable Member: Yes.

Mr. Jim Penner: WHEREAS the elimination of the Crow rate by the federal government has been responded to with diversification of the rural economy and the growth of value-added activities; and

WHEREAS diversification of the rural economy leads to increased job creation, increased investment and export opportunities; and

WHEREAS the previous provincial government recognized the need and potential for rural diversification through its Rural Economic Strategy, a program which included accomplishments such as the creation of 97 community round tables, the Rural Economic Development Initiative (REDI), youth entrepreneurship programs, the Working for Value Task Force, and a rejuvenation of community development corporations; and

WHEREAS rural diversification has been an important factor in both Manitoba's continued economic growth and in the province having maintained one of the lowest unemployment rates in the country; and

WHEREAS it is in the interest of all Manitobans for these trends to continue; and

WHEREAS the current provincial government has already taken a step backward on this important issue by eliminating the Department of Rural Development; and

WHEREAS the current provincial government has chosen to alter the rural development bonds act program so that the Grow Bonds

Program is now open to businesses within the city of Winnipeg, thereby changing the original spirit and intent of the program, which was to foster rural development.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider continuing the previous government's efforts to support ongoing diversification of the rural economy; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider continuing the Rural Economic Strategy, and thereby ensure the continued growth and prosperity of the rural economy.

Mr. Speaker: It has been moved by the honourable Member for Steinbach, seconded by the honourable Member for Gimli (Mr. Helwer),

WHEREAS the elimination of the Crow rate by the federal government has been responded to with diversification of the rural economy and the growth of value-added activities; and

WHEREAS diversification of the rural economy leads to increased job creation, increased investment and export opportunities; and

WHEREAS the previous provincial government recognized the need and potential for rural diversification through its Rural Economic Strategy, a program which included accomplishments such as the creation of 97 community round tables, the Rural Economic Development Initiative (REDI), youth entrepreneurship programs, the Working for Value Task Force, and a rejuvenation of community development corporations; and

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Mr. Jim Penner: Mr. Speaker, I am pleased to rise today to discuss an issue that is of great importance to the residents of my constituency, Steinbach-Hanover, and to all Manitobans. Members will appreciate that, as a person who has done business in rural Manitoba for many years, this is a topic which I believe is significant to the success of our province. As well, I think I can bring a unique perspective, because I have also done business in Winnipeg for much of my life and can tell the members of the unique challenges of operating rural and urban enterprises.

As members of this Chamber are well aware, the issue of rural diversification has taken great prominence over the past several years, and especially since the elimination of the Crow rate. As a former grocer, I heard the expressions of concern from area farmers about the future of their industry when the elimination of the Crow rate took place. Many wondered what their personal future held, and they also wondered about the future of our province.

However, today we see that in many areas our agricultural community is quite strong, not

in every area of course, since we know that many commodity producers have experienced difficulties in recent years due to the weather patterns, due to foreign subsidies and due to low commodity prices. Yet a great deal of hardship has been avoided because of the measures that were taken by the previous provincial government following the elimination of the Crow rate. So today in Manitoba, by and large, we have the foundations of a more diversified economy.

Mr. Speaker, I was visiting with Charles Boehr in the Kleefeld-Grunthal area who says he is the largest producer of hedgehogs in Canada. Hedgehogs are raised and sold in the United States and Japan as pets. Certainly, that was a move of diversification. I have visited numerous buffalo farms, or I guess they are bison once they are inside a fence, and noticed that there is a growing industry in the sale of bison meat because of its properties of low cholesterol and low fat and its excellent flavour. I understand, at this point there are more bison farmers in Manitoba than there are poultry farmers. I think that is a point very few people would realize.

I have visited elk farms at the Bohren Farms near Grunthal, and I have seen a substantial herd of elk being used to provide the markets in the east with the antlers. In the Kleefeld area, I have visited farms where a great deal of the honey in our province is produced, and these are substantial operations that even export to England. We have a farmer near Steinbach who has introduced a quality of eggs, low cholesterol eggs to the market, and he has specialized in a special feeding program to have these low cholesterol eggs put on the market.

Also, near Steinbach we have an industry underway that manufactures pasta. It seems wrong for us to have to ship all of our durum wheat or hard wheats to the east for manufacturing and then ship it back into our local communities when we, in fact, could employ people here and manufacture the product here and ship out the finished product. So there is a great deal of interesting diversification going on.

We know there has been tremendous development in the hog industry in Canada and in our part of Manitoba. The cattle industry is

thriving. The poultry industry is thriving, even though there is some concern about the forced unionization at Granny's. We also know that the dairy industry in our part of Manitoba is very healthy. So there is a great deal of manufacturing, or producing I should say, going on at this point that is not dependent upon the Crow rate, not dependent upon the low prices of oilseeds and cereal grains.

Of course, there are some areas that are more diversified than others. For example, the constituency I represent has a fairly well diversified base and other municipalities further west have said that they wish they had begun the process of diversification a little sooner. Much work has been done, but indeed there is much work yet to be done. Certainly I think that all members of this Chamber would agree that not every region of rural Manitoba is the same, and they do not all have the same challenges. That reality makes it all the more important that the province of Manitoba have a single department to work with the various rural areas and to develop expertise and well designed, flexible programs.

* (11:10)

Members opposite should know about the many good programs that were initiated under the former Conservative government that recognized the importance of rural Manitoba and the important part of our economy and heritage, and how the rural economy was such a vital part to the province. Indeed there were a number of programs which helped provide opportunity in different parts of Manitoba. Members opposite should also know that many of these programs had a significant community-driven aspect to them. I have stated in this House before that rural Manitobans are very much entrepreneurs. Given the right environment and the needed tools, they can take an idea and develop it to the point that it benefits entire communities and regions while returning to government many times the investment that was put forward.

Unfortunately, many Manitobans are today left to wonder if the foundation that was laid in terms of rural diversification in rural Manitoba has under the present Government ground to a halt. Certainly they did not get off to a good start

by eliminating the Department of Rural Development. One of the first acts of this Government when assuming office was to take what was the Department of Rural Development and the Department of Urban Affairs and to merge them into an entity called Intergovernmental Affairs. The initial effects of this move were to cause confusion. For some months municipal officials struggled not only with the change of government and what changes in policy direction that might bring but also with the elimination of the department and the uncertainty it created with staff in the two departments. So, Mr. Speaker, we know that these changes and disruptions were not helpful.

However, much more alarming and much more troubling for the residents of my constituency and those in other parts of rural Manitoba is what it signalled in terms of the NDP government's priorities.

We even have confusion at the federal level. I am citing an article that was printed on Wednesday, June 13, where the Western Economic Diversification program is attacked by M.P. Reg Alcock. Furthermore, M.P. Ron Duhamel from the same party supports the Western Economic Diversification program and says no one should oppose it. Probably this also reflects on the confusion of Ottawa in not understanding rural diversification and not having a focus and unity and harmony on this issue.

I think that many rural Manitobans had wanted to give the new government of the day the benefit of the doubt and hope that they would recognize the importance of rural Manitoba. Yet the elimination of a separate department to help develop this significant part of Manitoba's economy was not a good start. I would have hoped that the Member for La Verendrye (Mr. Lemieux) would have stood up early in the Government's tenure and said that was wrong. I would have hoped that as a representative of rural Manitoba, and of a neighbouring constituency, that he would have expressed the need for a department that has a specific mandate to develop and diversify rural Manitoba.

Of course, I understand that the Member for La Verendrye, like myself, was new to this

House. It can be a challenging thing to not only get organized and learn one's role in the Legislature, but having the added responsibility of a ministerial portfolio I am certain increases the difficulty. So I have some compassion for the honourable member. But today, after 18 months in office and two portfolios, I would hope that he is working hard, if not publicly, then at the very least behind the doors of Cabinet, to try and have this Government recognize the need for a separate department dedicated to rural development. I think that if he were to canvass his constituents he would find many who feel the same way.

Mr. Speaker, members of this House have in the past commented on the decision by the current NDP government to take the Grow Bonds Program and extend it to businesses within the city of Winnipeg. That essentially was a method of neutering the Grow Bonds Program, because the Grow Bonds Program was developed to assist in financing projects in rural Manitoba.

The reason, Mr. Speaker, that we had the Grow Bonds program was the difficulty in financing rural development. Half of my business involvement was rural and half was in Winnipeg. I had no trouble financing Winnipeg projects; I had great difficulty financing rural projects. So the Grow Bonds program would help to initiate, start up new projects, support initiatives on diversification, but now it has been neutered. I suppose that was a deliberate attempt at leaving the rural people without the benefits that they had under the previous government.

Mr. Speaker, as I mentioned earlier, the residents of rural Manitoba were, I believe, quite willing to give this Government the benefit of the doubt after its election. It is the nature of rural residents to do so. Regrettably, this Government has returned this gesture by essentially turning its back on rural Manitobans by watering down, walking away from or impeding the development of rural diversification initiatives. So the Government should not be surprised if it is met with some scepticism by rural Manitobans.

Indeed, it is not unlike the general concern we have seen expressed in recent reports by

Manitoba businesses about the policy direction of the current provincial government. In fact, there seems to be a policy pattern developing among members opposite that can best be described as divide and conquer. They try to drive a wedge between labour and business. They try to drive a wedge between urban and rural, and each time, Mr. Speaker, all Manitobans lose in the long run.

Of course, one would hope that the strategy this Government has embarked upon regarding rural Manitoba is not a political strategy. Yet, it is not unusual to hear residents of parts of rural Manitoba speculate that the reason rural southern Manitoba seems to be repeatedly ignored by the current government is because of their lack of electoral success in that region.

It may very well be that members opposite feel that there is no harm to them if they simply turn their back on certain areas of Manitoba, but I would hope that the members opposite would change their hearts and give rural diversification initiatives the importance that they deserve. Thank you, Mr. Speaker.

Hon. Jean Friesen (Minister of Intergovernmental Affairs): Mr. Speaker, I am very pleased to be able to speak on this resolution from the Member for Steinbach, and I want to thank him for introducing this resolution.

I know that I want to recognize the honourable member's concern for rural Manitoba, as indeed for all honourable members concern for the future of rural and northern communities. I know that many members of the Opposition represent their communities, that they are responsible for that. I respect that, and that putting forward their concerns, erroneous as they are, but nevertheless putting forward their concerns is part of what they should be doing in this House, but I do similarly expect the same kind of respect from the Opposition about this side of the House.

Although the Member for Steinbach (Mr. Jim Penner) has mentioned the Member for La Verendrye (Mr. Lemieux) on this side of the House as a rural member, I do want to remind him that the members for The Pas (Mr. Lathlin),

for Rupertsland (Mr. Robinson), for Dauphin-Roblin (Mr. Struthers), the Member for Flin Flon (Mr. Jennissen), the Member for Thompson (Mr. Ashton), as well as the two members for Brandon, the Member for Swan River (Ms. Wowchuk), who is also the Minister of Agriculture, as well as the Member for La Verendrye that he had already spoken of, all of these represent northern and rural communities. So the range of representation and the range of concern and the representation in Cabinet of rural and northern communities is quite extensive. So I expect that the rumblings that we often hear from the other side that they are the only ones who can speak for rural Manitoba, the only ones who have a genuine concern for rural Manitoba, I think that their anxiety should be put to rest on that.

I think fundamentally we should all work from the general assumption just as all members in this House are honourable, all members in this House are concerned for the future of rural Manitoba and for northern Manitoba as well as for the city of Winnipeg. I think that is a general assumption that we would make, and I am sure, perhaps, on reflection, that members on the opposite side would make as well.

Now, one of the member's concerns was the amalgamation of the department, and there are three areas that have been amalgamated into my department: the infrastructure agreements, economic development partnership agreements—those are federal-provincial agreements—as well as the department of rural affairs, which also included municipal affairs and the responsibility for the City of Winnipeg. The name that has been given to that is one which is common to most jurisdictions across Canada, and it is called Intergovernmental Affairs. Now, the opposite side wants to make hay with this and to say that the department responsible for rural Manitoba has been eliminated. But it seems to me that this is just another of those—it is one of those oxymorons like waterproof teabags. It is Tory research.

* (11:20)

There seems to me to be no such thing as Tory research. The department remains. The staff remain. Indeed, many of the programs

remain, so why it is that the Opposition, in fact every single one of them, simply cannot look beyond that, cannot look beyond the praise that was received from the AMM in particular for the amalgamation of the departments, the recognition across the country that this is a department of intermunicipal affairs, of urban development as well as rural development, seems to be something which is beyond their comprehension. I am not saying that just to the Member for Steinbach (Mr. Jim Penner), because it is not something that is particular to him. It is something that is common across his caucus. I know that they are having difficulty in finding areas to criticize this Government, certainly evident, I think, in many elements of the kinds of questions and private members' resolutions that they have been raising. It is difficult, I think, to find criticism of many of the areas of activity of this Government, but let us look particularly at rural Manitoba.

First of all, the combination of the department, and I suggested that the member look at the staffing. The 300 staff that came with Rural Development are still there. The programs of Rural Economic Development, of rural entrepreneurs, of community works loan program, indeed we have expanded. I will be able to explain to the member a little later, or perhaps in Estimates had he asked. We did talk about the expansion of some of those programs. I do have the opportunity when I go to AMM meetings and to meetings with municipalities in their own jurisdictions to talk about the opportunities for rural economic development. I know the member represents Steinbach, and he must be well aware of the occasions on which I have met with the mayor and the CAO of Steinbach and of the kinds of programs that Steinbach itself has been able to take advantage of under the new government.

Mr. Conrad Santos, Deputy Speaker, in the Chair

The AMM, in particular, set the way for the Department of Intergovernmental Affairs. The AMM amalgamated with the Manitoba Urban Municipalities. The work of two individuals, I think, who have been much praised, Mike Macsymic and Jack Nichol. It was not an easy task for them to bring together the interests of rural and urban Manitoba, of Brandon and

Portage and the city of Winnipeg, with rural and northern communities. Over a number of years, they did it. They did it, I think, with great skill. It was something that we, in Opposition, watched and that we thought had resonance for the kind of community development, the kind of both rural and urban programs at the community level that we wanted to be able to encourage, develop and expand upon. I think what we did was to follow the pattern of the AMM and to bring these together. I think, from the perspective of many, many rural communities, that this has been a good move. Yes, always, when there is change, there are concerns and there are questions. I think that I and my colleagues and the Premier (Mr. Doer), in particular, have been very active in all parts of Manitoba explaining to them the role of this department and of the opportunities that are available for us to work with communities throughout Manitoba.

Let me speak specifically about rural Manitoba. In the 2001 Budget, as the member would well know, there are a number of programs that were expanded for agriculture. The Member for Swan River (Ms. Wowchuk), a rural community and a northern community, has been working very actively with the federal government. We have discussed this on many occasions in emergency resolutions, and we have had the opportunity through our legislative committee to speak to farmers and other people from rural communities in many parts of Manitoba. So I think I do not need to go over many of the new agricultural programs and the work that the minister has done with the federal government, in particular.

In Manitoba in the 2001 Budget, the Government provided funding for the enhanced Diversification Loan Guarantee Program and, indeed, increased it by \$50 million. This is a program which helps Manitoba farmers diversify their operations and build a strong rural economy. The loan program was also improved by removing a loan cap of \$3 million per project. This new funding for the enhanced Diversification Loan Guarantee Program is expected to generate \$250 million in construction spending, as well as 900 direct permanent jobs, 500 indirect jobs and other spin-off benefits for Manitoba's rural communities.

This program encourages and supports farmers in diversifying their operations through value-added products and innovative methods, and I know that these are things which all members of the House support. I wanted to assure the member, even in the most recent Budget, of the expansions that we have offered in this area. It has provided guarantees to farmers for projects that cover a wide range from eggs, potatoes, bison, hogs, poultry, special crop and dairy operations.

Our Government is working with farmers to foster new sectors such as various kinds of alternative crops, organic production in which there is, I think, a great interest, not just at the market end but also amongst producers in western Canada, and premium livestock options. We have, in particular, created a new position for an organic specialist to promote new opportunities in this area, and I know that the minister is also looking at the sheep and goat sector, as well, for expansion. The Member for Morris (Mr. Pitura) talked about that yesterday.

This year, Project 2000 Mentoring Program is underway, and it is a program designed to increase the management skills of beginning farmers. Our Government, as I think all members know, is also promoting quite widely food and crop development, alternative energy sources and biotechnology and transport research, all of which are part of the necessities, the necessary infrastructure for an expanding rural economy.

I think what is important here, Mr. Deputy Speaker, is not to suggest that any single one of these is the only answer to the issue of rural population shifts that we are facing, but it is the variety and it is the range of opportunities that are being offered at a community level in community development, as well as at the individual entrepreneurial level, as well as to the emphasis and the leadership and the research that is being developed in other areas and that can be made available to new and to diversifying farmers.

We know—and I have heard the Member for Emerson (Mr. Jack Penner) speak on this—diversification in itself is not a panacea. People have diversified, as he has said, many times, but the issue is to ensure that the knowledge, that the research, that the ability to know that you have some security in the next step in diversification that you are going to take. Those are the things that I think are fundamental to all farmers, and those are some of the things that government can help with and some of the things that the minister is addressing.

We believe, and I know that members opposite do, too, believe that rural diversification goes beyond support for farmers and that it includes infrastructure and community supports. We are implementing new supports in many areas, but one of the most important I would say is in the area of water supplies and drainage. If there is one thing, I think, which I hear, and of course it has been an extremely wet spring and a very difficult time for many communities, but the long-term issues around watershed management plans, the long-term issues around drainage, the long-term issues, as I know members on the opposite side agree with, they are the long-term impacts of the cuts in Tory funding over the last decade to drainage that I believe that the former Minister of Agriculture has spoken of on a number of occasions. Those chickens have come home to roost, and in many communities there were very, very serious situations which were faced this year, in part, as a result of that. We do not rebuild those kinds of systems overnight, but it is part of rebuilding a rural infrastructure.

In my own department, for example, Intergovernmental Affairs, we do have responsibility for conservation districts, and we are committed to the expansion of the Conservation District Program. I think it is something which members opposite support. It was something which was introduced by Premier Schreyer many years ago and has grown, not, I would say, at a steady rate, but it has grown in different ways and in different rates in different parts of the province.

* (11:30)

We have expanded that Conservation District Program to add two conservation districts every year, and we do, together with Conservation, have a pilot project with one of them, one of the oldest ones, in fact, the Whitemud Conservation District, that is looking at different ways of using the funds available, of the collected funds available, from the municipalities and from the province and looking at new ways of developing—*[interjection]* Yes, the most general way to say it is administration procedures and permissions and licencing for water and water storage drainage. We are looking for some good advice from that.

We have indeed announced several highway projects, but I believe that some of these are in southern Manitoba. That may be of interest to the member. I think we were talking of some bridges in Souris recently, a main street in Winkler, and a number of other communities throughout the North.

I also want to point to some very sustainable and fundamental areas where we are making differences for rural Manitoba, and I would say, and I invite members opposite to support us on this, we are introducing a physician retention program for rural Manitoba. We are expanding broadband access to rural Manitoba, and we are equalizing hydro rates across Manitoba. That is going to mean a significant difference for rural communities, as well as a specific difference on the bills that farmers are facing so that, across rural Manitoba, education, high-speed infrastructure, the retention of doctors, stable funding for education and new opportunities in post-secondary education, those are the fundamental pieces of infrastructure that one needs to put in place. With that, Mr. Deputy Speaker, I will yield the floor.

Mr. Jack Penner (Emerson): I want to, first of all, thank the minister for the comments that she put on the table, and she is absolutely correct. There are things that government can do and should do and very often must do in order to create economic climates and environmental climates that are relevant and important to the introduction, very often, of new processes and products. There must also be a willingness, an economic willingness, to allow for development

to take place, and sometimes that development needs to be encouraged.

It can be done in either one of two ways. We can allow those that have their own agendas, be they large agendas or small agendas, to drive those agendas and take government down a path, whether government wants to go there or not, whether it is reluctantly or deliberately, allow that to happen, or we can encourage as government a pathway. I think that was the emblem and the perception that the general public had of the previous Progressive Conservative government. They were the leaders. They were seen as leaders. They were seen as being able to drive an agenda. They had a plan, and part of the plan was rural diversification. Part of the plan was the encouragement of that diversification. Part of the plan was the establishment of financial pathways and support mechanisms that encouraged that development.

There were programs and processes put in place, sometimes in great difficulty, but they were put in place. Mr. Deputy Speaker, first of all, when the Progressive Conservatives took over from the Pawley socialist administration, when we took over, we had to clean up a mess. There was an economic mess, the likes of which this province had not experienced previously. There were deficits in budgeting that were driven three years into the Conservative administration's mandate. The first mandate that was given the Conservatives was a minority mandate. The Opposition in a minority situation sometimes has the leverage to be able to extend those kinds of programs, even though they were not good programs, to a longer period of time. That is what happened at the beginning of the Conservative administration. Yet, through a very difficult period of time they were persistent in demonstrating to the general public that we were intent on bringing financial order to government. It took five years to clear up the mess. Then the economy truly started turning around. It was through the extension and the encouragement of the private sector that that happened.

We had a previous administration under Pawley and the NDP that encouraged government involvement in business and industry. Take the bus plant in Winnipeg. It was stated yesterday how many millions of dollars were

annually spent on picking up the deficits, the shortfalls in that industry; Manfor, the forestry company at The Pas, millions of dollars annually to pick up the deficits of that industry. I think, Mr. Deputy Speaker, we can point fingers at other industries. I only need to look at Versatile and the success of a company such as Versatile, Ford Versatile, when during the middle of the Conservative administration, the last administration, there were some 1200 people working at that plant. Two years into a new NDP mandate and there are less than 100 people working there, clearly an indication of mismanagement, misdirection and planning that does not work.

I think we can look at the current NDP administration, the Doer NDP administration, and their drive towards encouraging the union powers by the labour legislation that was put in by this administration. Does that encourage the establishment of long-term, private sector investment? I think not. Let us look at what that did. We look at Manfor. It was turned back to the private sector and has been extremely successful in keeping jobs in The Pas. I think there are more people working there today than there ever were when it was a government-run industry. There are more people working in the bus plant in the city of Winnipeg today than there ever were when it was a government-run industry.

Let us look at the other side of it. The environment becomes an environmental process. It becomes a very significant part of a developmental process today. Yet, when this administration took power there was a clear indication by a livestock operation that they would expand an industry in this province, in this city of Winnipeg. It was the hog industry. Schneider were to make some very significant additional expenditures to increase employment in the city. They said they would add 1200 new jobs in the city of Winnipeg. They would expand their plant by \$120 million. Yet a year into the NDP mandate, they cancelled everything and they sold the plant. We have now one industry left, one major industry. Yes, there is another one at Neepawa, and I guess they are growing, and there are a number of small ones.

The reason I raise this, Mr. Deputy Speaker, is because there is a difference in philosophy

that governs. I heard what the minister says in that there had to be encouragement and some of the things that they have done in agriculture, expanding some of the loan guarantees programs. Well, that does not cut it. What needs to be done is to give the powers to the rural communities and the rural development corporations and encourage the private sector investment. Yet I do not see that. As a matter of fact, I see the exact opposite. I see the virtual closure of a Versatile tractor plant in this province. I see the closure of Schneider's industry, which is now Maple Leaf, and I see the closure of numerous other businesses and industries. In some towns up to 13 businesses have closed during the last two years of the NDP-Doer administration.

An Honourable Member: The population is going up. People are happy in Manitoba.

* (11:40)

Mr. Jack Penner: The Minister of Agriculture says the people are happy in Manitoba, just demonstrates how naïve and how closed-minded and how much they have lost touch with rural Manitoba, because that is not the case in rural Manitoba.

Have we got opportunities? Yes, there are. There are tremendous opportunities. There are tremendous opportunities in allowing the expansion in rural Manitoba as well as urban Manitoba. There are opportunities. Will they come to being? Not as long as this Government keeps on its philosophical path that it is on today. They cannot keep on with their ideological socialistic approaches that are anti-development. The rural communities are telling us this day in and day out, that this administration has been nothing short of a disaster when it comes to rural communities and the industries that are not being allowed to develop.

We had an opportunity, and we still have an opportunity today in the livestock sector. I know this is a difficult subject for the Government members, especially those in the back benches, to accept, because they know how true it is of what I speak. They know that there is a significant problem that has developed in rural Manitoba. We had a Grow Bond office that only has one person left in it today in the town of Altona.

We had a Grow Bond that was directed towards rural development. We had significant initiatives started every year that involved the Grow Bond process. How many have we had the last two years? I ask you: How many in rural Manitoba have you seen announced in the last two years? Do you know how many? One. Just one. It involves the export of water. It is a water export initiative, and this Government is using the Grow Bond Program to promote that industry. It is in my constituency, Mr. Deputy Speaker. They do have the best quality water in all of North America. They won the gold award, the gold medal. Should they be allowed to expand and to prosper? Yes, they should, because there is ample water supply underground at Middlebro. It is a wonderful little industry.

This is the Government that continually railed and raved against the export of water, and yet they are the first ones to put in place money and programming to encourage the export of water. How interesting. On one hand, they say one thing; on the other hand, their actions demonstrate the exact—I could go on, Mr. Deputy Speaker, but there is a contradiction of philosophies that emanates from that side of the House continually. Their policies do not demonstrate what they are really putting out there.

If they were as concerned and as interested in developing rural Manitoba, indeed all of Manitoba, they would encourage the development of the livestock sector to a much greater degree than they have. Yet they are not. They are putting in place impediments and obstacles at every corner. I hear this from the livestock sector every day. People are making applications for production facilities and are being turned down time and time and time again.

Some Honourable Members: Name one.

Mr. Jack Penner: Well, name one. There was just one turned down yesterday at Killarney. There was another one turned down at Altona last week. There were another two of them turned down in the southeast part of my constituency three weeks ago. They are constantly turning them down based on the policy that this Government is putting in place, the

obstacle that they are creating. I think therein lies the problem.

Point of Order

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Deputy Speaker, the member is saying that livestock facilities are being turned down in this province by this Government. The member is putting inaccurate information on his record. He knows full well it is the municipalities that have the responsibility to make a decision on whether or not a livestock operation will go in their municipality, and I would ask the member to correct that record, those comments.

Mr. Deputy Speaker: On the same point of order?

Mr. Jack Penner: On the same point of order, Mr. Deputy Speaker, it was this minister's initiative that drove the Livestock Stewardship Initiative that put in place recommendations that she has not even acted upon. We do have, as she has currently admitted, the best manure management processes in all of Canada, which the previous Conservative administration put into being, and now she is putting doubt in the minds of people by her Livestock Stewardship Initiative which she will not act on.

Mr. Deputy Speaker: Order, please. Disputes as to facts are not points of order.

* * *

Mr. Deputy Speaker: The honourable member has one minute.

Mr. Jack Penner: Thank you very much, Mr. Deputy Speaker. I only want to say this: I think the Minister of Intergovernmental Affairs (Ms. Friesen) has some thoughts and put some views on the record today that she should proceed with, and I would encourage her.

I think there are some real opportunities to work very closely with municipalities, with the municipal organizations, the development corporations in the province. There are some real opportunities to sit down with communities and develop processes that will encourage the

introduction of new industries and new value-added initiatives. I would certainly encourage the minister to keep on encouraging those communities and have those discussions with those communities to see what kind of pathway they would recommend to her and listen very carefully to that group of people because they do have the best interests of Manitoba at heart. I think there are those opportunities.

So, Mr. Deputy Speaker, I know that the minister is intent on promoting Manitoba, and we appreciate that.

Mr. Deputy Speaker: The honourable member's time has expired.

* (11:50)

Mr. Stan Struthers (Dauphin-Roblin): By gosh, Mr. Deputy Speaker, when it comes to managing manure, there is nobody like the Member for Emerson (Mr. Jack Penner) in putting his shovel into the pile and moving it all over the place in this Legislature. I think that the words that the Member for Emerson was using to describe the previous government's commitment to rural Manitoba were lip-service and window dressing because that is the only way you can sum up an artificial approach that was perpetrated in this province by the previous government.

Mr. Deputy Speaker, the No. 1 setback for rural Manitoba in the last number of years was when this Government poked and prodded and convinced the federal government to abandon the Crow rate. That cost Manitoba farmers \$720 billion or so, and the members of the previous government were complicit. They aided and abetted the federal Liberals in doing that.

Now they have the nerve to travel around rural Manitoba and to stand in this Legislature and somehow say that that was the wrong thing to do. Well, you had a hand in it. Members opposite are partly to blame for that. Now they are coming in here and try to say, oh, it was the federal Liberals, trying to put everything on the backs of the poor old federal government when they themselves were the ones who poked and prodded the federal government into doing it in the first place. So be honest with the people of

Manitoba and not come in here and try to pretend that we are just coping with something the feds did. That is not an honest approach for rural Manitoba.

The member opposite, in his speech, talked about Grow Bonds. Well, let us take a look at those Grow Bonds. We have done two Grow Bonds since we have become Government, which I might add is the same rate that the former government announced Grow Bonds. We have done two of them, one in the Member for Emerson's backyard at Middlebro with Simply Natural and one in Crystal City.

Mr. Deputy Speaker, the absolute dishonesty of the previous speech in this House, on the one hand, he criticizes us for providing his constituents with a Grow Bond. He criticizes us for doing that. He criticizes us for somehow supporting the export of bulk water. That same member voted in favour of legislation in this House against export of bulk water, the same member. Why does he now think that he can stand in this House and switch and talk out of the other side of his mouth on this particular issue?

Let us go over a few of the things, real important things that this Government has done for our constituents in rural Manitoba. Unlike the window dressing of the previous government, they can squawk all they like about getting rid of the Department of Rural Development. They can try to whip that up with their constituents. It is phoney argument, Mr. Deputy Speaker, absolutely phoney. We are doing more for the people of rural Manitoba than that government ever did in its 11 years. We are not concerned about what the department is called. We are concerned about helping out the people of Manitoba who absolutely need our help, who did not get it with the previous government.

Mr. Deputy Speaker, yesterday afternoon in this House it was shown very clearly who stands up for the people of Manitoba. A real benefit for Manitobans is the equalization of hydro rates in this province. This Government has the courage to say in the election, to restate in the Speech from the Throne and then introduce legislation allowing rural Manitobans into the workings of this Government, unlike members across who

did not do that when they had 11 years to try it and did not have the guts to do it.

Was it the previous government who provided enough money so that the RCMP in rural Manitoba could reach a full complement of staff? No. It certainly was not. It took this Government to come up with the money to go out into rural Manitoba and say you deserve to be as safe as the rest of the people in this province, and we did it. Was it the previous government who took seriously the real concerns of rural Manitobans when it comes to ambulances and emergency medical service vehicles? No. They dragged their feet for 11 years. What did we do? Within 19 months of being in Government, we funded 80 new EMS vehicles to be placed in rural Manitoba to serve rural Manitobans. Why did not the members opposite do that when they had the chance?

Mr. Deputy Speaker, I think that is because it would have been a real benefit for Manitobans, rural Manitobans, and all they were interested in was lip service and window dressing.

Let us talk a little bit about another concern of rural Manitobans, and that is the retention and the recruitment of doctors. What did the previous government do? I hate to disagree with my colleague, the MLA for Thompson (Mr. Ashton), but if they had done nothing, that would have been better than what they did. What did they do? In the early '90s, when they were supposed to be so concerned about rural Manitobans, they, in their infinite wisdom, cut the number of spaces available at the universities for young, rural Manitobans who want to go into medicine, who want to go back, after they take their courses at university, and set up practice in places like Grandview and Reston and Steinbach, oh, and Russell, and Vita in the Member for Emerson's constituency.

Why did they do that, Mr. Deputy Speaker? It took our Government to come in and reverse that silly notion that the previous government had, and we reinstated the 15 positions. We went even one better. We targeted 9 of those spots to be for rural Manitobans to be trained in rural settings.

You know, one of the things we heard a lot when the Standing Committee on Agriculture

went around the province of Manitoba, we heard a lot about ethanol. We heard a lot about the opportunities available to Manitobans.

Point of Order

Mr. Deputy Speaker: A point of order being raised, state your point of order, please.

Mr. Jack Penner: Mr. Deputy Speaker, on a point of order, the Member for Dauphin Roblin referenced the town of Vita and what they had done in Vita. Let me say this. On a correction, the hospital in the town of Vita was built by a Progressive Conservative government because the NDP refused to build one there. There are now 60-some-odd people working in health care because of the Progressive Conservative Party's initiative to build a new health care facility in Vita, and I think the Member for Dauphin needs to correct his own notes and make sure that he puts the correct information on the record.

Mr. Deputy Speaker: On the same point of order?

Mr. Struthers: Yes. If the member wants to be correct about the situation in Vita, then why did the member not approach his own government and get some representation from that community on the regional health authority that his government set up in the first place? This Government, earlier this spring, appointed a member from the community of Vita to serve on the Southeast Regional Health Authority. That is commitment, Mr. Deputy Speaker.

Mr. Deputy Speaker: There is no point of order. Differences as to facts are not points of order. The honourable member has four minutes.

* * *

Mr. Struthers: Mr. Deputy Speaker, just before I was interrupted by the Member for Emerson, I was starting to talk about the failure of the previous government to address opportunities such as ethanol in our province.

Mr. Speaker in the Chair

We heard over and over again, and I am sure the member and other members of the

Legislature who attended, including our Premier who attended all of the hearings in Dauphin and listened to all the presentations in that community, heard about the need to develop ethanol. What have we done? What have we done to help that? You know what we have done? We have provided tax incentives to help the ethanol industry out.

Did members opposite think of that? They may have, Mr. Speaker. They may have thought about it. They may have mused about it. They may have discussed it a little bit, but did they do anything about it? No. They did nothing. It took this government with a real commitment to rural Manitobans to come in and do the job that the Tories should have done in the first place.

Mr. Speaker, our Minister of Agriculture, because you cannot talk about rural Manitoba without talking about the plight of the farmers—because that is the backbone of our rural economy, is agriculture. We have provided more than \$50 million in new loan guarantees. We removed the \$3-million cap that was associated with that program, and this is being offered through the Manitoba Agricultural Credit

Corporation. That is a positive step for rural Manitobans. We have reduced crop insurance premiums, reduced. That is real money in the hands of farmers that the previous government did not have the courage to take on, and we are doing it.

I want to talk a little bit about the farm and rural stress line, a real benefit again for rural Manitobans. Farming is in a crisis. It is tough times. What did members across the way do when they were in government?

An Honourable Member: Nothing.

Mr. Struthers: Again, if it was nothing I would be a little happier. They cut the line. They pulled it out.

Mr. Speaker: Order. When this matter is again before the House, the honourable Member for Dauphin-Roblin (Mr. Struthers) will have four minutes remaining.

The hour being 12 p.m., I am leaving the Chair with the understanding that the House will resume sitting at 1:30 p.m. this afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 14, 2001

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