

First Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

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

Vol. LIV No. 8 – 1:30 p.m., Wednesday, September 17, 2003

MANITOBA LEGISLATIVE ASSEMBLY
First Session—Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine	Riel	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, September 17, 2003

The House met at 1:30 p.m.

PRAYERS

Mr. Speaker: I would like to advise the House that yesterday's Hansards have not yet arrived from the printer. It is estimated that the Hansards will be arriving around 2:30 p.m. Once the Hansards arrive, they will be distributed to all the members.

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Guy Maddin

Mr. Speaker: The honourable Minister of Aboriginal and Northern Affairs.

Hon. Eric Robison (Minister of Culture, Heritage and Tourism): Culture, Heritage and Tourism, Mr. Speaker.

Mr. Speaker: Oh, I am sorry. I was stuck in the last term. It is the honourable Minister of Culture, Heritage and Tourism.

Mr. Robison: I have a statement for the House, Mr. Speaker.

Prior to today's Question Period, I held a small luncheon in the dining room to honour and recognize one of Manitoba's and Canada's foremost filmmakers and his significant contributions to Manitoba's film industry. For the past 20 years, he has been making films in Manitoba and building a reputation that now exceeds well beyond the borders of our province.

Mr. Speaker, his films have won awards at international film festivals around the world. Last year his visually stunning *Dracula: Pages from A Virgin's Diary*, featuring the Royal Winnipeg Ballet, garnered several awards including two Canadian Gemini Awards, a first-place prize at the Golden Prague Television Festival and an

International Emmy Award. This gentleman's accomplishments include seven feature films and eighteen short films. Recently, his latest feature film, *The Saddest Music in the World* enjoyed critically acclaimed premieres at two prestigious festivals, the Venice Film Festival and the Toronto International Film Festival.

Despite this international success, what makes his accomplishments so unique is his ongoing commitment to shooting his films here in Manitoba and working with many long-time friends and associates such as his screenwriting partner, Mr. George Toles.

This ongoing dedication to his film-making roots is a quality that truly distinguishes this gentleman and serves to further enhance our appreciation for his work. To demonstrate that our appreciation for his work is recognized by others, I would like to share with members the news that *The Saddest Music in the World* has recently signed a major U.S. distribution deal with IFC Films. As reference for the members, IFC Films is the company that distributed *My Big Fat Greek Wedding*.

Soon theatregoers across North America will have an opportunity to enjoy *The Saddest Music in the World*. It is an exciting time for Manitoba's film industry. Last year there was \$80 million worth of production activity in the province. This year we have already surpassed the \$100-million mark and we are only halfway through the year. This success involves the combined sacrifices of many hardworking and dedicated people. Organizations such as the Manitoba Motion Picture Industry Association provide essential support to Manitoba film producers to ensure that the necessary infrastructure exists to help the industry grow and succeed.

*(13:35)

The Department of Culture, Heritage and Tourism, along with the tireless efforts of my department's agency, Manitoba Film and Sound

and its CEO, Ms. Carole Vivier, are proud to play a role in supporting this phenomenal growth. The gentleman we have with us today is an important part of this thriving industry.

Mr. Speaker, I would like to now introduce him to the members, Mr. Guy Maddin, Winnipeg's most celebrated and accomplished filmmaker. Along with Mr. Maddin today are some of his friends, his family and colleagues from the film industry, including the co-producer of his latest film, Phyllis Laing of Buffalo Gal Pictures.

Thank you, Mr. Speaker.

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, on this side of the House too, we do want to offer our best wishes and success. Twenty years in any industry is a long time, and to put the time and effort that Mr. Maddin has put forward and included Manitoba in all of his productions, I think speaks very well for the province.

I also want to acknowledge the people at Culture, Heritage and Tourism for their devotion to the film industry. We, as a government of the day, introduced the access to film credits to encourage the industry and the province of Manitoba. I know that Carole Vivier has taken a very progressive, leading role in this industry, and I would like to compliment the Government on following that pattern and that process. I think it only enhances Manitoba's position in the world and puts the focus on Manitoba in many instances as a fact that we can produce world-class films. Through reputation, that will only continue to grow.

Mr. Speaker, I would like to congratulate Mr. Maddin. You are truly our most celebrated and accomplished filmmaker. I hope and look forward to many more of the productions that you produce in Manitoba for people around the world.

The only concern I have, Mr. Speaker, is I regret that I was not invited to the dinner.

Hon. Jon Gerrard (River Heights): I ask for leave, Mr. Speaker, to speak to the minister's statement.

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

Mr. Gerrard: Mr. Speaker, I would like to join with the other colleagues in the House in recognizing Mr. Maddin and his accomplishments, his contributions to Manitoba and indeed, the contributions of the film industry which is growing in our province and in the economy of our province. Thank you.

TABLING OF REPORTS

Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs): Mr. Speaker, I ask for leave to revert back to Tabling of Reports.

Mr. Speaker: Is there leave for the honourable minister, for us to revert to Tabling of Reports? *[Agreed]*

Mr. Lathlin: I would like to table the Quarterly Financial Statement of the Communities Economic Development Fund for the Quarter ended June 30, 2003.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today the Honourable Percy Mockler who is the Minister of Intergovernmental and International Relations of the Legislative Assembly of New Brunswick. He is also the guest of the honourable Minister of Energy, Science and Technology (Mr. Sale).

* (13:40)

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

I would like to draw the attention of all honourable members to the public gallery where we have with us from Gordon Bell High, Urban Life Skills, seventeen Grade 10 students under the direction of Mrs. Donna Antoniuk. This school is located in the constituency of the honourable Member for Wolseley (Mr. Altemeyer).

Also in the public gallery we have from the Maples Collegiate Institute, three Grades 9 to 12 students under the direction of Mr. Murray Goldenberg. This school is located in the constituency of the honourable Member for The Maples (Mr. Aglugub).

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

ORAL QUESTION PERIOD

Bovine Spongiform Encephalopathy Program Funding

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, today is day 121 of this BSE crisis. We know that the Premier has just come back from a meeting with western governors and premiers where he was so unsuccessful in addressing the BSE and border issues that he did not even issue a press release.

Of course, one press release we would like to see is one where the Premier details the supposed spending decisions he said his Government was making every day in Treasury Board to free up money to deal with the BSE crisis, a crisis he acknowledges and a crisis that is making an incredible impact on Manitoba families.

When the media pressured him for details, some specifics, he refused. This is a serious issue affecting Manitoba families and deserves a serious response. If the Premier truly has been making spending decisions and program cut decisions to ensure on a daily basis that he is freeing up money for the BSE crisis, what are they?

Hon. Gary Doer (Premier): First of all, Mr. Speaker, I thought that Premier Klein and the other premiers did an excellent job of speaking to the resolution that was passed at the mid-America Legislators' Forum in Madison, Wisconsin last week, and there was pretty strong recognition from all the governors of the United States.

In fact, the governor of Nebraska, who is also part of the resolution that was passed in Madison, stated that science should be used as a way of opening the border. The border should be open. The tracing of the cattle and the fact that the one cow was traced effectively, the food supply was safe. We also made the point that Canadian consumers have increased their consumption by some 60 percent in July.

So we had pretty strong commitment to the resolution that was passed by the mid-continent states. That includes, Mr. Speaker, the states of

North Dakota, South Dakota, Nebraska, Kansas, Minnesota and Wisconsin and, again, I think the job that the premiers from the other western provinces did in the presentations were exemplary in terms of dealing with the cattle producers.

I note today, Mr. Speaker, that Canada, the United States and Mexico are asking the Europeans to change the protocol of the seven-year banning of trade across the borders on the basis that science should be used to protect our food and enhance our trade, rather than the seven-year protocol. So I think that obviously there will not be anything such as good news until that border is open for live animals and all animals here in Canada to the United States market.

* (13:45)

The members opposite asked us to run and break the balanced budget law, to run a major deficit last week. We are staying the course.

Mr. Murray: What we did ask the Premier to do was to do the right thing and provide a cash advance. That is what we asked for and he knows it.

Livestock Industry Feed Assistance Program

Mr. Stuart Murray (Leader of the Official Opposition): It was this Premier who last Thursday said that he was making spending cut decisions every day. We are not to fill a position. We are not to fund a program and we are not to proceed with projects, all in the name of supposedly finding money for the BSE crisis. All talk and no detail, just like his feed transportation program that was finally announced last Friday after constant pressure from this side and cattle producers.

Only a heartless Premier like this one could announce a program that was slim on detail just so he could hold another press conference at a later date that suited him. This Premier is playing games with the people's lives in the name of trying to spread out his media press opportunities. That is shameful.

Does the Premier not recognize that the feed transportation program is going to do little for

the thousands of families who do not have the money to buy the feed to transport?

Hon. Gary Doer (Premier): Mr. Speaker, the member should know that the low-interest program that we put in place is—*[interjection]* We know that that low-interest program is certainly comparable if not lower than other provinces that are offering interest rates and cash advances at 5 percent and 6 percent.

Secondly, we did for weeks ask and I said this in the House. We said this in the House when the House opened, we said it before the House opened, we have asked the federal government to join us in a federal-provincial transportation program related to BSE and the drought. Obviously with the situation of longer feeding for cattle with less materials available, because of the drought less feed stock available, we think this is related to the BSE. In the past number of years if there was a dry year, cattle producers could have affected their cash flow by selling or advancing the sale of their beef.

With the borders closed, we thought this should be one of the responses, with a federal-provincial program. The minister asked for this with the federal government. We did not get any answer. *[interjection]* If I could perhaps finish. Rudeness will not solve the problem.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

An Honourable Member: You, of all people, should know that.

Mr. Speaker: Order. I ask the co-operation of all honourable members. I am sure that we all want to hear the questions. We all want to hear the answers. It is very difficult when there are communications going back and forth. I ask the co-operation of all honourable members, please.

Mr. Doer: To continue the answer, we did announce on our own the transportation program last week. It was obviously a Plan B. We would prefer a Plan A. We would prefer to have a national federal-provincial strategy dealing with the income crisis. We would prefer to have a national federal-provincial strategy dealing with

cash. We would prefer to have a national-provincial continuation of the slaughter program that was agreed to by the federal government but halted on August 31. We would prefer to have a national federal-provincial strategy dealing with the drought and its connection to the BSE. In the absence of a federal government with many of these programs, we have announced our cash for those producers that absolutely need it in these very, very real circumstances.

Mr. Murray: The Premier's refusal to provide specifics on what programs he is cutting and what projects he is delaying leaves Manitobans to believe that he, in fact, is doing none of those things, that what he has been saying he is not doing. The Premier refuses to scrap a very ineffective loan program for a much-needed cash advance program. He is closing their hospitals. He is abandoning rural Manitobans. What it comes down to is that this Premier's vision for the province of Manitoba is no hospitals, no help and no hope.

In 1997 that member opposite, Mr. Speaker, demanded the Government immediately flow funds to all affected families and worry about getting the repayment later. Why does he not look into the mirror today and do the same thing he was advocating then?

Mr. Doer: Mr. Speaker, most of the funds that we have forwarded to producers are coming from the rainy day fund and coming from the rainy day fund without any support from the federal government.

I just outlined to the member opposite, perhaps he was not listening, that we had asked them for a program on drought transportation. We had asked them to extend the August 31 deadline. We had asked them for a national federal-provincial cash program as recommended by 75 municipal leaders in Windsor some two weeks ago.

* (13:50)

In the absence of the federal involvement in those programs, we have announced commitments out of the rainy day fund. I might say, when the member opposite talks about the fiscal challenges, last year we made a number of

decisions in year's spending and at the end of the year were able to come in with a \$96-million debt repayment in spite of the mining adjustment of some \$100 million. We were still able to make a \$96-million debt repayment, balance the Budget and we reduced the amount of money that we budgeted to take from the rainy day fund from a higher amount to \$22 million. That, with the surplus of \$3.5 million, indicates that we have paid down about net \$75 million of debt as well as balancing the Budget last year with the measures we took last year and we are up for the challenge to do the same, meet some of those same real challenges of forest fires, drought and the BSE crisis. We are working as hard as we can to meet those challenges.

Livestock Industry Cash Advance for Producers

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, the bottom line is cattle producers and their families in Manitoba in drought-stricken regions of this province still have no operating cash. In order for them to take advantage of any free transportation program, they must have cash.

Mr. Speaker, my question to the Minister of Agriculture is: Since cattle producers have no cash, how are they going to buy the feed to put on the truck?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, we recognized the issue of need for cash for producers well before the member raised it here in the House. That is why we put in the \$100 million in low-interest loans that makes available \$50,000 in cash for producers to help them make those decisions to buy their feed, to pay their bills. That cash is there. It is available for them. Producers are taking advantage of that program, and I would encourage the members opposite to quit playing politics on this issue and really start to take a serious interest in the beef industry in this province, and let us—

Mr. Speaker: Order. I would like to once again ask the honourable members. We have guests in the galleries, and I have received phone calls from the guests we have when there are communications going back and forth that our

guests cannot even hear the questions and answers. I was called more than once to try and keep order so that way at least our guests can hear the questions and answers.

If members wish not to, that is their choice, but the guests have asked me to try and keep decorum in the House so that way when they come here to view and hear Question Period, they are extended that opportunity. I ask the co-operation of all honourable members, please.

Ms. Wowchuk: Mr. Speaker, I would encourage the members opposite to start putting their efforts behind the programs we have in place and start looking at the federal government to support our industry as well. We have only received—

Mr. Speaker: Question?

Mr. Maguire: Does the Minister of Agriculture have no understanding of the crisis facing these cattle producers and their families in this province?

Mr. Speaker, even her Premier (Mr. Doer) acknowledges we are in a crisis. Farm families do not need more debt. They need cash. The Agriculture Minister's loan program has failed. Will she not listen to these Manitoba families today, admit the loan program is not working, work with the banks and flow cash immediately?

Ms. Wowchuk: In fact, we are flowing cash to producers. Producers are making applications for the low-interest loan program and cash is flowing. Those people who are making their applications are getting cash.

I would encourage the members opposite to start thinking about this as a national crisis and ask them to join us to get the federal government involved because, Mr. Speaker, here in Manitoba we have put in over \$140 million and we have received only a little more than \$6 million from the federal government. We have the best programs in the country, the best programs to make cash available, the lowest interest rate in the country. Money is available for producers. Alberta has a 5% interest rate, Saskatchewan's interest rate is at the prevailing, ours is at 3.25 percent and 2.25 percent for young producers.

Mr. Maguire: As pointed out by the NDP candidate in the Arthur-Virden recent election, one reason he lost the election, and I quote from the June 4 edition of the *Brandon Sun*, was that: I do not think the Government has been strong in agriculture in the last term.

Even her own candidate did not support her.

Will this minister immediately provide a cash advance program to these drought-stricken farmers of Manitoba, or if her Premier will not let her, will she do the honourable thing and resign?

Hon. Gary Doer (Premier): I am pleased we allow in our party a full discussion of issues. I am pleased this time around we were able to win the Virden part of the riding, but maybe we have more work to do in the rural part of the riding. We will continue—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

* (13:55)

Mr. Doer: We do not let our candidates have to go to David Langtry to get the recommendations censored, where they go.

Having said that, Mr. Speaker, I think we have the—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. I would like to say, right across Manitoba on a daily basis, all of us in our caucus and in the Government side and all across the coffee shops, we hear constantly the great work our Minister of Agriculture (Ms. Wowchuk) is doing under the tough conditions. We are very proud of her work.

Mr. Speaker: I would like to once again ask the co-operation of all honourable members. I see and hear that a lot of members are wishing to have conversations back and forth, and I would just like to remind the members that we have two loges that are free. You are more than welcome to use them to have your conversation instead of trying to shout back and forth.

I ask the co-operation of all honourable members, please.

Livestock Industry Cash Advance for Producers

Mr. Ralph Eichler (Lakeside): Mr. Speaker, even government members know that meaningful assistance programs are needed to get producers out of the challenges of BSE and drought. In a recent article in the *Interlake Spectator*, the Member for Interlake (Mr. Neva-shonoff) stated and I quote: If the cattle industry dies, we will be looking at ghost towns up Highway No. 6.

Mr. Speaker, will the Minister of Agriculture tell struggling producers when the transportation program will finally be delivered and now provide them a cash advance program so they actually have cash to buy the feed for the transportation program?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I have answered the question before and I will answer it again.

We have the best program in the country. Our loan program is better than any other program. Whether you look at Saskatchewan or Alberta, our program has a better interest rate, and we extended the interest rate at a low interest rate for two years, Mr. Speaker.

The program is working. Cash is flowing to producers. I would invite members opposite to think about really standing up for the interests of producers. Look at that application form. Work through it with them so, indeed, they will get the cash that they need until such time as we get some additional help from the federal government. I would encourage them to ask the federal government to work with us, not only put a little over \$6 million into this province.

Mr. Eichler: Mr. Speaker, in the same *Interlake Spectator* article, the Member for Interlake also explained: That is all there is, is cattle up 6 line. It is clear a double whammy of BSE and drought has taken a heavy toll on families and communities in the Lakeside and Interlake constituencies, among others.

Mr. Speaker, will the Minister of Agriculture do the right thing by announcing a much-needed cash advance program so that families will not go under and these communities will not become ghost towns?

Ms. Wowchuk: Mr. Speaker, I would like to commend the Member for Interlake who has been a wonderful spokesperson for the people of the Interlake, bringing forward their issues to this Government and talking about how important the industry is. By listening to the people in the Interlake and other people in the drought areas, we have developed a program that will help them with their costs of bringing their feed into these areas.

* (14:00)

I want to ask the member, from the way he is speaking about the program, I would ask him whether he is for or against the drought assistance program, Mr. Speaker. I would ask him to say: Are you for or against it, because it appears he is speaking against this one just like our loan program when their leader said in the Interlake, I might remind you, to put in a low-interest rate program.

Mr. Eichler: Mr. Speaker, in the same issue of the *Spectator*, the member admitted, and I quote: We are talking about a breakdown of an entire region, the Interlake, a collapse of the industry.

Will the Minister of Agriculture admit that a cash advance program is the best solution for these desperate producers? Provide it now. Help prevent the collapse of our multimillion-dollar livestock industry.

Ms. Wowchuk: The member has to tell us: Is he for or against a drought assistance program? We put forward a program that we have built on the advice of the producers. We put in a loan program that their leader supported. Then when it came out, they were against it. So I ask the member: Is he for or against a drought-assistance program for the people of the Interlake? Because we have developed one, Mr. Speaker.

Livestock Industry Cash Advance for Producers

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, inaction by this Government to address priorities for families living in rural Manitoba is causing phenomenal levels of stress. It has gotten so bad that some people having to deal with the BSE crisis are talking about suicide.

Can the Minister of Health explain why he is not taking these suicide threats more seriously and demanding his Premier (Mr. Doer) give a cash advance to cattle producers, or does he intend to wait for a headline of the first suicide before he is going to act?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, that is very, very typical of the member's question, that it is basically a Hobson's choice, and I do not think it puts debate further in this House to put that kind of question to anyone.

Members opposite know—[interjection]

As I indicated from the day the crisis occurred, there were teams and organizations put in place, and I might add we put back in place. After members opposite had cut the rural stress line, we put it back in place and operational to be a contact, a connection, a community base, when members opposite cut it, so that it could be one of the components of a helpful program for all people outside of Winnipeg.

Physician Resources Recruitment-Rural Manitoba

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, this Minister of Health does not seem to recognize the seriousness of this situation. Rural families are also fearing for their health, their safety, because of hospital closures.

Can the Minister of Health explain why he is saying he will recruit more doctors from rural Manitoba to try to keep the hospitals open while his CEO of the Assiniboine Regional Health Authority is saying that recruiting doctors may have to take a back seat to other priorities in the region?

Hon. Dave Chomiak (Minister of Health): In the last four years the Assiniboine Regional Health Authority has gained nine doctors. The Assiniboine Regional Health Authority has three doctors all ready to start working in the fall. In addition, it has four foreign-trained doctors who will start work in the region within six months following the successful pass of their examinations, a program I might indicate that was not put in place for 11 years and this Government

put in place to train foreign doctors after 11 years of pleading of a former government.

Finally, the Assiniboine Regional Health Authority is interviewing two more doctors next week, which is totally contrary to the usual that I hear from the member opposite.

Mr. Speaker: The honourable Member for Charleswood.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. Once again I would like to ask the co-operation of all honourable members. I need to be able to hear the questions and the answers. The honourable member from Charleswood was up to ask a question, and if there is a breach of the rule or unparliamentary language I need to be able to hear it because I am sure each and every one of you would expect me to rise and rule on that. So I ask the full co-operation of all honourable members, please.

Mrs. Driedger: This Minister of Health and his Government do not seem to recognize the seriousness of this situation. This Minister of Health's actions are not good enough. He is not doing all that he can to prevent suicides and he is not doing all that he can to keep rural hospitals open. When will this Minister of Health listen to these cries of help from people in rural Manitoba, or is he really prepared to have blood on his hands?

Mr. Chomiak: Mr. Speaker, as I indicated, that question is typical of the Member for Charleswood, and I am sorry that she offers that kind of question in this Chamber. I might add that we have had a team of interdepartmental officials working on this. We put in additional resources in the regions, and we have identified three regions in rural Manitoba that need additional help and we have put those in place.

I might also add that suicide is a very serious issue, and we have been part of the interdepartmental group working on suicide and, in fact, we sponsored some seminars that I note the Member for Charleswood did not seem to care about at that time, to instruct all Manitobans about it and participated in plans regarding suicide prevention. No matter where it is, yes,

suicides take place unfortunately in this jurisdiction. Fortunately we have programs in place to deal with that.

With respect to the specific issues, we have taken action, and I might add the member talks, but they cancelled the rural stress line. We put it back in place. We have teams that are working. That is action, not words.

Sunrise School Division Labour Dispute—Funding

Mrs. Heather Stefanson (Tuxedo): Yesterday in Estimates the Minister of Education finally confirmed that he flowed \$428,000 to Sunrise School Division last spring to end a strike. Can the minister explain why he flowed the \$428,000 to Sunrise School Division?

Hon. Ron Lemieux (Minister of Education and Youth): Mr. Speaker, just on that note, it is regrettable any time a job action or strike takes place or a lockout, and certainly it is in the public's best interest that government be known and know what is going on with regard to any kind of strikes or lockouts. In this particular case, talks broke down and we were in discussions and received correspondence to look at the area with regard to finances and so on. I know that it is noted in Prairie Rose as well, there is a current job action that is taking place, and we are monitoring this very closely.

Mrs. Stefanson: Mr. Speaker, School Board Chairperson Eleanor Zieske said in a newspaper article the same day the strike vote took place to end the dispute in Sunrise School Division that no formal request had been made of the Doer government for financial assistance to help end the dispute. I would like to ask this Minister of Education: If no formal request was made for the \$428,000, why then did the money flow to the school division?

Mr. Lemieux: Mr. Speaker, the chair of the board certainly was in contact with my office prior to the strike and sent correspondence along where she expressed the discrepancy, the huge discrepancy with regard to wages from the old Agassiz compared to the Transcona School Division. It was so unusual compared to the rest of the province and such a high difference with

regard to wages, and maybe this has something to do with the former government increasing the taxes there by about 149 percent when they were government in that school division or approximately about \$343 per \$80,000 household when they were government.

They just hammered education when they were in government in the 1990s. As a government, we care about the children in Agassiz and now Sunrise School Division, and we cared about it in March and in April. We also care about it now with regard to all school divisions, and we intend to monitor any job action very closely.

Mrs. Stefanson: Mr. Speaker, can the Minister of Education explain what criteria he used to determine the amount of money to be given the Sunrise School Division to help end the strike if no formal request ever came from the school division?

Mr. Lemieux: I appreciate the question from the Member for Tuxedo. The collective bargaining process, we have a great process in Manitoba. This process has worked, whether it is conciliation or mediation that is involved. Trying to work out issues, and I know in this particular case they worked very, very hard to try to get a deal and they worked extremely, as I have said, very, very hard amongst all parties to try to solve this and in conversations certainly with MAST and also with CUPE, trying to work through all those difficult issues, they are coming to Government asking us for possible assistance.

* (14:10)

Mr. Speaker, now Sunrise School Division received \$50 per student and that amounted to around \$246,000 over a three-year period to assist them in any kind of areas that might be affected as a result of amalgamation. They pose—*[interjection]*

Mr. Speaker: Order.

Sunrise School Division Labour Dispute--Funding

Mr. Leonard Derkach (Russell): Mr. Speaker, the answers of the minister are quite incredible.

We know there was no paper trail from the Sunrise School Division requesting financial help. Yesterday in Estimates the minister was unable to explain where this money came from in his department's expenditures. Can he provide for the House and for Manitobans today the information that we requested yesterday?

Where did almost half a million dollars come from that was flowed to the Sunrise School Division?

Hon. Ron Lemieux (Minister of Education and Youth): Mr. Speaker, just to be accurate, it is \$112,000 this year; \$158,000 next year and \$158,000 the following year. The \$428,000 is far different than half a million dollars, just to be accurate, because the member opposite from Russell often puts things on the record that are not accurate. I just want to be sure that we are accurate with regard to spending.

Also in that vein, to show that we are wanting to be accurate, I want to state that the first year's allocation of 112 occurred after the Government Budget was introduced. Therefore commitments had to be found from within the existing budgets. We were able to identify the funds from within the Budget through the usual process of reassigning priorities.

That is a priority for us, as school and children will continue to be a priority for us as long as we are the Government.

Mr. Derkach: Mr. Speaker, I do not know what the Premier (Mr. Doer) thinks of the answer we just heard, but I am sure he has to be somewhat concerned.

Yesterday in Estimates the minister was unable after repeated questions to provide any documentation with regard to this transaction. This is almost half a million dollars of taxpayer money, money flowing without a paper trail, without criteria.

Is this minister now prepared to table the documentation with regard to the transaction and where the money specifically came from?

Mr. Lemieux: Thank you, Mr. Speaker, for the question, and I will try to answer it. With regard

to the finances, I mentioned that certainly within our budget, we are certainly prepared to re-assign priorities within our budget. This occurred after the Government Budget was introduced, and, therefore, we have to look at the commitments that we have.

Taking a look at those priorities, we are certainly willing to reassign dollars accordingly within that \$1-billion budget.

Mr. Derkach: Yesterday repeatedly we asked the minister to point to the Estimates book and to show us where he took the money from to flow to the Sunrise School Division.

On the eve of a provincial election, we have the Minister of Education flowing \$428,000 to a school division that has not formally requested it. This was done to end an embarrassing labour dispute.

I want to ask the minister: Was this simply done to help the NDP candidate in Lac du Bonnet during the election campaign?

Mr. Speaker: Order. The honourable Member for Russell just asked a supplementary question. I think it is incumbent upon all members to offer him the courtesy to hear the answer. When the people are shouting back and forth, it is very, very difficult to hear. I ask the co-operation of all honourable members, please.

Mr. Lemieux: Mr. Speaker, no is the answer, but it is ridiculous, the question itself. We have correspondence from the school board that is certainly wanting to speak to us and talk to us about their challenges. Also, CUPE and MAST have been in conversation with us looking for assistance.

In that particular school division, amalgamated division, they have just a huge gap with regard to salaries from the rural portion of the new division to the Transcona part. So we have also Louis Riel School Division that also had a contract expire recently as an amalgamated division, the old St. Vital and St. Boniface, and they have settled it without asking for our assistance.

So I just want to say that with regard to Sunrise School Division, they are talking to us

and they asked for assistance at that time and certainly we are prepared to work with all school divisions any time.

Bovine Spongiform Encephalopathy Testing Program

Hon. Jon Gerrard (River Heights): Today we learn in the *Free Press* that a noted university professor, William Leiss, is saying that we are likely to have more cases of mad cow disease in Canada. If this occurs, this will happen in at-risk animals over 30 months of age. I have written to the federal Minister of Agriculture to urge national testing of animals over 30 months of age at the time of slaughter. I see a need for the Province to act if the federal government does not.

My question is to the minister of consumer affairs. Now, Mr. Speaker, I am sorry. There is no minister of consumer affairs. It is the Minister of Finance (Mr. Selinger) who has it as a sideline. I ask the Minister of Finance: Will the Province support consumers and require and fund BSE testing of all cattle over 30 months old in Manitoba?

Hon. Greg Selinger (Minister of Finance): The member of River Heights, as a former member of Parliament, will understand that food testing is a federal responsibility under the Canadian Food Inspection Agency. So I am disappointed that he would like to download that responsibility onto the province like he did with health care cuts when he was a member of Parliament, like he did with social service cuts when he was a member of Parliament, like he did with legal aid cuts when he was a member of Parliament, like he did with daycare cuts as a member of Parliament. Is he working for the people of Manitoba? If he is, he would be requiring the federal government to do their job and do proper food inspections in this province.

Mr. Gerrard: Mr. Speaker, I have made the effort to approach the federal government to do this but the fact of the matter is that the majority of slaughter plants in Manitoba are provincial and there is a provincial responsibility here. So I would pick up on what was said last week by Dr. Allan Preston, that there are probably more cases of BSE in Canada.

Mr. Speaker, the provincial testing of all cattle slaughtered in Manitoba is important to ensure the highest level of consumer confidence in the safety of Manitoba beef. I ask the minister responsible for consumer affairs to provide a guarantee that Manitoba beef is BSE-free, as I asked last week, and provide testing of all cattle over 30 months slaughtered in Manitoba to ensure this.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): This is an important issue and I think it is really unfortunate that the member from River Heights is fearmongering now and implying that there are more cases of BSE.

What we need is a national plan. We need national leadership. We need the federal government to live up to their full responsibility on this issue and the number of animals that are being tested for BSE is being increased under the direction of CFIA.

Mr. Speaker, I am sure the cattle industry in this province will not be happy that the member of River Heights is now saying that we likely have more cases of BSE. His timing is terrible.

Mr. Speaker: The time for Oral Questions has expired.

Mr. Gerrard: Mr. Speaker, I ask for leave to put my second supplementary.

Mr. Speaker: Does the honourable member have leave?

*(14:20)

Mr. Speaker: Leave has been granted. The honourable Member for River Heights, with his second supplementary question.

Mr. Gerrard: Thank you, Mr. Speaker. It was not me. It was senior staff in the minister's department who raised this at the EMRAC last week. It was a professor from Alberta who raised it yesterday. This is an important issue. We are talking about, not only food security, we are talking about a marketing advantage for Manitoba beef, a guarantee that Manitoba beef is BSE-free. Surely Manitobans deserve no better than this.

Does the minister responsible for consumer affairs believe in the Ralph Klein approach to food safety: shoot, shovel and shut up, or will the minister, on an urgent basis, institute BSE testing of cattle in Manitoba slaughtered, all those cattle over 30 months?

Hon. Gary Doer (Premier): Mr. Speaker, I thought the Premier of Alberta did an excellent job of pointing out the irony that when you have a situation where science is allowed to detect the cow, when science allows you to trace the cow, to reject the cow, to have a system where the science works and the cow never got into the food system. He was making the point that having science work should be the way we go, not the opposite way. He was trying to use irony to make that point.

I thought Premier Klein did a great job with the governors. I think we should start getting together to work to get the border open not to try to make short-term political points in this Legislature. The border has got to be opened.

Mr. Speaker: The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Blue Water Trail

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I rise today to put a few words on the record about a significant event that took place in my constituency this past spring.

Mr. Speaker, on Sunday, May 25, a celebration at the Great Falls Community Hall marked the official opening of the newest addition to the Trans-Canada Trail, namely, the Blue Water Trail. The Blue Water Trail showcases the transition between the Canadian Shield and the Prairies. It pays tribute to the beauty of the Winnipeg River, the boreal forests and the mammals, fish and birds that thrive there. It promotes the diversity and the cultural- and heritage-related aspect of the small towns in our area. It exposes people to the unique beauty that we call Manitoba.

I would personally like to thank the many volunteers who have worked to make this event

a reality. More than 75 volunteers have constructed, cleared and chipped five kilometers of trail in the Broadland and Pine Creek areas. It has been the perseverance and the dedication of these individuals who have made this section of the trail possible. One such person who, in particular, deserves much of the credit is Mr. Ed Forsyth, the project leader who organized, planned and recruited to make this dream a reality.

Mr. Speaker, the Trans-Canada Trail is noted for being the longest recreational trail in the world and, when completed, it will join the Atlantic, Pacific and Arctic oceans. This unique trail is already proving to be the perfect setting for a variety of outdoor activities including walking, cycling, horseback riding, cross-country skiing and power tobogganing.

The new Manitoba addition, the Blue Water Trail, highlights the connection of the Prairie to the Shield. It will be a natural classroom for our students and is sure to attract hikers from our province and beyond.

Mr. Speaker, I would like to acknowledge the wonderful accomplishments and contributions of all the volunteers who made this addition to our province a reality.

Jennifer Roeland

Mr. Bidhu Jha (Radisson): I am very pleased to congratulate an exceptional young person from the Constituency of Radisson. I presented the Member of the Legislative Assembly Peacemaker Award to Jennifer Roeland at the Windsor Park Collegiate graduation ceremony Wednesday, June 25, 2003.

Mr. Speaker, the MLA Peacemaker Award has been presented to students for over 15 years. It is awarded in recognition of the admirable citizenship, leadership and outstanding participation in student government. Jennifer Roeland, who graduated this past June from Windsor Park Collegiate, was highly involved in the school activities throughout her time as a student at Windsor Park Collegiate. Jennifer achieved academic success and demonstrated leadership in the school activities. She was chairperson of the Social Action Committee selected to attend the

Women in Science Conference and played a leading role in the school musical. Jennifer is well known to the community as a talented peer counsellor in the Natural Helper program, a program involving 15 peer-selected students who provide guidance and conflict mediation counselling.

Jennifer Roeland is yet another positive example of Manitoba's excellent public education system, a system that encourages students to be involved in their communities while achieving academic success. It is an important part of the education system that encourages a student to seek leadership skills and interests. I believe young people should be recognized and commended for the enthusiasm and dedication with which they pursue their academic and non-academic interests, including social consciousness and leadership interests. We must provide opportunities for their community leadership to be recognized.

Mr. Speaker, I would like to congratulate Ms. Jennifer Roeland for receiving the MLA Peacekeeping Award, and I wish her all the best as she begins her first year of post-secondary studies at the University of Manitoba.

* (14:30)

St. Joseph Museum

Mr. Jack Penner (Emerson): This past July, I had the pleasure of attending the ceremonial sod-turning for the park and tourist centre that is being developed just east of bean town at St. Joseph, Manitoba, and at the museum that was created thanks to the effort of the Perron family.

Mr. Jean-Louis Perron, supported by his wife Marie-Laure, has spent over 60 years gathering a collection of farm and household antiques and close to 30 years turning his backyard into a replica of a pioneer-era village, the St. Joseph Museum. Since 1974, the museum has been co-managed and built up by a board of volunteers and some antiques have been donated or loaned by others, but about 80 percent of the artifacts were the property of the Perrons.

On June 28, nearing his 85th birthday, Mr. Perron and his wife Marie donated the vast

collection to the museum run by a younger generation of volunteers represented by the Perrons' son, Georges, volunteer Lea Barnabé and museum president Ron Parent. The hand-over took place as part of the annual Festival du patrimoine Montcalm Heritage Festival.

Jean-Louis and Marie-Laure truly have community spirit. They have donated their vast collection to their community, this province and their country. These artifacts were used by our forefathers in developing this part of the world, turning tall grass prairie into the bread basket of the world. The community is richer for it and we thank you.

I would also like to thank Ron Parent and his committee for taking the museum to its next level, adding a ball park, hiking trail, trees and a future tourist centre. You are helping St. Joseph show everyone what the community and the Peron family are all about. They are true dedicated Manitobans.

Pinaymootang First Nation School Opening

Mr. Tom Nevakshonoff (Interlake): Mr. Speaker, it gives me great pleasure to rise in the House today to bring attention to a very special event which occurred in the Interlake on September 3 of this year. I am referring to the grand opening of the school at Pinaymootang First Nation which has undergone extensive renovation and expansion over the past year.

The new facility which includes well-equipped classrooms specializing in fields such as home economics and industrial arts will provide a positive environment for the children, thereby increasing their chances of finishing high school and moving on to post-secondary education. The school has also been blessed with a new gymnasium which will be a catalyst for more sports-oriented physical activity. Maintaining a healthy body is the first step toward building a healthy mind.

I want to commend Chief and Council of Pinaymootang First Nation as well as members of the local school board and staff of the school for all their efforts in making the opening of this new facility a reality. Strong, well-focussed leadership is a must when lobbying government

for improvements such as this. In today's complex, high-tech society an advanced education is essential if a person is to achieve his or her full potential, and this all begins at the local community school level.

I want to congratulate the children of this community on the opening of their new school, and I encourage them to make full use of it in the days and years to come as they develop into productive citizens of our society.

Interim Financial Report

Hon. Jon Gerrard (River Heights): I would call on the Government to provide an interim financial report and I would explain why.

We heard yesterday in Estimates the Minister of Finance (Mr. Selinger) is calculating that the \$52 million he was going to get from Manitoba Hydro this year in the excess-profits tax probably will not be coming in. Therefore, that number of \$52 million of revenue may well be zero or close to it. Today we will be discussing Interim Supply, which is an additional request for revenue of \$68 million. When one adds up the total of the shortfall in revenue and the increased expenditures, we are looking at a \$120-million gap.

I understand that these are extraordinary times, that we have had forest fires and the mad cow crisis but, Mr. Speaker, this is all the more reason why the Minister of Finance should provide an interim financial report to make it clear how he is going to meet the needs of a balanced Budget under these circumstances where his revenue is dropping and his expenditures, it would appear, are significantly increasing.

I call on the Minister of Finance to provide this interim financial statement to show where this \$120 million is coming from, where he is going to cut back in expenditures or increase revenues, whatever his plans are. I would say this is even more important because this year the Minister of Finance has a line which is \$85 million of in-year savings of end-of-year lapse, and when you add this as well, it is a \$205-million gap that needs to be explained and accounted for.

* (14:40)

COMMITTEE OF SUPPLY**Interim Supply**

Mr. Chairperson (Conrad Santos): Committee of Supply will come to order, please. We have before us for consideration two resolutions respecting Interim Supply.

The first resolution reads as follows:

RESOLVED that a sum not exceeding \$3,470,050,000, being 49 percent of the total amount to be voted as set forth in Part A (Operating Expenditure) of the Estimates, be granted to Her Majesty for the fiscal year ending the 31st day of March, 2004.

Does the Minister of Finance (Mr. Selinger) have any comments? None? What about the Opposition critic? Do you have any comment, please? Is the committee ready for the question?

An Honourable Member: Question.

Mr. Chairperson: Shall the resolution be passed?

Mr. John Loewen (Fort Whyte): I am sorry, Mr. Chairperson, I did not hear your opening remarks. Are we still on first reading?

Mr. Chairperson: No, we are in committee. For the benefit of the Member for Fort Whyte, this is the proper forum to ask questions.

Mr. Loewen: Thank you, Mr. Chairperson. With regard to the Committee of Supply, the minister had four special warrants issued, one on March 19 for \$1.8 billion; one on June 13 for close to \$1.6 billion. With regard to the interim supply bill, the minister's warrants have been issued through Treasury Board on March 19 and June 13 covering what would appear to be the normal expenditures required by the Government. There is also an indication that a warrant was issued on July 16 for \$15 million and August 13 for \$25 million. I would ask the minister if he could give us more breakdown of what those, the warrant for \$15 million and the \$25 million, were to be used for?

Hon. Greg Selinger (Minister of Finance):

Yes, both of those were related primarily to the disaster events occurring in the province this summer. As you know, it has been the second worst year on record for fires, and additional authority was required to address that. Then, of course, the 25 relates to the mad cow issue and putting in place authority to provide resources for the slaughter program, the 60-40 program that the federal government negotiated with the provinces to get that rolling as well. It is a combination of the mad cow, drought and forest fires, those warrants.

Mr. Loewen: Just for clarification, was the \$15-million warrant issued July 16 strictly forest-fire related?

Mr. Selinger: It was issued to relate to all the pressures on us; forest fires, mad cow were the two biggest ones. Then there is the element of the drought worked in there as well. It was a general purpose amount put in place to address all the concerns that were arising.

Mr. Loewen: Mr. Chairperson, would the minister have any further breakdown of that \$15 million in terms of how much for each one? They have announced a number of programs. I am trying to get a feel for which one it was.

Mr. Selinger: At the time, it was not broken down. It was just to ensure that there were additional resources in place to address the pressures. All of those pressures were in process, and the quantification of resources needed was not absolutely determined at that time. We know that we needed the money and the final allocation of that money, for example, we now know that we are projecting about a total of \$55 million for forest fire relief. We know that we needed up to \$37 million for addressing the issue of mad cow and drought. Those warrants were intended to allocate enough money to deal with the totality of all the pressures on us during that time.

Mr. Loewen: The \$25-million warrant, was that related to all three as well?

Mr. Selinger: Yes, the monies were put in place to deal with all these pressures that were occurring. I know the Member for Fort Whyte can imagine the fluidity of that. We are in the midst

of forest fires, there was a lot of movement going on, trying to respond to the pressures in the mad cow disease crisis. The global amounts were put in place and then each—the Minister of Agriculture (Ms. Wowchuk), for example, announced the portions of it that would be used for hers. We had to make money available for the forest fire situation as it continued to rage on during the summer.

Mr. Loewen: Just for clarification, I would ask the minister, just to make sure we understand each other, what I am looking for is out of that \$40 million, how much was anticipated would be needed for forest fires, how much for mad cow, how much for drought?

Mr. Selinger: As I said, at the time the number was uncertain because we did not know how long the fires were going to continue. We knew they were serious, we knew they were severe, and the member might know that we are entirely responsible for it. There is no federal cost-sharing program on fire disaster relief.

We also knew that the mad cow issue was still pressing forward and there was feedback starting to roll back to us that the slaughter capacity was not available in Manitoba. Our producers were not getting access to slaughter facilities in other jurisdictions. We started moving from what the federal and provincial officials and ministers originally agreed to. We started to shift that to a feeder program. All of these things were fluid, and we just wanted to make sure we had enough money to address all of those things as we went forward.

It was not specifically allocated at the time. It was a global amount to make sure we could cover all of those contingencies.

Mr. Loewen: I am just a little curious because I would have thought the natural course of action would have been that the ministers responsible for those two issues in particular, the Minister of Agriculture with regard to BSE and the Minister of Conservation (Mr. Ashton) with regard to forest fires, would have at least had some breakdown in terms of what they were asking for that totaled the \$40 million.

Is the minister saying that there was just on two occasions a general consensus that they need

\$15 million for some relief and a month later they need \$25 million for some more relief without any sort of anticipation in terms of which department those funds might flow to?

Mr. Selinger: No, there was a sense that the forest fire situation was not abating as had been hoped, weather conditions, et cetera. As I indicated, I believe in Estimates we now believe the forest fire bill will be at least \$55 million. We also knew we needed money, the \$15 million, the original \$15 million was also to be part of the federal-provincial commitment on addressing mad cow and then more money as we went along.

At the time everything was fluid and we knew we were coming into the Legislature to debate the Budget this fall and if we needed additional authority we could do it by the procedures we are going through now. So it was not necessarily intended to address the totality of that but it was to provide cash flow to keep us going, without the Budget having been passed. The special warrants were to ensure the cash flow to address those problems at the time when the money was needed.

*(14:50)

Mr. Loewen: The minister has indicated that the Province is on the hook for the bill for fighting the forest fires, which I realize but he has just indicated part of the money in those warrants was flowed on the basis of federal-provincial contributions. I am just wondering is he expecting some of that money to come back into the provincial Treasury as a result of payments at some point down the road by the federal government, or is that strictly the Province's share.

Mr. Selinger: We were budgeting for our share on the original federal-provincial agreement and we were in the process of trying to secure federal commitments on the programs as they innovated. For example, the feeder program, we had hoped the federal government would cost-share that but they had not signed on to that necessarily. Similar with the drought assistance transportation relief program announced last Friday.

All of these things we believe are cost-sharable with the federal government and we are

still in ongoing negotiations about that but we wanted to make sure we had sufficient resources in place to aid the producers at the time when they are experiencing the greatest pain.

It was our share but, as the member knows, other than the original agreement, the federal government has not yet shown the flexibility we have to respond to this crisis. They have not come up with a willingness to take that \$500 million for the country and adapt it to the real needs of producers.

Mr. Loewen: I appreciate that. I guess what I am asking the minister is if at some point before March 31, 2004, it would be his expectation that some money would flow from the federal government that would again come back into the provincial Treasury to offset this \$40 million that has been set aside this summer.

Mr. Selinger: Yes, as the Minister of Agriculture (Ms. Wowchuk) indicated today, so far the only flows into the province out of the federal-provincial agreement have been \$6 million. We would like more to flow. It has been indicated to us there is the possibility that more money could flow, but nothing is certain yet and it is not clear whether that will offset the resources we have put in here, given the magnitude of the issues going forward, or whether it will be just enough to cover the total need out in the communities. That is still very much in flux.

Mr. Chairperson, we have put our portion on the table. We do not necessarily expect this money will be recovered from the federal government, but we would like to see a broader envelope that would provide more support to those producers.

Mr. Loewen: I think what I am trying to determine here is whether the federal money, in the minister's view, will flow through to the producers or whether in fact it will end up in a situation where the federal money that does flow eventually will in effect be clawed back by the Province, saying: We have given more than our share. We are going to take that money into our kitty as opposed to distributing it to the families in crisis in Manitoba.

Mr. Selinger: Mr. Chairperson, as I indicated on the first program for which there was agreement,

it was a 60-40 cost-sharing formula and we have received only \$6 million off that so far. Any of the program adaptations we have made since then, there is no federal agreement to cost-share them so we are picking up the whole tab.

Will there be any offsets? It is absolutely unclear yet whether they will show the flexibility the Province has shown in adapting programs to the needs of producers and it is also unclear what the total magnitude of the need will be. These are demand-driven programs in a sense. The slaughter program, how many animals can you get to the slaughter facilities? The transportation program, how much transportation subsidy will be required to get feed to the producers? We are putting the money out there with the first priority of serving producers up to the need that is expressed. That need has not been totaled yet because the total demands have not been put forward to Government. We put the resources in place to give them the comfort that there is support. When the total bill comes in, we would like that to be cost-shared with the federal government. Failing that, our resources will still be there.

Mr. Loewen: Just for clarification, because the minister did mention 60-40 program, 60 fed, 40 Province?

Mr. Selinger: That was the basis of the original slaughter program, which we discovered was not serving our producers because the facilities in the main were outside the province, which is why we then shifted to the feeder program. Yes, 60-40 is the formula that seems to be used in these disaster relief programs. The ad hoc nature of these disaster relief programs, 60-40, that is our minimum expectation from the federal government.

Mr. Loewen: The minister indicated that \$6 million has come from the federal government. Was that strictly for the slaughter program?

Mr. Selinger: Mr. Chairperson, I am working off what I heard the Minister of Agriculture (Ms. Wowchuk) say today. She said only \$6 million has come in. I think that is only for the original agreement that the provinces and the federal government signed on to. They have shown an unwillingness to adapt that envelope of money

they made available for that agreement to new program needs, as we have. I think the \$500 million that they put in place nationally has only resulted in \$6 million flowing into Manitoba, if I understand the Minister of Agriculture correctly, and I believe I do.

Mr. Loewen: I thank the minister for that, and I hope he can bear with me here. There has been a myriad of programs announced in terms of relief, some of which some claim are working, others would dispute that, particularly the cattlemen.

What I am trying to decipher here is if the \$6 million that came in from the federal government was strictly involved in that one program, that slaughter program.

Mr. Selinger: That is my understanding.

Mr. Loewen: Correspondingly, then, given that it is a 60-40 program, is it safe to say that \$4 million has flowed out of Manitoba's funding towards that slaughter program?

Mr. Selinger: That is my understanding. It might be slightly higher but it is in that range. This is strictly the logic of what the formula would imply. If it is 60-40 and \$6 million has flowed federally, then at least \$4 million provincially would have flowed. As the member knows, this is a moving target. It is possible that the Province has flowed more of its money and the federal government has not caught up with it yet on this program because the Province is being more responsive in providing these resources. The feds are being somewhat recalcitrant in the flows that they are making available to the Province.

Mr. Loewen: Mr. Chairperson, would the minister be able to tell me how much of provincial funds has flowed to the slaughter program at this particular time?

Mr. Selinger: Of that original \$15 million, it was the 60-40 formula as indicated. That would imply \$6 million from the federal government, \$4 million from the Province. There is a feed assistance program for an additional \$4.7 million. That starts to indicate that money was not matched by the federal government, the feed assistance program.

I think there has been further activity since then. There is a steady although not sufficient

stream of slaughter activity going on with the facilities that are available. I think that we have gone beyond the \$4 million now, but I do not have a precise number. There is a number bouncing around in my mind that we are up around \$4.85 million now. I do not have confirmation, other than what the minister said today, that the feds have gone beyond the \$6 million at this point.

Mr. Loewen: Just for clarification again, I apologize to the minister for this, but there are just so many programs and so many numbers floating around, he just mentioned the numbers \$6 million, \$4 million and \$4.7 million of the \$15 million. Was he talking about the \$15-million warrant on July 16? Or was his mention of \$15 million another figure?

Mr. Selinger: Mr. Chair, I want to separate the warrant amounts put in place from the program announcements. The warrant amounts were total amounts of money, of cash we made available for all the disasters occurring in the province in the summer. Then there were program announcements. So one \$15 million is not equivalent to the other \$15 million, all right.

* (15:00)

Mr. Loewen: I appreciate that clarification and just for further clarification I will take from what the minister has already said that the \$6 million in federal money is not looked upon by the Province as a repayment that will go back, charged against its warrant. It is an amount the minister feels will be distributed to the families suffering through this crisis.

Mr. Selinger: I want to be careful here. The money I have made available to producers will be according to their needs. If they demonstrate the need for the money on the slaughter program our full 40 percent will be provided and the full federal 60 percent will be provided within the envelope the federal government put in place. They have a cap on that.

Then, after that, we have made money available for a feed assistance program. We have said we will use our first \$15 million that we allocated fully for both of those alternatives.

We are not intending to necessarily claw it back if there is real need expressed for the

resources. The resources have been made available to respond to the need. If the need turns out to be less than the resources made available and the federal government is available to offset it, that would only be considered without hampering the need of the consumers or the producers.

The 60-40 formula was one agreed to by the Province and the federal government on the initial slaughter program. We are there up to the cap the federal government has put in place. Then any additional resources we have made available for a feeder program that the federal government has so far not been willing to cost-share.

We are hopeful the federal government will be willing to cost-share that as we go forward because we have proposed to them, and this is the Minister of Agriculture (Ms. Wowchuk) that has done this, that this is a realistic program that responds to a real need, whereas their program has not done the job.

Mr. Loewen: We will come back to that issue when we deal with the \$68-million request in the Supplementary Estimates.

Just to finish off with these Interim Supply bills, will the minister just confirm that the March 19 warrant for \$1.847 billion and the June 13 for \$1.582 billion were strictly for budgeted amounts?

Mr. Selinger: Yes, it was for budgeted amounts. It was to make money available to handle the Budget which has not yet been passed. That was the purpose of it. That is what the motion says here. It is just to provide the cash flow to keep Government going until we can get to the decision-making process we are engaged in here.

Mr. Loewen: I appreciate that. I am just asking the minister to confirm there is nothing extraordinary in those initial two warrants outside of the Budget.

Mr. Selinger: Not that I am aware of.

Mr. Loewen: I thank the minister for that clarification. I would like to move on to Part A of the Supplementary Estimates of Operating Expenditure, I guess in particular dealing with the request for \$10.9 million for the Legislative Assembly.

Mr. Chairperson: We are not dealing with that yet. It depends on the Minister of Finance, if he wants to answer, but that is not yet covered by our proceedings.

Mr. Selinger: I thought we were only dealing with The Interim Appropriation Act here, and then we were going to deal with the Supplementary Estimates separately. I think the Chairperson is trying to give us guidance that we should not be jumping into this one, because it is not officially in front of us right now.

I can answer it, but I think in both of our interests, we should follow the Chairperson's advice and wait until it comes up on the agenda.

Mr. Chairperson: Does the honourable Member for Fort Whyte have other questions dealing with the subject matter at hand?

An Honourable Member: Jack, do you have any questions? *[interjection]*

Mr. Jack Penner (Emerson): I wonder if the Finance Minister could identify for us the programs that have so far been announced by his Province, whether he could identify all of them for us. I would like to write them down when he identifies them.

Mr. Selinger: First, the member will note the MACC, the Manitoba Agricultural Credit Corporation loan program. It is a \$100-million program of low-interest loans to producers. The interest rate is 3.25 for all producers, except for those under 40 where the rate is 2.25.

The program has now been announced for the first two years of the loan. Those low interest rates will apply. The cap in that program is \$50,000 per producer. So that is program one.

The second program is the BSE recovery program, \$15 million in funding for the BSE slaughter program and the feed assistance program. The slaughter program has the 60-40 cost-sharing element to it with the federal government.

Mr. Chair, the third program is the drought assistance program. That is \$12 million in transportation assistance to producers transporting feed to livestock or livestock to feed. Then there is the BSE slaughter program. This is \$10

million to extend the slaughter component of the BSE recovery program.

We have also extended the availability from animals on feed as of May 20, '03, to all ruminants that go to slaughter after September 1, '03.

There is also the Manitoba Beef Fund of \$2 million to help build Manitoba slaughter capacity. Then, of course, we have moved and signaled to the federal government our interest to sign the Agricultural Policy Framework, which will allow \$43 million in funding to be available to Manitoba producers under the Canada Agricultural Income Stabilization program.

Mr. Penner: Can we go back to the second item that you identified? I am not sure I caught that.

Mr. Selinger: Mr. Chairperson, the first one I mentioned was the MACC loan program. The second one was the BSE recovery program. I said \$15 million. That included the slaughter program and the Manitoba feed assistance program. The slaughter program has the 60-40 cost-sharing in it with the federal government. That was the original federal-provincial package.

Mr. Penner: Then there was a \$12-million drought program?

Mr. Selinger: Yes—

Mr. Chairperson: The honourable Minister of Finance. Sorry, gentlemen. The Hansard has to be recorded.

Mr. Selinger: Yes, I am doing my best to follow the bouncing red light here.

Mr. Chairperson, it was \$12 million in the transportation assistance to producers program. That is the drought assistance program.

Mr. Penner: And the next one was the BSE slaughter program? That was how much?

Mr. Selinger: The BSE slaughter program is a \$10-million program. It extends the slaughter component of the BSE recovery program.

Just to complete the list again, there was the Manitoba beef fund, \$2 million to help build Manitoba's slaughter capacity.

Mr. Penner: Mr. Chairperson, the minister just in response to our critic, Mr. Loewen, indicated that under the federal-provincial cost-shared program that was announced by the federal government, which was roughly about a \$500-million program that was announced, the Province of Manitoba received roughly about \$6 million of federal money and roughly about 4.7 was expended by the Province. Is that correct?

Mr. Selinger: Yes. The Minister of Agriculture (Ms. Wowchuk) just indicated today during Question Period that about 6 million of the federal money has flowed. That implies at least 4 million of provincial money to meet that formula would have flowed. I am going from memory, so I cannot be absolutely certain of this, but I think we may have gone beyond that 4 million in the order of magnitude the member has mentioned, but at least the 4 million has been put in place.

* (15:10)

Mr. Penner: Mr. Chairperson, could the minister tell this House under what premise the Government of Manitoba signed on to the slaughter program when it was first contemplated that the Province might be asked to participate in a program such as this? Was it the Government's view that they would receive a proportional share of the funding that would accrue, give an amount of money to Manitoba under the auspices and the terms of the agreement? Was that the understanding of the minister?

Mr. Selinger: Well, the member will know that I was not at the table on those negotiations so I was not privy to the conversations that took place. It is difficult for me to indicate clearly what the understandings were at the time, so I am not trying in any way to pretend that I knew the assumption at the table because I was not there. I think you can see from our subsequent efforts that we assumed we would get a proportionate share and there would be some reasonable flexibility on the federal government in how that would be applied if the original definition of the program was insufficient to respond to Manitoba needs.

We all know that the original slaughter program really did not help Manitoba producers as much as it was helping producers in other

jurisdictions where they had the primary slaughter facilities. So we quickly moved off that to try to use that same envelope of money, the 60-40 formula included to have the feeder program.

The federal government, I was informed by the Minister of Agriculture (Ms. Wowchuk), did not respond to that adaptation we made to respond to Manitoba producers and that is where we were left holding the bag for 100 percent of that. So, you know, it is not unreasonable to think that we should get our proportionate share of that federal resource although clearly that has not been the case up to now but negotiations and pressure continues to get them to be reasonable in this regard.

Mr. Penner: Thank you to the Finance Minister for that answer. If the Province of Manitoba would have negotiated, I think, in a prudent manner on behalf of the producers, the livestock industry in the province, it would appear to me that they would have insisted that a formula should have been developed to ensure that at least a proportionate amount would have accrued to the Province.

I want to ask the minister whether it is his view that when the Premier announced that they were going to pull \$17 million out of the fund that he had indicated would be designated towards the provincial portion of the federal-provincial program, whether the Premier was a bit premature in pulling the provincial money out of the fund instead of going back to Ottawa and arguing for its provincial portion and thereby accruing an amount of \$47 million to the livestock producers, federal and provincial money that would have occurred under the program had a proportional amount been established based on the number of slaughter cattle that we annually produce in this province for the slaughter industry, which the cattle producers have said would be in the neighbourhood of 12 percent of the total amount. That would have, according to my calculations, accrued roughly about \$47 million in total to the Province.

Is it the Finance Minister's views that we were a bit premature in Manitoba in pulling our money out of the program, because the federal government, according to my information, had

not yet indicated that the program was fully subscribed when we did that.

Mr. Selinger: I do not think you can say our Premier (Mr. Doer) or our Agriculture Minister was premature in anything. They were the first to the table to bring this issue up at the western premiers' meeting. Our Premier put it at the top of the agenda, this issue, and made sure that it was addressed by the western premiers in terms of the problem that was clearly emerging.

So our Premier took a leadership role as did our Agriculture Minister, and I do not think it is appropriate for the Member for Emerson (Mr. Penner) to try to hang on our provincial ministers the inflexibility of the federal government. That is really where the problem has been. They have tried to reduce their exposure by sticking to a very strict set of their self-determined guidelines, as opposed to working co-operatively with the western provinces to adapt that resource envelope to the needs of producers, and that has resulted in Manitoba having to go it alone to make sure that producers were not left in the wake of federal-provincial negotiations that were not generating results.

It is not either-or. Manitoba continues to press the federal government to take up their responsibilities in this regard to provide disaster relief and at the same time has gone ahead to make sure producers have the resources they need.

So, Mr. Chairperson, I do not want the member to in any way interpret my views as negative with respect to the Premier or the Agriculture Minister. They have done a terrific job in bringing the issue to the attention of other levels of government as well as other jurisdictions and provinces in Canada to ensure that the federal government plays their role. I think the Member for Emerson would agree that the federal government really should be the primary leader in providing disaster relief.

Mr. Chairperson, the federal level is really the insurance policy for the country because when the provinces are suffering from problems, whether it is the '97 flood or the BSE crisis or drought, they are the ones that are experiencing all the pressures financially and all the need in

terms of their own citizens. It is the federal government that has the broader base of resources that they can bring to bear to allow for relief, and when they do not respond quickly enough, it puts pressure on the provinces.

Mr. Chairperson, all three western provinces have experienced this, as well as Ontario, where they have to go out front with the resources they may or may not have or use their Fiscal Stabilization Fund to be responsive to their own producers and their own citizens and not being clear whether the federal government will be there with them as a full partner. That has been the dilemma that the Province has experienced. I know the Member for Emerson understands that.

Mr. Penner: Mr. Chairperson, I am not going to get into an argumentative mode. I just make the case that because of poor negotiations, this Province gave up on behalf of its producers a number totaling roughly about \$30 million that should have accrued through the federal-provincial program to the producers of Manitoba.

I think that the Minister of Finance (Mr. Selinger) knows that, and I think it is important to note, on behalf of the livestock producers in this province, that they are the ones that are suffering now because of a lack of that kind of support.

Our feedlot industry is a fledgling industry at best in this province; they are the ones that really took the hit because they could not access the marketplace. We had back in the late seventies and eighties an NDP government that was not able to hold on to a slaughter industry that slaughtered at that time a half-million head of cattle. I should be more realistic. I should say that it slaughtered between 300 000 and 500 000 head of cattle during that period of time, any given period of time during that period, and we gave that up because we allowed Swifts, Burns, Canada Packers to fold in this province and Alberta to build on that vacuum and void that we created in this province.

* (15:20)

I want to say to the minister again that was a detriment to our primary producers because we did slaughter up to a half million head of cattle

in this province—just a wee bit more than that—during that period of time. This time around again we did not pay proper attention, and we allowed a federal-provincial agreement to be drawn that gave up \$30 million of federal funding that should have flowed to the producers of Manitoba without question. That money, I would suspect, because it was fully subscribed after a while, went to either Ontario, Québec, the Maritimes or the other western provinces. Manitoba farmers were the brunt of not being supported, and I think that is what is causing a significant amount of difficulty now in our feedlot industry. Many of the producers that have either e-mailed me, written me or phoned me, the feedlot producers, will tell you that they were the ones that were left holding the bag on this.

I bring this to his attention because I think in future, he and other members of his Cabinet and Treasury Board need to be more vigilant in their prescribing to programs that will not benefit the producers of Manitoba, or else the Province did it deliberately, knowing full well that they would not have to spend the whole \$17 million that they would have had to spend had the money flowed to producers. If that is the case, then the Minister of Finance and the Premier (Mr. Doer) have something to answer for.

Mr. Selinger: I think the member is incorrect, and I understand where he is coming from when he says the minister and the Government gave up. That is certainly not the case. The Government was the leader in bringing this attention to the table and has been very vigorous in pursuing it. When a federal government shows inflexibility and does not respond, you should not blame the victims of that which are the provinces and the producers that do not benefit from their lack of responsiveness.

These negotiations are still going on. Nobody has given up. There is no white flag flying over on this side of the House, and I wish there were not one on the other side of the House when they go so negative. This is what the Minister of Agriculture (Ms. Wowchuk) has been saying is that with a stronger unified voice out of this Legislature, we would have more ability to influence the federal government as to the necessity for them to, sort of, flow that money in

a more responsive manner to livestock producers. If the federal government sees the Legislature divided, then they just sit back. I think the member understands that, as a long-experienced member of the Legislature.

That is why we have done two things. We have not, for one minute, blinked on identifying to the federal government their responsibility to be a 60-40 partner in disaster relief and show flexibility in how that relief can be tailored to meet the specific needs of producers in this province. If slaughter capacity is insufficient in the province and you cannot get in the queue in other jurisdictions, then a feeder program makes sense. A transportation program makes sense as well. That is why we think the federal government still has to consider that, and active negotiations are still going on, as far as I understand it. Other provinces are experiencing the same problem in the West. They are not getting the responsiveness they need either, and they are continuing to work on this. So I think the member mischaracterizes the situation with the words he has put on the record, and I have to correct that.

The issue of slaughter capacity within the province is a very important issue. All I can say to the member is that greater slaughter capacity in this province would really help resolve the issue, no question about it. That is why the \$2 million was put in place. We do have some abattoir capacity in this province. Some of that could be ramped up and some of that is going on as we speak. The member knows full well that he was the Government for 11 to 12 years and the slaughter capacity did not dramatically grow during that period of time, so I do not think he can skip that period of Manitoba political history and who was governing during that period.

Mr. Penner: Mr. Chairman, I just want to reiterate that the cattle producers of this province have clearly stated publicly as well as privately that they did not receive their fair share, and I think that the minister knows that full well, of the federal-provincial portioning of the program.

Had a significant effort been made by this Province to indicate clearly that the slaughter should take place on a proportional basis, then I think our cattle producers would have been defended in that respect, yet that was not done.

All I am saying to you, Mr. Finance Minister, is that you missed the boat. Who suffered the consequences? Our cattle producers did.

Mr. Selinger: I know where the member is coming from and that is exactly the frustration that the Government has had with the federal government. The provincial government does not miss any boat. The federal government was insufficiently responsive and that is the experience that other provinces have had as well.

The negotiations have been very vigorously carried by this side of the House and I think the member knows that and, you know what? They are not over yet. They are not over yet, either. This process continues to unfold and, like any good producer in this province, you prepare for the worst and you hope for the best and you work hard to make sure the best occurs.

We are not finished yet negotiating with the federal government on this. I do not believe and I do not control the books for the federal government, but I do not think there has been the full take up of the \$500 million. I do not believe that has occurred. That creates the opportunity to press them to continue to be responsive to the programs we have put in place and to carry their share of that responsibility.

Mr. Penner: Well, thank you very much and I am not going to pursue that any further. I think I have made the point that the cattle producers have expressed to me that they feel that they were left holding the bag on this and they have felt let down by the provincial negotiating process. They also feel let down by the federal Liberal government.

They clearly acknowledge that as well and the Minister of Finance is right. We have had very, very little consideration, true consideration from the current Liberal government on any issues dealing with the crisis in agriculture and specifically on matters pertaining to the current crisis. I think that is unfortunate, but that is what we have to live with.

Mr. Chair, there was a \$12 million new drought-assistance program announced. What portion of that or are there any prescribed limitations under that program such as mileage

distances and those kinds of things? Can the ministry enlighten us a bit about that drought-assistance program?

Mr. Selinger: Yes, I do not want to pre-empt the Department of Agriculture, which is working out the program details, but there will be obviously some guidelines that the program has to operate within on items that the member recognized. The details have not been finalized by that department. They are trying to design it in a way that does the job and addresses the greatest need out there. That will come forward very shortly once they finalize that.

Mr. Penner: The Government of Manitoba announced a \$15 million, at least that is the way the announcement read, a \$15-million slaughter-assistance program, I believe it was called, and then later on it turned out to be a \$10-million program and the Minister of Agriculture (Ms. Wowchuk) told us in Estimates that the previous amount under the federal-provincial slaughter program had in fact taken up a portion of that 15 million that they re-announced again, and a portion of that was still outstanding.

Can the Minister of Finance tell us today how much of the remaining 10 million that the Minister of Agriculture said had been re-announced for the slaughter program provincial portion now, and only provincial, and then I think there were some comments made that they were still expecting the federal government to come on board. Can you tell this House how much of that \$10 million exactly has been paid out?

* (15:30)

Mr. Selinger: I am not exactly clear on the question, but there are two elements. There was the original BSE recovery program, \$15 million, 60-40 cost shared with the federal government; \$4.7 million of that \$15 million has been used for the feeder assistance program; \$4 million has been matched by the federal government's \$6 million to provide a \$10-million program. Once the cap was hit there, we announced an extension program, a BSE slaughter program of \$10 million. I do not have a number on how much of that has been taken up yet, but that was intended to provide further support to producers once the

original program cap had been reached. So it was an extension program.

Mr. Penner: Would there not be some provision made to report to the Department of Finance and/or through to Treasury Board, an accounting on a daily/weekly basis, to ensure that there was some accounting of that on an ongoing basis, or how did this Government work on those matters?

Mr. Selinger: The departments administer the program and the flowing of the cash from that program once they receive authority. They do not report back on a daily or weekly basis. They will report to us in a timely manner about how the program is going. The most important element was to get the program in place and then to let it respond to the demands that producers are bringing forward. I am confident that has happened when I have discussed it with the minister and her officials, that the program is providing resources as needed to extend the slaughter program. As the member knows, there are some efforts going on by some of the abattoirs and slaughter facilities in the province to expand their capacity and to extend their capacity to accommodate the real needs of those trying to get their animals slaughtered.

Each producer makes his own judgment as to whether he wants those animals to go to slaughter or not. Those judgments are, as the member I am sure knows better than I do, complex judgments about trying to forecast what is going to be available in terms of market opportunities in the future. All of this, as we know, hinges upon opening up the border. We have seen a partial opening up of the border for shoulder cuts. Will the border open up rapidly? One can only hope that it will.

Mr. Penner: It appears to me that there has been either a bit of a double announcement here—I do not know why that was done in the way the Government did it—or the subscription under the first announcement of the \$10 million to extend the slaughter component on a provincial basis, which I understand has not been nearly subscribed to yet, has been terminated. Can the Minister of Finance tell me why this would have been terminated when it has paid out less than \$4 million so far?—or around \$4 million, I will give

it the round number. Why would it have been terminated and then a new \$10-million program announced again last week? Can the Minister of Finance tell me why that would have been done in that way?

Mr. Selinger: Once again, it is difficult to speak for the department administering the program. You have had a full opportunity to discuss that with the minister during Estimates. So I am not going to speak for the minister or the Department of Agriculture when I am not directly responsible for it. All I can say to the member is that that was a joint cost-shared program, 60-40, between the federal and provincial governments.

Mr. Penner: I think the minister is a bit confused here, and so are we, quite frankly. That is why I am asking the question. I think the minister would like to say that the provincial portion of the federal-provincial program was in fact a total—should have been accrued \$47 million to the Province of Manitoba, should have accrued if the number of cattle, the percentage of cattle that Manitoba, in fact, had in the feeder designation would have been fully subscribed to or would have been allowed to fully subscribe to or brought to slaughter, but they were not. They were not able to bring them to slaughter because there was no provision for a percentage of our cattle to be brought into the slaughter facility. If the minister does not know that he should have, they should have had this discussion in Cabinet and I think in Treasury Board to ensure that we would get that percentage.

Secondly, they then took 10 million or \$15 million they announced that they would take out of that program, and an additional \$200 million that would be accrued to the slaughter enhancement program, the made-in-Manitoba-beef fund I think they called it, so the total amount that was drawn out of that program was \$17 million. But \$15 million was announced as an assistance program to Manitoba producers, which we later found out, 4.7 million was actually the first subscription that had accrued to, under the federal-provincial program. The second portion now, I understand, has paid out just over 4 million and was terminated and a third one was announced of \$10 million which we do not know yet exactly how that is going to work.

Mr. Chairperson, could the Minister of Finance at least describe for us the third announcement and how that will be delivered and how he sees that being flowed to the producers.

Mr. Selinger: The member started off by asking me to list the program components and I listed those very clearly for the member—*[interjection]*

Mr. Chairperson: The honourable—

Mr. Selinger: No. No, hold it. I am not finished.

Mr. Chairperson: Order, please.

Mr. Selinger: Yes, Mr. Chair, I am continuing. I very clearly listed the program elements that we have put in place, some of them in co-operation with the federal government. Now the member has reconstructed that in his own framework which quite frankly is not easy to follow. I was very clear in laying out the program elements. I am sticking by those because that is the information and that is the actual programs we have put in place.

All of these programs, under the best-case scenario—and the other thing the member has done, he had done just an enormous number of hypotheticals in terms of what the program amount should be.

Mr. Chair, the negotiation was for a 60-40 federal-provincial slaughter program. That program, because facilities were outside of our jurisdiction and outside of our control, was not allowing all of our producers to get access to it on a timely basis. The provincial government then took that information into account and adapted to a feed assistance program, as requested by the cattle producers in consultation with the Minister of Agriculture (Ms. Wowchuk). So everything was done according to a proper consultation and dialogue between the Government and the producers.

In addition to that, the minister moved on the Agricultural Policy Framework in order to free up money under the Canadian Agricultural Income Stabilization Program to make that money available to producers and move very effectively to make sure that money was available and there was no encumbrance to that

money flowing because we have budgeted for that and the federal government ought to have budgeted for that. Those resources should be coming out in a timely fashion to meet the needs of producers.

I also indicated that a loan program was put in place with low-interest rates, 3.25 percent and 2.25 percent for producers under 40. The federal government has not been part of these announcements and has not been responsive in the same way the Province has.

The Minister of Agriculture also announced a drought assistance program of \$12 million and an extension BSE slaughter program of \$10 million and as well the Manitoba beef fund, or increasing Manitoba's slaughter capacity for \$2 million.

All those programs have been clearly articulated by myself. I quite frankly find the way the member reconfigures some of those numbers not easily understood, but I stand by the numbers we have put out here.

All of these announcements have been made to respond to producers in Manitoba while ongoing pressure is being put on the federal government to be a full partner in these programs and provide their share of the resources. Unfortunately, they have not been as responsive as this Government has been to the producers of Manitoba. The member fully knows that and understands that.

Mr. Penner: Mr. Chairperson, let me then indicate to the Minister of Finance, on June 30, I will put dates to this, on June 30 the federal-provincial BSE recovery program was announced, \$460 million jointly funded by the provinces and the federal government, which was later enhanced by roughly about 30 some odd, \$38 million or \$32 million, I am not quite sure, that the federal government increased that funding by, which brought it to roughly about half a billion dollars. Correct? That was on June 30.

Mr. Selinger: I have to take the member at his word. He has the information in front of him there. I do not have that information in front of me. I understand the total federal envelope is in the order of half a billion dollars, yes.

* (15:40)

Mr. Penner: On July 31 you announced a \$15-million feed assistance program. Is that correct?

Mr. Selinger: The program that was announced was the one I identified earlier, the BSE recovery program, \$15 million in funding for both the BSE slaughter program and the Manitoba feed assistance program.

Mr. Penner: On that same day you announced a \$2-million slaughter enhancement program or made-in-Manitoba beef fund. Is that correct?

Mr. Selinger: Yes. As I indicated earlier, a Manitoba beef fund. I do not have the dates here. I am just telling you the program elements. The programs elements were \$2 million to help build Manitoba's slaughter capacity, the Manitoba beef fund.

Mr. Penner: Mr. Chair, on September 3, you re-announced the made-in-Manitoba beef fund of \$2 million, added some details to it. Then on August 6, you announced a \$100-million loans program. On September 12, you announced another slaughter component, BSE recovery program and the drought assistance program, which was \$12 million for drought assistance, for transportation of feed stocks into the drought area, and \$10 million to extend the slaughter component on the BSE recovery program to assist livestock producers. Is that correct?

Mr. Selinger: That is consistent with the information I have provided the member. He has the dates there.

Mr. Penner: Then, to top it off, you announced a \$43-million commitment under the Agricultural Policy Framework.

Can the Minister of Finance tell me the total amount of government announcements that have been made to the province of Manitoba and the beef industry, or the livestock industry, not just the beef industry, the livestock industry in this province to be fair? How much in total have you announced so far?

Mr. Selinger: I think I was very clear on this in response to the first question from the Member for Emerson. There is the \$100-million low

interest loan program, 3.25 for producers over 40, 2.25 for producers under 40, access up to \$50,000 per producer, and the reduced rate of interest for the first two years of the loan; the BSE recovery program, \$15 million, with elements of the slaughter program and the feed assistance program; the drought assistance program of \$12 million and transportation assistance to producers, transporting feed to livestock or livestock to feed; the BSE slaughter program, \$10 million to extend the slaughter component of the original BSE recovery program and the \$2-million slaughter capacity program, or what we have called the Manitoba beef fund.

Those resources total \$182 million that have been put in place to respond to this crisis among livestock producers. I said that right up front.

Mr. Penner: The reason I ask the question, I wonder if the Minister of Finance knows how much the total is. According to my numbers, the total amount of programs that have been announced so far are \$156 million that the Province of Manitoba has committed to the livestock industry.

The next question that I want to ask the Minister of Finance, can you table today the amount of money in total that has been paid out to the livestock producers of this province, either through your loans program or through your multitude of assistance programs for slaughter or for feed assistance and whatnot? How much money have you actually paid out, sir?

Mr. Selinger: In response to the member, my total came to \$182 million, not 156 or whatever you want to call it.

Mr. Chairperson, it was a \$100-million loan program, the commitment to get involved with the Agricultural Policy Framework, which has an element of support to livestock producers through the Canada Agricultural Income Stabilization Program, the BSE program for \$15 million, the drought assistance program for \$12 million, the BSE slaughter extension program for \$10 million and the beef fund or the slaughter capacity program of \$2 million.

The cash flows on that I do not have available to me here. Those cash flows are under the control of the agencies operating the program

for the department and the Agricultural Credit Corporation, but we said in the House yesterday that 170 loans had gone out. We have indicated here that at least \$4 million under the BSE recovery program has been made available to match the \$6 million of the federal government. The feed assistance program can be up to \$4.7 million. I do not know how much of that has flowed at this stage of the game, and then, of course, last week we announced a drought assistance program of \$12 million and the slaughter program, the \$10-million extension.

The actual cash flows I do not have at my fingertips, but these resources are available to producers. Some producers, most producers would not take advantage of these programs unless they absolutely had to. I think the member would agree with that. Most producers are pretty proud and like to go on their own resources as much as possible, but they want to know it is there if they need it. They will not use it just because it is there. They will only use it if they absolutely need it because that is the type of people they are.

They are Manitobans who try to make their operations work on their own resources, but they take great comfort from knowing the resource is there if they have to access it, and we have seen over 170 individuals access the loan program up to now because they really needed it. We have other producers who may or may not need it depending on how the situation unfolds and how quickly the border opens up, but they take comfort from knowing the resource is there if they have to draw upon it.

Mr. Penner: I appreciate the Minister of Finance's comments and I think he is absolutely correct. However, I want to say this to you, Mr. Minister, as Finance Minister you do have an obligation and your Premier (Mr. Doer) has an obligation and so do all of your Cabinet ministers, and that is if and when you create the perception in the general public—and whether it is \$180-some-odd million or \$199 million is immaterial. Mr. Chairperson, you have created a perception amongst the general public that you have flowed hundreds of millions of dollars to the cattle—[interjection] Well, sure you have.

You have announced a \$100-million loan program. You have announced a \$12-million

program, a \$10 million twice, a \$2-million program, a \$17-million program, a \$15-million program and a \$43-million program to accommodate the APF. Those are the news releases that you have put out, sir, I am sorry. You have created the impression amongst the general public that you have flowed hundreds of millions of dollars to the cattle producers of this province, and there are many farmers and cattle producers, livestock producers, that will tell you they simply do not qualify for the criteria you have laid around those programs, and, therefore, the numbers that you have created are huge. That is why I asked you for the cash flow. How much money have you actually cash-flowed to the producers of that almost \$200 million that you have announced?

The deception, I think, is what these producers are most concerned about and is creating the emotion out in rural Manitoba, which is clearly identified by the director or the manager of the stress line. The human cry that is going out there to you, Mr. Finance Minister, and your Government is real. The pain is real. You need to recognize that you should not create or cause false expectation. That is far worse than not creating any expectations at all. It creates a tremendous emotional stress on the general farm population of this province, specifically the young people that we depend on for continuation of food production in this province.

You have, Mr. Minister of Finance, been part of a portrayal of an assistance program that you have not or cannot deliver under the criteria that you have laid out for these programs. I think it is unfortunate that you and your Cabinet colleagues have created that kind of an aura around this that will leave the other general public to believe that you have actually done tremendous work when you have really created a model for disaster. You will have to answer for that at some point in time.

* (15:50)

Mr. Chairman, I think it is imperative that this Government and this Minister of Finance apprise this House of exactly how many dollars have been flowed until now. The people of Manitoba have the right to know. That is why we are into this kind of an exercise to get the

Minister of Finance to put on the record what is real and what is perceived.

I ask you again, Mr. Finance Minister, put on the record the exact amount of monies that the Government of Manitoba has flowed, not what has been announced, but what has actually been paid to the producers until now.

Mr. Selinger: I think the member from Emerson is really trying to have it both ways. I regret that he behaves this way in the House.

Mr. Chairperson: A point of order being raised?

Point of Order

Mr. Penner: I think the Minister of Finance (Mr. Selinger) owes this committee an apology. Behaves, I have behaved nothing but in an orderly fashion in this committee. Have I been emotional? Yes, I have been.

Minister of Finance, I want to tell you one thing. I have not been nearly as emotional as many producers have been in dealing with this matter with me and my colleagues.

Mr. Chairperson: Order. If the member is raising a point of order, it is addressed to the Chair. The Chair considers a point of order asked by relation of the proceedings and rules of the House.

Mr. Penner: Thank you, Mr. Chairman. I will abide by that process.

Mr. Chairperson: Is the member raising a point of order? State the point of order, please.

Mr. Penner: I want to say to you, Mr. Chairman, that the Minister of Finance owes this committee an apology, I think. I have done nothing but portray with emotion the emotions that I hear on a daily basis, either by phone call, by e-mail or by letters and by listening to people, to grown men cry in public when they describe their own financial situations. I have attended many public functions and listened to many of these young couples and some more elderly describe the financial stress they are under.

I say to you, Mr. Chairman, that this Minister of Finance needs to come with me some days and listen. I say to you he owes this committee an apology for the terminology that he has used for the manner in which I have conducted myself. I am only speaking on behalf of the distressed livestock producers in this province.

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

Mr. Selinger: I do not believe that is a point of order. I see no citation as to what procedure is not being properly followed. I do not think it was a point of order.

Mr. Chairperson: Technically, there is no point of order here. Being passionate is not a sin. It is part of politics. We can be as passionate as we can, but we should also consider being very civil and polite to each other. That is why rules are made and people like us are expected to observe the rules.

A difference of opinion, no matter how serious the problem is, is not a point of order.

* * *

Mr. Selinger: I thank you for that ruling, Mr. Chairperson. The member seems to think it is a one-way street, that he can be passionate about his views and it is inappropriate for other members to be passionate. We hold with great passion the responsibilities we have here and we take them very seriously.

When the member starts saying we have tried to create a misperception by the resources we have put in place, I take great offence to his comments. They are completely inappropriate.

It was that member, among others on the other side of the House, that stood up and demanded resources. Now that the resources have been put in place—[interjection] I would hope the member would try to be polite and respectful. I listened very carefully to what he said. I ask him the same courtesy at this time. He is a senior member of this House. He has been here far longer than I have. I will look to him to set an example on proper behaviour in this Legislature.

He has been ruled incorrect on his point of order. I hope he will respect that and politely listen to my response as I did to his remarks.

As I was saying, we take our responsibilities very seriously, which is why we have put these programs in place. There is no misperception being created by putting those resources in place because they are real. Those resources are available to Manitoba livestock producers.

So for the member to stand up in the House every day and demand the resources to be put in place and then to belittle the fact that they have been put in place I think is inappropriate behaviour. I stand by that comment. That is a comment directed to the Member for Emerson (Mr. Penner). The producers have real needs. That is why these programs have been put in place and he knows that.

Now, as to the programs themselves, the demand on those programs is driven by the producers' willingness to access them when they need them. As I said earlier, producers that have need will access these programs. The Manitoba Agricultural Credit Corporation is a corporation in good standing in the agricultural community. I am sure the Member for Emerson would agree with that. They have good capacity to identify the needs of producers through the application processes that are made and flow cash in a timely fashion.

I am informed by the Minister of Agriculture (Ms. Wowchuk) that they have been putting an extra effort into making sure those resources are available to people. I know they will continue to do that.

The Agricultural Policy Framework, we all know, is not a perfect instrument, but it does provide resources, income stabilization resources to producers, which is why we have decided we have to move on that. That movement on the part of this Minister of Agriculture and this Government we hope will prompt the federal government to start flowing the resources they have identified under that agreement in a timely fashion, simply for the purpose of benefiting producers, to make sure they have cash.

The BSE recovery program, originally signed on with the federal government, it is the

federal government that has been inflexible—the member himself admits that in his own remarks—in not allowing that program to continue to adapt to the needs of producers. We have, unfortunately, had to go it alone. We would prefer to have a federal partner but we have gone ahead of them and adapted that program to meet the needs of producers in terms of feed assistance.

In addition, we have announced a drought assistance program relating to transportation needs of producers. We would like the federal government to be with us on that. They have unfortunately not responded to that yet as well. We have extended the slaughter program as well as put resources available to increase slaughter capacity within the province.

Along with the \$100-million low interest loans, and as I understand it the \$100-million low interest loan program was a program that people were calling for in other provinces and other provinces were not making it available. We were the first to make that program available.

When I put my remarks on the record I speak with the same passion and interest to see positive results for Manitobans as the member opposite does. I respect his desire to be passionate about his concerns. I hope he is equally respectful of our desire to see positive results for producers. If he wants to play politics around that then I feel obligated to defend our position, because we have moved all summer long to make sure that we could target resources to where the needs really are for these producers, livestock producers in this province.

* (16:00)

I have heard the member stand up in this House and call for the resignation of the Minister of Agriculture. I do not think there is any member in this House who has worked harder this summer to respond to the needs of producers than this Minister of Agriculture. I defy the member opposite to challenge the work ethic and the responsiveness and the concern that this Minister of Agriculture has shown. She has gone to meetings, sometimes to the same community twice in one week to listen to the concerns and to bring those concerns back and to find

practical, efficient, effective ways to respond to those needs. I do not think you can deny that. I know that this member has worked extremely hard to respond to the needs of producers. The Member for Interlake (Mr. Nevakshonoff) has acknowledged that. He feels a lot of the pain up in the area and among the producers that he represents.

We take it seriously. We have responded. We think in a rapid fashion to the needs of those folks. We have not been able to get the federal government to come along with us on the creativity needed to respond to these producers. Other provinces have had the same frustration with the federal government and their lack of ability to come along with them as well. But in spite of that lack of a full federal partner we have moved forward to put resources in place, to respond to these producers. That is part of the reason that we are here having this discussion right now, because it is important that we get these resources in place and make sure that producers have access to them.

Mr. Glen Cummings (Ste. Rose): I am a little offended at the Minister of Finance trying to provide a moral overtone to this. The response to the BSE issue in this country has been in the main too little too late from many levels of government.

This Government signed on to the federal-provincial agreement that with a little bit of background it became pretty obvious that it was not going to work. When people began screaming from the rooftops that Manitoba cattle could not be put into a slaughter position, then they adjusted it.

So far, so good. But then at this late date they are now announcing feed assistance, when all along the Minister of Agriculture (Ms. Wowchuk) indicated that there was a green feed program, simply portraying the fact that she did not understand what the farmers were talking about when they said they needed to have a green feed program in place because there is no use cutting it after it has reached maturity and trying to harvest it. Other jurisdictions historically have moved very quickly during drought processes to allow those farmers who have green feed opportunities to access them early and access them often.

I want to ask the Minister of Finance: When he puts money into MACC, this particular fund, what level of risk does he assume that that money is at? He will have to set aside some write-off or MACC will. Ultimately, he will be responsible for that. I would like to know what level of risk he sees that money at.

Mr. Selinger: The Member for Ste. Rose is correct that when you put a resource in place for loans you have to have some form of provisioning for that within the books. The provisioning was recommended to us by the agricultural officials. I believe the provisioning is in the order of 15 percent. That will be reviewed depending on what the further movement is on keeping the border shut. The normal provisioning requirement that we put in place for this programme was 15 percent. That, as the member fully understands, is directly connected to how long the border stays closed and to what degree it stays closed. So we have put a close watch on that. If there is a need for additional provisioning it will be provided. That will be something that we will review on an ongoing basis depending on how this situation continues to unfold.

Now the key, as the member fully knows, is to get the border open. I think there is an agreement on that. Manitoba has played a strong role in that; the Premier has played a strong role in that as recently as this weekend in talking to his colleagues in the midwestern United States as well as the other premiers across the country. Certainly, the federal government has a responsibility to get that border open, particularly when the science supports that it is open.

Mr. Chairperson, this is a real challenge because the protocol in place does not pay full recognition to the science that has been generated by independent agencies that says the problem has been addressed. Look at the risk and the damage that has been done by one cow being detected, the costs that there have been to producers and governments across the country because of that one cow being detected as having BSE. It cries out for the federal government to be a full partner with the provinces in dealing with that kind of an issue.

Certainly, we have been responsive, and that is why I put these programs in place. The

member was slightly offended by my moral tone and that was a reaction to the tone I was getting from the member of Emerson. This is a moral issue. This is a strong ethical issue about the roles of the federal government and provincial governments in responding to people in need. I think the member would agree to that. A federation only works when everybody pulls together to meet the needs of citizens that are experiencing disaster.

When the ice storms in Québec saw the hydro lines go down there, the whole country responded to that, as did the federal government. When the flood occurred in '97, we got a response from the federal government. I think we would agree that it was not as much as we thought there should be, and there is still some unfinished business there.

This crisis deserves a response as well as do the fires in B.C. and in Manitoba. Those things are left out. Ontario was very concerned about the unwillingness of the federal government to come to the table to deal with the SARS crisis in Ontario. So the whole issue of disaster responsiveness on the part of the federal government has been defined very narrowly to leave out these emerging problems that are very real for different regions of the country. All of us could be victims of those various kinds of natural disasters depending on how events unfold.

Mr. Chairperson, we have a BSE problem in Manitoba. There is a West Nile issue that is lurking out there as well. We have moved proactively to manage that in terms of larviciding and prevention programs. There is a SARS problem in Ontario. There is a fire problem in Manitoba and B.C. All of those things, including drought, are not properly covered by the federal disaster assistance program, but in spite of that we have moved forward with our program components to make sure producers were responded to.

Mr. Cummings: I can sense that the minister is getting a little uneasy. He is starting to filibuster his own bill. He is talking to someone who has had his share of tussles with Ottawa, and I understand fully Ottawa's responsibility. It also makes it much more passionate on my part as to why I think the Province has a moral and a fiscal

responsibility to deal with this issue with the people who are affected and deal with Ottawa later.

The member made the mistake of mentioning the flood. He knows full well that the Province put money up without one nickel's worth of federal support so that they could leverage the feds into assisting the people of the Red River Valley. That is the obligation that this Government has. That is why we have some passion about the programs they are putting in place. And you, sir, have just indicated that you have a 15% risk factor on a hundred million dollars that you say is going to MACC. You know full well that they will never lend out a hundred million dollars on this program. This is a growing industry. You know that there are a lot of people in that industry who are fully leveraged today. They go to MACC and what do they get, they get an offer of a fully secured loan. Anybody who has got one glass eye and the other one the eye of an accountant will say, well, what do you expect. A loan is a loan and it should be fully secured. What you are doing and what you are supporting the Minister of Agriculture (Ms. Wowchuk) in hanging your hat on this \$100-million loan program as being the response would be the same as saying to the cattle industry of this province, the weakest will wilt. The weakest are leveraged today. You want secured loans; you will not get them in every case. That is why a cash advance is important. With the chattel that would support it would be the ability to flow from the resources as summary payment.

A fully secured loan is hard to sell to the public, I know, Mr. Minister. Anything but a fully secured loan would be appropriate, but if you want to make the analogy to the flood of the Red River Valley, you know that there were huge amounts of money that went in there for recovery.

This is not about a drought in one corner of the province or grasshoppers. It is not about farmers, many of whom may have over-leveraged themselves and now they are caught with their pants down and they will have to pay the financial price. Pardon the analogy, but that is where many could end up from time to time when markets fluctuate. This is not about just a

market fluctuation. This is the equivalent of an industry potentially being eliminated.

* (16:10)

The uniqueness of the province of Manitoba, and this is where this side of the House gets much more exercised, the uniqueness of this industry in Manitoba is not well understood by those who are not relatively close to the agricultural industry. This is the only province, this is the only part of North America where the cow herd has been growing, and, as any growing industry, you have young people moving in, you have older people retiring and taking their reward, whatever it might be, and selling out to the next generation. It has been huge in my part of the world. We have Albertans coming in and buying ranches, and everybody is saying, hallelujah, we have got the next generation of ranchers coming in.

So, Mr. Chairperson, there is a good portion of this industry having been leveraged. But this is cow-calf country, and if you do not keep an industry going that can move the product of that basic industry into feed position, the whole industry is going to start to get constipated.

Mr. Chairperson, the further problem that this Government has not addressed through this program will be that Manitoba, therefore, has an inordinately large share of its marketable live-stock which are culls and spent breeding stock, an inordinately large share relative to the total population, because we do not have the large feedlots. A lot of our cattle have traditionally gone out of this jurisdiction to be finished as a percentage. There is an issue that has not yet been dealt with provincially, certainly federally, and nobody wants to talk about what the solution might be.

When I look at the fact that my first reaction to an announcement of \$100 million worth of loans is, boy, they sure knew how to melt the headline on that one, I mean, it is a headline. A hundred million for the cattlemen, 80 percent of the people in this province who read that headline would say, wow, that should fix the problem. But it is a fully secured loan, and the percentage of producers who will pick it up I think is going to be inordinately small.

That is why we on this side of the House are saying that it is a situation where the Government may end up not spending nearly what they are talking about in terms of the programs they have put in. Therefore my colleague has every right to say—if they did not understand what they were doing, that worries me even more, but the fact that the minister is prepared to defend it, then let us talk about it. What percentage of that money does he actually expect will flow? It is not fair ball to say that MACC has that information and we really do not know what the expectation might be. That is an answer, but it is not an answer that talks about the real risk to the Treasury or the actual cost to this province in terms of their commitment to this industry, and I am very concerned that the Minister of Finance is being given a lot of information by people within the Government through the Department of Agriculture about areas where money could be put forward, but nobody is giving him a good analysis of whether or not this will really deal with the problem that is out there.

Mr. Selinger: I appreciate the comments the Member for Ste. Rose (Mr. Cummings) has put on the record. My information is that the take-up of the loans has been stronger than expected among the younger producers. They have seen the real advantage of the program and are taking advantage of it. So I think that would square with the member's information that there are young people moving into the industry. They see a long-term future in it and they want to be there for the long haul.

So I think the program is addressing in particular the needs of the younger producers under 40, and the 2.25% interest is one that they find very attractive compared to the alternatives out there and certainly very attractive compared to other jurisdictions.

So I think we are getting close. I think the member would have to agree that that is useful information that is being well received by the younger producers, and they are going to get a two-year hold on that rate of interest as well, which puts them in a pretty good situation until we can get this matter straightened out.

Mr. Chairperson, we all know that the bottom line on this thing is to get the border

open because the markets are not only within the province of Manitoba. We have to get access back to those markets. So I bring that information back to the member so that he can have some greater confidence in the responsiveness of this program and the attractiveness of it to young producers in particular.

The other thing I wanted to say is that the slaughter program in part allows for some culling to occur. They can take those animals to slaughter, and that is one of the reasons why we have extended it. I think that is helpful as well.

Mr. Cummings: Those who are taking this up as part of a long-term refinancing plan, if they are able to put it in as a refinancing plan, that is an attractive rate for long-term refinancing. This is not long term though. It is intended to be short term.

Interestingly enough, I get a lot of calls from people who are saying that given the fully secured concept that is involved in this loan, they are also having to turn over payment of bills to MACC as a result of signing into this agreement. That smacks of a very micro-managed approach, and it is, in fact, driving a fair number of people away. I will stand by my concern that the volumes of producers who will access this is not going to be high.

The people who call my office and call my colleague's office are saying that they have no clear understanding of what their market will be this fall and that is slowly evolving. Where they are in the drought area, they know they are going to need more feed. The more established farmers have spent \$30,000 and \$40,000 or borrowed—I have examples of people who have borrowed in excess of \$30,000 from their existing institution to buy feed, but there are a lot out there who cannot. They have gone to their institution and they have gotten some money to move feed. There are others who are waiting until they may move some stock. They do not feel that they can accept debt. The third shoe to fall is if they are short of feed, they have very little flexibility in dealing with the number of breeding stock that they are going to have to keep their culls.

I am sorry, the slaughter enhancement program will tickle a few people in terms of being

able to provide some additional training. The amount of equipment expansion, my colleague said it correctly, a quarter of a million dollars worth of equipment expansion is a lot of money if it is in your plant or mine. If it is spread over a few plants, it really is not a significant impact.

As much as we can spend money in that area and make us all feel better, it is not going to make a dent at all in the cull breeding stock. This Government has not yet dealt with that problem. We know the border is not going to open to older breeding stock anytime soon. We all work towards the goal of getting it open to the younger stock.

So I say again to this minister that the risk that he is exposing the Government to in entering into in these programs is not nearly as high as the announcements would make it seem. I do not think there is enough time for us to spend discussing the shortfalls of signing into the federal APF. The APF needed to be signed. That is understood, but in the short term, unless there is some emergency flow out of that fund, it is not going to make a darn bit of difference.

* (16:20)

That is generally tied to the value of the loss of revenue to the farm. These people are still holding their cattle, so they have not lost the revenue. They have not lost the revenue. They are still holding their cattle and it is like having your salary cut off but having to continue to pay all of the costs associated with your job and going to work every day.

To argue that we should not politicize this makes a nice warm feeling around the Legislature, but we on this side are terribly concerned about our constituents. Anything that we can do to bring to your attention that this is not about farmers who made mistakes and are now paying the price, it is not about cattlemen alone, it is about this industry in this province.

I think it needs to be very clear that the impact on the revenue to the Treasury of this Province 18 months from now could be very significant. It may well prove that there is an opportunity here for the Finance Minister to make an investment, and I would call it an

investment if we can keep this industry whole until we can break through the opportunity to market our stock at a reasonable price.

Mr. Chair, if it does not happen, a number of us including the Minister of Agriculture (Ms. Wowchuk) have been around long enough to remember the federal-provincial programs to rejuvenate the Interlake. There were hundreds of thousands, if not millions, went into areas like that to encourage them to have an opportunity to develop. We do not want to go back to that. But cattle in this case are the lynch pin that stops those types of programs from having to re-occur.

A big part of my constituency is cow country. They do not own a combine and if there is no off-farm income, and the further you get from a modest-sized community, the further you are from off-farm income, then let us consider this an investment. Let us look at the fact that people cannot manage their affairs unless there is an opportunity to have some cash flow that allows them to deal with the current costs and make plans to deal with how they will get through the winter in some cases.

There are lots of examples. This is the sad part about this argument. There are examples out there where people who have perhaps a mixed operation who will come through this in the end and will manage their own affairs. They are one group that may not access the loans.

The other groups are the ones who are so fully indentured that they may not be able to and there is why there needs to be more flexibility. Governments have put cash into the hands of industries before without them being fully secured loans. You are asking these people to trade one type of indebtedness for another. I would take 2.5 percent if I had a bank loan at 5.5 percent or 6 percent. The worse you are as a loan risk the higher the rate of the bank. So there will be people who will be glad to get the bank off their back for a couple of years. They may access this. That is the other groups who will access it, but they will have to give up all of their collateral, therefore the trouble that you are having getting the banks to sign off in some cases.

At any rate, the minister has heard my full thinking on why they need to be considering

what impact will actually occur from this program. I think perhaps he will be reconsidering the recommendations he is getting and perhaps looking at something a little bit more direct and proactive in making this industry so it is whole as best we can when the border or whatever other markets are open to us can start to open up. That could be six months or it could be longer.

Mr. Selinger: Again, I want to thank the Member for Ste. Rose (Mr. Cummings) for sharing his insights to the industry. Different producers are in different situations which is I think what he tried to identify here. That is helpful.

One of the things that could be positive out of signing the APF is an interim payment scheme that would flow. That is being worked on, I am informed, and that is one of the tangible outcomes we are seeking to achieve. I am trying to be directly responsive to the Member for Ste. Rose's points that he was making. When it comes to cash, we are trying to get that cash flowing through moving on this agreement and a bilateral relationship there and the potential for interim payments to flow through some sort of a mirror agreement.

The Minister of Agriculture (Ms. Wowchuk) is working on that. I think that would partly address the point the member is making. The member knows probably better than I do how that program is structured. If there is a dramatic drop in income for a producer that can trigger some cash to them, based on the Olympian three-year average and all of those mechanisms that are in place. So that is one of the reasons we have decided we have to move on the APF program is to try and trigger the release of some of that money to benefit producers. The minister is working on that in a bilateral way with the federal government to ensure that starts happening.

I take the points the member makes and it explains in part the rationale for moving on these elements that we have done is to get that cash flowing.

Mr. Cummings: Very briefly, I hope the way the Minister of Finance explained it is the way it would occur.

Mr. Chairperson, what most of us in the agricultural community are afraid of is that if you still have your inventory the inventory value offsets the drop in revenue. That is remnants of the old CFIP program. So unless you can negotiate a way that will allow that inventory being held to be excluded from the calculation, you, sir, have put us on edge in terms of how we react to that. Because if we are right, or if our fears are right, we do not want them to occur, but if our fears are right the program you are talking about is going to raise false expectations for you and for producers. That is what we have to guard against. If you want to talk about co-operation, there is probably an area where we are saying if that program is not any better at delivering at a time like this than what we fear it to be, then, again, the feds have failed us.

Mr. Selinger: The member's fears with respect to counting inventory as a form of income and not allowing cash to flow is something the Minister of Agriculture is very aware of. She has put that on the table with the federal minister.

Once again, we cannot control what response he will have but he has indicated to our Minister of Agriculture that he would take those concerns into account. He does want to flow an interim payment.

I agree with the Member for Ste. Rose and probably the Member for Emerson (Mr. Penner), this is an area where we could co-operate. It is the technical design elements of the program which can make all the difference in cash flow. There is no reason why those kinds of technical considerations should not be to the advantage of the producers when cash is the issue. To the member from Ste. Rose, the member from Emerson, the member from Lakeside and other folks that have producers in their areas, the member from Interlake, the Minister of Agriculture is more than prepared, as is this Government, to work with them to make sure that those kinds of specific recommendations to improve the effectiveness of the APF program are put in place. I think there is a consensus on that. So I thank him for those remarks; I think they are very pertinent.

Mr. Penner: Mr. Chairperson, I thank the Minister of Finance for his comments. Our concern

has been created in a large part by the wording of the federal minister's news release which clearly spells out the main points of the criteria that will be adopted for the flowing of funds and a side agreement. I think the terms he used, that the side agreement can be signed if the provincial ministers sign onto the APF, then he can sign a side agreement which would allow disaster assistance money to be flowed to the farmer, to the cattle producers and other producers if the terms and conditions prescribed under the APF are met. Therein lies my concern.

* (16:30)

If you read the APF agreement as I did over the weekend—I only read the portion dealing with disaster assistance, that portion—if you read the conditions, then one should have grave concerns about signing onto an agreement in order to gain access to a side agreement that will prescribe the conditions of the APF agreement and the conditions met. I think the minister needs to be very careful before she signs the farm community of Manitoba into an agreement under the auspices of gaining access to a side agreement from the federal government.

I have used the term that I would almost look at this as a form of bribery by the federal government. I detest that but be that as it may, if those are the tactics they want to use, the federal Liberals are now employing, then so be it. Hopefully, somebody else will judge them on that; I do not think we have to. I am willing to sit down with the minister and/or staff and go over this clause by clause and deal with what the federal minister announced under those terms. I have expressed this concern to the minister during Estimates, and I am expressing this to the Finance Minister today because I think it is important that we are clear on what we are signing on to in order to gain some access and relief for the livestock producers in our province. I would want to be very sure of that.

So I ask the Finance Minister whether he has taken the liberty, No. 1, to study the contents of the document that has been given to the Minister of Agriculture (Ms. Wowchuk) or whether he has had staff take a look at that and whether he is satisfied that those terms and conditions prescribed under that agreement will actually allow

the flowing of money. The second point I want to raise is we used to be under a cash system. This program moves us into an accrual system of accounting. Indicating what the income levels will be and what the actual amounts of margin will be will all be done under the accrual system which basically uses inventory and values inventory based on a producer's operation.

The reason I, again, have the concern is if that in fact is the case and if we are going to have to require our producers now to carry twice the inventories than they, under normal conditions, would carry because they are not able to sell their inventories—in other words, they are not able to sell their calves and in many cases not able to sell their yearlings that they would like to now put into the marketplace and to the feedlot system, are not able to market them, then, of course, they have to carry that inventory forward.

That is the double whammy that will increase their margin sufficiently above what the previously prescribed margin would have been and therefore disqualify them. That is my biggest concern about signing on to the APF under the auspices of gaining access to federal money and flowing it to the cattle producers.

I only say this to the Minister of Finance and ask him to be very vigilant in that and to make sure that he and his Minister of Agriculture know for certain that some of that will be set aside in order to accomplish this, because if you read the agreement, that certainly is not the case as it is currently written, unless I would get a side agreement from the federal minister that would clearly say, no, that will be set aside this time around and disaster assistance can flow under a cash-flow kind of consideration.

Even then I would suggest to you, Mr. Finance Minister, do not be too surprised that there might be a much lesser amount of money flowed to the cattle producers than some might think, because there might be income that they might have derived after December 31 of year 2002 until now, prior to the closure of the border, that might affect their ability to access a program and still carry the liability of the increased inventory at the same time and not be able to acquire the cash needs to supply that

inventory with a feed source. That has been my continuous concern, is many of the cattle producers' concerns which they have expressed to me, and they would like some assurance on that.

So, if you could possibly give us a bit of a view as to what your terms are and what conditions, you might put on signing into something like this before you do.

Mr. Selinger: I thank the Member for Emerson (Mr. Penner) as I did the Member for Ste. Rose (Mr. Cummings) for his advice on this. There is a safety net advisory committee to the Minister of Agriculture (Ms. Wowchuk) working on these issues, of producers who have direct interest in making sure the program works to their benefit. I know the minister, as I indicated earlier, has already conveyed some of her concerns about a program design to the federal Minister of Agriculture, and he has given an undertaking that he will consider those concerns, as raised, in his deliberations.

Once again, this Government does not control the federal government's final decision making, but we have certainly put those issues forward. I think they are very important issues. I understand the difference between real cash and inventory when it comes to the ability to pay your bills. That is pretty clear.

So we understand what you are saying. I know the minister does and I know the safety net advisory committee does. I think it is important that we continue to dialogue in this way, which I consider to be very helpful to better understand what is really needed to make this program work. I thank him for that.

Mr. Penner: Mr. Chairperson, just further to that, I want to say to the Minister of Finance, that is one of the reasons why we the Conservative caucus put forward the proposal of a cash advance.

The cash advance is not a new thing. It is not a new idea. It has been used for many years in the grains industry as a means of allowing those who are limited either by quotas that have been imposed by the Canadian Wheat Board and/or the federal government that do not allow the delivery of an inventory to get a cash value

on it if and when they would want to choose to. In other words, it has controlled income regulations to producers. We see this in many respects as a similar kind of a situation whereby the closure of the border now limits the ability for a producer to put cash value on their inventory.

We have said continually that we should not relegate the livestock industry as being much different than the grain industry. We should put in place a similar kind of a program that would allow cash to flow to those producers based on their inventory held, and, based on the value of that inventory held, use a percentage of the value of that inventory to put cash into farmers hands that they could in fact manage their own affairs, that they could be the managers and they could pay their bills. They could indeed run their own operations as if the marketplace had been open to them as it normally is during this time of year, which it is not now.

We have said continually, use the cash advance system. Quite frankly, Mr. Minister of Finance, I think you would find if you did that that it would generate a significant amount of economic activity in the rural communities and indeed flow through to the large urban centers such as Winnipeg, Brandon, Portage, Winkler and Steinbach, to our cities. It would indeed give the managerial ability back to the farmer and allow him to continue his business as if he had obtained cash value for the inventory that he now must hold.

I would ask the minister to reconsider his Minister of Agriculture's (Ms. Wowchuk) position, when she says no to this, that in financial terms, if he looks at it from a business prospective, as Minister of Finance for this province, he might in fact do the analysis on this and determine that this might be by far the cheapest way to guarantee the survival of an industry and indeed give confidence to the producers and save a significant amount of money that he has now, so far, indicated programs that they have announced.

*(16:40)

One further thing, I want to go back to the numbers and the expectations that that has

created. On June 30, there was a federal-provincial announcement, which, if it had been fully subscribed in Manitoba, would have cost the Government of Manitoba \$17 million. On June 31 the Premier (Mr. Doer) announced to the people of Manitoba that he had asked for a special award of \$15 million leading to the expectation that there was another \$15 million that was coming. Then that same day he talks about a reallocation of \$15 million to the people of Manitoba, again causing an expectation. On September 3 he announces \$2 million as a slaughter assistance program, a made-in-Manitoba beef fund. Then on September 12 he announces a \$12-million drought-proofing transportation program and on that same day a slaughter extension program and on that same announcement a \$43-million APF contribution. On August 6, he announced a \$100-million loans program. If I do the total of all those announcements and expectations that have been created, it is \$214 million, recognizing full well that one of the \$15 millions is a duplication because one of them is only the special warrant that was discussed, but it left farmers with the impression there was all this money coming to them.

I ask again the Minister of Finance whether he can today or before the day ends tomorrow give us an overview of how much money has actual flowed from all the program announcements that they have made that would lead people to believe that there is around \$200 million that the Province of Manitoba has already committed to the cattle industry in this province of Manitoba.

Mr. Selinger: The member's comments, again, he is asking for information about the flow. It has been reported to the House already as recently as yesterday that 170 loans have flowed. It is probably greater than that today. Every day there is more work being processed and more money being released. We have already indicated that on the BSE recovery program, the majority of that has been flowed on the feed assistance program. That is starting to move. There was an announcement last Friday about the transportation assistance program and a further extension to the slaughter program. So the information has been reported on an ongoing basis. I know the member has discussed it in Estimates with the Minister of Agriculture.

We had to put in place resources to respond to this crisis, and we have done that, and now we are flowing those resources as the demand occurs. Staff within the agencies running these programs, the department and MACC are working, in many cases, overtime to ensure that this money flows. That is the best I can provide the member right now. Every day more resources will flow as needed and as demanded by the producers that are negatively affected by this crisis. There is no encumbrance to that occurring at the provincial level. The money from the federal level, that is a different matter. It has not been sufficiently responsive to the needs in the province and our Government continues to press that government to be more responsive. Governments across the Prairies are doing the same thing.

We have had a good discussion here. I am quite prepared to continue the discussion. I think the points made by the members opposite, from Ste. Rose and Emerson, have been very helpful with respect to how we look at the design of the APF program. The points being made are consistent with some of the points made by the safety net advisory committee to the Minister of Agriculture. Those are important points. They have been already conveyed to the federal Minister of Agriculture. I am not going to try and base my predictions on his behaviour based on past performance, because my God, it might produce not very much. We are hoping and we have some degree of optimism that he is listening as this crisis deepens for some producers, that he will start making his contribution to this disaster relief more responsive and more appropriate, both under the special program that has been put forward as well as the Agricultural Policy Framework. We will continue to be vigilant and assertive in moving these issues forward.

Mr. Penner: I am going to close my questioning and/or comments with this comment. I just want the Minister of Finance to realize that creating false expectations and I am not suggesting that they are intentional, but creating false expectations in a situation such as we face in much of rural Manitoba now can have disastrous effects. I think we need to be very careful as a Government and as an Opposition to not create a situation which will lead people to believe that there

is something available that is really not available to them. The reason I say this is because we have looked at some of the criteria that has been placed around the loans program, we have looked at some of the criteria that would qualify for some of the other programs and know how difficult it is to access them. We hear farmer after farmer, livestock producer after livestock producer tell us that. We heard this from sheep producers. We heard this from goat producers, from bison producers, from elk producers, and we have heard this from cattle producers.

You have announced or made announcements which value right around the \$200-million mark. You made those announcements and yet you know full well when you made those announcements that many of the dollars that you have identified would not be accessible to the producers, and some of these are duplicate announcements. They are duplicated, and I think that is unfortunate, that we are trying to portray to our urban community and to the electorate that there is something being allocated to the farm community which is not going to be accessible.

I think that in itself leads to emotional stress in rural Manitoba and in many producers' homes when their neighbours are coming along saying, well, you are getting all this money, and the producer says, what money? I have not yet seen a dollar or a dime, yet I cannot buy feed for my cattle and I cannot pay my taxes and I cannot buy clothes for my kids to go to school.

I think, Mr. Minister, you need to seriously assess how your spin doctors, your communications people and your Cabinet have allowed this to be spun in the media and how this has been portrayed to the general population and how little of it has actually been delivered to the farm community. Therein lies a very serious problem, and the emotional stress that that is causing in many producers' homes is immense. We hear this day after day after day, and your stress line will indicate that to you on a daily basis, if you are listening.

Mr. Selinger: Once again, I am thanking the member for his comments. I can assure him that there was no intention on anybody's part on this side of the House to create a false impression or

false hope. The entire intention was to get resources in place that would be helpful to people experiencing the crisis. I will leave it at that.

Mr. Chairperson: Is the committee ready for the question? The honourable Member for—you are not in your seat. You have to sit there. I will not recognize you. The honourable Member for Lakeside.

Mr. Ralph Eichler (Lakeside): Mr. Chairperson, I would just like to go on record and make it clear to the Minister of Finance that I do have great concerns regarding the APF program and the inventories that are based there. I just ask that you go and read it with caution and make sure the Agriculture Minister (Ms. Wowchuk) does listen to her advisory committee on this and make sure that we are not led down the garden path.

Mr. Chair, I would also like to ask the Minister of Finance, I have a number of livestock producers in my area who are in the drought area who have applied for the feed assistance program, and there is very little money. There is so little money that has been flowed. Do we have any idea when this money will be processed, some type of a time frame that we could get back to these people and let them know?

Mr. Selinger: Once again, I think the member's comments with respect to the treatment of inventory under the Agricultural Policy Framework have been noted, as they have from Ste. Rose and from Emerson. I think your comments are consistent with those.

That advice has also been received from the safety net advisory committee that the minister has put in place. She is well aware of it. I can assure him that our Government through the Minister of Agriculture (Ms. Wowchuk) has conveyed those concerns to the federal minister, particularly in the context of this crisis. So those are on the record federally, and I am sure they will be followed up on. I know they will be.

* (16:50)

Mr. Chairperson, on the feed assistance program or the freight assistance program, the Minister of Agriculture will be announcing the

details of that program later this week. So information will be out there. At that point producers who need it can start making application to access it.

If I could, Mr. Chairperson, the Minister of Agriculture informs me that her officials and department have met with members of the industry to go over the program to try and ensure that it is one that will be workable for them.

Mr. Eichler: I must have had too many questions in there for you. My question was in regard to the payment on the feed subsidy, the \$15 million. The producers that applied for that program, is there indication on when that money will be forwarded out to these producers so they can pay their bills?

Mr. Selinger: Thanks to the Member for Lakeside again. The Minister of Agriculture informs me that those who have applied for the feed assistance program, as opposed to the transportation program, the first payment has been moved and they are now working on processing the second payments for that. Now there is the possibility that somebody may have applied late and has not received their payment yet, but I am informed that officials in the Department of Agriculture have flowed that first payment.

Mr. Eichler: Just to make it clear then for the record, July's payment has been mailed out and August is being processed now, or when will August be processed?

Mr. Selinger: Again, I am informed the July payment has been processed, except for those late applications that have not yet been dealt with. They are in the process of being dealt with. They are now working on the August payments.

Mr. Eichler: So when you say being processed, do we have a time frame in mind?

Mr. Selinger: With respect to the August payments, I am informed that additional programs have come into the program and calculations are being made. As soon as the due diligence is done, the payments will flow based on the additional cattle that have entered into the program.

Mr. Loewen: I want to just follow up on a couple of comments the minister made and just try to get a feel for some dollars. He indicated there have been 170 loans that have been approved. He also indicated that the uptake rate for young farmers was higher than expected.

Can he give us, in terms of dollar amounts, how much has flowed to young farmers and how much has flowed in total?

Mr. Selinger: I do not have that number available to me. I can endeavour to try and get that for the member.

The 170 was the loans that had flowed, we believe, as of Monday. We believe there were more that have flowed since then.

The uptake, I do not have a number on the dollar amount of the uptake, but I know the percentage of loans made available to younger producers is higher than originally anticipated, that there has been a greater demand for the loans among the younger producers than was originally anticipated and projected by the department. They have seen a higher demand from that sector of the producers than they originally budgeted for.

Mr. Loewen: Well, again, I thank the minister for that. I do believe the Minister of Agriculture (Ms. Wowchuk) indicated to the House on Monday that I think the number she used was \$6 million. I would have to check Hansard, so I am surprised, if she knew it was \$6 million on Monday, why we do not know what it is today and why we do not have a breakdown of how much has gone to young farmers and how much has been flowed under the young farmers program and how much under the regular program.

Mr. Selinger: We understood your question to refer to the breakdown of how much of the loan portfolio went to the young producers versus the over-40 producers and that is the number we do not have available right now.

Mr. Loewen: I would also ask for the total number. I would ask for both numbers.

Mr. Selinger: The Minister of Agriculture indicated in the House as of Monday that the number

was over 6 million, but we will try to update that number for the member.

Mr. Loewen: I appreciate that. I am a little dumbfounded to understand. How do you know what is higher than expected if you do not know what the dollar value is? What are you measuring against, I guess, is what I am trying to say?

Mr. Selinger: Just the volume of producers under 40 that have applied for it. It is not necessarily related to the dollar amount. The dollar amount is the second component of it. The department has indicated to us that they have seen the demand from younger producers greater than what they had originally projected. As we know, the loans max out at \$50,000, and we will try and get a breakdown of that for the member.

Mr. Loewen: I thank the minister for that; I appreciate that. I guess I misunderstood what he said. I thought he was talking about money that had flowed but what he is talking about is basically just you are getting a lot more applications than you had expected from young farmers. That is the only thing that I can draw from that conclusion, so as yet we have no idea whether those are valid applications, whether they have been approved. So I guess we really do not know whether there has been more money flowed. Again, as soon as that information is available, I would appreciate it. I am sure the members who were asking questions would appreciate that information as well.

Can the minister indicate what the total cost of fighting fires was this summer, in round numbers, and I appreciate that maybe not all the numbers are in yet?

Mr. Selinger: I believe we are projecting a firefighting total, I think I indicated this earlier, of \$55 million.

Mr. Loewen: I understand that what was set aside in the Budget was \$25 million to deal with firefighting. We are basically looking at a shortfall of \$30 million. Is that accurate?

Mr. Selinger: The amount put in the Budget was \$25 million for all forms of disaster relief in the province in this fiscal year which was \$5 million more than last year.

Mr. Loewen: Was there a specific amount included for forest fires or does that basically just come out of that \$25 million?

Mr. Selinger: It is a general allocation for all disasters in the province.

Mr. Loewen: I thank the minister for that. I guess what I am trying to do is reconcile in my head some of the numbers that have been bandied about as this discussion has progressed. The minister indicated, and I am not sure if he said 182 or 186, I could not quite hear, but I am going to use 186 as what he said as the amount of programs that have been announced by his Government in terms of aid for drought and BSE. That does, I believe, include the Agriculture Policy Framework. If I take that \$186 million—and I mean this is just a rough calculation—I am going to take a hundred million dollars out of that because the loan program presumably is not costing the Government a hundred million dollars. He indicated they expected a 15% default rate, so that brings us down to \$86 million. We will add back \$15 million based on the 15 percent, and again these are just rough calculations. I am going to add in another \$10 million based on what the interest costs would be for whatever the uptake is on those loans. That may be a little high, may be a little low and maybe it should be closer to 5. Even at an average of 3 percent, over a couple of years, a hundred million dollars is going to add up I am assuming. That brings me up to 86 plus 15, 101 plus 10—\$111 million in terms of costs to the Government if these programs are fully subscribed. I am not asking for an exact figure; I am just trying to ensure my math is somewhat accurate. Is that a reasonable number, a reasonable expectation?

*(17:00)

Mr. Selinger: I am not going to try and replicate the member from Fort Whyte's back-of-the-envelope calculation, but I think his thinking is generally moving in the right direction on that, the kinds of assumptions you are making. Once again these are assumptions based on specific take-up levels that we are not clear about right now. The number I indicated was \$182 million, just for the record, and that was the \$100-million loan program, the \$43-million Agricultural

Policy Framework, the \$15-million BSE recovery program and the \$12-million drought assistance program and the \$10 million extension on the BSE slaughter program as well as the \$2-million slaughter capacity or Manitoba beef fund program.

Mr. Loewen: Okay, that would drop my number by \$4 million. Just on the other side, we have had special warrants of \$40 million and in a few minutes the minister will be asking for supplementary expenditures for another \$68 million, which is \$108 million. If you take away \$55 million that he says is going to be used to fight forest fires, that leaves me with \$53 million which is presumably left for primarily BSE and drought; which indicates to me that at this point out of roughly, we will say \$105 million, the Government is only predicting an uptake rate of roughly 50 percent. Or is the minister expecting to come back and ask for more expenditures in a couple of months when these programs have been used up?

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Mr. Selinger: The member might be overlooking the fact that the \$40-million APF program was budgeted for in the main Estimates.

Mr. Loewen: So, just for clarification, the minister is saying that the \$43-million APF agreement is totally included in the Department of Agriculture—

Mr. Selinger: Yes, that is where the money is that was put into the main Estimates in the spring Budget.

Mr. Loewen: And does the minister expect that money will flow this year?

Mr. Selinger: Absolutely. That is why we have been pressing forward on this and indicated our willingness to sign the agreement and negotiating the best possible cash advance program through that agreement, interim payment program.

Mr. Loewen: I appreciate that information and again I am just trying to get some better feel for the numbers because we also look at the Budget.

As the member from River Heights indicated today, there is an \$85-million lapse figure in the Budget, and there is a possible risk that the minister admitted in Estimates of a \$52-million shortfall from Hydro.

Those are pretty big holes to fill so I am just trying to clarify in my own mind exactly where the funds are going to come from that the minister is talking about, a cost to government of well over, of in excess of \$100 million. That is a pretty significant hit to the Budget or, in another possibility, a pretty significant draw from the Fiscal Stabilization Fund.

So I would ask the minister again. They have set aside these programs which we have put a rough value on of somewhere in the neighbourhood of \$105 million to \$110 million. Is the minister expecting that that will be the expense of those programs in the fiscal year '03-04?

Mr. Selinger: Once again, I indicated that APF money was in the main Estimates. The additional money has been provided by special warrant and Supplementary Estimates which were provided today. All the material is there. The take-up will depend upon the demand, the real need of the producers. I cannot predict how many of them will want to access it, but if they need it, it is there.

Mr. Chairperson in the Chair

Mr. Loewen: I thank the minister for that. We have had a very interesting discussion on the various ramifications of the programs that have been introduced and what might happen.

I wish I shared the minister's optimism that the border would open. I think it is going to be a long time. I think this is not the end of the programs that are going to be needed to get the cattle producers and the folks in rural Manitoba who are suffering under this stress, through. Again, for us to sit in this Legislature and think that the border is going to be open to cows over 30 months is very optimistic.

What I am saying, just to clarify it for the minister: If we are thinking that the U.S. border is going to open to live cattle over 30 months—*[interjection]* Okay, and I appreciate the minister

is not saying that, but that is another dilemma that is going to continue forth. I do not see that these programs are going to cover it.

Also, I am worried about, the number is 30 months but for us to prove the age of cattle there is no scientific method yet that can absolutely nail it down. So rather than 30 months we may be looking at 24 months as a means to ensure that the U.S. will accept them as under 30 months. There is an issue there.

There is also, quite frankly, another issue of our supply. The supply of cattle under 30 months is going to run out before the next generation is ready to go to market. Once again we are going to be faced with ongoing situations. This crisis is not going to be ended by programs that we have seen announced from this Government now, whether the uptake rate is high or not.

So I would just hope the Minister of Finance is keeping some powder dry, because somewhere down the road this is going to heat up again. Again, he has had the advice from our members. We are just trying to help and the minister has asked us to be helpful. I hope he takes the advice in the spirit that it is given, but I would also hope that he would take the advice he hears every day and has heard every day since this House has resumed sitting to the advisability of a cash advance program. I wish he would take that seriously and take it forward and duke it out in Cabinet, not only with his Minister of Agriculture (Ms. Wowchuk), as we have advised, but also with the Premier (Mr. Doer). Based on that, I am going to close off my questioning on the special warrants.

I do have one issue. It arose today in Question Period. I am just looking for a little more clarification. The minister indicated that the Orders in Council that were passed earlier in the year for the regular spending were in alignment with the regular Budget. Yet we have discovered in the Education Estimates that there has been \$428,000 promised to Sunrise School Division. I think the number was \$112,000 flowed in this Budget year already, for which the Minister of Education (Mr. Lemieux) has yet been unable to explain which Budget line that came from. Given that the minister is on Treasury Board and would have to see these items, can he indicate to

the committee what line that \$112,000 was paid out of?

Mr. Selinger: I will let the Minister of Education clarify that for you, but when I indicated—*[interjection]* Thanks for the invitation.

An Honourable Member: The water is warm.

Mr. Selinger: Yes, exactly, and I love swimming.

I will just simply indicate that the Minister of Education will respond to that question as it was put to him. In the overall, the money flowed through special warrants was to address program as identified in the Budget.

Mr. Chairperson: Is the committee ready for the question?

Mr. Loewen: Once again the Minister of Education has indicated he does not know. Is the minister also suggesting that between himself and the other two members of Treasury Board that are here today, they do not know either?

Mr. Selinger: No, I am not suggesting that.

Mr. Chairperson: Is the committee ready for the question?

Mr. Loewen: Well, I just ask the minister one more time, then. I think he has indicated he does know which line it came from. Can he share with the members of this committee which line it came from?

Mr. Selinger: Yes, I indicated earlier to a question from the Member for Fort Whyte that the interim warrants were to cover program as identified in the Budget. The specifics of that will be followed up on by the Minister of Education, but that is what the money was used for. I stand by that original statement as we move forward this afternoon.

* (17:10)

Mr. Loewen: I just have one more brief question. I appreciate I asked the minister this in Estimates but, again, I would ask him today if he has a number for us indicating how much the

provincial revenue will be from the red light cameras installed in the city of Winnipeg, given that there was one number given out prior to the Budget but the City has decided to increase the number of cameras significantly. Can he tell us how much provincial revenue is expected from tickets given out by the cameras?

Mr. Selinger: As I indicated to the member in the Estimates, I said I would follow up and try to get that number. It is not material in the context of the conversation we are having right now. We are talking a couple of million bucks one way or the other.

I know the Justice officials will be working on that topic. The original Estimates of Revenue within the Department of Justice were based on the 12 cameras that were in place at the time the Budget was prepared. Any incremental revenue resulting from new cameras being installed will be something justice officials will work on projections around. When we get that information we will provide it to you.

Mr. Chairperson: Is the committee ready for the question?

Shall the resolution be passed? *[Agreed]*

The second resolution respecting Interim Supply reads as follows:

Interim Supply: RESOLVED that a sum not exceeding \$26,940,000 being 46 percent of the total amount to be voted as set out in Part B (Capital Investment) of the Estimates be granted to Her Majesty for the fiscal year ending March 31, 2004.

Resolution agreed to.

Committee rise. Call in the Speaker.

IN SESSION

Committee Report

Mr. Conrad Santos (Chairperson): Mr. Speaker, the Committee of Supply has considered and adopted two resolutions respecting Interim Supply.

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

Motion agreed to.

* * *

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh),

THAT there be granted to Her Majesty on account of Certain Expenditures of the Public Service for the Fiscal Year ending March 31, 2004 out of the Consolidated Fund, the sums of \$3,470,050,000, being 49 percent of the total amount to be voted as set out in Part A (Operating Expenditure) and \$26,940,000, being 46 percent of the total amount to be voted as set out in Part B (Capital Investment) of the Estimates, laid before the House at the present session of the Legislature.

Motion agreed to.

INTRODUCTION OF BILLS

Bill 2—The Interim Appropriation Act, 2003

Hon. Greg Selinger (Minister of Finance): I move, seconded by the Minister of Justice (Mr. Mackintosh), that Bill 2, the Interim Appropriation Act, 2003; Loi de 2003 portant affectation anticipée de crédits, be now read a first time in order for a second reading immediately.

Motion agreed to.

SECOND READINGS

Bill 2—The Interim Appropriation Act, 2003

Hon. Greg Selinger (Minister of Finance): I move, seconded by the Minister of Agriculture (Ms. Wowchuk), that Bill 2, The Interim Appropriation Act, 2003; Loi de 2003 portant affectation anticipée de crédits, be now read a second time and be referred to the Committee of the Whole.

Mr. Speaker: There is leave required for this step. Is leave granted? *[Agreed]*

Motion agreed to.

Mr. Speaker: The House will resolve into Committee of the Whole to consider and report on the interim supply bill, The Interim Appropriation Act, for concurrence and third reading.

COMMITTEE OF THE WHOLE

Mr. Chairperson (Conrad Santos): The Committee of the Whole will come to order, please, to consider Bill 2, The Interim Appropriation Act, 2003.

Does the honourable Minister of Finance (Mr. Selinger) have an opening statement? *[interjection]* No.

Does the Finance critic of the Official Opposition have any statement to make? *[interjection]* No.

We shall proceed to consider the bill clause by clause. The title and the enacting clause are postponed until all other clauses have been considered.

Clause 1—pass. *[interjection]* The honourable Member for Fort Whyte.

Mr. John Loewen (Fort Whyte): Well, sorry, we will go to clause 2.

* (17:20)

Mr. Chairperson: Clause 2—pass. The honourable Member for Fort Whyte.

Mr. Loewen: This is starting to be reminiscent of a Chair we dealt with the other day. Anyway, I thank the Chair for recognizing me.

Mr. Chairperson, with regard to the supplementary Estimates of operating expenditure, I would ask the minister if the \$10,908,000 that he has indicated is required for the supplementary appropriation for the Legislative Assembly will include all of the costs of the last provincial election.

Hon. Greg Selinger (Minister of Finance): Again, that is not the legislation in front of us today. The short answer is yes, but when we get to the supplementary bill, we will deal with it there. It is the cost of the election. It is a statutory requirement. We have just provided that as information. It does not require new legislation. It is just a statutory requirement to pay for it.

Mr. Loewen: None of this was included in the Budget?

Mr. Selinger: We do not budget for elections. Elections occur at the call of an individual called the Premier of the province. It is not something that is budgeted for. It is dealt with by statutory requirement once the call has been made.

Mr. Chairperson: Shall clause 2 be passed?

Mr. Loewen: We have not passed clause 2, I assume.

Mr. Chairperson: Not yet.

Mr. Loewen: With regard to the supplementary expenditure appropriation, I understand that of the \$68 million requested, the minister has indicated that \$55 million is for fighting fires, \$37 million is to deal with programs announced for BSE and drought, and \$1 million for other issues. That adds up to \$93 million. Subtracted from that is the \$25 million that was budgeted for, as he indicated, extraordinary expenses or of that nature.

Can the minister give us a little more detail? Is there a group of expenses in the million dollars of other?

Mr. Selinger: I do not have that detail about what the million is. It is small amounts. I will have it for him when we get to that bill. We are dealing with a different bill right now.

Mr. Chairperson: Clause 2—pass; clause 3—pass; clause 4—pass; enacting clause—pass; title—pass. Bill be reported.

Committee rise. Call in the Speaker.

IN SESSION

Committee Report

Mr. Conrad Santos (Chairperson): Mr. Speaker, the Committee of the Whole has considered Bill 2, The Interim Appropriation Act, 2003, and reports the same without amendment.

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

Motion agreed to.

THIRD READINGS**Bill 2—The Interim Appropriation Act, 2003**

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of Agriculture and Food (Ms. Wowchuk), that Bill 2, The Interim Appropriation Act, 2003 (Loi 2003 portant affectation anticipée de crédits), reported from the Committee of the Whole, be concurred in and now read a third time and passed.

Motion presented.

Mr. Speaker: Is it the will of the House to adopt the motion?

Motion agreed to.

ROYAL ASSENT

The Deputy Sergeant-at-Arms (Mr. Blake Dunn): His Honour the Lieutenant-Governor.

His Honour Peter Liba, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Mr. Speaker addressed His Honour the Lieutenant-Governor in the following words:

Mr. Speaker: Your Honour:

The Legislative Assembly of Manitoba asks your Honour to accept the following bill.

Madam Clerk Assistant (Monique Grenier):

Bill 2—The Interim Appropriation Act, 2003; Loi de 2003 portant affectation anticipée de crédits

Madam Clerk (Patricia Chaychuk): In Her Majesty's name, the Lieutenant-Governor thanks the Assembly and assents to this bill.

**COMMITTEE OF SUPPLY
(Concurrent Sections)****EDUCATION AND YOUTH**

* (15:00)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration

of the Estimates for the Department of Education and Youth.

As has been previously agreed, questioning for this department will follow in a global manner.

The floor is now open for questions.

Mrs. Heather Stefanson (Tuxedo): We are very concerned about some issues that have arisen regarding the Sunrise School Division and some monies that flowed to the school division back earlier in April of this year. We will have a number of questions surrounding this issue over the course of the next while.

I would like specifically to turn to, I have a few questions on a letter that was brought to my attention just outside the room here that I believe the minister had been circulating to the media. It happened to get a copy of it. It is dated March 24, 2003, from Sunrise School Division to the minister.

The minister starts off by saying: We are writing as a follow-up to the division's letter of February 10, 2003, which, it says, is attached. There is no attached letter there.

I am wondering if the minister could table a copy of that letter for us.

Hon. Ron Lemieux (Minister of Education and Youth): I am pleased to discuss the letter that arrived on March 24. If people will notice there that the Sunrise School Division was certainly laid out the discrepancy in salaries between 15 percent to 16 percent, depending on the workforce position.

It says this will place an extraordinary pressure on our budgets over the next two years. It is important to note that such a huge discrepancy within the Sunrise School Division compared to Louis Riel, for example, Louis Riel was able to sit down and negotiate and be able to resolve their contractual differences, as opposed to Sunrise School Division.

Mrs. Bonnie Mitchelson (River East): I question the minister's motives when in fact he is

prepared to share a letter with us that had an attachment to it and he is not prepared to share the attachment. It was a previous letter that was sent by the school division to the minister around the same issue.

Now my very direct question to the minister is: What is he hiding? Why would he selectively share correspondence from that school division?

It appears to me, Mr. Chairperson, that there is some ulterior motive and that the minister is hiding something. He is not being honest, open and straightforward.

Mr. Chairperson, my simple question is: Why will he not share and why would he selectively share with the media certain correspondence that he received from that division?

Mr. Lemieux: I thank the Member for River East (Mrs. Mitchelson) for the question.

Yesterday, your colleagues were asking about formal or informal requests of any kind. I just wanted to let everyone know there was a concern on behalf of Sunrise School Division. They did have a real concern with their gap in salaries.

I am pleased to be able to present you with that letter that says that and states that about how huge a difference there is in the gap in salaries. I thank the Member for River East for the question, but there is not anything devious or untoward with regard to a letter. The letter, clearly, states that there is a gap in salaries and that they wanted to talk, sit down and talk with the Province and discuss the challenges they have got.

Mrs. Mitchelson: Well, Mr. Chair, again, I still find it very strange that the minister would selectively share this information and, yes, I believe that many members of the Legislature and many school divisions in meetings with the minister have probably shared issues about significant discrepancies within contracts within their school divisions. I do not think this is anything new or unusual. I think this is something that was a very standard approach.

When we warned the minister that amalgamation would cost the taxpayers of Manitoba

money, not save them money, the minister and his Government did not agree. Well, this is absolute proof that there is a significant cost to the taxpayers of Manitoba as a result of forced amalgamation. This letter spells it out very clearly from the school division.

My question is: Why, when the school division wrote to the minister on February 10, and they did not even receive the courtesy of a response or the opportunity to meet with the minister, would they have to write again at the end of March asking for another meeting with the minister? Did the letter on February 10 that the minister received from the division spell out the issues and the financial costs to the taxpayers of that school division as a result of this minister's forced amalgamation?

Mr. Lemieux: Well, thank you very much for the question. As the member knows, ministers are very busy. She was a former minister. You try to accommodate people whenever you can and you do the best you can, but you are not always in charge of your time, as she is well aware.

I just wish to answer a couple of issues the member raises with regard to savings. All along through amalgamation the Government has never said that there would be savings overnight. We have said it is going to take a period of time. Whatever that period of time is, that is to be determined. There are short-term, medium- and long-term periods of time. I expect that that will take place, and we are very confident it will. In the most simplistic terms, when you have three division offices and they cut down to one division office, you go from three superintendents down to one superintendent, there are going to be savings with regard to that division, and those dollars presumably will be going into the classroom. We hope they would be and that is where we want them to go.

*(15:10)

Mr. Ron Schuler (Springfield): Page 659 of Estimates from yesterday, the minister says: I have been advised that we did not have any staff, that there was not anyone at the negotiating table.

Yet, in the letter that was tabled today, the school division says, it is our understanding that

you are meeting with CUPE representatives during this week to discuss the issue.

So what the minister actually meant to say was there was no staff at the negotiating table because the minister was at the negotiating table. At that time, did CUPE ask for the \$428,000 to help settle this issue?

Through the Chair to the minister, the minister got involved in the negotiating process to the point where the board asks: We certainly trust that you will extend the same courtesy to the elected officials and the senior administration of the Sunrise School Division.

So you will not meet with the school division but you meet with CUPE and then you forward \$428,000 to the school division. It is because the minister was at the negotiating table and undermined the school board.

Mr. Lemieux: The Minister of Education and every other minister in our Government meet with stakeholders on an ongoing basis on various days of the week, monthly and annually. They talk about all kinds of issues. That is something that will continue, and all of our ministers pride ourselves on having an open-door policy, and we discuss all kinds of issues with regard to education and whatever the issue may be, whether it is health care, you name it, depending on the portfolio. I will continue to meet with many of the stakeholders whether it be CUPE, Manitoba Teachers' Society, MAST, MASS, MASBO. We continue to meet and we will continue to meet on an ongoing basis. That is not going to discontinue because the member from Springfield feels that meetings somehow are not appropriate. That will continue. Those meetings will continue with all the stakeholders, as I am sure the previous government's Minister of Education met with the stakeholders on an ongoing basis.

An Honourable Member: I would not give him that much credit.

Mr. Lemieux: No.

Mr. Schuler: February 10, a letter goes out from Sunrise School Division asking for a meeting with the minister, which flies in the face of what

the minister just said now, and the response to the February 10th letter: As of this date we have yet to hear a response to this request and we await your reply. That completely contradicts what the minister just said. March 24, Sunrise School Division asks for another meeting but, in the meantime, already a meeting has been booked with CUPE. Did the minister meet within that week of March 24 with the CUPE representatives from the Sunrise School Division? Yes or no?

Mr. Lemieux: I am not certain, Mr. Chairperson, whether or not a meeting took place or not. I do not have a calendar in front of me. I cannot remember. I have a lot of meetings. I have hundreds of meetings in a year.

You know, Mr. Chairperson, the Member for Springfield (Mr. Schuler) raises an interesting point in the sense that ministers of Education have to be meeting with their stakeholders and will continue to meet with their stakeholders whatever the issue may be. There are some school divisions that have not requested meeting. I have requested meetings with them. We are certainly waiting to hear back from them. I am talking about amalgamated divisions, school boards I still have to meet with. I cannot remember exactly how many I met with, but I will continue to meet with them and try to meet with them in as early as possible time as I can. There are a lot of meetings that take place, not only with staff, but with a lot of stakeholders and a lot of different groups that wish to meet with the Minister of Education.

I know that many groups are not satisfied with not being able to meet quick enough or fast enough. That is regrettable. I apologize for that because, you know, one has only so many hours in the day where you can meet with people. The stakeholders have been well served in Manitoba by this Government, an open door policy to meet with anyone, and we do so. The timing is not always the greatest. We do not always control that. We try to, whether sometimes there could be spring breaks involved in that where people are with their families. There are other circumstances that are involved that you cannot meet with people immediately. So those you take into consideration. I am sure the Member for Springfield can appreciate that, that you try to balance

off one's portfolio with so many hours in the day.

Mr. Schuler: The question is simple. Did the minister meet with the CUPE representatives in and around March 24? If the minister so desires, this committee will give unanimous consent for a five-minute break when he can go and consult with his department. I am sure they can check within that week of March 24 to see when he met with CUPE. The question is simple. Did the minister meet with CUPE in and around March 24? The committee is agreeable to recess for five minutes so that the minister can come forward with an answer.

Mr. Lemieux: To the best of our knowledge there was a meeting, but it was with CUPE Manitoba that the meeting took place in my office. Now, we will check to confirm that, that that meeting took place. I believe the Member for Springfield said CUPE from Sunrise. It was not CUPE from Sunrise. It was CUPE Manitoba, I believe, that I met with, just like someone would meet with the Manitoba Federation of Labour or meet with the Association of Manitoba Municipalities, the Manitoba Chamber of Commerce.

A letter written by Sunrise School Division, I am not sure what they are surmising in their letter, that they put into their letter. I can clarify whether or not that meeting actually took place. We are looking into finding out, but it is CUPE Manitoba I met with, just like one would meet with the steelworkers or meet with the Manitoba Chamber of Commerce, the Winnipeg Chamber of Commerce. That is the meeting that took place.

Mr. Leonard Derkach (Russell): Mr. Chair, this is quite an incredible set of responses from the person who heads up the education system in this province. The letter that the minister tabled has just gotten him into more hot water again, because yesterday, and I will quote the minister, he indicated very clearly to this committee, and I will quote: So what I would say if the member means a formal, a letter coming in, I have been advised that there, that no, there was not. Later on he says: And now I have been advised that no, there is no letter.

Today after Question Period he produces a letter from the division that has no mention of

request for assistance in it. Instead the letter refers to a letter that was sent on February 10th which is supposed to be attached to this letter. We have asked that the attached letter be provided—the minister refuses to do that—in which the division is asking for a meeting. They are not asking for money. They are asking for a meeting.

* (15:20)

In the second paragraph: A division, as any other division would, says that this is placing an extraordinary pressure on our budget over the next two years.

They are not saying that they need assistance. They are just saying that the situation of amalgamation is causing extraordinary pressure on their budget.

In the third paragraph, Mr. Chair, the writers say: It is our understanding that you are meeting with CUPE representatives during this week to discuss this issue.

Now, Mr. Chairperson, I want to make it clear. I know the minister is an intelligent man and he understands the question. The questions that have been posed here this afternoon did not ask whether you had general meetings with CUPE or other stakeholder organizations. That is not the question. The question is very specific. It is simply to ask whether you would confirm what the letter says.

The writers, the superintendent and the chair of the board, say it is our understanding that you are meeting with CUPE representatives during this week to discuss this issue. This issue, I would understand, is the issue of the dispute between the school board and CUPE. Mr. Chair, the minister has been asked on more than one occasion this afternoon to not only produce this letter but to confirm that indeed he did meet with CUPE representatives during the week that has been referenced in this letter to discuss the issue in Sunrise School Division.

Mr. Lemieux: I thank the member for the question. He asked whether or not we had received any correspondence and indeed we have from the division. It is somewhat disingenuous from

the chair and the comments she made in the newspaper about requesting assistance. Obviously, they are talking about a gap of 50 percent to 60 percent in their letter, and she talks about how hard pressed they are going to be and how hard pressed the school division is with regard to finances. This is to also say that no matter whether there was amalgamation or not, they would have had an ending of their contracts. The contracts would have come to an end, and they certainly would have had their challenges with regard to the financial part of it, no matter whether there was amalgamation or not.

With regard to the letter, it points out: It is our understanding—from the two people who wrote the letter—that you are meeting with CUPE representatives during this week to discuss this issue.

I am presuming they are talking about the extraordinary pressure on the budgets over the following years to the division.

An Honourable Member: You think? You were there.

Mr. Lemieux: Mr. Chairperson, there were a lot of issues discussed. The member from Springfield comments about what was discussed. I am not prepared to go through the agenda items and all the issues that were discussed with him, certainly not at this point. I certainly cannot recall whether or not the specifics or any specifics dealt with Sunrise in particular. I am sure the whole issue came up with regard to harmonization of salaries. Harmonization of salaries is a real challenge for a lot of school divisions. Even though Louis Riel was able to solve theirs, a lot of the school divisions are going to be challenged by harmonization, granted. We are looking at that and we are working our way through that.

CUPE is just one representative of workers. There are associations; there are other organizations that represent workers that also have a concern with regard to harmonizing salaries and what they will be receiving.

Mr. Derkach: Mr. Chair, I am not going to put words in the minister's mouth, but what he has admitted to is that he did meet with CUPE and

that he did enter into discussions about this matter. That is what the minister said. The admission that the minister has met with CUPE, as is referenced in this letter, is now an indication that the minister has involved himself in the negotiation process between two parties. That says to me that the minister has now interfered in a collective bargaining process between CUPE and the Sunrise School Division.

Now, Mr. Chair, the letter very clearly says, it is our understanding that you are meeting with CUPE representatives during this week to discuss this issue.

The minister said yes, we met. Yes, he did meet. That means, Mr. Chair, he has now implicated himself in the negotiating process between CUPE and the school division.

Mr. Chair, to me, this is a clear indication of interference in a bargaining process, and once the minister interfered in the bargaining process, he then had no choice but to compromise himself and his Government in putting forward monies to settle the dispute because the election was looming.

Now, those are the events and I want to ask the minister very specifically: Did he, prior to the settlement of the dispute, meet with the school division as well?

Mr. Lemieux: Mr. Chairperson, let me address some of the allegations that the Member for Russell (Mr. Derkach) is trying to make.

No, talking in general terms with regard to harmonization and other issues and pension issues or whatever they might be within a school division or with amalgamation is far from discussing issues of a particular area or division. What we are talking about, Mr. Chairperson, is having discussions which go on on an ongoing basis with the Association of Manitoba Municipalities, the Manitoba Association of School Trustees that talk about harmonization.

I am telling the Member for Russell right now that many different meetings that take place with regard to all the stakeholders talk about issues in a global way, talk about issues that are coming up down the road or in the foreseeable

future, whether it be with MAST or the trustees' association at MAST or MASS or MASBO. Many of the stakeholders raise these issues, whether they be global in nature, on an ongoing basis.

Mr. Chairperson, the member knows that as a former Minister of Education, that many stakeholders come and meet with you and talk about issues all the time, whether or not it was lack of finances at the time the member was the Minister of Education or the previous government, minus, minus, minus, zero, plus one funding. I am sure they had a lot of discussions about that, wondering where you were going to go with your funding.

But, Mr. Chairperson, there are ongoing discussions with stakeholders in Manitoba. The Member for Russell knows that as a former Minister of Education. One has global discussions and there was no interference in any way, shape or form with regard to any kind of collective bargaining at all. Thank you.

* (15:30)

Mr. Derkach: Mr. Chair, the more the minister speaks, the more he gets himself into hot water. The minister has admitted by tabling this letter that there was a call for a meeting with CUPE representatives. The minister has admitted that he did meet with CUPE representatives.

Now, Mr. Chair, the board had knowledge that the minister was going to be meeting with CUPE representatives. They also had knowledge that the minister was going to be meeting to discuss the issue, the issue being the dispute between Sunrise School Division and CUPE. That is what the letter says.

During a time of negotiations, during a time of labour dispute between two parties, no minister would ever meet with one or the other parties to discuss an issue in dispute unless there has been a call for third-party intervention to settle the dispute through arbitration, conciliation or some process of that nature.

The minister has said he met with CUPE representatives. He said also that he cannot recall whether that particular issue was discussed. I do

not understand this. This is not that long ago. It was just prior to the election. You have met with CUPE representatives, and you cannot remember whether you did or did not discuss a major issue like a salary dispute between two parties at a meeting? Obviously, the minister is not being forthright with us.

He cannot remember whether he discussed the issue, yet very shortly thereafter he flows half a million dollars without a request from the school division. Do you not think this sounds a little bit suspicious?

Now, Mr. Chair, I did not think that the minister was going to admit today that he actually met with CUPE, but he has already admitted that. That is being honest and I give the minister credit for that.

The issue now becomes extremely complex because now the minister has interfered in a collective bargaining process, and he put the matter to bed by flowing half a million dollars, from where we do not know.

I am going to ask the minister one more time before I turn it over to the Member for Tuxedo (Mrs. Stefanson) whether or not there was a meeting between the school board and the minister prior to the settlement of the dispute in question.

Mr. Lemieux: Mr. Chairperson, I thank the Member for Russell (Mr. Derkach) for the question. In their letter, the people who are writing the letter are surmising, I guess, and I am not sure where they came up with the idea, what would be discussed at the meeting, but that is their impression of what would be discussed.

Now, anytime meetings, whether I met with the Manitoba Association of School Trustees or it could be the Manitoba Association of School Superintendents, amalgamation was an issue of conversation and discussion, because there are a number challenges and a number of benefits as a result of amalgamation.

So when a minister meets with the stakeholders and has those discussions, there are a lot of issues. I am not going to go into with the member from Russell every issue that is dis-

cussed on an ongoing basis with all the parties. There is a list that continues to be discussed at every meeting that we have.

Some have been taken care of in the sense that either it could be funding to the public school system, it could be with regard to strobe lights on buses that the business officials brought forward.

These meetings incorporate a lot of issues and discuss a lot of items with regard to the public education system. The member from Russell should know this, as a former Minister of Education, that the stakeholders come in with a long list of issues and items. I must say the list was really long when he was the minister because of all the hardships placed on school divisions in the province. That list must have been terribly long. I felt sorry for him because it must have taken a great amount of his time.

I just want to say, just to conclude my comments, that there are a lot of issues that will continue to be discussed on an ongoing basis with regard to amalgamation and even possibly harmonization of salaries, Mr. Chair. Whether it be dealing with bus safety, whether it be dealing with the issue of funding to public school system, whether it is at the rate of economic growth, there are a lot of issues that the Minister of Education discussed with the stakeholders. The two people who wrote the letter to me explaining the discrepancy between the 15 percent, the 60 percent they are making reference to, I do not know why they are surmising of what will be discussed at the meeting, but a lot of issues are being discussed at a meeting with the minister.

Mrs. Stefanson: Mr. Chair, the minister has admitted to having met with CUPE during this period of time. I find it very difficult to believe that they would not have brought up this issue at all.

By March 24, they had no contract with the employees. They had had no contract with the employees since December 31 of 2002, when the contract expired. That is about 83 days without a contract. I would suggest that CUPE would probably have this pretty far up on their list of agenda of things to discuss.

I will ask the minister once again. He has admitted to having met with CUPE during this process. The Sunrise School Division has said in a letter that it is their understanding that he was meeting with a CUPE representative to discuss their issue. I find it difficult, based on the circumstances of the contract running out on December 31, after 83 days, that they would not bring this issue up with him.

Did the minister meet with the school division prior to the settlement of this dispute?

Mr. Lemieux: Just wanting to try and answer the member from Russell's question with regard to the meeting, I mentioned before, I do not know what the people were surmising or what they were trying to guess or trying to suggest what the meeting would be about. I have been advised certainly that the meeting, there was a long agenda, talked about all kinds of issues with regard to the public education system. Certainly, that is the norm with regard to any of the stakeholders that I have met with in the past year.

There are global issues that are continually being discussed. This particular meeting was of no difference.

Mrs. Stefanson: Whom from CUPE did the minister meet with?

Mr. Lemieux: With regard to the meeting with CUPE, generally they have a delegation that is very similar all the time, very similar to MAST, where you have Carolyn Duhamel who would attend, the president. It is their central organization. You have, as would be from the Manitoba Teachers' Society, their organization that they normally send, a delegation to meet with the minister. This happens on an ongoing basis.

* (15:40)

Mrs. Stefanson: What are the names of the individuals, the representatives from CUPE that the minister met with on that day?

Mr. Lemieux: I could find out for the member. I am not sure who was at the meeting. They always send a regular delegation. I will take a look and see. I am not sure who was attending at the meeting, but I just want to state that the

member is asking whether or not who attends meetings, who represents CUPE Manitoba, who represents Manitoba Teachers' Society, who represents MAST at those meetings. As I mentioned to the members before there is an ongoing delegation that meet with the Minister of Education on a regular basis on all kinds of issues and try to meet more than once a year, I might add. Those discussions happen, as I mentioned, on a regular basis.

With regard to the meetings, I met with CUPE on an ongoing basis, as I meet with all the stakeholders, which as a government, I might add, we are very, very proud of having continued meetings. We meet with all the stakeholders, being Manitoba Association of School Superintendents, Manitoba Association of School Trustees, CUPE, MASBO, Association of Manitoba Municipalities. A lot of meetings take place with a lot of parent organizations. The parent organizations, by that I mean their central offices, and many issues are discussed at those meetings of a global nature.

Mrs. Stefanson: Mr. Chair, I would suggest we have already mentioned that we would be open to a five-minute recess while the minister goes and checks his calendar to check the date that he met with the CUPE representatives, and if also, while he is checking, the date he met with the CUPE representatives. If he could find out the names of the CUPE representatives he met with, that would be greatly appreciated.

Mr. Lemieux: Just with regard to amalgamations and some of those meetings we had with all the stakeholders, whether it be the Manitoba Association of School Trustees, a lot of issues around, not only amalgamation and the positive results of amalgamation, I can give the member an example of a meeting we had with one of our officials who met on a regular basis with amalgamated divisions and talked about all the advantages of amalgamation, what amalgamation has posed and something that should be put on the record about the advantages that amalgamation has put forward.

The members opposite have raised amalgamations on a repeated basis. Talking about those benefits, I just want to talk about some of those benefits that came forward with regard to

amalgamation, whether they were computers and how technology would be shared between amalgamated divisions. Those divisions have been very grateful for that. Not only shared services but you have school divisions that are working in a much closer way than they ever have before.

We understand there are some challenges with regard to amalgamation. Amalgamation is something that was looked at by the previous government, a report that sat on the shelf, the Norrie report. They did absolutely nothing with it. The cost of amalgamation, they were going to cut the divisions down to about 20 divisions. I believe ours is around 36 divisions and very few changes were made at all.

The feedback we are getting, we have received is that amalgamations are working, and working well. There are some challenges that have been posed over the last while, being harmonization of salaries, some dealing with busing, some of course dealing with taxation as well, but all those challenges, I would remind the members opposite those are challenges we are certainly prepared to work through and work with all the stakeholders, whether it be CUPE, MTS, MAST, any of the stakeholder groups. We work, and attempt to work with them in a close manner. We are very proud of the fact that we have an ongoing relationship with a lot of those stakeholders and are prepared to meet with them anyplace, anytime. Those parent organizations do so.

Mr. Chairperson, I have met with an average of three school divisions each month between October and April, trying to fit them in. There are a lot of school divisions that are out there, as everyone knows, and it is very difficult to meet with all of them, but the goal is to meet with as many as possible. The amalgamated ones are certainly ones that are more of a priority. I have certainly met with Sunrise School Division and had discussions with them, again on global issues around harmonization, around the challenges they see of possible declining enrolment, and so on.

Many of the meetings I have participated in I do not want to compare my record to the previous government's record on meeting, but we are certainly open and accessible and we

meet whenever we can and as much as we can with all the stakeholders. It is something we are very proud of, not only myself but the previous Minister of Education as well had many meetings with all the stakeholders.

As a government, I can tell the Member for Tuxedo (Mrs. Stefanson) that we are very proud of the fact that we have continued to meet with all these stakeholders and will continue to do so on an ongoing basis.

It has been pointed out because of Prairie Rose, which is currently now in a strike situation. They are facing a challenge themselves. There is an ongoing process. This is something, the two parties have reached a bit of a stalemate right now. Hopefully they are going to resolve that for the benefit of the children and for the students in their school division.

Mr. Chairperson, we would like to just say, with regard to Prairie Rose, we are hoping they will take advantage of the Department of Labour's expertise when it comes time to resolving those disputes and those issues and I know they will.

Sometimes you have places like Louis Riel that are able to settle their disputes without having involvement of the Department of Labour or anyone else, but in Prairie Rose's case, we hope that it will be settled.

* (15:50)

I know that they do have some options. Prairie Rose has some options with regard to where they might want to go on their dispute they had with their union. It is something that we are hoping can be resolved, as I mentioned before. I know that this is being monitored closely on an on-going basis, and we are wanting and we are hoping that this will be resolved in an amicable way because they will be working with each other in days and years to come.

With that, Mr. Chairperson, I just want to reiterate that amalgamation is working. There are some challenges with regard to amalgamation, and we know that when you have three superintendents and then they are reduced to one superintendent, then you cut back three school division offices down to one, there has to be a

savings, and most Manitobans would accept that and acknowledge that. Those dollars are going back into the classroom.

We know that the divisions should be congratulated, by the way, for working extremely hard, trying to make amalgamation work. Regrettably, I have had to use this opportunity to try to state this to members opposite, about the benefits of amalgamation, how it has been working, and we certainly hope that it will continue to work.

Mrs. Stefanson: Can the minister confirm, yes or no whether or not Peter Tartsch was one of the CUPE representatives that was at the table for this meeting that we are discussing?

Mr. Lemieux: Sorry. Can I ask the member to repeat the question? I am sorry.

Mrs. Stefanson: Could the minister confirm whether or not Peter Tartsch was one of the CUPE representatives that was in attendance at the meeting that we are discussing?

Mr. Lemieux: I thank the member for the question. I meet with a lot of people, and I am sure the Member for Tuxedo understands that. I know she does too. I know she has a lot of meetings. I do not know, maybe she has a better memory than I, but I do not know if I can recall people I have met with a month ago, let alone three months ago.

I can tell the members that all the stakeholders that have met with this Government with regard to education have raised the issues that, if I can use the word "themes," I mean, you are talking about finances, taxation themes, just to clarify. The themes are surrounding the issues that have confronted education not only in the last four years but in the previous ten.

There are challenges for us. We are not saying we are perfect. We do not have all the answers, but by meeting with people—and we are very proud of the fact that we have met with people, and I indicated how many times I have met with different school divisions and whether they were divisions that were amalgamated divisions or not. It is very difficult to fit all the divisions in with regard to meeting time.

Having said that, I know that members opposite understand that the issues surrounding education are not easy ones. I know the member from Southdale raised the other day, talking about capital programs, and I was pleased to let him know that we put in about \$290 million over four years compared to their \$100 or so million over the previous four or five years.

The challenges still remain. He talks about growing population in his corner of the province and granted there is. And there is only so much money to go around. Some of the themes that have taken place in some of those meetings deal with population increases and depopulation, student enrolment.

There are very, very difficult issues that we have to deal with, and we are trying to, of course, find the finances to be able to deal with that, and many would argue that, the requests coming in, we will never be able to address all of them.

I know the member from River Heights raised the whole issue about a school that he had concerns with, about the work being done, the PSFB. Where was that with regard to? I believe it was Sisler. The reason I want to comment on that is important because the Public Schools Finance Board only has a certain amount of money, and I made mention to the member from River Heights yesterday that I would try to address this today and try to explain it. The Public Schools Finance Board is meeting with the school division to try to resolve that whole issue. I know the member sitting at the table today, from Inkster, maybe understands that situation. It is very difficult to find the money to go around, but the commitment was made to do something about it and the Public Schools Finance Board, without getting into dollars, realized that the costs that have come in are more than what was budgeted for.

So I just want to let the member from Inkster know, just on that particular issue, that they are trying to resolve it. They are not at the stage yet to give the full go-ahead, but they are trying to resolve the dollar issues because the quotes that came back were a little bit higher.

There are a lot of issues that have come up. A lot of stakeholders that we meet with con-

tinually raise different issues like that and, like others, like members of the Opposition, meet with a lot of people and are pleased to do so.

* (16:00)

Mr. Schuler: The issue is very simple. I will wait for the minister until we have his undivided attention. I do not want to have to repeat the question.

The issue is very simple. I do not think that anybody at this table believes that one day the minister walked in, wrote a cheque for \$428,000 and said: To whom shall I address this? Somewhere, someone had to initiate this. The minister has stated clearly, and I would point him to page 668 of Hansard in which he says: So what I say, if the member means by formal, a letter coming in, I have been advised that no, there was not. Now people sat down and talked, I understand, and certainly talked to people within the department about the challenges they had with regard to the gap.

The minister said that is was not from the school division, not from Sunrise School Division that the request came for \$428,000. So the question to the minister is simple. If it did not come from Sunrise School Division, did it come from CUPE? Did CUPE ask this minister to flow funds to help settle the dispute in Sunrise School Division? Did they ask for the \$428,000?

Ms. Marilyn Brick, Acting Chairperson, in the Chair

Mr. Lemieux: I just want to reiterate that no one from the CUPE Local 1618 was at the meeting at all and that is something that I know. Somebody, someone—

An Honourable Member: Oh, the memory came back.

Mr. Lemieux: No, I stated before, I believe, that I would try to answer that question when I was asked by the member from Tuxedo, and so I have been advised that we talked about the global issues. So, when we talk about global issues, I mean talking about busing safety, talking about custodial issues, talking about harmonization of salaries, talking about taxation,

talking about pension for example, or pension issues that might be important.

I know those issues are ongoing between MAST and CUPE, talking about pension, what kind of pension plans are in place for non-teaching employees, which is important. I keep mentioning to the members, and I know some of them know this. When you meet with the parent organizations, you talk about global issues, you talk about issues that may not be very specific to a particular area or an issue that is important that day, but you talk about contracts, contracts in the sense of where are form 2A contracts going? Where are permanent contracts?

What is happening with regard to, and I know this is a question that was asked. I believe the member from Steinbach asked the question about what kind of dialogue is happening with regard to the contracts that are available right now in the school divisions.

I met with Hanover School Division. At Hanover School Division we had a discussion, for example, on safety and health, talked about safety and health legislation. We spent a lot of time discussing that and the impacts of safety and health legislation on the school divisions: whether or not you have to have safety and health committees in schools, whether or not each school needs a safety and health committee.

That is something that the Department of Labour is involved in as well, and they also have a role to play, not only monitoring strikes or lockouts but also their legislation on safety and health and how it applies to school divisions. So Hanover School Division is another one that we meet with and dealt with a particular issue. When you meet with parent organizations, you deal with global issues, global issues that affect their membership or will affect their membership down the road. Thank you.

Mr. Schuler: I will wait for the minister to finish because we do not always want to be reiterating the questions. I think this committee, at this point in time, would like to thank the minister for confirming to the committee that, actually, it was CUPE that asked for the \$428,000, because consistently we have asked the minister if that is where the request came

from and consistently the minister has been avoiding that question. I would like to ask the minister one more time is he prepared to confirm, as he has done consistently, that CUPE asked for the \$428,000 at that meeting that he had with them. Will he once more confirm that that was the case?

Mr. Lemieux: Could I ask the Member for Springfield (Mr. Schuler) to repeat the question please.

Mr. Schuler: The question to the minister is very simple. In his meeting with CUPE on or around March 24, did CUPE ask the minister or his department or his Government, however the minister wants to view it, did they ask the Government to step in and forward money to help settle this dispute?

Mr. Lemieux: No.

Mrs. Mitchelson: I am amazed that it took 10 minutes for the minister to consult with his department and then come back and ask the question.

My question is very simple to the Minister of Education. Has he met or did he meet with Sunrise School Division, the board and the superintendent, after the March 24 request to him?

Mr. Lemieux: Well, thank you very much for the question. Yes, I did, and, once again, meeting with the division, all kinds of issues were raised which they wanted to talk about, whether it could be strobe lights, it could be safety in their buses, it could be transportation. It could be, as one member here asked, industrial arts was one issue we discussed. I think that was raised as well.

Currently, Madam Acting Chairperson, the students are taking classes in Selkirk I believe as well as in Transcona. Another issue that was discussed was, I am going by memory, I believe they talked also about French immersion. I think that was raised as well.

These are ongoing issues the Sunrise School Division has which are very, very important issues. Just going by memory, those are issues

we continue to work on with Sunrise School Division. I know the challenges that are there with regard to the 2005 agreement expiring. We had a long discussion about that the other day. It is something that is important. We will continue to work on that. Hopefully, the division will continue to work. If they want to extend that agreement and work through that agreement with River East Transcona, that is also important. We will continue to work with that division and work in a consultative way to try to rectify that.

*(16:10)

Mrs. Mitchelson: When was that meeting?

Mr. Lemieux: I believe that meeting was in July. As I mentioned, there were a number of different issues we discussed which are ongoing issues, not just contractual but issues that are very important to the children and parents of that school division.

Mrs. Mitchelson: The minister has now just confirmed that he never met with Sunrise School Division before the \$428,000 was approved and flowed to that division. He met in July and the money flowed. He is indicating very clearly that he never had a meeting with Sunrise School Division before he cut the cheque for \$428,000.

The request did not come from the school division. So who did the request come from? Either it came from the union the minister met with, or the department arbitrarily decided to flow the money, to cut the cheque to Sunrise School Division. Was that money flowed at the request of the minister? What process did it follow?

Mr. Lemieux: Thank you for the question. With regard to Sunrise School Division, it has always been the Government's role to act in the public interest, as I mentioned before, in labour disputes, especially where there is a possible strike or lockout, something the Department of Labour, labour relations has a mandate to monitor labour issues throughout the province and act in the public interest. Labour relations also, at the request of the parties, can facilitate mediation or conciliation services through that process and become engaged with the parties involved.

When we passed amalgamation legislation, we assured the school divisions we would work with them through a process and we have been. We told them all along we are not going let them be out there and hang them out to dry.

For example, in Carman and in Prairie Rose School Division, there is a collective bargaining process which they are working through. They have mediation services available to them that they can call upon the Department of Labour to work with and to try to help them and assist them to work through the challenges they have. I know it is in the best interests of the children and the parents. We want them to work through the collective bargaining process and get it resolved, get their issues resolved and the collective bargaining issues resolved.

In March, as has been noted, the chair of the Sunrise School Division wrote to me expressing concerns about disparity in wages between the two divisions and the real challenge they faced. Also the issue was raised with me by MAST and CUPE. There are also other organizations that are very, very concerned, especially that disparity between the 20 percent to 60 percent between workers, absolutely so different than any other school division, at least what I have been advised. It was just unbelievable the difference and the disparity in wages there. When MAST and CUPE raised this to us, it was very, very important that be looked at and monitored closely because of the huge difference.

The first years of that allocation of the money we have talked about, the 112 for the first year, the 158 in the second year and 158 in the third year for their harmonization to have that process concluded, that occurred after the Government Budget was introduced. Therefore commitments had to be found from within existing budgets, which we have noted and said. We were able to identify the funds from within the Budget through the usual process of reassigning priorities and balancing overages or underages, which the members opposite would know about.

So future annual commitments for Sunrise will be budgeted and identified within the Budget, but also that raises the whole issue with regard to harmonization of salaries throughout the province, which is a real challenge. There are

health care concerns. We have agricultural concerns, as has been noted, which the southwest has been hard hit as well as the Interlake region. Those are all challenges, yes, that governments have to face.

We as a government intend to meet that head on. Our Minister of Agriculture (Ms. Wowchuk) and the Premier (Mr. Doer) have been working diligently and extremely hard in putting money on the table. We are asking the members opposite to work in a partnership to get the federal government to come to the table and assist us and work with us.

An Honourable Member: With Sunrise?

Mr. Lemieux: Someone raised the whole question with regard to: Are we prepared to get involved with the Prairie Rose dispute? The answer for us is that they have many issues at their disposal, which they have not used yet. We talked about mediation, because Sunrise had mediation. Sunrise went into mediation. I believe it was around April 10. They were involved in mediation and they were trying to work out their differences and worked extremely hard butting heads together, fighting hard for their own organizations. That is their job. They were able to work hard towards a collective agreement.

Now, with regard to Prairie Rose, they have a few other steps that they can use through the Department of Labour. I am asking them to make use of that expertise that is within the Department of Labour. Use mediation if you have to. Sit down and talk and work this out. A strike or a lockout is not in the best interests of the children. I understand that it is the collective bargaining process that is taking place. I understand that. It is important that that process be allowed to work. We are encouraged by that. It has worked well in Manitoba. We want to ensure that it does continue to work.

In the process, with regard to Sunrise School Division, the employees and the employer worked extremely hard to try to reach a decision on pensions and on salaries and so on. Because of that gap—there is such a huge gap that not only the school division was faced with, but that the Province was faced with. We said that we would

assist them in any way, shape or form that we could. Because it was pointed out to me, and I was advised of this, that there was such a huge discrepancy in salary between someone in Agassiz and someone in the old Transcona portion, as much as 60% difference in salary, which is really unfair, extremely unfair to workers and amalgamation. Over three years the process will then be on a level playing field.

Now we have had a lot of feedback from the Sunrise School Division talking about all the benefits of amalgamation. We know there are still some challenges there. We will continue to work with them in an earnest and dedicated way, because we are not planning on leaving them without some assistance, whether that be just staff that has the knowledge within the department to work with them to try to work through some problems. We are there. We are there for amalgamation. We know that we are not going to turn the clock back. We are going to continue to work with these divisions to ensure that amalgamation works in the best interest of the students and children that are there.

Mr. Kevin Lamoureux (Inkster): It is proving to be a very interesting issue. I did have a few comments or questions that I would like to at least clarify in my own mind, from the minister.

Having not had the opportunity to be a minister of government, I am not necessarily as familiar as the minister in terms of how decisions are ultimately made. When I sit back and I look at this issue, as it was raised appropriately in Question Period and now, what comes across my mind is that, surely, when we are talking about dollars of this significance that the issue of where or how that money needs to be spent would have come from somewhere. This is not just a minister that I would think that would say: Well, I want to throw \$400,000-plus over to this particular issue or for this particular school division. It has to originate from somewhere.

So I would ask the Minister of Education (Mr. Lemieux): Where did the idea of the need for \$400,000, not the idea of need for money, but the idea of \$400,000-plus come from?

Mr. Lemieux: Thank you for the question. I thank the member for the question because, even

though I have been a Cabinet minister in three different portfolios now, it is still a learning process. There is a learning process that takes place. It has been a very good one in the sense that one learns how government works, not only being as an MLA working in your area but, certainly, I am having a better understanding of how community economic development works, Treasury Board works, and how dollars are funded for different programs and grants, and so on. It is a very, very important process.

* (16:20)

Treasury Board, of course, is a very important part of that process through which dollars have to go and receive approval for. Every department, as the member is, as a former member of the Legislature, aware of Estimates, aware of budgets, and aware of lines where dollars come from within a ministerial budget. Sometimes ministers do have, just for lack of a better word, overages or underages—I am not even sure if that is a word—where you have certain amounts of money within your budget that you either do not spend, and either could lapse, and there are other areas where you need to find money for. So I appreciate the question very much because that is very, very important.

Now, with regard to dollars and the member is absolutely correct, you do not pick numbers just out of a hat when you are involved with fairly large sums of money, which the Department of Education handles on an ongoing basis. There is a process involved and that process means that people do go to Treasury Board and get approval for those dollars and get approval to fund those dollars, no matter, whatever the program is.

Mr. Lamoureux: Madam Chair, then if I understand it correctly, it did not really come through the administration. It might not even have come through CUPE or the school division, that in fact this could have been an issue then that was brought up in Treasury Board, the issue of the \$400,000, the issue of needing to dispense the money? I guess what I am looking for is: Where was the idea generated that we need to give \$400,000?

Mr. Lemieux: Madam Chairperson, I thank you very much for the question, for clarifying the

question. That number of course comes through negotiations and comes through the parties meeting and having to determine what dollars they have available. When you have a mediation process where the parties are meeting with the mediator to try to determine whether or not they can arrive at a mutual agreement with regard to pensions or salaries, that is the normal process.

With regard to where the funds come from, they are within the Department of Education's budget. Those dollars are allocated accordingly, whether it be operating grants or school grants, areas like that. That is where the funds come from.

Mr. Lamoureux: Could the minister indicate in terms of when it would have gone to Treasury Board and if in fact this is something that the bureaucracy had put forward or the minister took on his own initiative, or was it another minister that maybe brought it to Treasury Board? Where did that actually originate from?

Mr. Lemieux: Just to clarify for the Member for Inkster (Mr. Lamoureux), there was \$112,000 given to the Sunrise School Division this year for the shortage on their collective agreement.

Mr. Lamoureux: Can the minister indicate on what line that would show in the Estimates in the budget book?

Mr. Lemieux: I have been advised and reminded that 16.5 of the Support to Schools, which is approximately \$814,000, under that it is School Grants, operating grants, which \$112,000 comes from. Now, when you take a look at School Grants and you take a look at operating grants, certainly I have been advised that there is not always a large take-up with regard to the grants. Sometimes there are more demands and sometimes there are less. In that particular area there is I think around \$680 million. When I talk about overages and underages, sometimes with regard to grants there is a take-up of these programs, sometimes to a higher degree than others.

Just to answer the member's question from Inkster, yes, he is correct. There is a process involved. The department has a budget. We are looking at about approximately \$813 million. You are looking at an area that grants and school

grants and so on fall under. There is a process of course where the minister would go to Treasury Board and have approval for those dollars.

So just to be specific to the member, when he was saying, well, questions are asked in the Legislature, you know, the member did not win a lottery and he did not write a cheque on his own personal account, no. That is right, you are correct. That is not how it works. The Government has a process which was followed by the previous government. A number of members here today can attest to that. They were Cabinet ministers. They know they had to follow the same process and to go through Treasury Board for approval. That was done.

So, again, when you are dealing with mediation and you are trying to hammer out a deal between the parties, that is always challenging. But the process is there in order for government, no matter what government department, to follow. In Education you are dealing with large sums of money, large dollars that go to grants and to operating grants or school grants and you are trying to manage a large portfolio. You have a process which you have to follow no matter what size of department and no matter what size of dollars. You have a process that is approved and you follow that.

Government has functioned well over many years of using that. Members opposite know that. They were in the same situation when they were ministers and had to follow that process.

Madam Chair, under Support to Schools it just, basically it talks about consists of programs and services and support of the funding and the administrative requirements from kindergarten to Senior 4 educational institutions. I know there is Schools Finance. There are school administration services. There are school information systems, school grants and there are other areas within that area which covers approximately, as I mentioned, around \$814 million thereabouts. Thank you.

* (16:30)

Mr. Lamoureux: Yes, Madam Chair, I am wondering, and I am sure the minister can understand and appreciate the Opposition's concerns

in terms of the whole timing of the issue. What comes to mind is that we want to seek assurances from the minister that there was a process and that this process was duly followed.

A couple of questions that come to mind is the minister implied that the decision would have ultimately been brought to Treasury Board. That means the minister no doubt would have had to put some sort of presentation or assign the responsibility or some sort of a document had to go to Treasury Board.

I would ask if, in fact, the minister can indicate how that document would have ultimately been generated. Did the minister do it himself? Did he instruct the bureaucracy to do it? Also, just to be very clear on it, can the minister indicate if he had any discussions with the Premier (Mr. Doer) prior to that report being produced?

Mr. Lemieux: Well, I thank the member for the question. We have talked about the process and how the process works with regard to Treasury Board submissions. The Treasury Board submission that goes to Treasury Board is by the minister or can be by any minister. Any minister can sign that Treasury Board submission.

That is the process. It goes to Treasury Board and the Treasury Board ministers make a decision on the item, make the determination whether or not the money is there and so on. The process has worked well in Manitoba. I know the members opposite who were Cabinet ministers in the previous administration understand that. It has worked well.

In this particular case, I was the minister who brought the submission to Treasury Board. I submitted it. I brought it to Treasury Board. The request was for \$112,000, also looking at future years. Because of mediation that they requested, a certain amount of money was requested and so passed on eventually to me. I made the determination, because it falls within Education's portfolio or the Education department, that there certainly was a shortfall within that division.

There are going to be other harmonization requests, or there may be. We do not know. For example, Louis Riel School Division, as I

mentioned previously, I understand settled without needing assistance of any kind. You have one rural division and a city division so far. The only example we have are two divisions which are I will not say like day and night but we had one that had up to a 60% difference in salaries and then you have another division which was able to settle their labour disagreements or the collective bargaining without, at least what I have been advised, any request for Government to assist them in harmonization or assisting them in any way in the collective bargaining.

Now Prairie Rose is different, Madam Chair. They have not gone to mediation. There are many options to them to solve their dilemma and to solve their challenges that they have before them. We are now into the third day of the strike in Prairie Rose. We are looking at Prairie Rose negotiating in good faith with their employees and hopefully they will. I trust they will be able to resolve this in an amicable way.

I would advise them if they are unable to do so, and I know they can take it or leave it, but I certainly would make a suggestion to them that they look to labour relations or mediation and conciliation services within the Department of Labour. I believe that is what it is called, that they look at mediation if they cannot see their way through some issues. Mediation may be able to assist them, whether it is, as I mentioned, pensions or salaries and so on. We certainly await that.

Madam Chair, other divisions are certainly looking at their collective agreements expiring; some have already. Discussions may be started in a preliminary way. We are certainly waiting for the outcome of that and waiting to hear from the department with regard to other school divisions.

Mr. Chairperson in the Chair

The long and the short of it is that the process is a good process, the process that we have in Government. With regard to the Department of Education, we have the support to schools area that looks at school grants, operating grants and so on. That is something that is an important area. We just want to make sure, as a government, that the whole area of harmonization and

salaries and collective bargaining is an important one. It cannot be stressed enough that the process does work. You want it to work. You want to allow parties to negotiate. If they have to go, go to mediation. Try to hammer out an agreement, which came about in Sunrise.

You have the process with regard to the Department of Labour and mediation and so on. It did not have to be used in Louis Riel. I am just saying that people in Prairie Rose, if they are at loggerheads and they cannot see their way through the issues, should seriously look at the Department of Labour and the assistance that they might be able to provide them.

Mr. Mervin Tweed (Turtle Mountain): Mr. Chairman, the tale continues to turn. We now have confirmed that the minister submitted the Treasury Board documents to Treasury Board to flow the money to Sunrise School Division with no official request from the school division for any form of funding.

Mr. Chair, we now know that the minister and his Government imposed amalgamation on two school divisions and obviously did not study the plan to recognize the fact that there was going to be a 60% discrepancy between the salaries of one division to another. We now know that the minister is refusing to acknowledge any meetings with Sunrise School Division prior to flowing the money, met with them after the fact, but he did meet with the people or the organization of CUPE. We know that he met sometime, I suspect, before the flow of the money, which is April 17.

I would like to ask the minister: Did Eugene Kostyra sit in on any of the meetings with the minister and the CUPE?

* (16:40)

Mr. Lemieux: Mr. Chair, who is the other person on the grassy knoll? I want to know who the person is on the grassy knoll.

Mr. Chair, the Opposition—I do not know what kind of a Machiavellian caucus they have, or I do not pretend to try to understand them. We as a government have been very forthright and open in telling and informing and letting the

Opposition and letting the public of Manitoba know where the money is within the Education budget, the process that takes place with regard to the funding.

The Minister of Education brought forward a Treasury Board submission. There were mediation services at the school division level. They hammered out a deal the best they could, came to Government and, you know, there was a shortfall. We have been very, very open and straightforward and very straightforward and open and honest with the Opposition, and yet the Opposition wants to look in any kind of a closet. Who is there, and is there something missing? To be fair to the Opposition is fine. I understand that they have to ask questions with regard to trying to get clarification. I believe that we have made it quite clear with regard to the collective bargaining process that took place what happened in Sunrise, what happened in Louis Riel, what we are prepared to look at with regard to Prairie Rose. They have not completed their negotiation process yet, and they have other options left to them. They do have mediation. They can go to the Department of Labour and ask for assistance if they cannot get past the roadblocks and the challenges they have.

Mr. Chairperson, I am very pleased to answer any other questions that the members have with regard to this issue or other issues. I mention that we are being very forthright in letting people know what has happened. I am sure they, certainly, are not begrudging any division getting assistance from the Province. The Province of Manitoba has always been there to work with school divisions and to work with them in a very close manner to make sure that, if there are any challenges that they have, we will try to assist them and work through that. That is not something that we take lightly. I know they do not. The division has really worked hard to make amalgamation work. We compliment them on that. Many other amalgamated divisions in the province are also working hard.

Mr. Chair, we know there are challenges down the road. We as a government are working, my department and I are working to look at a strategy with regard to harmonization. We are looking to have discussions with all the partners with regard to harmonization. We do not know,

because the examples we have thus far are Sunrise and Louis Riel. So you have two different situations. We have one, 20% to 60% wage gap. The other school division settled their collective bargaining in an amicable way, and, I have been advised, never came to government to assist them in any way, whether there was a financial shortfall or not. Those are the two examples we are going by.

Now, we have Prairie Rose, who is going to be coming forward, and I am hoping they will be able to resolve their collective bargaining in the way that Louis Riel has, but they have not pursued all the avenues open to them yet. I would certainly suggest to them, if they cannot get by certain roadblocks, they pursue that avenue, pursue mediation, for example, and try to solve their collective bargaining challenges.

Mr. Tweed: Mr. Chairman, I have sat here and listened. I have read the comments from the minister yesterday. Yesterday he could not even point out what line in the Budget this money was flowing from. Today he is talking about the 60% discrepancy in wages that, obviously, no one had a plan or no one looked at it, because it should not surprise anyone when you amalgamate. I think of the example that the Government is using these days, when we have the BSE crisis and farmers are asking for \$50,000 or being told they have to take a loan out and they have to give up everything that they own, including their first born, to get the approval, and we have got a minister sitting here, saying that Treasury Board approved a document that was not presented by anybody asking for any money, other than CUPE, for up to \$428,000.

Mr. Minister, I think you have a competency problem, sir. I think you are really struggling to answer truthfully the questions that are being asked of you. I think that you are becoming a shame to your department. We do not like to attack bureaucracies because we think they are all hardworking people, but, obviously, the minister is refusing—

Point of Order

Hon. Diane McGifford (Minister of Advanced Education and Training): Mr. Chair, point of order. I wish I would request—

Mr. Chairperson: Excuse me. I have not recognized you.

The Minister of Advanced Education, the floor is yours on a point of order.

Ms. McGifford: In my zeal to point out the breach in protocol of the member opposite, I spoke out of turn, but I do wish to bring to the attention of the Chair that remarks are to be put through the Chair and not directly to the minister.

Mr. Chairperson: I thank the member for that, and I would like to caution all members to address your questions through the Chair. I thank you for that.

* * *

Mr. Chairperson: Attention, please.

Mr. Tweed: I will put my comments through you, Mr. Chair. I think the minister is showing a complete lack of competence in his department. He submitted a Treasury Board document that he had no request for from anyone asking for money. This goes to the heart of government in the fact that I cannot believe that Treasury Board would authorize, that the Premier (Mr. Doer) would authorize the payment without a formal request from the organization receiving the money. It is unbelievable, it is unheard of, and I think the minister is truly displaying his lack of understanding of this issue. I asked the minister if Mr. Eugene Kostyra was involved in any of the negotiations with CUPE during and up to April 17.

Mr. Lemieux: I thank the member for the question. Now, some of the comments that were made, I will not take them personally of course, because I know the member has a job to do. But the fact of the matter is that, with regard to the amounts of money that came from the department, the arbitrator that worked with the department, with the Sunrise School Division and worked with CUPE—*[interjection]* Worked with, sorry, the school division and worked with the union—they worked with the union, and the union and the school division were in strong and difficult negotiations.

The point of clarification I would like to make, that no, just to clarify for the member

from Turtle Mountain, no, CUPE did not make a request for X amount of dollars. I mean, if that is what he is insinuating, no, it is not. No. There was a mediator working with the parties, MAST and also CUPE, who was very much aware of the negotiations that took place and were taking place at the time. I can tell the member opposite that the process, which was in place, was a legitimate process with regard to arbitration. So you have dollars that are requested because of a shortfall, you have got a huge gap—

* (16:50)

Mr. Chairperson: Order, please. It would show some courtesy to the person that has the floor—quite a few of us are speaking at the same time. It is very difficult to follow the conversation of the person that has the floor. Honourable member, conclude your remarks.

Mr. Lemieux: Thank you.

Mrs. Stefanson: I think we need to set a few things straight here. First of all, the Minister of Education (Mr. Lemieux) told CBC that he saw no reason to step in with more provincial money to settle this particular dispute on April 10 of this year. On April 17 Sunrise school board chairwoman Eleanor Zieske said that they made no formal request for Government help to come in and help end this strike.

The union voted to settle this dispute on Thursday, April 17, the same day that Eleanor Zieske came out and said that no formal request had been given to the Government for funding. So the union settled this dispute on Thursday, April 17, where the workers voted in favour of this new deal. On Saturday, April 19, following the end of the strike, the minister admitted that the Province provided additional finances to end the strike.

We know from today, from Estimates today, that the minister never met with the school division prior to the settlement of this dispute. We know that there was no formal request by the school division asking the Government for funding to help settle the dispute.

My question for the minister: Did the minister or a representative of the Department of

Education or a representative of government meet with or have discussions with CUPE representatives regarding the strike in the Sunrise School Division between April 10 and April 17 of this year?

Mr. Lemieux: Thank you for the question. Both parties are at the table, CUPE, representing the employees, Sunrise School Division, the board is at the table. They are dealing with mediation. On April 10, mediation commenced. They were working through their concerns with regard to the collective agreement.

Mr. Chair, through the labour relations process, through the negotiations process, notification to the department was given that there was a shortfall with regard to this huge gap that took place. The huge gap which took place, obviously we said to the school divisions, with regard to negotiations, not to negotiations, but with regard to any shortfall with regard to harmonization of salaries, that the Province would assist them.

Now, we have told MAST this. We have told other organizations this, that we would be assisting them in any way, shape or form we could. The reality of the matter is that when, because of this huge shortfall, because of this exorbitant amount, this gap of 60 percent, in some cases, that the school division was not able to fill the gap. The school division was not able to fill the gap through negotiations. It certainly came to our attention that this was the case, there was a mediator involved, and through this process that they were at loggerheads and they could not—I have been advised that on April 10 there was mediation. There was a mediator. To make absolutely clear, CUPE, references are made about CUPE, no. There were two parties at the table. There was the employer and there was a union sitting at the table trying to negotiate. They were trying to negotiate a deal. Obviously, there are two people at the table and two people are working trying to work through a deal. What happened is that there was a shortfall and they had a great deal of difficulty doing so.

Mrs. Stefanson: Mr. Chair, I would suggest that on April 8 the strike began in the school division, so between the dates of April 10 and April 17 until the dispute was ended, until the workers

voted to end the dispute, these workers were on strike at that time.

Mr. Chairperson, I will state again that the minister was quoted by CBC saying that he had no reason to step in with more provincial money to settle the dispute. We then know from Sunrise school board chairwoman Eleanor Zieske that there was no formal request for the Government to help end the strike.

I would like to know then who asked for the \$428,000, which was approved by this Government. Who asked for that money to be flowed to the Sunrise School Division to end this dispute?

Mr. Lemieux: I do not want to give the members opposite a history lesson about what takes place with regard to different school divisions and the challenges they face with regard to collective bargaining, but what I would like to say is that there are a number of different divisions within this province that are going to be faced with collective bargaining challenges, whether it is harmonization of salary, and so on.

We as a government have continually met and will continue to meet and have met over the past year, as my predecessor did as well, to try to address a lot of the concerns that we are faced with. We as a government are certainly very much aware that harmonizing of salaries is one area that is important to the amalgamated divisions, but there are other challenges out there.

I mentioned about safety and health. I have talked about busing and safety transportation. I have talked about staffing, retention of teachers. I have talked about whether or not they are able to recruit teachers, for example, in French immersion programs.

There are many issues the department has become aware of and continually are aware of. We work with the school divisions very, very closely. For example, in Sunrise School Division they talk about and have talked about the huge gap in their salaries. I certainly made reference to the letter and people are aware of the letter that was given out to members opposite. Within there they talk about that 15 percent to 60 percent, depending on the workforce position.

This will place an extraordinary pressure on the budgets over the next number of years.

The point is Sunrise School Division was very unique in its nature because of the huge gap that existed. You end up with the old Agassiz School Division compared to the Transcona. You had rural wages compared to city wages as such and you had that big discrepancy.

Mr. Chairperson, here we are as a government dealing with amalgamated divisions. You have salaries that vary from amalgamated division to amalgamated division. It is something that I know the department is working hard on. It is very difficult to come to grips with determining in-stone criteria, because you can take a look at declining enrolment, you can take a look at their taxation ability, you can take a look at their surpluses. There are many different areas that are going to have to be looked at in order to determine whether or not those divisions will need assistance from our Government.

* (17:00)

When you have, for example, Louis Riel making a decision on their collective bargaining and apparently wanting to do that on their own with their own bargaining team. I am not sure whether or not the chairperson of their board is on their bargaining team. I do not believe the Sunrise chair was on Sunrise's bargaining team. I am not sure about whether or not the chair of the Sunrise board was on their bargaining committee or not, but the point I want to make is that the challenges that we face as a government with regard to harmonizing salaries, as a government and as a department, people are working extremely hard trying to determine whether or not more or less assistance should be given to different departments.

Mr. Chairperson, when you have Agassiz which absolutely stands out, it is, without question, at least I have been advised, the division that stands out most above any other division in this discrepancy. The other divisions, we are compiling right now when collective agreements are going to be ending and taking a look at what support they indeed may need in their process.

So I just want to reiterate that the department itself and the Government are working

extremely hard with the different divisions. Now, members opposite, I am sure are very much aware of the challenges that, at least some of them are aware of some of the challenges that are faced by the amalgamated divisions, but there are also divisions that are not amalgamated that their collective agreements are coming to an end.

Now, having said that, we as a government said that we would be very supportive of amalgamated divisions. We have all along. We said that they also have a job to do. Many school divisions have cut back their amount of board offices, their administration. We know that there are dollars being saved and those dollars are going back into the classroom, which was always the goal. I understand, in conversation that people have had with the division staff, that even though the challenges that appear before us, some are short-term problems that we see, but also in the long term there are some challenges that we are going to have to work closely with those amalgamated divisions.

I do not understand actually the Opposition asking whether or not support should be given to a school division that has such a huge discrepancy of salary like that. A 60% gap is unbelievable. That division was really and is really hard-pressed to address a number of their challenges.

The department continually works, we have had staff people working and have staff people working with the Sunrise School Division and other divisions, all amalgamated divisions, to ensure on an ongoing basis that they have the support that they need.

Now, some of the comments, the anecdotal comments I have from the divisions, I should read some into the record, because it is important to let people know and have on the record all the positive things that have come as a result of amalgamation.

Mr. Chairperson, no one said they would happen overnight. The previous minister said those benefits would not happen overnight, our Government has repeatedly said they would not happen overnight. We said that we would work to make sure that we would assist them in any way possible. So those benefits are coming

forward. We know that. We are told anecdotally that there are benefits as a result of amalgamation. I know the Opposition does not want to hear it but there are. I know they recognize it. When you cut back three school divisions to one school division office, you have to have some savings. Those savings will go back into the classroom.

There are savings there. I know that people, Manitobans understand, people from those school divisions understand, when you cut back on administration, that this is something that we will continue to work with those amalgamated divisions and assist them in any way we can. We are willing to sit down and talk to them and try to work out all of the challenges together. Thank you.

Mrs. Stefanson: I am absolutely outraged at the direction that this minister has taken with respect to the questions.

This is a very serious issue. He seems to be going off on different tangents when we are asking very simple questions of this minister. We learned that the minister said back on April 10 that there was no reason to step in with provincial money on April 10. Somewhere in that week they agreed to give the school division \$428,000 that flowed to the Sunrise School Division to help settle the dispute.

There must have been some meetings that took place someplace within there. Now, we know from previously today that the minister stated that he did not meet with anyone in the school division. So the minister must, the minister or a staff member must have met with someone who asked for this money. Who was that?

The minister does not want to admit. I would suggest that it was the union, at this time, but the minister probably does not want to admit that because he knows that it would be inappropriate to intervene in a collective bargaining process that was taking place at the time.

But I would like to ask the minister once again, where did the request come from for the \$428,000 to help settle this dispute?

Mr. Lemieux: Through collective bargaining, as members obviously are aware, when they are

sitting down with a mediator, sitting down through the process, that both partners are at the table working through the process. Certainly the labour relations people or the union people or the labour relations, through mediation, which is part of labour relations, or the labour relations branch was involved in the collective bargaining process. There was a mediator in place. That commenced, and so the mediation process was in place. Through the normal process, through normal labour relations process people will come forward and of course bring their views forward to that mediator. It is important that mediator of course try to work through with the parties and try to do what they can to come up with a collective agreement.

We mentioned about the huge gap that was involved with regard to Sunrise. Sunrise School Division certainly expressed that through the letter they sent us and through the chair and Mr. Bell who wrote the letters, stated the position that in the case of unions within their school division the salary differential from like to like jobs showed a variance of 15 to 60 percent, depending on workforce position.

The point is this: A particular school division, more so than any other, received—this is a huge challenge, because when you have a school division that has that kind of a gap in salaries, it is not even in salary, but that huge difference depending on the workforce position, it is very difficult for a division. Now we have seen Louis Riel and now we have heard—Louis Riel settled, mind you. They felt that whatever money we provided, that \$50 per head to the school divisions, it has to be noted that \$50 per student is important because that \$50 per student, I believe the number was around 3.4 million to all the divisions.

* (17:10)

Mr. Chair, just to make a point, it is around three and a half million, I believe. So you have Border Land School Division that has \$116,000; and you have Frontier School Division—no, sorry, Louis Riel School Division, the three year total, \$742,401 as that \$50 per student; Mountain View School Division \$164,000, almost \$165,000; Park West School Division, which the Member for Russell (Mr. Derkach) is very

familiar with, received almost \$100,000 in the three year total at \$50 per student.

The reason I am going through these numbers, Mr. Chairperson, it is important to note that these divisions, when they are looking at discrepancies in salaries in their own area, these particular dollars they have from the Province to assist them in amalgamation might be enough to be able to take them over the top with regard to the collective bargaining, because you have Louis Riel which received \$742,000. That to me when you take a look at that dollar figure, that was able to get them, I cannot say for certain, but that huge amount of money was able to get them through the transition period on harmonization of salary.

Mr. Chair, you have Pembina Trails School Division, which has \$679,659, almost \$680,000; and Prairie Rose School Division, which has come up because they are in a labour dispute now, but Prairie Rose School Division has \$120,426 which they have at that \$50 per student.

Mr. Chairperson, you have Prairie Spirit School Division at \$130,000; Red River Valley School Division at \$111,000; River East Transcona School Division at \$891,000; Southwest Horizon at \$91,680; and Sunrise School Division which received \$246,255, for a total of about \$3.5 million.

The reason I state this is because these dollars at \$50 per student, which was put in place to assist these school divisions, in some cases some school divisions, this fund has been an excellent source for them to be able to tap into.

The point I am trying to make is that you have Louis Riel which had \$742,000. Louis Riel School Division was able to, I have been advised, they have been able to agree on their collective agreement without having a work stoppage or disruption. Now we have Prairie Rose School Division which has \$120,426 as a result of \$50 per student.

The reason, Mr. Chair, this is important to put on the record is because this Government has come forward with huge amounts of dollars to

address a number of the challenges they have in amalgamation. We have also put a few other dollars as well. We have put in another \$1.9 million to offset funding formula losses as part of the overall formula.

What we are trying to do here—it is important to note, whether the Opposition is trying to be negative about the amalgamation process or not, we know it is working, but what we are trying to do here is trying to make a point that it is important that the Opposition know, the public of Manitoba know that this Government is there to support these school divisions in the amalgamation process.

I know we have a couple of members here like the member from Mountain View, which their division received also \$164,000, almost \$165,000. Now, these are huge dollars, and the reason I wanted to make sure they were in the record is to let people know and have people understand—

Mr. Chairperson: Order, please. There are too many conversations going across the table and that way we cannot hear the speaker, so that makes it much easier if we do not—we cannot continue if there is conversation going on.

Mr. Lemieux: Thank you very much, Mr. Chairperson. I know that some people do not want to listen to those numbers and do not want to hear them, but the fact of the matter is, our Government is being very supportive of amalgamated divisions. That money is very important to those divisions. We have heard anecdotal feedback through our staff about the assistance that the department and the Government have given amalgamated divisions, and we will continue to work with these divisions.

You have Prairie Rose that just began the process. Now I just want to state that this school division right now is going through the labour, its labour, through the process. There is a process in place, and the process is working its way through. I have recommended, or at least suggested, to Prairie Rose that they look at mediation services, look at a mediator to help resolve their concerns there. I will continue to work with these divisions.

We meet with the organizations in an on-going basis. We understand what their challenges are. It is important to put on the record that we are meeting with them. We are working with them to try to solve them, and yet we know that is going to take some time to address some of these concerns.

Some of the organizations that come forward, I mentioned about strobe lights. Strobe lights for the safety of children. It is important to note that strobe lights are important because the safety of children on buses is very, very important because we need to be able to support –

Mr. Chairperson: Order, please.

Point of Order

Mr. Chairperson: Member for Russell, on a point of order?

Mr. Derkach: Mr. Chair, I hate to -

An Honourable Member: Is this a point of order?

Mr. Derkach: On a point of order.

Mr. Chair, in that Chamber we point to *Beauchesne* 417 as a rule that has been accepted by Manitoba to ensure that, when answering a question, the minister's comments are directed towards the question that was posed and that they be as brief as possible and address the matter that has been raised.

Now I know we are not in the House and I know that, as an adoption of new rules, we have dispensed with *Beauchesne* 417 in the Chamber; but, if the minister wants to retain any shred of respect with respect to this committee, then I suggest that he contain his remarks to the questions that have been asked rather than going all over the map talking about the importance of strobe lights on buses when we were talking about money that was afforded to Sunrise School Division, which is a very specific issue that we are talking about and not anything to do with strobe lights and anything else. Unless he is becoming delusional, I suggest he point his comments at the questions that have been asked.

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

Mr. Schuler: Mr. Chairman, I think this committee has been very patient with the minister, very patient. We have asked questions, very direct questions, very straightforward, and have received answers about strobe lights. I could quote back to you *Beauchesne* about how answers are supposed to be directed towards the question. Answers are supposed to be relevant. We asked: Did CUPE ask for the \$428,000? When did they ask for it? Of whom did they ask it? And our answers back are strobe lights.

The minister is making a mockery of what we are trying to do here. This is an accountability session where we, as Opposition, go through the Estimates—where we go through and we ask, yes, very poignant, very tough, very direct questions. The minister sits with departmental staff and is supposed to answer the questions, not come up with frivolous strobe light answers, and it is an affront. It is an affront to this committee.

* (17:20)

It is an insult to this committee who have hour after hour, day after day sat here and have attempted to find out where exactly this Government went with the \$428,000 that was forwarded to Sunrise School Division. We know and we have laid this out for the minister; we have asked the minister: Who asked for the money? The minister answered back, strobe lights. We have asked: When did CUPE ask for the money? We get answers back, strobe lights. We asked: When was this approved at Treasury Board? We get answers back, strobe lights.

Mr. Chairperson, that does not add to the decorum of debate in this Chamber. This is to you, Mr. Chairman, that this is about debate. This is about going through the Estimates. This is about the Opposition asking direct and poignant questions and, in turn, deserving and demanding straightforward, honest answers. We have never yet asked about strobe lights, and I would like to assure this Chairman that we will not be asking about strobe lights. That is not on our horizon.

We asked very serious questions, and this minister is in breach of *Beauchesne* and should be called to account for that. He should be called

to task on that. There is not a lot of time. We do not have a lot of time. Estimates were cut down from 240 to 100 hours. We would like to have some answers to the questions that are out in our communities, that are being discussed in the media, that are being discussed by the public. I can assure this minister, and I can assure this Chairman, that strobe lights are not one of those issues. It is not relevant. That is not what we were asking about. That is not where we were going. We would like to have some answers.

I would suggest, in my humble opinion, to the Chair of this committee, that the Chair call the minister to account. Tell him that this is Estimates. This is not rambling time. This is not about strobe lights. I hope that the Chairman of this committee takes *Beauchesne*, lays it out for the minister, lays it out clear for the minister and points those sections out and says, Minister, it is time to get back on track. It is time to stop stalling this committee. It is time to stop stonewalling this committee. It is time to start answering the questions. When did the union ask for the 428,000? When did the approval go through Treasury Board? How was this money forwarded? When was it asked for? And not about strobe lights.

Again, I would refer the Chair of the committee back to *Beauchesne*. Mr. Chairman, you do have legislative advice sitting next to you. You should consult with the legislative advice. Look up the appropriate sections and advise the minister that it is time to bring this committee back to where it should be, and that is dealing with the issues at hand.

The 428,000, I might advise the Chair, is very relevant to the Estimates we are talking about. We have consistently asked where in the Estimates did we find that. The whole process of how that found its way into the Estimates, I think, is worthy of this committee to be asking. It is worthy of this minister to be answering. I do not think it is worthy of answers to come back about silliness, about strobe lights. That was not the question. That is not where we were going. That is not what we are wondering about. I do not think it is a hot public issue out in Manitoba. I do not think that is where people's headspace is at all.

Mr. Chairperson: Order, please. Has the Member for Springfield concluded his remarks?

Mr. Schuler: Just about. To the Chair, I will conclude my remarks.

Mr. Chairperson: Yes, if you could conclude your remarks, we could get on. Thank you.

Mr. Schuler: I will wrap up. Again, I would like to make the case that *Beauchesne* is very clear in this matter. I am sure the Chair has very wise advice sitting next to him. This should be pointed out because I think this committee has been very tolerant and very patient until this point in time. The Chair must pull the minister back on track. Answers should be directed towards the question and not towards never-never land, not to fantasy land.

I think that it is reasonable of this committee to ask of the Chair to bring the minister back to where this committee has been asking questions. I think that is very reasonable for us to be asking.

Mr. Chairperson: I thank the Member for Springfield. Before I recognize the Member for Dauphin-Roblin (Mr. Struthers)—not to use points of order for debate. If you could keep your comments short, we will listen to the Member for Dauphin-Roblin. Thank you.

Same point of order?

Mr. Stan Struthers (Dauphin-Roblin): On the same point of order, which, I would argue, is not a point of order at all, Mr. Chairman. I think you have very correctly pointed out that it need not be used to further points of the debate or ask further questions of the minister. We are in Estimates with, I think, ample time for members opposite to ask all the questions that they need to ask and get the answers that are available.

Points of order are not there for members of either side of the House to ask questions. They are not to be abused that way. The Member for Springfield did not even so much as point out what section of *Beauchesne* has been breached. I think it is incumbent on members of this committee, when they are bringing forward breaches of the rules, which are important, to make sure

that they indicate which area of *Beauchesne* needs to be put forward.

An Honourable Member: I stand corrected. *Beauchesne* 417.

Mr. Struthers: Irrespective of even whether *Beauchesne*, that particular rule, applies to this committee or not given the new rules that we have put forward, clearly, this is simply a dispute over the facts. The question that was asked to begin with was in the area of what kind of support this minister, our Government had been giving to divisions that went through the amalgamation process. I am very interested to listen to the response of the minister showing clearly the adequate level of support that has been given to divisions right across this province.

Mr. Chairperson: I would ask the Member for Dauphin-Roblin to conclude his remarks.

Mr. Struthers: In conclusion, Mr. Chairperson, I do not believe there is a point of order and I think you should rule as such.

Mr. Chairperson: I thank you all for your contributions. Oh, Member for River East (Mrs. Mitchelson), we still have some time.

An Honourable Member: Take it easy, Bonnie.

Mrs. Mitchelson: I know it is the end of the day, Mr. Chair, but I believe that the Member for Dauphin (Mr. Struthers) must have tightened the rope on my microphone on purpose.

I just want to indicate, Mr. Chair, on this point of order that it is unconscionable that the Government would not answer the questions and be held accountable for half a million dollars of taxpayers' money.

This is an abuse to taxpayers, the kind of activity we have seen by the minister this afternoon, where he continues to repeat over and over and over again the same answers to some very specific questions.

Mr. Chairperson, the taxpayers of Manitoba deserve better from this minister and this Government. It smells of political corruption when

we have the kinds of answers that we have coming from the Minister of Education (Mr. Lemieux). If he cannot answer the questions, then he is hiding something. He needs to be held accountable. This certainly will not be the end of this issue.

Mr. Chairperson: I just want to inform the committee I will take the matter under advisement, so that I may peruse Hansard, and I will report back to the committee.

* * *

Mr. Chairperson: The hour being 5:30 p.m., committee rise.

ABORIGINAL AND NORTHERN AFFAIRS

* (14:50)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for the Department of Aboriginal and Northern Affairs.

Does the Honourable Minister of Aboriginal and Northern Affairs have an opening statement?

Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs): Thank you, Madam Chair. Yes, I am prepared to make some opening remarks.

Let me start off by saying that I am pleased to present the 2003-04 Estimates of Manitoba Aboriginal and Northern Affairs. Our department continues to make improvements to municipal and transportation infrastructure, provisions for safe water, housing, health care and educational opportunities in northern Manitoba. We have developed partnerships and co-operative approaches with many communities, Aboriginal organizations, government departments, other agencies and other levels of government and non-government bodies.

On September 9, for example, I was pleased to sign on behalf of the Province a sustainable workforce partnership agreement with Manitoba Keewatinowi Okimakanak.

I will very briefly discuss the sections of the department beginning with the work of the

Aboriginal Affairs Secretariat. We provide core funding to the Assembly of Manitoba Chiefs, Manitoba Keewatinowi Okimakanak Incorporated, Manitoba Métis Federation Incorporated, Mother of Red Nations and the Southern Chiefs Organization. Additionally, we fund the 11 Manitoba friendship centres. The Manitoba Aboriginal Sport and Recreation Council Incorporated also receives funding.

The MOU between Manitoba and Canada and the Aboriginal Council of Winnipeg has been renewed. We have been encouraged by recent interest of the federal government in addressing urban Aboriginal issues. Manitoba has the highest portion of Aboriginal people of any province and Winnipeg has the largest Aboriginal community of any Canadian city.

Madam Chair, a great deal of action on addressing urban Aboriginal issues is occurring. Canada and Manitoba signed a memorandum of understanding with the City of Winnipeg in January to negotiate and develop a new urban development agreement for the city of Winnipeg. The MOU identifies the focus on four major issue areas; the first one being opportunities for Aboriginal participation, the sustainable community economic development, downtown renewal and technology and innovation. This new agreement is expected to be a five-year agreement with a major focus on Aboriginal issues in Winnipeg.

Madam Chair, from the Aboriginal Justice Implementation Commission, the AJIC-recommended Aboriginal Child and Family Services program is now in place. First Nation and Métis child welfare authorities are being implemented. Many of our departmental initiatives in various stages of implementation are reflected in or inspired by the AJIC's recommendations. We co-chair the AJIC committee of Cabinet which coordinates the implementation of the AJIC recommendations.

Madam Chair, the Northern Flood Agreement. This Government continues to recognize and uphold the Northern Flood Agreement as a modern-day treaty and works with the four NFA First Nations that have signed master implementation agreements.

Madam Chair, the Nisichawayasihk and Tataskweyak Cree Nations have also signed separate MOUs regarding future Hydro development in their areas. In conjunction with Manitoba Hydro and Canada, we support pre-employment training for upwards of 800 northern residents in future projects.

Cross Lake implementation activities. As of last December, with the participation from Manitoba Hydro and the leadership of Cross Lake, we put in place a NFA implementation action plan designed to create more local jobs and programs for the residents of Cross Lake. This summer, over 130 Cross Lake residents worked on a range of projects as a result of the plan. These initiatives include enhanced shoreline cleanup and restoration work, a new dock facility, new playgrounds and outdoor skating rinks. The construction of the \$25-million Netak Bridge is occurring with completion date scheduled for the fall of 2004. All of these initiatives and projects create local employment and provide valuable training for residents.

Federal Minister Nault withdrew support for the four-party agenda process citing concerns that it was not producing results to justify the costs. He has stated that they will continue to meet and uphold existing obligations under the NFA using a proposal-driven approach. The Province and Manitoba Hydro will do likewise.

Madam Chair, the Aboriginal Economic Resource Development Fund provides assistance to community-based projects that address northern and economic development including initiatives under the Northern Development Strategy.

The federal-provincial-territorial Aboriginal ministers and national Aboriginal leaders are focussing on promoting increased Aboriginal participation in the economy. We have also been working with the northern development ministers across the country on increased Aboriginal participation in resource development, capacity development, justice and apprenticeship training.

An interprovincial working group is developing a northern awareness enhancement campaign promoting tourism and investment, recruitment and retention in the North. The Aboriginal and Northern Affairs Department is a

co-chair of the Northern Development Strategy co-ordination committee and participates on each of five working groups.

Madam Chair, the five priority areas that have been identified under this strategy include health, transportation, employment and training, economic development and housing. Negotiations are ongoing between Sioux Valley, Canada and Manitoba with respect to a self-government model for Sioux Valley. Signing of the final agreement is anticipated next year.

The 1997 Treaty Land Entitlement Framework Agreement between Manitoba, the federal government and the 20 TLE First Nations is being implemented. Under the terms of treaties signed between 1870 and 1885, the federal government owes land to these specific First Nations.

Under the natural resources transfer agreement act of 1930, Manitoba is obligated to transfer unoccupied Crown land to the federal government to fulfil these outstanding TLE obligations. The total amount of land is less than 1 percent of the total land base in Manitoba.

Recently, a TLE offer was made to Peguis First Nation. Manitoba has committed 50 000 acres of unoccupied Crown land, out of a total of 166 000 acres owing. Canada has agreed to commit over \$50 million to purchase the remaining land.

As a part of the department's Aboriginal employment strategy, we have signed partnership agreements with the Winnipeg, Burntwood, and NOR-MAN regional health authorities to increase Aboriginal participation in their workforces. Another signing is imminent with at least one more expected this year.

I am pleased to note that this Budget increases our Capital Grants program by \$1 million and our Community Operations Grant by \$97,000 for local government development and delivery of municipal services to the 50 communities designated under The Northern Affairs Act. Discussions and planning are ongoing with the Northern Association of Community Council communities of Cross Lake, Nelson House, Seymourville, Norway House and Wabowden,

which have expressed interest in incorporating under The Northern Affairs Act.

The local government division continues to work with communities to promote capacity and development, including training of primary and backup operators of 43 community water treatment plants. The upgrading of water treatment facilities is proceeding through an increase to our Capital Grants program over the past three years of \$7.1 million and funding under the Canada-Manitoba Infrastructure program.

Economic planning is being conducted in Easterville, Brochet, Ilford and Moose Lake at both the Northern Affairs communities and neighbouring First Nations. It is hoped that this will break down some of the barriers between status and non-status communities focussing on common issues and interests.

Madam Chair, focussing on improving the housing stock and living conditions of residents in our communities is also a priority. The department distributed smoke detectors through local fire departments to homes in all communities within the jurisdiction of Northern Affairs. The units have a 10-year life span with a non-removable battery. This initiative has already been credited with saving the lives of one family.

Madam Chair, our recreation and wellness consultants are promoting and supporting recreation programming, working with local recreation directors serving 20 communities in activities that educate, support recreation staff, program development and participation.

The capital program: this year 34 capital projects are planned in areas of water, waste water and waste management, the maintenance of existing facilities and the provision of new justified municipal infrastructure. As well, 12 engineering and design projects and six surveys for subdivisions are anticipated. Major projects include Brochet waste water treatment plant, the Easterville lagoon, Pelican Rapids community hall, Berens River road upgrade, Seymourville regional waste disposal site, Duck Bay waterlines and the Manigotagan fire truck replacement.

Given the environmental concerns and the priority of safe water supplies, the Province increased the Aboriginal and Northern Affairs capital budget by \$2.2 million last year and another \$1 million this year.

Under the Canada-Manitoba Infrastructure program, the projects that have been improved include the Camperville and Duck Bay water and sewer line replacement, the Cormorant water treatment plant, Brochet waste water treatment, Wabowden waste disposal site, Easterville waste water lagoon, and the Waterhen and Pikwitonei water treatment plan upgrades. These represent a major increase in approval of northern projects compared to previous infrastructure programs.

The development fund employs roughly 460 people. Fisher employment totals an additional approximately 1300, not including helpers and packers. The fund is a key component in our Northern Development Strategy through its many activities in the North such as TEAM, which has 164 clients in 29 northern communities, on and off reserve. Consulting services, participation in round tables, working with northern forest diversification businesses, the REDI Program in northeastern Manitoba and through its loan program.

* (15:00)

New loans approved last year totaled more than \$5 million. The fund has more than 140 clients with a portfolio of some \$14 million. Last year, the fund loaned \$4 million to fishers. In closing, Madam Chair, I point out that addressing the economic and social concerns of the northern people and Aboriginal people, both on and off the reserve, remains a huge challenge. Engaging the federal government and the residents of the region are critical to us making any significant progress. We remain committed to implementing the Northern Development Strategy, and, of course, we ask for the support of everyone here.

Madam Chairperson, those are my opening remarks.

Madam Chairperson: We thank the Minister of Aboriginal and Northern Affairs for those comments.

Does the Official Opposition critic, the honourable Member for Lac du Bonnet, have any opening comments?

Mr. Gerald Hawranik (Lac du Bonnet): Yes, I have, Madam Chairperson. I would like to thank the minister for his statement on giving us a little bit of an overview of what the department has been doing over the last year.

In terms of the size of the Department of Aboriginal and Northern Affairs, in terms of dollars, it is relatively small, but in terms of responsibility, it is relatively large. Because of the fact that, of course, many of the areas are covered by the federal government, we have to hold the federal government's feet to the fire in health, education and justice, and so on, so it is a very important area, I believe, of government. While the dollar amounts are small, the responsibilities are large, I believe.

The minister has not introduced his staff yet, but I would certainly like to thank the staff for all of their hard work and their service to the department and in support of the Aboriginal people in Manitoba.

With that, Madam Chair, I would like to conclude my remarks, and I look forward to hearing the responses to my questions that I am going to be posing to the minister this afternoon.

Madam Chairperson: We thank the critic for the Official Opposition. Under Manitoba practice, debate of the minister's salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and proceed with consideration of the remaining items referenced in Resolution 19.1. At this time, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff present.

Mr. Lathlin: Thank you, Madam Chair. I will introduce the staff from the Department of Aboriginal and Northern Affairs. First, we have Harvey Bostrom, who is the deputy minister; Marilyn Duval, who is the executive director of Local Government Development Division. We have Joe Morriveau, who is the executive director of Aboriginal Affairs Secretariat; Ken Agar,

who is director of Agreements Management. Is everybody taking a bow?

Eleanor Brockington, who is the director of Policy and Strategic Initiatives; Rene Gagnon, who is the director of Finance and Admin; and Amitava Basu, who is the financial analyst of the Northern Affairs fund.

Madam Chairperson: We thank the minister. We will now proceed to the remaining items contained in Resolution 19.1 on page 23 of the main Estimates book. Shall the resolution pass?

Mr. Hawranik: I wonder, Madam Chairperson, if we might proceed to a global discussion of the issues at this point as opposed to going line by line, and we can defer that for a later time in the Estimates process as has been traditional, I think, in the past.

Madam Chairperson: Is there leave for a global discussion? *[Agreed]* Leave has been granted. The floor is open for discussion.

Mr. Hawranik: I noted that the previous Minister of Aboriginal and Northern Affairs on CJOB, about a year and a half ago, in response to a caller, indicated that the Government would be reviewing milk prices in northern Manitoba with a view to perhaps standardizing milk prices in northern Manitoba. I fail to see any action at this point from the minister's department with respect to that. I note that there are prices out there that are \$4 a litre and upwards for milk in northern Manitoba, in northern communities. No matter whether it is accessed by road, plane, winter road or water, it seems that the milk prices are unregulated. The Milk Price Review Board does not review and standardize prices in northern Manitoba, and I am wondering what the minister's plans are with respect to standardizing milk prices in northern Manitoba.

Mr. Lathlin: I thank the member for the question. Yes, there has been a lot of work done since the previous minister made mention of the issue. The issue of the price of milk became the initial focus of attention. The previous Minister Robinson and I used to sit together to discuss the price of milk, and between him and me we had come to the conclusion that the issue of the price of milk was really not the overwhelming issue,

but the whole issue of the price of nutritional food—cost of transportation, the availability, local production—was really the issue.

I relate it back to my own childhood on the reserve where I grew up. Initially, as young children, we were fed milk, but as we grew a little bit older, four, five, six years old, milk was no longer part of our main food item but nutritional food was, like protein, moose meat, fish and berries and stuff like that.

It was concluded, rather than concentrate on the milk price, that we initiate our response that is issued by working on and concentrating on the price of nutritious foods. In the past year, year and a half, we have been working to produce some recommendations for Cabinet.

There was a multi-jurisdictional steering committee that was established last summer—no, in July 2002. That task force or that committee completed its work in December of 2002. Then from there it proceeded to the Healthy Child Committee of Cabinet which reviewed the report in the spring of 2003. The Healthy Child Committee of Cabinet approved, in principle, a plan and budget to proceed to Cabinet, and that is where we are now.

Mr. Hawranik: I have to agree with you that food prices overall are probably an important issue, and I bring up milk prices because that certainly is one of the very important foods for young mothers and for children. Of course, northern food prices in total is really the issue.

Can you tell me something about the recommendations that have been made by the steering committee to Cabinet?

* (15:10)

Mr. Lathlin: Madam Chair, maybe at the outset I neglected to say in my first response that the implementation plan has become known as the Northern Healthy Foods Initiative. Under Northern Affairs, for example, we have dedicated some hundred thousand dollars towards the funding for community-specific projects and workshops in this fiscal year.

The main recommendations that came from the committee, actually there were seven I guess

strategic options that were recommended, the first one being northern food self-sufficiency initiative, they call it, the second one being the milk price review in northern communities, northern food business development, northern community foods program, northern greenhouse pilot project, northern gardens initiative and northern food price survey.

We recommended four options including the food business development, community foods program, the greenhouse pilot project and northern gardens. Those four recommendations have been combined into one main initiative which will be called the food self-sufficiency initiative.

The other three recommendations or recommended options were the milk price review in the northern communities, the northern food price survey program and a further study of the food cost rebate.

So that is what we have done thus far.

Mr. Hawranik: Listening to those recommendations, it seems like most, if not all, of them are just basically further study. You have \$100,000 funding those kinds of projects which really do not realistically and do not practically reduce the food prices in northern Manitoba.

My question to the minister is: Is there going to be any further program which targets reducing the prices directly to the consumer, reducing perhaps shipping costs for businesses when they bring in food or perhaps introducing measures for price controls up north?

Mr. Lathlin: I thank the member's observation because that was exactly my reaction when I first started reviewing the recommendations, the options that were presented for our committee. So we have decided that rather than go through further study, we gave instructions that we should start off by working on those practical initiatives, things that could be accomplished on the ground, in the community. For example, already we have advanced some funds to Red Sucker Lake First Nation, and they are going to be doing the northern community foods program.

I myself am partial to things that we can actually do in a community, produce locally, community gardens, greenhouses. Even in some places in other provinces, communities have resorted to people going out on the land, doing community hunts, community fishing, and bringing back the catch to the community where an organization established by the community is responsible for storing the food products and distributing them to a list of people that is supplied to them by the respective chiefs and councils.

So I am in agreement with the member. In fact, that is where we are headed. We are going to do the more practical programs, programs that are going to be beneficial immediately, not further studies.

Mr. Hawranik: I guess you kind of echoed my concerns. One of the concerns I have, too, is that \$100,000, I believe, is woefully inadequate for a program like that. I would hope that the minister takes those comments to Cabinet to increase the funding for controlling food prices.

One of the reasons why I brought up milk prices initially is the fact that we now have a Milk Prices Review board, which can control prices in Manitoba, and I think the board can be used to some advantage. Almost all northern communities and the northern reserves are not under the jurisdiction of the Milk Prices Review board. My concern is that you could probably have an immediate impact on milk prices by, in fact, controlling milk prices through the Milk Prices Review board and telling them exactly how they are going to control milk prices, through supply management.

Has the minister given any thought to how he could control milk prices in northern Manitoba in particular?

Mr. Lathlin: In fact, I can indicate to the member that the other three recommended options that I listed when I was going through the program in fact includes milk price review in the northern communities. I believe through the course of the committee's work, they have been working with the Milk Prices Review Commission, I believe is the name, or working with them with a view that perhaps we can use some

of their ideas in determining or at least trying to come up with a way to make milk accessible to northern people at a fair price.

Mr. Hawranik: I guess my comment to that is that we as a province can control beer and liquor prices in northern communities very easily. It seems to me that it would be very easy to come up with a formula through supply management to control prices in northern Manitoba, to control milk prices in northern Manitoba.

Having heard the previous minister a year or a year and a half ago on CJOB saying he is working on it and then to hear today that in fact in reality very little has been done to control milk prices and could have been done probably a year ago is somewhat distressing. I am wondering if the minister can give us some idea as to when we might see control of milk prices in northern Manitoba.

* (15:20)

Mr. Lathlin: I disagree with the member's observations totally. I have just finished describing the work that has been done to date. I think that work has been substantial. I also indicated to him at the outset that we are not going to be concentrating on the issue of milk prices, because although it is an important factor we believe in looking at the whole issue of nutritious food prices in the North. So that is what we have been doing.

I also told him that we just recently advanced some funds already to Red Sucker Lake, so that is not exactly doing nothing. The Department of Aboriginal and Northern Affairs has dedicated \$100,000 to project funding. At the same time we are looking to get funding from other departments for specific projects listed under the initiatives here that we have talked about. We are also seeking the federal government as a partner in this initiative.

Mr. Hawranik: I guess what I have heard from the minister is that one of the recommendations was to seek the advice of the Milk Control Review Board. My concern is: When will that happen, how long will it take, and when does he see milk prices being controlled within northern Manitoba?

Mr. Lathlin: You know, as I said earlier, we used to feel too, and I remember when I was the chief at OCN talking about the price of liquor, whatever price it was, and going north it was the same price. I used to think that we should have milk available to northerners at a fair price. I still think that. As I said, I think that is part of several options that we are looking at or tools or goals that we have.

For me to concentrate on milk price in the North, given the knowledge that I have about the way northerners live, I think it would be useful to include other food items as well, because, as I said earlier, this project, the initial issue was milk prices. It developed into a much bigger issue than that. That is nutritious foods. I am sure the member knows that the incidence of diabetes in the Aboriginal community is quite high. So we are looking to encourage people to get into healthy lifestyles, eating healthy foods and giving them programs and services that will help them along.

So I have to reiterate to the member that for us to concentrate on the price of milk up north and not talk about nutritious foods I think would be a mistake.

Mr. Hawranik: I have to reiterate that I see the importance of looking at food prices in the North. I do not think there is any argument about that, but one of your recommendations is with respect to looking at milk prices and using the Milk Price Review board as an instrument to look at milk prices up north.

My question to the minister is: Considering the fact that the previous minister a year and a half ago said that they would review milk prices, and it is one of the recommendations, when does the minister expect the Milk Price Review board to come up with recommendations?

Mr. Lathlin: Well, I think I have already indicated to the member, Madam Chairperson, that we have all along been working with the Milk Price Review Commission, seeking their guidance and expertise. I have also indicated to the member that we are continuing to work with that particular commission in order that we may be able to come up with some program with respect to the price of milk up north.

You see, this whole initiative actually got started from northern people, MKO and other Aboriginal organizations in the North, including mayors and councils. The steering committee that was set up to look at this issue, of course, comprised of those First Nations who were concerned initially, and all along, as I have said to the member, those First Nation reps on that steering committee advised that milk, even though it was an important food item, it was not a priority. They wanted focus on healthy food items. They recognize that milk is important, but they said, if we concentrate on milk, we have high incidence of diabetes, so we have to look at it in a more global sense.

So that is what those First Nations reps have indicated all along, and like I said I, growing up on the reserve where I come from, I am still here so many years later, but I remember just—and even my brothers and sisters, and they are all still alive today. There are eight of us in the family, and they are all alive, they are all grown up. Some of us were fed from our mom's breast and some of us were fed milk bought at the store, but when we got to be four or five years old we got away from the milk and started eating fish and moose meat and ducks and all kinds of berries. What I am telling the member today is that is what we want to do, but we do not want to totally get away from the milk.

Mr. Hawranik: I appreciate your telling us about your diet, Mr. Minister, but I can tell you I probably ate as much moose meat and deer as you may have, because I grew up in rural Manitoba. A large portion of our diet in fact was wild meat as well. In any event, I am still looking for a timetable. I guess my concern is that it seems to me a fairly easy question to answer with a timetable. My concern is that the previous minister, a year and a half ago, stated over open-line radio that they are looking at milk prices. I am specifically focusing on milk prices.

It seems to me that it should not take a year and a half to control milk prices in Manitoba if he was looking at it a year and a half ago. You are telling me that the Milk Prices Review board is looking at that issue. Can you tell me how much further it will take before the board will make its recommendations?

Mr. Lathlin: Again, I repeat to the member that those people who served on the steering committee came to realize that the milk price in the North was really not the issue. The issue was healthy lifestyles and eating healthy. They moved in that direction, but that is not to say that we were going to completely abandon the idea of looking at milk. I told my staff here, quite frankly, that if it was totally up to me, I would not even talk about milk. I would talk about other nutritious foods to make sure that those are available, particularly those that are in the more isolated communities.

It has been proven time and time again that, and I just gave the member a little bit of my life experience, when northerners, First Nations people, Aboriginal people were living on trap lines and fishing camps and living on the land, there was very little diabetes going on at the time. It was not until the introduction of other food items that those diseases became more prevalent. That is why I am sold on the idea of not necessarily going back to the old days, but getting a program going that would see Aboriginal communities getting away from the junk food and going more to products you get from a community garden, products you get from the land, berries and stuff like that and wild animals and birds. That is, I think, as a person coming from that Aboriginal community, I know that he grew up almost the same way as I did.

I think I would like to concentrate on those food items, the healthy food items rather than concentrating on milk.

*(15:30)

Mr. Hawranik: I think it is commendable that you are concentrating on northern food prices. I think that is the way to go. Still, Mr. Minister, one of your strategies is to deal with milk prices. That is one of the recommendations. It seems rather an easy recommendation to fulfil. I am still concerned about a timetable. Is it going to take a year? Is it going to take two years? Is it going to take ten years? It has already taken a year and a half since I heard the previous minister on CJOB state that he is going to control milk prices.

I would like to know what progress is being done with respect to that. While milk is certainly only a small portion of food prices as an issue, it

seems to me that it should be able to be dealt with in a timely manner. I just want to know: What is the timetable? When do you expect the board to make a recommendation to you as to what to do with respect to milk prices in northern Manitoba?

Mr. Lathlin: Madam Chair, I can indicate to the member that we are currently working with the Milk Prices Review Commission and also the healthy foods initiative implementation. How it is going to be implemented will be a partnership with other provincial departments and the federal government with the northern and First Nations communities, so it is really not just up to us. We have several partners in fact, and the funding that will be coming will be from right now existing and of course any new resources that may be approved by government Cabinet.

Once approved by Cabinet, I do not know it is hard to say how long it will be, but would it satisfy the member if I said, okay, let us look at within the year for developing or incorporating the North into the milk price review activity?

Mr. Hawranik: Mr. Minister, my next question relates to constituent concerns. Part of my constituency includes the northern community of Bissett and a number of years ago Rea Gold owned the mine in Bissett. In order to ensure they had a steady supply of workers and there was housing for workers, Rea Gold developed a piece of property that was owned by the Province into a trailer court.

My constituent who lives in Powerview, a Mr. Raymond Garand, in fact, undertook on contract with Rea Gold to instal many of the services, but he was installing those services on Crown land, sewer, water, roads and drainage and other works. It was installed on Crown land. He was not paid for those services. Rea Gold went bankrupt, I understand, later on, and he is out the money that he expended in order to improve that land which still belongs to the Crown, to the Province.

I am wondering whether the minister has any thoughts as to whether or not he feels that my constituent ought to be compensated for the work that he did on that Crown land.

Mr. Lathlin: Madam Chair, I am aware of the issue that the member has raised. In fact, he raised the same matter I believe during the 2002 Estimates process. Then the lawyer for the gentleman wrote in January of 2003 to ask for compensation.

In January I wrote to the lawyer outlining that our position had remained unchanged from before, that being that the work had in fact been contracted by the Bissett gold mining company limited. Our position at that time was that since the gold mining company contracted the work and not the Province, we felt we did not have any obligation. Since then, of course, the matter has proceeded through the courts, I understand.

Mr. Hawranik: Yes, there is a lawyer representing the constituent. There is absolutely no doubt, but it is not in front of the courts as we speak, as I understand.

My concern is for my constituent who is a small business person in the area. It is true that he did not contract with the Province to provide those services to that land, but the Province is the beneficiary of his work, because the gold mining company does not own that land. The gold mining company is no longer operating and the Province has all the improvements for which my client or my constituent paid.

I am wondering whether the minister would be prepared to look into this matter further and whether he would be prepared to do anything further on behalf of my constituent as a result of that.

Mr. Lathlin: I believe I have enough information based on this issue to maintain the position that we held a year ago, a couple of years ago, but I will make a commitment to the member that I will look into this issue further and that I will get back to the member, I will say shortly, but it does not mean tomorrow morning. Let me look at it and I will get back to him as soon as I can.

Mr. Hawranik: I thank the minister for that commitment.

During my previous question, I inadvertently said client. I usually say that because I

am a practising lawyer. I meant constituent. I do not represent the constituent as his lawyer, just to clear the record up.

My next question to the minister is with respect to The Northern Affairs Act: Are there any plans to amend or to replace the existing Northern Affairs Act since it has been in place since 1972?

* (15:40)

Mr. Lathlin: I believe the former minister of Aboriginal and Northern Affairs had been discussing this item for a while because I remember him mentioning it to me one day as we were visiting. I believe there is a proposal to rewrite the act as a result of the consultation process, I guess, which took place with the community people. I understand that the drafting instructions are being prepared by a legislative review or a legislative development committee. That draft would be further reviewed by other government departments prior to it being submitted to the House.

The member is right, Madam Chair. This would be the first major review and rewrite of the act since it was originally enacted in 1972.

Mr. Hawranik: Seeing that the act is under review at this point, is there anything in there that the minister wanted changed with respect to the act, or are there any recommendations of which he is aware that perhaps he could make me aware of this afternoon?

Mr. Lathlin: I believe the whole purpose of the rewrite would be to fine-tune the act, clean it up as it were administratively, because it affects other pieces of legislation and other pieces of legislation affect it. The goal is in the end to have legislation that would stand on its own and probably be more efficient as well.

Mr. Hawranik: Madam Chair, I have another constituent concern for the minister this afternoon. That is with regard to Sagkeeng First Nation. Sagkeeng is in my constituency, and they have mentioned to me on a number of occasions that there is a lot of erosion that is occurring along the Winnipeg River as it meets Lake Winnipeg. I have attempted to speak to

Manitoba Hydro with regard to that issue because I think Manitoba Hydro should bear some of the responsibility as it does with other property owners along the Winnipeg River system.

If property owners, private property owners along the Winnipeg River, complain to Manitoba Hydro about erosion, and if Manitoba Hydro does an inspection and then deems it to be necessary that repairs or rip-rapping is done, they find it within their budget to in fact do the rip-rapping along a private property.

I find that it is more difficult for myself as the MLA for the area, to have Hydro spend money for rip-rapping, protecting the shorelines of Sagkeeng First Nation, than they do for other private property owners along the Winnipeg River.

I am wondering whether the minister can intervene and maybe speak to Manitoba Hydro on behalf of Tembec as well and on my behalf, to see whether or not they would be willing to ensure that erosion is stopped within that reserve. I note that along Provincial Trunk Highway 11, in fact the erosion has occurred so close to Highway 11, that Highway 11 is in danger in many places of falling into the river. I am wondering if the minister is aware of that issue and that concern of Sagkeeng. First of all, whether he is aware of that issue, and secondly, whether he is prepared to speak to Manitoba Hydro with regard to it and obtain a commitment from Manitoba Hydro to resolve this problem.

Mr. Lathlin: Madam Chair, I wonder if I can ask my colleague, the Member for Lac du Bonnet—I am afraid I lost him or he lost me in his preamble. I am not sure whether he is talking about a constituent who comes from Sagkeeng First Nation or including other constituents outside of Sagkeeng First Nation.

Mr. Hawranik: No, Madam Chair, I am talking about Sagkeeng First Nation itself, but I find that it is more difficult to have Hydro commit. That is what I am finding, and I have just been in the political game for about a year and a half, but I can tell you that I find it more difficult to have Hydro move on erosion problems and correcting erosion problems within Sagkeeng First Nation

than they do when they deal with private landowners outside the reserve. I have brought forward several concerns by residents, private landowners, upstream of Sagkeeng First Nation, and in most part, I have received action from Manitoba Hydro when they have done an inspection. They deemed that it was necessary to protect that shoreline, yet when I speak to Manitoba Hydro about Sagkeeng First Nation, it seems to be a bit of a reluctance to deal with that shoreline erosion problem in Sagkeeng. I am wondering if the minister, first of all, is aware of that problem and, secondly, whether he is willing to join with me in asking Manitoba Hydro to protect the shoreline in Sagkeeng First Nation.

Mr. Lathlin: I thank the member for that clarification. I understand the question now.

Yes, Madam Chairperson, I am quite aware of the situation at Sagkeeng with respect to the shoreline erosion. In fact, in my previous job in the Department of Conservation, I was involved in meetings with representatives from Sagkeeng First Nation, officials, and, in fact, the Department of Conservation I thought was working quite well with the members of Sagkeeng First Nation, the representatives, but I thought too, that one of their partners was Manitoba Hydro. Now I am going to check that out, and, yes, I will join the member in lobbying the Minister of Conservation, (Mr. Ashton) and also the minister responsible for Hydro to see what can be done if, indeed, there is nothing being done right now. But I was of the opinion that there was some work being done with Hydro and the Department of Conservation. I will double-check.

* (15:50)

Mr. Hawranik: Just as a point of clarification, Mr. Minister, I am not saying that Manitoba Hydro has done nothing, but I find that there is a reluctance to dealing with the situation, I think maybe partly because of the fact that it is such a massive problem in Sagkeeng, all along the shoreline. Sagkeeng, of course, goes on both the north side and the south side of the Winnipeg River, and in fact goes to where Winnipeg River meets Lake Winnipeg. It is such a massive problem there that perhaps Hydro is reluctant because of that. It involves many miles of shoreline, but if you travel along Highway 11, you can see that it is a massive problem on both sides of

the river, both north and south and for many miles. I thank the minister for his response, saying that he will join with me in perhaps speaking to Manitoba Hydro and trying to resolve that issue once and for all.

My next question is with regard to the road on the east side of Lake Winnipeg, and it has been talked about for many years. It is a factor that is very important to the economy, the Lac du Bonnet constituency first of all, and my concern is for Lac du Bonnet constituency, but of course it is a factor that is very important to the northern communities and the northern Aboriginal communities that it intends to connect to southern Manitoba. Can the minister tell me what the progress of that highway is or the negotiations with respect to that highway are?

Mr. Lathlin: Madam Chair, I can indicate to the member that there is a lot of work being done currently with respect to the east side of Lake Winnipeg. The Government is presently involved in quite an extensive consultation process through the East Side Lake Winnipeg Round Table that is being chaired by, still being chaired, I believe, by Phil Fontaine. So they are doing that work, but the work of that group is to eventually come up with a plan that would be balanced, you know, whether it is a road or forestry or mining or tourism, fishing, et cetera.

I think for the member's question, there had been an engineering study that had been done or is currently being conducted for that road—is it between Bloodvein and—no, from Manigotagan to Bloodvein, the engineering study being done. Because I am not the Transportation Minister, I do not know exactly where it is today, but I know that that engineering study is being done and of course the rest of the way north is subject to still the work being completed by the East Side Lake Winnipeg Round Table.

Mr. Hawranik: Does the minister have any information as to when that report will be ready from the East Side Lake Winnipeg Round Table because I understand that that report will advise Government on the sustainable land use plan for that area? When do you believe that that report or when do you expect that report to be ready?

Mr. Lathlin: I can indicate to the member, Madam Chairperson, that the work of the East

Side Lake Winnipeg Round Table, the wide area planning initiative that is currently underway—they have had a lot of meetings already but there is still a lot of work to be done in the consultation part of it. You know, when we started this process, people had their own timetables, time lines. I suggested to people on day one that it would probably take a long time if we were going to do the job right because of the amount of consultation that has to take place because there are so many groups that have to be told about the plan and that they agree with what is being planned and they support whatever comes out at the end.

I also think, Madam Chairperson, that, again, because this is the Department of Conservation's responsibility, not Aboriginal and Northern Affairs, I will consult with the Minister of Conservation (Mr. Ashton). Maybe I could report to the member whenever I get that information. Perhaps I could write him a note or something after I consult. Of course he is perfectly free as well to approach the Minister of Conservation and query him.

I believe Conservation Estimates are coming up pretty soon, so perhaps the member can go there as well. In the meantime I will speak to the Minister of Conservation and find out exactly, well, not even he cannot say exactly when it is going to be done, but just to sort of guesstimate how long this process will take, because that will determine the road project.

Mr. Hawranik: My next question is with regard to Sagkeeng and Tembec in Pine Falls. There was talk a couple of years ago with respect to a partnership between Tembec and Sagkeeng to construct a saw mill in the Pine Falls area. It was a partnership between Tembec and the community of Sagkeeng. Of course the proposed saw mill was mothballed temporarily because of the softwood lumber dispute between Canada and the United States.

Can you tell me what the status is of that relationship, that partnership between Tembec and Sagkeeng? What is the status of that partnership at this point?

Mr. Lathlin: I can indicate to the member, yes, that particular project, that partnership that was

formed between Tembec and actually it was several First Nations. I believe there were about 11 or so First Nations that got involved. The member is absolutely right. Again I am speaking on this issue because of my prior work with Conservation, at the time the first thing that had to be determined, even before Government could support the partnership was whether in fact there was enough fibre that was going to be available in that area. That has been determined, working with Tembec and Conservation forestry people. Then of course the partnership had to be established. That has been established.

I will just wait for the member to finish.

An Honourable Member: Go ahead.

Mr. Lathlin: Madam Chair, so that partner has been established. The next job was to try to get funding, financing. They were in the midst of securing financing when of course everything fell through as a result of the softwood lumber dispute. So that is where it is now. It is on hold.

*(16:00)

Mr. Hawranik: Just getting back to the road on the east side of Lake Winnipeg, with respect to the East Side Lake Winnipeg Round Table, obviously they hear delegations coming forward, they have to consult with the Aboriginal and northern communities that are involved with that study. Are stipends or expenses being paid to help defray the cost of groups wishing to make presentations to the round table?

Mr. Lathlin: It is rather difficult for me to speak on behalf of the Department of Conservation because that is the lead department in that initiative. Although other departments such as Northern Affairs get updated now and then, really the bulk of that work that is being done is with the Department of Conservation. As far as I know, again speaking from the time that I was there, people who come to the meeting, I think the cost that gets covered by Government is the meetings themselves, the setting up of the meetings. I do not even want to speculate, but I do not think that anybody gets any sort of stipend for showing up at the meeting to come and voice an opinion one way or another. The chair of the round table was given a per diem

and then there is, of course, the staff from Conservation who provide support to the chair so that is salaried people.

I believe those are the costs that get covered, but again, my advice to the member would be to catch the Minister of Conservation (Mr. Ashton) in the next round. I looked at the schedule the other day, but it kind of changes from day to day. The Minister of Conservation's Estimates will be on very shortly, and I think the member would be well advised to maybe ask the minister who knows. I know a little bit from what I remember when I was there, but I certainly do not want to give wrong information to the member.

Mr. Hawranik: My only comment to that is I hope when I ask the Minister of Conservation (Mr. Ashton) the same question, he does not ask me to ask the Minister of Aboriginal and Northern Affairs. So we will see where that goes.

The next question is with regard to the Northern Flood Agreement. The only outstanding claim, I understand, of the Northern Flood Agreement is by Cross Lake. Is that correct?

Mr. Lathlin: With respect to the Northern Flood Agreement, Cross Lake continues to be the only signatory to that Northern Flood Agreement that has not signed on to the comprehensive implementation agreement.

Mr. Hawranik: Could the minister provide me with the current status of that claim and the issues that are still outstanding?

Mr. Lathlin: I think, in my opening remarks, I referenced an announcement or we went to Cross Lake in December, last December. We met with the leadership there and we announced jointly with the leadership there, we announced what we refer to as an implementation plan. It was supposed to be 15 months in duration, this implementation plan that we announced. It contained quite a few implementation activities or projects. It also had a cost of some \$23 million. That includes the bridge, of course.

Since then, Madam Chair, there has been a lot of debris cleaning, shoreline restoration, work that has gone on. I think I mentioned about

130 people have been employed doing that. Other projects that are listed in the implementation plan include recreation. It is called the McKay Memorial Centre, a new dock facility. We also included in that implementation plan playgrounds to be installed throughout the community as well as outdoor skating rinks.

That has been going since December for Cross Lake. It was minus 30 the time we were there.

Mr. Hawranik: Can the minister tell me how much funding has lapsed overall from last year's Budget? In what areas did they lapse?

Mr. Lathlin: Madam Chair, I can advise the member that no, there was no lapsing of money last year. We spent the budget.

Mr. Hawranik: Can the minister advise me what the vacancy rate is in the department?

Mr. Lathlin: Madam Chair, the vacancy rate is about 6 percent.

Mr. Hawranik: Yesterday a colleague of mine and myself traveled to Saskatoon to learn more about Aboriginal urban reserves. Of course, Saskatoon has three urban reserves, and Saskatchewan has in total, I believe, 31 Aboriginal urban reserves.

We did not know what to expect when we got there. I had heard newspaper reports about the success of the Muskeg Lake First Nation Urban Reserve. We visited that Aboriginal urban reserve and found that it was basically an industrial park. We saw that there was over 15 years of progress by the Muskeg First Nation, that there were 18 different businesses, whether they were Aboriginal or non-Aboriginal. There were 18 different businesses which employed nearly 400 people on the reserve.

*(16:10)

Really, Madam Chair, we were quite impressed with the reserve. We all have heard I think of the controversy in Winnipeg on Aboriginal urban reserves and the position of Mayor Glen Murray with respect to a reserve in the city of Winnipeg.

What is the position of the Minister of Aboriginal and Northern Affairs with respect to an Aboriginal urban reserve in Winnipeg?

Mr. Lathlin: Of course, as a minister of the Crown I am always looking to support any initiative that would see Aboriginal people improve their situation, whether it is in economic development or education or housing, and so on and so forth. I also believe, because of the seriousness or the enormity of the problem that Aboriginal people find themselves in, I do not think Aboriginal leaders or business or municipal leaders or government leaders can look to one stream of activity and hope to make any kind of progress.

I believe urban reserves, the concept of urban reserves could only be one of several contributing factors toward the solution. I believe education and training for Aboriginal people is another stream. Then I do not believe, as has been pointed out by many people, and I have been following this through the media, I must say the commentary that has been going on, I am not really surprised by that, but the main thing I want to point out here to the member is the idea of creating urban reserves is just one of maybe several tools one can look at to try to improve the socio-economic conditions that Aboriginal people find themselves in, in the city of Winnipeg.

I also believe and I have always believed this, but when emotions and attitudes get fanned up by the media, after a while nobody just thinks anymore or gets logical about things. People just give out emotional rhetoric, and so on.

I, for one, do not believe that we will see 61 First Nations moving en masse to Winnipeg. I do believe to create housing, and so on and so forth, I do believe though that some First Nations will in fact buy property in Winnipeg and then ask the federal government to convert those lands to reserve status. So the provincial Government, in this case, as I have explained to some city councillors, I believe the provincial, at least immediately anyway, would be quite minimal because the whole idea in settling treaty land entitlement, it is the federal government that owns the land and by way of the 1930 natural resources transfer agreement act, we are

obligated to make available unoccupied Crown land to the federal government so they in turn could fulfil their outstanding obligations.

I have also been telling people, unless I have missed it, that I do not believe there is any unoccupied Crown land in the city limits of Winnipeg. So, for the Province to become directly involved right at the outset, I do not think that is on. Maybe I could stop there, and the member can ask, if he wants, other questions.

Basically what I am saying today is, we would support any initiative that would see Aboriginal people improving their socio-economic position in Winnipeg. We also believe the provincial input would be minor at the outset. We also believe not all 61 First Nations will converge in the city of Winnipeg. However, some will, and those will become like what the member saw in Saskatoon. I had been following the situation in Saskatoon for a long time. I also believe that once those properties are bought by First Nations, they could become reserves subject to the Minister of Indian Affairs federally. I also think that once they can become established in Winnipeg, these so-called urban reserves, that they could probably generate a lot of revenue and wealth for their First Nations people living at the reserve.

Myself, I am not afraid of urban reserves. They could work here. I am not saying they are going to work 100 percent, but they seem to be working in other places. It certainly works in the area where I come from.

I could have probably advised people to travel to The Pas, go there on a fact-finding mission and find out how the town of The Pas, the R.M. of Kelsey and the Opaskwayak Cree Nation work together in just about everything. Whether it is the famous Opaskwayak Cree Nation Blizzard hockey team or sharing roads, fire departments, water, sewer. They are doing that already in The Pas and nobody has fallen off the edge yet. In fact, there is really a very good relationship between the OCN, the town of The Pas and the R.M. of Kelsey.

Mr. Rob Altemeyer, Acting Chairperson, in the Chair

I believe some city councillors will travel to The Pas, OCN and Kelsey next week to go and do the same thing they did in Saskatoon and learn so that they can make an informed decision in their council in the City of Winnipeg. Right now, I do believe, there are a lot of people who are ignorant of the facts, the history, but they are forming their opinions anyway. I do not think that is right. I think people should learn about the issue, and then make a decision which way they want to go.

Mr. Hawranik: There are approximately 60 000 Aboriginal people living in Winnipeg today and by the year 2020 there will be approximately 100 000, at least it is projected, living in the city of Winnipeg, and I believe that we have to offer them some hope and opportunity. I agree with the minister when he says that it is just one factor to look at in terms of hope and opportunity for Aboriginal people. It is really just one piece of the puzzle to provide hope and opportunity for them in the city of Winnipeg but we see in recent weeks, in fact the last week I believe, news articles in the *Winnipeg Free Press* which indicate that many people are calling for a referendum on the issue.

* (16:20)

Now I know the Treaty Land Entitlement Framework Agreement does not provide for referendums, but we do have referendums when it comes time to determining whether or not the Aboriginal community can establish a casino within the province. What is the minister's response to people asking for a referendum for an Aboriginal urban reserve? Does he agree that a referendum is necessary in Winnipeg?

Mr. Lathlin: Well, the same as the Chairman, I see a lot of different groups moving into the city of Winnipeg, developers, big companies, and they buy up a lot of property in the city of Winnipeg. In fact as we are sitting here there are several First Nations who have bought up property in the city of Winnipeg—I do not know if the member knows that—York Factory being one of them. The southeast regional development council and, I think, the Island Lake Tribal Council, the Swampy Creek Tribal Council, Norway House First Nation, have all bought property in the city of Winnipeg. Nobody has

thought of asking the City to hold a referendum when those companies—I am talking both Indian and non-Indian companies—move in. Nobody ever thinks, gee, should we hold a referendum because Swampy Creek Tribal Council is thinking of buying some property in downtown Winnipeg.

Nobody has done that. We have had Indians living in Winnipeg for many, many years. Now all of a sudden because certain plots of land will be bought up, or I mean at least that is the idea, for economic development purposes, industrial parks—the member went to Saskatoon and I am glad he went and I am glad that he came back with some positive feelings about what is being done in Saskatoon. So I myself do not really believe that there should be a referendum just because a First Nation community is going to buy up so many lots in Winnipeg and do commercial things there that will in the long run benefit even the city of Winnipeg.

Mr. Chairperson, I am going to take a little more time to explain this because I really want to help the member understand as much as he can. When OCN first started—well, let me go back a little bit. I remember, as a young man in OCN, I used to hear people on the other side of the river, the south side of the river, saying to us, you people have got to get off welfare, you have to get off your butts, go to work and become productive citizens like we are.

We listened. In fact, we started going to school, a lot of us got high school education. Then right now there are so many university or secondary graduates that have come back to OCN. In the old days they would never come back because there was nothing there, but now there is a lot of development there, so a lot of them are coming back to work for OCN.

When that project was going to be started, this is a true story, I kid you not, this is what people told us, you get off welfare, go to work like me. So, like I said, we listened and the next thing you know we were thinking of doing something like what was being done in town, and that is to build a shopping place. We ended up building a 200 000 square-foot shopping center only to find out that the people on the other side said, no, no, no, no, that is not what

we were thinking of. This is too big for you. This is going to make money and that is what we do. That is for us. Basically, that is what we were told. You guys cannot make money, but we did not listen.

We did not listen to the naysayers. We did not listen to the opponents to the project. In fact, the City Council went to court to get a court injunction against the project. Okay, now imagine where OCN would be today if we had listened to the mayor of the town of The Pas at the time who went to court to try to stop the project because in his mind he believed that Indians getting rich would harm the other side.

You know what, the reverse happened. When the band finished the shopping center, merchants started to move in. The other shopping places in town started revamping or refurbishing their place of business. Grocery stores, they went into a mad building spree to improve their places. All of a sudden you shop in town and your groceries are being carried out to your vehicle for you.

That is what it did, that shopping center on the reserve. You know what, the other thing it did? When I was, like I said, when I was young and working in town the chief who initiated the shopping mall, the late Gordon Lathlin, he said, you know, he said, everything happens in town and there is nothing happening on the reserve. We go to town to work. We go to town to shop. We go to town to get our mail. We go to town to buy booze. He was a non-drinker. He hated alcohol. He said we go to town to buy booze and we got to change that. He said we got to make our people believe that we can be just as good as those people across the river.

So when the mall opened in '75 and I am driving across the bridge to go to work, you know what I see? People coming to the reserve side, people from town coming to the reserve side. You know what they are going to do there? They are going there to work for the Indians. They are going there to set up business and do business in an Indian mall. That is what that shopping mall did. In spite of what they said in town, it did not destroy the town, it helped the community grow.

So as a result, before we were uneducated, before we were poor and the balance was like this, the scale. You know what happened after a while. Now we have a little power because we have money, we are educated, and you know what, people start to respect us. People start to treat us like human beings, like people.

They even come to work for us. I see that is the same effect that this concept of urban reserves would have in the city of Winnipeg. You would see citizens of Winnipeg who are paying taxes to the City and the Province going to work for these Indian corporations.

Right now at OCN we are the second largest employer in the area, second only to Tolko. I think our workforce is something like near 500 and over a quarter of those people are not from the reserves. They are from the town. When these 400 or 500 people work, when they get paid, do you know what they do? Because we do not have a car dealership on the reserve, they go across the river and buy cars, they buy TVs, they buy beds and they buy everything. So that is what I think would happen here.

* (16:30)

Mr. Hawranik: Just as a comment to that, I know when I went to Saskatoon and visited the Muskeg Lake Cree Nation urban reserve, we were told that out of 400 employees that are on the reserve, actually 300 are non-Aboriginal employees. It provides opportunity not just for Aboriginal people but obviously for non-Aboriginals as well. It is an economic opportunity, not just for Aboriginal people but for non-Aboriginals.

I think part of the problem in the city of Winnipeg is perhaps the way it was approached. The approach was wrong, I believe, in the sense that they tried to sell the concept before having a plan. Sometimes negative aspects of reserves come out. I think that is what we are seeing in the media.

I know that in Saskatoon it was approached quite differently in the sense that Muskeg Lake Cree Nation had a plan first. They selected a vacant parcel of property and they knew what they were going to do with it, so they could

negotiate a proper municipal services agreement with the city before converting it to reserve status. I think it is quite different in the approach that was there compared to here and they did not have quite the opposition that you have here.

Yes, it is an economic generator, both for Aboriginal and non-Aboriginal people. I am quite open and I think my colleagues are quite open to looking at the possibility of establishing one here, but there are a lot of unanswered questions still. That has to be explored so that people in Winnipeg know what they are getting into before they get into it, and Aboriginals as well.

I note, Mr. Minister, that Brokenhead First Nation and I believe it is Norway House First Nation have selected, under the Treaty Land Entitlement Framework Agreement, about seven or eight miles of shoreline on the north side of lake Lac du Bonnet as part of their entitlement under that agreement. On speaking with the council of Brokenhead First Nation I am advised their intentions are to in fact create a cottage lot development on the north side of the shore of lake Lac du Bonnet, which is a great spot to have a cottage lot development and lease lots to people who want to build cottages on that property.

What concerns me, I guess, is the promise that was made by your Government when the NDP, during 1999, before the 1999 election and now before the 2003 election, to, in fact, develop a thousand waterfront cottage lots within the province to meet the demand.

I guess my concern is that if Broken Head First Nation and Norway House First Nation are, and in fact they are, they will be developing their properties, some seven or eight miles of shoreline. How does that square with your party's commitment first of all to hopefully create some hope and opportunity for Aboriginal people and at the same time the Province is competing with those First Nations in developing cottage lots.

Mr. Lathlin: Mr. Acting Chairperson, I could tell the member that yes indeed, the Premier (Mr. Doer) has gone on record that we would develop a thousand cottage lots for Manitoba. I am not sure if he has stipulated that these cottage

lots would be located in provincial parks or other Crown land municipalities. I am not too clear, but in any event, if Norway House and Broken Head were to develop say a hundred lots, that would only leave us 900 to do the way I look at it because this whole issue came about as a result of news stories that were going around at the time, mainly Lake of the Woods, that the market had just gone crazy with respect to cottage lots. Prices were so high that, unless you were very rich, you could not afford to get a cottage on Lake of the Woods.

Of course, at the same time, I was saying, if you want to go to Lake of the Woods, if that is the only place where you want to go, well, I think you should go there, but I think at the same time you should not complain about the prices that you pay if that is where you want to go because there are a lot of other places in Manitoba where cottages can be established, not to mention Clearwater Lake, Rocky Lake and then Lac du Bonnet lake, I guess. So there are a lot of other places where cottages could develop. I believe that is why the Premier wanted to develop more lots because people could no longer afford to get into cottages because the price was so exorbitant.

Mr. Hawranik: I guess my concern is twofold. First of all, I did mention the concern about Broken Head and Norway House, but I have another concern about the Province developing cottage lots in the sense that I have been speaking to several people in Conservation who tell me that the bulk of those cottage lots will likely be in the Lac du Bonnet constituency because that is where the Whiteshell Provincial Park is, that is where Nopiming Provincial Park is, that is where most of the lakes that are ready for development are in the province. So I am told that a lot of the development will occur in that area.

Madam Chairperson in the Chair

Now I have some constituents who in fact own lodges along the Winnipeg River just upstream from the Point du Bois generating station. There are four lodge owners there who depend a great deal on Americans coming into the area to use their lodges. They are not fly-in lodges, they are water access lodges, but there

are some 35 miles of waterways between the Point du Bois generating station and the Ontario border. They are very concerned about the Province putting in, they tell me, somewhere between 100 and 400 cottage lots which would certainly affect their business because their business depends on them being remote without a fly-in experience.

They are concerned, first of all, that the Province is maybe developing cottage lots upstream from Pointe du Bois, the Pointe du Bois generating station, because it will affect their business. I am concerned from the point of view that the Brokenhead First Nation and Norway House First Nation, given the amount of waterfront land that they have claimed on lake Lac du Bonnet, they have a potential of generating an extra 700 to 800 cottage lots to Manitobans. When I see the Province making a commitment to add an additional 1000 cottage lots beyond that, I believe the Province is competing not only with private enterprise but is also competing with our First Nations communities who need that hope and opportunity. They need that land to generate income for housing and education and health concerns within their communities.

* (16:40)

Now I heard that the minister is prepared to, or it seemed to me anyway, I am not sure if he made that exact commitment, but he said that if Brokenhead and Norway House develop 100 cottage lots, he is prepared to say that the Province should only develop 900. Given the fact that that shoreline could possibly generate 700 to 800 cottage lots along the north shore of lake Lac du Bonnet, by Brokenhead and Norway House, is the minister then prepared to recommend to the Premier that if 700 or 800 cottage lots are developed around the north shore of lake Lac du Bonnet that he is prepared to recommend to the Premier that perhaps the Province should then only be developing 200 to 300 cottage lots?

Mr. Lathlin: I certainly did not make a commitment to that effect. What I was saying, though, is perhaps that could be part of the 1000 cottage plan. If indeed cottagers are going to go there to get cottages, well, that is what the Premier wants, because people were

complaining that there are no more places to build waterfront cottages. Well, maybe that could be part of the answer. But then again, the member would have all the cottages in this constituency, and I would like some in Clearwater Lake too.

Seriously, though, it would help if somebody else is going to develop the cottage. After that, once they are developed, people just want to go and be by the water. They want to get on a boat. They want to go fishing. It is recreation, right? I do not think people would be too concerned about who owned the development, as long as they had the opportunity to go and access, to buy a cottage instead of being driven away by the prices on Lake of the Woods. That is what I was sort of musing about, whether maybe that could be part of the 1000 cottages.

Mr. Hawranik: I would like to ask the minister a question with regard to the Communities Economic Development Fund. Actually, the minister, if he does not have that information today, could he make a commitment to provide to me a list of the current members of the board of directors of that fund, what their qualifications are, and could he do that within a timely basis?

Mr. Lathlin: Madam Chair, I certainly will make that commitment. I know some of the board members, in fact who they are, but I will endeavour to get a listing of the board members and maybe do a short bio on each and give it to the member.

Mr. Hawranik: With respect to the development fund, does the minister have any information with respect to the amount of the bad debts of any fisheries loans that were made?

Mr. Lathlin: Madam Chair, I do not. Earlier in the day I thought I had that information but—oh, there it is.

I wonder if I can suggest to the member that I will get that information together and put it into a package and I will give it to the member. That is number of jobs created, number of loans, number of bad debts, that kind of information. I can certainly forward it to the member.

Mr. Hawranik: With respect to that information that he is to provide, I wonder if the minister

could provide me with an indication whether or not the bad debt allowance that he is going to provide me with, clearly whether that reflects the total risk to the fund or not, as opposed to being just an allowance. If he could provide me with information with respect to that as well.

Mr. Lathlin: Madam Chair, I can endeavour to provide the member that information, the number of bad debts, because I do not know if the member knows but every year the fund has to give a report as to those bad debts and some bad loans are written off. I will give him that information as soon as I can put it together.

Mr. Hawranik: At this point we have gone about two hours into the Estimates process for Aboriginal and Northern Affairs. I have taken up my allowance as to what I have been allotted. If I go any further, of course I have lots of other questions, but if I go any further certainly I would be taking time away from other departments.

I can also ask my questions in concurrence. So at this point I would like you to go line by line in the Budget, not line by line in the Budget but department by department.

Madam Chairperson: Resolution 19.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,310,400 for Aboriginal and Northern Affairs, Operations for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 19.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,393,300 for Aboriginal and Northern Affairs, Capital Grants, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 19.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$73,400 for Aboriginal and Northern Affairs, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

* (16:50)

Madam Chairperson: The last item to be considered for the Estimates of the Department of Aboriginal and Northern Affairs is item 1.(a) Minister's Salary \$29,000 contained in Resolution 19.1.

At this point, we request that the minister's staff leave the table for the consideration of this item.

Resolution 19.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$926,400 for Aboriginal and Northern Affairs, Aboriginal and Northern Affairs Executive, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Madam Chairperson: This concludes the Estimates for the Department of Aboriginal and Northern Affairs.

We will recess briefly in order for the Transportation and Government Services staff and minister to assemble. Agreed? [*Agreed*] Five minutes, ten minutes?

An Honourable Member: Ten minutes.

Madam Chairperson: The committee will recess for ten minutes.

The committee recessed at 4:51 p.m.

The committee resumed at 5:03 p.m.

TRANSPORTATION AND GOVERNMENT SERVICES

The Acting Chairperson (Mr. Rob Altemeyer): Will the Committee of Supply please come to order. This section of the Committee of

Supply will be considering the Estimates of Transportation and Government Services.

Does the honourable Minister of Transportation and Government Services have an opening statement?

Hon. Scott Smith (Minister of Transportation and Government Services): I do, Mr. Chair. It is a pleasure to be here and be with the staff that we have. Certainly, Deputy Minister Andy Horosko is here with us; John Hosang, ADM from Engineering and Operations; our Transportation policy regulation No. 1 hit man, Don Norquay, is here with us today. From ADM, we have Driver and Vehicle Licencing, Marlene Zyluk; on the Government Services side, Deputy Minister Gerry Berezuk is here with us; ADM as well from Administrative Services, Paul Rochon; Assistant Executive Co-ordinator, Emergency Measures Organization, Paul Anderson, I believe, is here, or coming shortly; and from ADM, we have Accommodation Development Stephen Kupfer, who may make it by the end of today.

I am pleased to provide an opening remark for our 2003-2004 Expenditure Estimates totaling \$341.1 million for the Department of Transportation and Government Services. This year's vote for the department represents an increase of 2.3 percent over the '02-03 adjusted vote.

The '03-04 public investment in Transportation and Government Services will continue to make a real difference in the lives of Manitobans and endeavors of all. Manitoba recently announced the commitment to complete the twinning of the Trans-Canada Highway from Virden to the Saskatchewan border by the year 2007. This project represents an estimated investment of \$33 million over the four years in construction. We intend to work with the federal government to see that the twinning initiative is completed.

The 2003-2004 annual highway capital construction budget is \$120 million, representing the second year of a total \$600-million commitment over five years to the highway infrastructure. The results of this investment reach every area of Manitoba. Regarding the Strategic Highway Infrastructure Program, \$11 million is

being expended in 2003-2004 for continuing work on the Yellowhead Trans-Canada Highway for passing lanes and resurfacing of the highway between Neepawa and Minnedosa and for the Trans-Canada Highway twinning in Virden.

Mr. Chair, \$15.7 million in SHIP funding was also announced recently for the following projects: 19 more kilometres of the Trans-Canada Highway twinning with key intersection improvements toward the Saskatchewan border and two improvement projects for turning lanes and traffic signals at key intersections on the Trans-Canada Highway between Winnipeg and Headingley. In addition to the SHIP funding, Manitoba is investing \$6 million for non-shareable costs associated with these projects.

Manitoba is also investing \$6 million to the paving of existing lanes on the Trans-Canada Highway from Erickson to the Saskatchewan border. There will be a \$2-million dollar payment overlay project on the Trans-Canada Highway near Virden; \$7.5 million has also been allocated to twin PTH 59 south of Winnipeg and \$2.3 million is being invested in grading and gravelling PR 227 near Portage la Prairie; \$6.5 million in Prairie grain roads partnership projects for paving and bridge strengthening will provide significant benefits to grain haulers and operators.

The Cross Lake Netnak Bridge is a multi-year \$28-million northern project involving the construction of a new bridge and related road work on PR 374 scheduled for completion in December 2004. Mr. Chair, \$13 million to \$14 million of this commitment is expended in 2003 and 2004 in partnership with Manitoba Hydro.

Another major partnership project with Manitoba Hydro, the South Indian Lake Road, will be completed this fiscal year. The \$4-million Nelson House access road project and the \$1.3-million Marcel Colomb access road at Hughes Lake represent additional commitments to northern access and community development.

As well, a major effort is underway to improve the winter road network by relocating large sections of road from lakes and rivers and crossings onto dry land, coupled with semi-

permanent bridge installations at major river crossings. The location of the winter road to Oxford House and from Oxford House to God's River and the planned installation of bridges across God's River and Hays River are scheduled for completion in 2003-2004.

Mr. Chair, the \$120-million construction investment also provides for additional bridge work including \$700 000 for improvements to the Wilkes Avenue Overpass at PTH 100; \$1.5 million for the Shell River Bridge at PTH 83 and \$700 000 to the Saskatchewan Bridge on PTH 6; \$6 million to the bridge on the northern Perimeter Highway, PTH 101, at the Red River.

Delivery of the 2003-2004 construction program will again benefit from the early project-tendering schedule. This measure has proved to be an effective means to give the heavy construction industry more time to plan and organize its resources.

On the highway-maintenance front, funding has been increased this year by \$2.75 million due to the higher maintenance requirements of an aging highway infrastructure. The increase will be applied to safety measures like the pavement marking program, bridge maintenance activities and gravel road maintenance.

In 2003-2004, Mr. Chairperson, \$11.8 million in operating and capital funds are being invested to provide northern airports and marine operation services to Manitoba's remote communities. Capital investments include completion of the new terminals at the Pikwitonei and Thicket Portage and continuing runway extensions at several locations, non-directional beacon upgrades at Lac Brochet and Tadoule Lake, upgrades to runway lights at the Little Grand Rapids and Island Lake, and acquisition of the new ferry for South Indian Lake, with construction to be completed by the summer of 2004.

Mr. Chair, highway safety measures in 2003-2004 build on Manitoba's commitment to offering road users a safe driving environment. Our outstanding record has already received top marks from the national organization, Mothers Against Drunk Driving. When the results of this recently implemented graduated drivers' licence program begin to fully accrue in 2003-2004,

Manitobans can look forward to a new generation of safer and more accident-free young drivers.

Mr. Chairperson, plans are also under way to begin the automation of the driver examination appointment system, with full implementation anticipated by 2004-05. The application will eventually be web-enabled to provide self-service via the internet for booking road tests.

Taxi cab measures have improved safety in 2002, including the in-cab camera and safety shields for providing highly effective and efficient ways to improve safety. Robberies of taxi cabs in Winnipeg have decreased by 71 percent.

* (17:10)

Regarding motor carrier safety and compliance activities, Manitoba is taking a lead through our participation in the Canadian Council of Motor Transport Administrators. One major initiative includes the renewal of the Cooperative National Safety Code funding agreement with Transport Canada. Mr. Chairperson, 2020 Manitoba's Transport Vision, Manitoba's long-term transport planning process, is nearly complete for its first stage.

At community workshops and through the survey responses, Manitobans provided vital input. Next steps include Cabinet review and finalization of the themes. This will lay the groundwork for the next stage of planning with continuing public input, the development of Manitoba's long-term transport plan.

The Churchill northern Gateway Development Initiative is a new multi-partner investment designed to strengthen the economic base of Churchill as a transportation port. Manitoba is investing \$1.1 million in the overhaul in the \$2.2-million project for 2003-2004. Other partners include Western Diversification Canada and OmniTRAX. The initiative includes a repayable grant component to maintain rail and port infrastructure in good operating condition for the 2003 season, a major Churchill northern gateway marketing initiative. We are continuing to work to involve Saskatchewan on the partnership basis.

Another major development has been the contracting of the worldwide grain marketing

company, Louis Dreyfus Canada Limited, to operate and market the Churchill grain terminal.

By August 29 of this year, the port of Churchill had passed last year's tonnage loaded by vessels by more than 37 percent. The department's focus on sustainable development policies and practices will continue through a diverse range of initiatives, including road salt management planning, environmentally preferable E10 gasoline purchases, an addition of more hybrid gasoline-electric vehicles to the Government's fleet vehicle agency, waste stream management program development and implementation in baseline energy, and greenhouse gas emission assessment.

Public service and sustainability leadership are the hallmarks of the Red River College, Princess Street campus project. This model of heritage preservation, universal design, energy efficiency and environmental innovation is now in its third and final phase and will be completed by April 1, 2004.

Public consultations in partnership with Manitoba Justice are planned for 2003-2004 to determine the site of the replacement facility for the Portage women's correctional centre. In addition, a proposal call will be issued to selected architectural firms to determine functional requirements for the new facility.

In partnership with many stakeholders, the development of a multi-year redevelopment plan for the Churchill Town Centre, including substantial building systems, is under consideration.

Madam Chairperson in the Chair

With Manitoba's 2003 fire season drawing to an end, I would like to personally acknowledge the leadership and courage demonstrated by Air Services pilots and the management during the difficult fire season that we have that is one of the record years. Manitoba's fire suppression aircraft and pilots have played a pivotal role in the fire suppression during one of the highest years on record.

I am pleased to advise that our Estimates include funding to address replacement of an aging Citation aircraft, which is being used by

our Lifeflight program. This upgrade will ensure the dependable delivery of specialized air ambulance service to all parts of Manitoba. The replacement aircraft is expected to arrive here very shortly.

Madam Chair, I can also advise that 80 provincial ambulances have been now replaced and are under new management of the Manitoba Fleet Vehicle Agency. A purchase order has already been issued for 20 additional ambulances in each of the 2003-04 and '04-05 years.

Madam Chair, our Procurement Services Branch has drafted an ethical procurement code of practice. The new framework will provide for a variety of technical and social issues affecting the contemporary procurement practices. An important element of the code will be the elaboration of a no-sweat policy designed to raise awareness of sweatshop manufacturing conditions. Our Procurement Services Branch is also working with an Aboriginal procurement initiative. This initiative is intended to increase the participation of Aboriginal peoples and suppliers in providing for the Government's good and services needed. Elements of this initiative will be phased in over the next several months. To date, we have had 148 Aboriginal businesses apply to be included in the Aboriginal business registry which will be an electronic information resource centre for Government buyers.

Madam Chair, with respect to operation of the Emergency Measures Organization, Manitoba continues to lead the nation on the call for reform for Disaster Financial Assistance Arrangements. This agreement has not been updated since 1970 and currently excludes assistance for disasters such as BSE and SARS. In November 2003, Manitoba will co-host a Winnipeg meeting of federal and provincial territorial deputy ministers responsible for emergency management. One intent is to set an agenda for ministerial meetings that will focus on Disaster Financial Assistance renegotiations. I can also advise that EMO has initiated a Manitoba Critical Infrastructure Council. This is a voluntary forum of private- and public-sector agencies with responsibilities for critical infrastructure protection. In partnership with organizations such as MTS, the Manitoba Chambers of Commerce, the council is building a knowledge

and response network of critical infrastructure providers. EMO's continuing partnership with Manitoba municipalities will result in standards and guidelines for emergency plans, and the partnership will assist municipalities in meeting requirements for emergency plans.

Just in closing, Manitobans will soon have the comfort of a municipal emergency preparedness system that is among the best in Canada. In '03-04 a work plan of Transportation and Government Services extends far beyond this brief overview.

I would like to thank the department's workforce for helping to make the progress possible, and I look forward to the critic's statement and answers for those questions members may have.

Madam Chairperson: We thank the Minister of Transportation and Government Services for those comments.

Does the Official Opposition critic, the honourable Member for Arthur-Virden, have any opening statements?

Mr. Larry Maguire (Arthur-Virden): Thank you, Madam Chair, I would just like to make a few comments, not really a statement, but I would like to make a few comments. Then we could get into some of the questions as we move into the Estimates and deal with more of them obviously tomorrow morning and tomorrow afternoon, I assume, as well, at least.

I would certainly like to thank the minister for his opening comments and the outline that he has given us. Of course, a good deal of that we will be asking questions on. We have access to that material, I guess, in most of the Estimates books and the line by line that we have here. Obviously, there are a number of issues around Manitoba that always need attention, and so we will afford some time to my caucus colleagues to come in with some of the individual issues that they might have in regard to Transportation and Government Services, obviously.

I know that it is a difficult time in the minister's governing to be able to meet the needs of all of the regions of the province and of all of the sectors that there are in his department. I will

save my commendation of his work until the end of Estimates, but I would like to thank him at this point for bringing forward his statement today in outlining some of those issues. I would also like to ask the deputy critic in Highways if he had a comment that he would like to put on the record just before we open the session as well. *[interjection]* Okay.

* (17:20)

Madam Chairperson: We thank the critic from the Official Opposition for those remarks.

Under Manitoba practice, debate of the minister's salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and proceed with consideration of the remaining items referenced in Resolution 15.1.

At this time we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff present.

Mr. Smith: Thank you very much, Madam Chair.

As mentioned before, we have at the table here with us Gerry Berezuk, Deputy Minister of Government Services. We have Andy Horosko at the table with us, the Deputy Minister of Transportation, and we have Paul Rochon with Administrative Services.

Just in my opening statement, in looking at it, Madam Chair, I had mentioned paving the Trans-Canada Highway from Erickson. It should have been Elkhorn to the Saskatchewan border, so I would just like to correct that.

Mr. Maguire: Thank you for that correction, Mr. Minister, because it is certainly one that I wrote down. I may have a couple of issues with geography a time or two in the province as well, and so I take that when you mentioned No. 1 highway I knew that we were dealing with Elkhorn in the circumstances. I know that Elkhorn, or Erickson rather, has been a bit on the mind of the Government in the last few days, and I appreciate that as well. But, certainly, the people of Elkhorn will appreciate the extension of the highway and No. 1 in that region. There will be

some issues around the expansion of No. 1 in that area and, indeed, other highways in the province.

I guess one of the things that I would like to say in the beginning, Madam Chair, is that, if the minister would concur, with his acceptance, I would certainly like to proceed in a global basis. We do not have a lot of time today, but we have a few questions and concerns in those areas. So, if we could proceed on a global basis, I would appreciate that.

Madam Chairperson: Is there agreement to proceed on a global basis? *[Agreed]*

Mr. Maguire: Madam Chairperson, I would like to first off ask a couple of questions in regard to staffing in the minister's office. You have given us a good outline, I think, in your opening statement of the staff that are in your department. Are there any that you have left off that you could add on to that list from your office, or were they all covered in your opening statement?

Mr. Smith: Surely in the opening statement I like to mention from my office that I have as well here Greg Merner, who is with us here today.

Mr. Maguire: Now those are department staff. Mr. Minister, I would ask you: Are there political staff that you have in place as well?

Mr. Smith: Madam Chairperson, the staff that I had mentioned are senior staff with the department. The last person mentioned, Greg Merner, is a special assistant in the minister's office.

Mr. Maguire: Madam Chairperson, could the minister give me an indication, or maybe a broader list, of the political staff that he has on staff and their positions and names?

Mr. Smith: Madam Chairperson, the staff that I would mention would be: Greg Merner, a special assistant in my office in Brandon, and Margaret Richards, who is E.A., executive assistant in my office in Brandon and Winnipeg. I had mentioned Rod Murphy who is a special northern advisor that we have with the department; and Sig Laser is a policy Aboriginal

procurement and special advisor that we have on staff as well.

Mr. Maguire: Madam Chairperson, can the minister indicate to me if those are all full-time positions? I believe one of the ones you mentioned there, Ms. Richards, works in both Brandon and Winnipeg? Mr. Minister, is that correct?

Mr. Smith: Madam Chair, she spends a great deal of time in Brandon, certainly back and forth between Brandon and Winnipeg and other areas throughout the province. Most time is spent in Brandon, was previously hired as a C.A. part-time and has now moved to full-time in the last month or so.

Mr. Maguire: Could I just for clarity, Madam Chairperson, get the name of that person again?

Mr. Smith: The name of that person is Margaret Richards.

Mr. Maguire: It is only for clarity, Madam Chairperson. I thought the minister referred to a he, and I thought I had written it down as Margaret to start with, but, of course, anything is open nowadays.

Is that the extent, then, of the political staff that he has in his department?

Mr. Smith: Madam Chair, that would be the extent of the political staff I have out in the department.

An Honourable Member: They are all full—

Madam Chairperson: The Member for Arthur-Virden.

Mr. Maguire: I put my hand up, Madam Chair. Thank you.

Could the minister confirm that those are all full-time equivalents?

Mr. Smith: Madam Chair, yes, they, in fact, worked more than full-time. Each and every one of them puts in a great amount of hours.

Mr. Maguire: I would like to ask for a specific list, I guess, Madam Chair, of the staff in the

minister's and perhaps the deputy minister's offices as well. I wonder if the minister could supply me with those.

Mr. Smith: Madam Chair, if the critic will bear with me, I will have my staff mention the names to me as we go, so I will start with the Deputy Minister of Transportation's office, and we have Marlene Troop, Anne Lenius, and Debbie Draward. In the Deputy Minister of Government Services; Gerry Berezuk's, office, we have Rob Marrese, Madeline Popowich and Wendy VanLoon.

Mr. Maguire: Could the minister give me any indication if there have been any changes recently in any of those individuals or for how long they have been on staff?

Mr. Smith: Madam Chair, one change that has happened in the last few months has been Debbie in Andy Horosco's office. It was a replacement of staff that left. In Deputy Minister Berezuk's office, we have Rob Marrese, who has

been there about four months, and we have Wendy VanLoon, who has been there about three months. Wendy and Madeline share a position, both half-time.

Mr. Maguire: Are these the only persons then that have been hired in 2002-03 since the last Estimates would have before the House?

Mr. Smith: Madam Chair, these would be the only people who have been hired since the last Estimates.

Mr. Maguire: Can the minister indicate to me just the process that they went about in hiring those individuals?

Madam Chairperson: The hour being 5:30, committee rise.

IN SESSION

Mr. Speaker: The hour being 5:30 p.m., this House is adjourned and will reconvene tomorrow morning. (Thursday)

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, September 17, 2003

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