

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

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Speaker*

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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.
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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.
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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.
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ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
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SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
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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

Monday, September 29, 2003

The House met at 9:30 a.m.

PRAYERS

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Introduction of Guests

Mr. Speaker: I would like to draw the attention of all honourable members to the Public Gallery where we have with us from Creative World Travel Company 36 visitors from the United States under the direction of Mr. Bill LaGrange. On behalf of all honourable members, I welcome you here today.

House Business

Hon. Steve Ashton (Deputy Government House Leader): Mr. Speaker, after discussions with the House leaders, I would like to canvass the House to see if there is leave for the Committee of Supply to meet in two sections this afternoon, one section in the Chamber and one section in Room 255, to consider the Estimates concurrence motion.

Mr. Speaker: Is there leave for the Committee of Supply to meet in two sections this afternoon, one section in the Chamber and one section in Room 255, to consider the Estimates concurrence motion? *[Agreed]*

Mr. Ashton: Thank you, Mr. Speaker. Since there is such a co-operative spirit in the House this morning, I will try to see if there is also leave to canvass the House to see if there is agreement to have no votes or quorum requirement for the section of Supply meeting in the committee room only for this afternoon.

Mr. Speaker: Is there agreement to have no votes or quorum requirement for the section of Supply meeting in the committee only for the afternoon? *[Agreed]*

Mr. Ashton: One final item: I was wondering if we could also canvass the House to see if there is agreement that the adjournment hour be 6:30 this evening instead of 5:30.

Mr. Speaker: Is there agreement that the adjournment hour will be 6:30 today instead of 5:30?

Mr. Leonard Derkach (Official Opposition House Leader): Mr. Speaker, could I beg a little time to consult with the House leader on this matter?

Mr. Ashton: I will stick with two out of three, and I will withdraw the last one.

Mr. Speaker: The agreement for adjournment hour that was asked for 6:30 instead of 5:30 has been withdrawn.

The House will now resolve into Committee of Supply.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

COMMITTEE OF SUPPLY

Mr. Speaker: The House will now resolve into Committee of Supply.

Concurrence Motion

Mr. Chairperson (Conrad Santos): The Committee of Supply has before it for our consideration a motion concurring in all Supply resolutions relating to the Estimates of Expenditure, for the fiscal year ending March 31, 2004.

Mr. Larry Maguire (Arthur-Virden): I appreciate a few moments with the Minister of Transportation and Government Services and Emergency Measures this morning. I would like to continue some of the discussion we had in Estimates, if I may, and get a few questions on that record.

Can the minister give me an indication quickly of the plan regarding the Kenaston underpass?

Hon. Scott Smith (Minister of Transportation and Government Services): Regarding the Kenaston underpass the member is asking about, it is, certainly, something we are continuing to work on with the City. Obviously, they have identified that as a very important project for the City of Winnipeg.

Ongoing discussions are continuing with the City of Winnipeg, basically looking at how improvements can be made and exactly what funding levels will be needed in that area.

I guess the best answer to the member is that talks are continuing and negotiations with the City are continuing at this time.

* (09:40)

Mr. Maguire: Can the minister indicate to me whether there have been any allocations set aside? I know they have done that for some of the other capital projects, and they have indicated that this one will go.

Can he indicate to me just any kind of numbers in regard to the money that the Government has set aside to deal with the construction of this underpass?

Mr. Smith: Just for clarification from the Member for Arthur-Virden (Mr. Maguire), specifically to the Kenaston underpass, is that what you are asking?

The overall allocation from the Province, certainly, has looked at some details, what potentials could be. The length of time or the exact dollars have not been allocated or nailed down at this time. Certainly, we know it is ongoing funding that will be needed to be arranged. The dollars of allocation are not specific at this time.

Mr. Maguire: Can the minister give me an indication of the timing, then, of the construction, how soon they might expect to see construction begin, the timing or what period of

time it is being laid over for the Kenaston underpass?

Mr. Smith: The length of time for construction will depend on the specifics of the program that is developed and the consideration of that. Obviously, the technical detail for consideration is not finalized. It is not completely worked out. Certainly, the City and the Province are working together on the project and a solution of what might be possible.

Mr. Chairperson, the length of time would be purely hypothetical, certainly, depending on what is developed, the engineering analysis and surveys, the final details of the project. It is not a time line that I would like to guess at. It is something that in working with the professionals at the City of Winnipeg, the engineers and such, it would be something that needs to be done, that needs to be completed exactly as to the scope of the project and the length of time to be done.

As I mentioned prior, Mr. Chair, it is an ongoing negotiation. It is ongoing discussions. It is never good to hypothetically guess at what dollars might be involved until you have final details and sketches of a project, or the length of time that you would do it in. So I would not want to guess at this time.

Mr. Maguire: I would just like the minister to indicate that it is a priority of his, that he would like to see it go ahead as quickly as possible and just give the House some indication of the kind of correspondence that he has had with the City of Winnipeg.

Mr. Smith: The City prioritizes any construction they have on a long-range project, and at times, as projects become more severe or projects are moved ahead on their schedule, staff discussions have been underway for a length of time.

Certainly, this is no new project by any means. The City of Winnipeg has identified over the last decade problems that they have run into with traffic concerns and expansion out in that direction. They have identified that they may want to move into a type of project with the Province of Manitoba that would identify different possibilities. Staff, obviously, work on a

daily basis with the City of Winnipeg on this and many other projects, and ongoing discussions continue.

Mr. Chair, it is something that the City has begun to identify as a major concern. It is something where the Province, obviously, sits down with the City of Winnipeg, and Brandon, and many of the other communities across Manitoba to identify their priorities and look at ways they can achieve resolutions in resolving some of the concerns.

The City of Winnipeg, I know, has put this up on their priority scale. They have moved this ahead of a number of other projects that they have and we continue to work with them. Our staff continues to work on a daily basis with the City of Winnipeg on this and a lot of other projects, so there has been a quite substantial amount of meetings and staff involvement and staff time on that and many other projects. On that particular project, certainly, there are ongoing considerations from both sides.

Mr. Maguire: Mr. Chairman, could the minister indicate to me if he is in favour of the City's new tax plan for the city of Winnipeg?

Mr. Smith: Mr. Chair, certainly, my background coming from municipal politics, the cities and municipalities are constantly challenged with priorities that they have and commitments that they have to the constituents in the areas that they are from.

The tax plan that was brought forth by Mayor Murray, certainly, is interesting. It is a tax plan that would be quite a change throughout the province, obviously. Components of that that interest me are some of the components in the area of fuel taxation and others. I know it is quite an aggressive plan.

I believe there are some \$100 million that the City of Winnipeg is looking at assessing from the actual fuel taxes that would be implemented on the Capital Region in the city of Winnipeg. Quite frankly, in our 2020 Vision that went across the province, there were many people, and the one thing I do share with the Mayor of Winnipeg and the concern that he has

is the amount of dollars that are being put into our road and our structures.

I know many Manitobans have brought to my attention, on every one litre or one cent that is put onto each litre of gasoline in the province, is some \$17 million. I know the people in the city of Winnipeg, many folks that drive out to their businesses or to their place of work or to their cottage use the 19 000 kilometres of road system that we have and are looking not only for the roads once they get into the Capital Region, in the city of Winnipeg to be improved, but, certainly, the 19 000 kilometres that all Manitobans travel quite frequently.

So it is quite aggressive. That is something that is totally up to the mayor of Winnipeg, setting the direction that he sees for his community. On the portion of fuel tax, obviously, what I have heard back and, certainly, I am hearing quite strongly from many people in Winnipeg is that they are quite concerned about the entire province, and it is aggressive. It is something that the mayor will have to be answerable for and it is his vision, his plan.

My comments would be that many people are saying that an aggressive plan like that, certainly, could be used throughout the entire province because they believe that the road system throughout the entire province is critically important.

The rest of the plan, the mayor is simply, I believe, working for his community in a way that he sees fit. On the fuel tax end, I think we both, the mayor and myself, and many people throughout Manitoba agree that the fuel tax that is taken out by the federal government would be well served and well spent in the province.

Mr. Chairperson, some \$150 or \$160 million, depending on the year or the amount of volume that goes through in fuel, getting three or four percent of that back is terribly ineffective and money not well spent. So I think, probably, the direction that I would consider and look at is working together with the City of Winnipeg to receive more of that fuel tax back into Manitoba from the federal government. That would be my vision, but the mayor has his vision, his plan and that is up to the mayor.

Mr. Maguire: Mr. Chairman, I would like to ask the minister then if he feels, I know he indicated in an answer to an earlier question that the underpass at Kenaston was, certainly, a priority, and that we realize that, I believe, it is \$120 million that the mayor of the City of Winnipeg has indicated is needed for maintenance and upkeep and facilitating present structures in the city of Winnipeg and around it.

What would the minister's opinion be in regard to, and that he felt that this was a priority and worked with the City, if in fact, the mayor may decide to use a chunk of that \$120 million for one of his favourite projects, the light rapid transit, and that it would take precedence over things like the Kenaston underpass and some of the road and maintenance repairs in the city?

*(09:50)

Mr. Smith: Basically, Mr. Chair, the City really has to identify and bring forward projects that they feel are needed for the community and for folks in the community. They need to prioritize and, obviously, work with the Province and the federal government and a lot of times tripartite programs under the infrastructure program.

We need to identify funding that we have and dollars that we have, obviously, within our budget and then time periods to achieve the things we all want to do together. I believe that the identification of dollars on the project is fairly substantial, obviously, with our funding in the Province, our capital funding, up to \$120 million a year.

We deal with many bridges throughout the province, over 2000 bridges that we have here in the province. I well know the large cost on bridge and infrastructure. There is a structure we are presently working on the Netnak Bridge at Cross Lake, an over \$20-million project on one bridge and many, many others. Up at The Pas and up in the far region I know there are a few bridges, and Lac du Bonnet, we have had a couple of bridges and even small-span, short bridges to the tune of millions of dollars.

Any time the City identifies priorities to us, we try to work with them to achieve those priorities whether priorities change from year to year. Obviously, it is an ongoing process. We try

to achieve the things together that we can achieve with the allocated dollars that we have, and we continue to work, I believe, well with the City of Winnipeg and with many of the other cities across Manitoba.

The project, certainly, has merit for a lot of reasons. I fully understand that. I know the community would like to see some changes, and with the dollars that we have and the amount of priorities, the wants and needs that the city of Winnipeg has, and the rest of Manitoba, we try to achieve that over a set period of time and try to make it happen. But it is the City that makes the priorities evident to us. They present those priorities to us, and from year to year they do change. It is something that is ongoing. It is something that we continue to work with the City, work well with, I believe, and something that we will solve around the table.

Mr. Maguire: I would like to ask the minister, Mr. Chairman, in regard to the issue that he just raised with capital projects and the timing of them and those sorts of things, if he could indicate to us how early or at what date, whether it will be in this fall's Throne Speech or next spring's budget, in those periods of time, when the next capital projects package will be announced for the Province of Manitoba.

Mr. Smith: The problem we had, I believe, over a long period of years, working with the industry and work with the Heavy Construction Association, and folks that need to try to identify work that they will do in the spring, it was quite evident the previous minister had worked with the industry to try to make sure that we got some of the tenders and information out and some of the capital projects that would be put forward for the next year. He did that early. And, I believe, last year, if I am not mistaken, was one of the earliest tender processes that has gone out in the history of Manitoba.

It served well, Mr. Chair. It served well with the industry. They were able to establish and set priorities for jobs and equipment that they would need and get information that they had in a more timely fashion.

We will do that again this fall. We hope to target the information going out to the industry,

certainly, October, November, as early as possible. We are still setting that for an early target date to get jobs and the opportunity for the industry to early tender for the following year. It does two things, I believe. It gives the industry an opportunity to establish and identify and put together tenders which, I believe, are a positive value to the province and to communities. A lot of the tenders, when people cannot have a quick tender and throw things together tend to sharpen their pencil in a lot of ways and put forward better pricing, I believe, is a result of it and the ability for the industry to establish the needs and the resources they will need for the prior year and, subsequently, have more opportunity and time to put that into place.

We are hoping to have it out around the same time frame as it was last year. The earlier the better, in my opinion. I know staff and myself have worked diligently to try to bring those in as early as possible along the same lines and timing as last year.

Mr. Maguire: Mr. Chairperson, I would just like to encourage the minister to make sure they do that. I know there was an election looming and part of the reason that he announced it earlier than ever was because they were going to be in a position not to be able to announce it during an election campaign in May, so we appreciate that. I am just indicating to the minister that I would hope that they do continue to make those announcements as early as possible.

I know their announcement was favourable across the heavy construction equipment people in Manitoba, \$600 million over five years in their vision and their commitment, \$120 million a year. Can the minister indicate that they are going to continue with that program?

Mr. Smith: Mr. Chair, yes. We are going to continue to target up to \$120 million. Last year was a very good year. We had, probably, one of the largest amounts of capital jobs in recent memory and in recent years. We feel this year capital that will be expended will even exceed last year.

Mr. Chair, the capital of 120 is something that the member opposite knows—I believe we

had discussions on this before—is quite fluid. You target that. Those are the dollars that are allocated. For reasons beyond industry control at times, because jobs are not able to be completed sometimes in a year; or some of it is tendered runs into problems with staffing or equipment or whatever reason is not able to complete within a year. Sometimes the jobs are postponed and not able to be put into the queue within the Province's year-to-year budget date. It is one that is a target. It is one that has increased substantially. It was a record year last year and we believe it will probably be a record year in capital expenditures and work done this year.

Mr. Chairperson, the \$600 million that are identified in the capital program over a five-year period was quite an aggressive undertaking. It certainly shows commitment from the provincial side when you can increase expenditures over 16 percent in your capital. It is, as the member opposite knows, very much needed. The capital deficit in our highway structure is evident in every single MLA's riding. It is something that we believe and know needs to be addressed over the next period of a few years with increased dollars being expended.

The target of \$120 is a positive one. It is a target that would be nice to be reached. If for some reason it is not, which are many, there needs to be a little bit of room for movement there, but it is the largest increase in spending in a number of years. It is not enough. There needs to be more spent in that area. There needs to be dollars allocated into a lot of sections of highway that we cannot reach, but when you have a budget, you stay within your budget and you allocate the dollars to the highest priority and the highest needs.

Again, I believe, and I will mention this over and over again, certainly, we do need a commitment, a federal commitment to bring more dollars back into our infrastructure. It is, probably, one of the most critical components and pieces for economic development in our regions.

We know that our farming community has had trouble. They have been faced with closures of some highways and roads because of structure within those areas. We try to maintain and keep in our tax system all areas of the province. It is

becoming increasingly difficult to maintain. It is something we have seen through the nineties, obviously, as the rail has deteriorated and moved out of a lot of communities. The member and I discussed that a number of times as well.

It is critically important to try to keep rail service in as many areas as we possibly can and try to have a partnership with our large partners, CN and CP. In some areas there have been some good short-line operators come in and do a real good job. The transitioning and changing of some of the large throughput elevators, as the member well knows in his community and many others, has changed the dynamics of where that rail service is running now, simply just not a need for the service in that area.

It is unfortunate, but that does put incredible pressure on our highways. Certainly, it is something that we will try to address.

* (10:00)

Mr. Maguire: Mr. Chair, I would like to turn it over to my honourable colleague, the member from Emerson. He has a couple of questions.

Mr. Jack Penner (Emerson): Mr. Chairman, I will try and be brief. I just want to ask the minister why his Government chose to cancel two construction projects that had been budgeted for. The one is Highway 210, No. 12 to Woodridge; and the other one Highway 59 for shoulder construction and widening, Highway 59 from St. Malo to the south.

I wonder whether the minister could give us a bit of an explanation as to why that money was withdrawn from the Budget and those projects cancelled when there has been a tremendous amount of effort being made by the previous government to initiate the four-laning of 59 at least to the point that is being constructed now. Would the minister give us a bit of an overview as to why those two projects would have been cancelled? Could he maybe tell us where the money went?

Mr. Smith: Mr. Chairperson, the two specific programs or projects that the member has mentioned, I believe were raised, certainly, in Estimates and discussion was given at that time.

Projects that are identified, it is one thing to identify a project. It is another thing to actually have funding in dollars put into those projects, which the previous government did not.

Mr. Chairperson, the dollars that are allocated to projects, when they actually come into the queue in a year process when tenders go out or when a project receives funding, the project then becomes the reality, if you will, and moves ahead. There are many, many projects in a long-term queue that are out there. Each region of the main five regions in the province identifies structural wants and needs that are evident to the department.

As I mentioned before, one of the most important and key components in our rural communities is to try to maintain and establish and keep in our tax system some of the partnerships we have with that. Certainly, in the Grain Roads Program and the SHIP funding program, our dollars are allocated that we can get into with the federal government. At times there is a municipal component that works well in that area as well. On specific programs and specific projects, there are hundreds of millions of dollars of needs and projects throughout all of Manitoba.

So, on two specific programs, we take the dollars, and, as I had mentioned before, an increased capital dollar and put them into projects that connect all Manitoba in the best possible way that we can. When projects need to be re-established or re-evaluated and moved into queues at different times, it needs to be done when a bridge fails on a northern highway or if there is a structural failure on part of the system that is a key component to the system. Obviously, it is a matter of management of dollars, getting the money into repairs of projects.

So there are many unforeseen things that happen, obviously, within highways and within our structures where reallocations have to take place. We do know the priorities and those are addressed as we can.

On the specific projects the member mentions, certainly, those are identified, and as we can get to them with the dollar allocations that we have, certainly, it would be nice to get all the projects done that we have identified to us.

Mr. Penner: Well, I am pleased that the minister was as candid as he was, indicating clearly that those two programs were scrapped and the money moved up north. I think we all understand that. That is where this Government's priorities lie, and we will have to accept that.

I wonder if the minister could tell me, the town of Altona has for a number of years now been working on their infrastructure on Highway 201 which runs through the town, which is a major thoroughfare through the town of Altona. They have been told by the department that once they got their infrastructure built, that the department would consider reconstructing, urbanizing 210 through the town of Altona. That is becoming an extremely, increasingly heavy traffic area.

I wonder whether the minister could give us any indication of when that project might, in fact, be considered for construction or what the priority is on that project.

Mr. Smith: Mr. Chairperson, again, the project that the member mentions is something that has been identified to the department. The long-term strategy on many larger projects—key projects—is, certainly, on land acquisition, on recommendations by folks within the department to move projects ahead and, obviously, to key in on safety and many other issues that involve that project and many others.

Mr. Chair, down through Altona and, certainly, Winkler, Morden, and that entire area has been a good example to the rest of Manitoba on economic development and moving ahead with development and key industry going into that area, both agriculture and many other areas that we have seen. Certainly, Highway 75 is a very important connector route down there, when you go through Rosenfeld and up through that area right to Winkler, and even down on 332, when you actually go to the North from that area, is an important connection, an important piece within that area.

Mr. Chair, we have been working with the community down there. Obviously, again, I will reiterate what I have mentioned to the member before, is that all of Manitoba, not just the north or the south or east or west, has pressures on

their systems. Certainly, Altona is one that I believe is an important piece. It is an important connection, an important chunk, through some of the work that the member has mentioned through that area.

So it is recognized. We know it is there. It is a matter of keeping the entire 19 000 kilometres connected and everybody in Manitoba connected, of trying to get to the priorities as we can, and identifying priorities in levels using scientific criteria, and using some of the changes that we do see.

We know that down through that Altona area, there is some stress and there is some need in that area, and we will work with the community moving ahead, trying to get to as many projects as we can.

Mr. Maguire: Mr. Chairperson, I just want to quickly ask the minister a few more questions in regard to issues, but, certainly, there is a statement I would like to make that I made to his predecessor, the Member for Thompson (Mr. Ashton) when he was the Minister of Transportation. That was that if we continue to build and maintain the infrastructure that we have that is in the region of Manitoba with most of the economics that are presently taking place in the province, then we can generate the tax base that we need to build the roads in some of the other areas for social reasons and other considerations, no doubt keeping in mind that we want to expand the economic opportunities in all regions of Manitoba, north, south, east or west, as the minister has indicated. So we have to do that, but I think there needs to be a long-term plan put in place to do that.

So, with that in mind, I would like to ask the minister, he has indicated that the budget was \$120 million for spending on his capital projects this year. He said they were close to it. Can he indicate how many dollars were spent on capital projects this past year?

* (10:10)

Mr. Smith: The year is continuing to run. There are a number of projects that will be completed as the year goes on. We have projects running right up till March that may be completed.

Obviously, the winter road system and dollars to be allocated into those programs is considerable. We have expanded the dollar expenditures into that in a substantial way.

We have a number of projects that are ongoing right now. I guess the best analogy I could use is it is running till right now. There is a running clock going on. Dollars are increasing every day on some of the capital expenditures and will continue over the next number of months. We believe, and I believe that our capital expenditures will well exceed any average of the last four years.

Certainly, I believe this could potentially be the highest capital expenditure year in Manitoba's history, heading to the target of the 120 million. I believe it will be higher, higher than last year and you should never put that in the record. But, I believe if it continues, and the projects we believe that can be completed in a timely manner unless they run into a problem with some of the tenders and the industry has some problems, it will exceed last year's capital dollars that were expended.

The target of 120, as I have mentioned before, is something that I would like to have a target of 170 million if we had the dollars and we could allocate more dollars and get more dollars into the system. Certainly, 170 would be a nice start, but the 120 was a large increase. I believe it will be higher than last year and dollars are being added up right now. They will be right till the end of the year. We are ahead of last year on expenditures now and capital, and I believe we will exceed last year's capital expenditures.

Mr. Maguire: Mr. Chairman, I understand the spending will be higher if that is the indication because the minister has indicated in their budget that the 600 million would be split virtually 120 million a year and that would be in the neighbourhood of more dollars that have been spent. It depends in regard to just what all you include in that.

Mr. Chairperson, if you look at just the maintenance and construction from '99-2000 to now, the reason I ask the question is because that budget has dropped some 20 percent under this

Government's program. I just want to say that I, certainly, do not think that is acceptable. It has not been. There are no administration costs really to the \$10 million that has flown through to Winnipeg streets and bridge structures in that area, which has been very constant, although it is also a drop of at least \$4 million since '99-2000 in that area. These kinds of percentage drops are not going to continue to upgrade the system in Manitoba, notwithstanding that fact that we all want to see more federal gas tax dollars and fuel tax dollars come back from the federal government.

We fought for years to try and do that. This Government has not been much more successful. We have 3 percent or 4 percent of that budget back as the minister has indicated on the record here. We all want more of those dollars to come back, but the facts of the matter are that the administration costs under this Government are skyrocketing in the department while the dollars being made available are decreasing. I am wanting to just put on the record here that this minister has indicated that they want to spend \$120 million a year, but cannot give us any indication of how much will be spent or has been spent this year. I wonder if the minister can clarify that.

Mr. Smith: Mr. Chairman, as I mentioned before, the ongoing dollars that are being spent are on budget. The department will be within our budget this year. Certainly, it is something that has been critically important to me and to this Government of maintaining and staying within set budgets that are allocated on a year-to-year basis the dollars that are being expended on improvements on many of the infrastructure needs we have in the province.

As I mentioned, Mr. Chairperson, the department is, obviously, busier having so many more projects out there. They are working with all of the municipalities and communities. It is, probably, the busiest time the highways and Transportation Department has had in a decade. There are more dollars being expended and put out there and, I believe, at better value.

Having last year, as I mentioned, one of the earliest releases of projects for the industry to consider in the following year had, I believe, a

real impact on the amount of work that was able to be done and on the pricing. There is more being done. There is more money into the system. There is an extremely busy department right now. In the engineering and the amount of projects that are out there in the department working, obviously, when you are busier, more dollars are being expended in all areas, but we are still staying within budget. There is a lot of the year to continue as we go ahead. Obviously, you can name major projects in every region throughout the entire province that continue to move on, record expenditures in all areas in all of Manitoba.

We look at the major components in some of the things we see in the future. Certainly, the Mid-Continent Corridor project and some of the substantial economic as well as social developments we will see over the next few years are something that are being worked on as well in an aggressive way. There is an east-west connection, we believe, is critically important and has been undervalued, certainly, for the last number of years.

Not pointing a finger at any government, certainly, everybody battles with where to allocate their dollars. We believe it is critically important to have Manitoba as a key component in the Mid-Continent Corridor strategy. Developing the east-west-north-south connection, we believe, is so critical for the future and moving ahead here in the province is getting substantial dollars.

We had a commitment by the federal government and ourselves, I believe it was a very positive announcement, on some three key pieces just on the Trans-Canada alone in the last couple of weeks. We had Minister Pagtakhan and myself announce projects to the tune of some \$17 million, one component being in the member's own constituency out in the area of Arthur-Virden on the Trans-Canada Highway, which is and should be a key component. To have that twinning done and that component finished is critical. We believe we are on schedule, and on time.

Two components just in and around Winnipeg is the north Perimeter Highway at 101,

some \$6 million being expended there for traffic flow and increased volumes, and two components I believe are critical, safety components just out into the Headingley area on two intersections that are to the tune of a couple of million dollars.

Those are projects, I believe, the federal government is starting to recognize, the key components having communities, having the provincial government and having the federal government as partnerships. I think that was a real good example when Minister Pagtakhan was out here with myself announcing that. He had a good understanding of the projects and our long-term vision. I believe we will be able to get the federal government at the table in a more substantial way over the next period of time. When you identify how important that is to community, you do the homework on the front end, you come into a partnership that works well like those projects are going to and you move Manitoba ahead in doing so.

Mr. Maguire: Just a quick close. I have a few questions left, and then I want to turn it over to the Member for River Heights (Mr. Gerrard).

Mr. Chair, I would like to indicate to the minister, as I have just outlined in my question earlier, that there was a \$10-million reduction in administration costs under the previous administration from the '96 period on until this Government took over. Today, they have increased that administration cost by \$14 million, again at the same time as the Highways budget under the previous government had increased \$15 million, and now it has decreased, up to 2001-02 at least. That is why it is so important to get the '02-03 numbers on the record and the projections here for '03-04 and the future, that they have actually decreased the spending up to 2001-02 on that side back to where it was in the days right after the '95 election. I just want the minister to take that into consideration, notwithstanding the fact that there are some issues on No. 1 highway.

Obviously, there are some gravel concerns that I have, about where they are getting the gravel, and what the minister is doing with the Department of Fisheries and Oceans. I would mention to him that I have an issue there, certainly, with some of the location of the gravel

that they are taking for the completion of the No. 1 project west, notwithstanding the fact that, if this project was to go ahead, the Department of Fisheries and Oceans is indicating that they are limiting the sale of gravel from one particular source that I would like the minister to acknowledge in that area. If they are limiting the sale of gravel from this particular location, it is, certainly, impacting the ability of that individual to make more of it for sale, if you could put it that way. But it is limiting his ability to make a living in that particular area as well. I want to bring that to the attention of the minister now, or if we get a chance later in concurrence today as well.

However, there are a number of issues about rail and air. I would just like to go to the one on rail. Can the minister indicate to me any progress on the line to Gimli, and where they are at with that, notwithstanding the fact that they brought in the bill that limited the ability of shortline railroads to expand? The minister has indicated that there are some very good shortline railroad companies in Manitoba. I would say that there are some excellent shortline railroad companies in Manitoba, a few of them that are world class. I would just like an indication from the minister if he can tell us whether there has been any progress in making that a more long-term line for the future.

* (10:20)

Mr. Smith: Mr. Chair, on that specific line, we do know the importance of that line. There have been ongoing negotiations with the rail service up to Gimli and, certainly, with Diageo being a major component up there.

My understanding is that very shortly, imminently, there will be an announcement on quite a successful agreement that has been established up in that area. I believe that will be coming forward quite shortly. There has been an arrangement concluded. In fact, it is my understanding that all parties are extremely happy about the arrangement that they will have for at least a mid-term arrangement over the next number of years. It is quite a positive solution, I believe, that has been agreed to by all parties, and I think it is probably good news for Manitoba and, certainly, for that area.

The complete details of the arrangement I am not privy to. Obviously, it is something that is between themselves and the local business and community up in that area, but my understanding is that there has been a solution found, that there will be an announcement very shortly, and there has been an arrangement made for a long-term solution of that line going up to that area.

Mr. Maguire: Notwithstanding the minister's applause for the completion of No. 1 highway in western Manitoba, which I am very appreciative of and so are the citizens who sent in the 2500 names on the petitions, can the minister indicate whether or not he would finish No. 1 Highway or consider finishing No. 1 Highway in the coming year rather than spreading it over the three or four years they have indicated it would take to finish it? I know there is a commitment for 19 more kilometres which leaves about 13 more to finish. I notice that the two members from Brandon and Cabinet probably in their own home newspaper this weekend have seen the editorial there about privately built roads worth the risk.

Is this minister considering the use of private funds as outlined by the government in Alberta for the bypasses on the cities of Edmonton and Calgary? Have they looked at or considered the use of private funds to allow for the expansion of those? Secondly, has he requested the funds from the federal government and what indication has he got for their share of the finalization of this highway in the near term?

I would just like to put on the record that, obviously, as the member knows when he was in government, finishing of a paved project like the runway in Brandon for heavier aircraft and a longer runway was a quite a cost saving at the time to go ahead and finish all the work while the equipment was there.

I wonder if the minister can give us the answer to the two issues: No. 1, about private financing, and the second one is where is the federal government at?

Mr. Smith: Mr. Chair, watching the member across catch his breath, there were a lot of questions wrapped up into one, but we will start with the Trans-Canada Highway. Obviously, a

considerable amount of dollars are being expended on those projects. The secondary stage, if you will, after our announcement to complete the twinning of the Trans-Canada Highway to the Saskatchewan border is well underway. It is, obviously, land acquisitions, and the preliminary work that needs to be done on a project of that magnitude is continuing on. We have set a date of '06-07 to complete that project of twinning the Trans-Canada Highway at a considerable amount of dollars.

Obviously, the member had concerns about the Kenaston underpass. I know the Member for Portage la Prairie (Mr. Faurichou) has concerns about some of the areas that he has, and I am sure that the leader of all parties in this House have identified concerns within 57 ridings within this province. If you took \$40 million out of the Budget in one year to complete, and I fully understand the member in his riding would like to have all those dollars allocated into a good project like that, it would leave a deficit in many of the other areas throughout the province.

So it is something that I agree with him on one thing. The efficiency as it can be gained on certain projects when you can do it within a year should, certainly, be looked at. I know we talked about some of the efficiencies that might be able to be gained. I know we have had time to sit down in the Elkhorn area and some of the projects that the member would like to see increased and allocated in that as well. It makes good sense, and he and I have had—and I do not have the time here today to go into the details on that, but where efficiencies work, I think, it is a positive. When you can utilize your resources and your dollars in a substantial way on a project within your budget, certainly, all those should be considered constantly.

The member talks about privatization of some of the department's industry. Right now, on the tendering process, certainly, a lot of the folks in the Heavy Construction Association do a lot of the work throughout Manitoba, and those are tendered out on a basis where it makes sense and where it works. Efficiencies are gained in many, many areas, and, certainly, because Alberta does something, it does not mean Manitoba needs to do that as well. Obviously, the privatization that Alberta is looking at of their resources in some

of the areas is not something that I am considering here. Our function here is a department that runs extremely efficiently. It works well with the industry. We have a good partnership in relationship with our municipalities throughout this province, with AMM putting forward to my department the wants and needs throughout Manitoba. I believe that the Province working with the municipalities, working with the federal government to identify those comes from each community, through AMM and through every member of this Legislature. So I believe that the process we have now is efficient. It is getting better and there are more dollars being put into it.

Mr. Maguire: Just one question, Mr. Minister. You are also the Minister in charge of Emergency Measures Services in the province of Manitoba. Given the nature of the disaster that has taken place in several areas of Manitoba with the drought and grasshoppers this year, has the minister given any indication to his Treasury Board as a Treasury Board member or the Premier (Mr. Doer), the Minister of Agriculture (Ms. Wowchuk), the rural development Deputy Premier (Ms. Wowchuk) any indication or concern, or has he been asked to put funds into areas of drought, like is indicated in some of the news articles on the TV this weekend, the harm in the Hartney region in the area that I represent, in that southwest corner as well as the Interlake and a number of other areas that have been exacerbated by drought, never mind the issue of BSE completely?

Mr. Chair, I believe that many of these farmers have indicated to me that they feel the Government has completely let them down in regard to dealing with the drought issue this year because they have been so focussed on trying to do something on the BSE issue and still have not had the money flow to the producers that needed it under even those programs.

Can the minister indicate to me and this House and the people of Manitoba what his intentions are in regard to the emergency needs of these individuals?

Mr. Smith: Obviously, the member is quite correct. There has been an incredible impact on our producers and, certainly, on our cattle

producers and others in the industry over the last period of time. I believe the compounding effect is, certainly, something that I believe is something that should be taken into consideration.

Obviously, the member knows the process, that it is through Disaster Financial Assistance's joint agreement with the federal government and the Province and, historically, have never funded some of the problems we are running into now. When we consider the compounded effects together on the drought, as the member mentions, on the impact on the industry with the cattle impact we have had and basically the problems that the whole industry has run into with the grasshoppers, I believe it has been a compounded problem.

* (10:30)

I have written to the federal minister, asked that it be reconsidered because of these compounding effects, that this truly is a disaster here in Manitoba, it is a disaster for western Canada, and that the minister take into account the synergistic effect of all these compounded effects in one in the Disaster Financial Assistance program. A response is pending. I have not had a response from the federal minister. That was some three weeks ago, if my memory serves me, or four weeks. I have not heard anything. I believe I will be drafting up another letter very shortly. I believe that I should have had a response by now on this issue. It is a major concern in this area for Manitobans, and not only producers, but for every single business person in every community in Manitoba that is being affected by this. It is a disaster by any means, as far as I am concerned, compounded together with everything that has happened. I am awaiting a response from the federal minister.

I believe that the Premier (Mr. Doer) has been very specific on Manitoba's commitment to assist and help producers in the area with the some hundred and eighty million dollars that have been put forward from this provincial government. Obviously, the loans program, the uptake is there. It is quite positive. We have producers that are in trouble in a lot of areas within this province. I believe the packages I have put together—in fact we are seeing large advertising by the Province to producers to try to identify to

them how to assess these programs. The feed program that has been put into place and the feed and transportation program combined with the loans program and others is positive.

The Minister of Agriculture (Ms. Wowchuk) was quite adamant and strenuous in her fight with the interprovincial program that the federal government had been considering. It, certainly, was not something that we had wanted to sign, but we had wanted to get dollars into the producers' hands. Quite frankly, I believe terms have been used—a gun to our head—to get that signed. That money we believe could flow quicker. We hope that it starts to move out to the producers. Certainly, from the EMO side or from the Disaster Financial Assistance side, I have identified to the federal minister that these components should be considered as a disaster.

Many of the municipalities have written to my office identifying that they believe that this should be compensated through the disaster assistance. Unfortunately, the feds do not see it that way. I have identified that the compounded series of events that have happened in Manitoba should be considered. So we will see where that goes.

Hon. Jon Gerrard (River Heights): My question to the Minister responsible for Transportation deals with the fact that in 1993 there were changes to The Retail Sales Act which excluded from the retail sales tax the purchase of commercial aircraft by commercial companies. It was generally understood by people in the industry at the time that the commercial aircraft would include those commercial operators who ran flight training schools.

Mr. Chairperson, it is my understanding that recently the Government has decided that it is going to charge retail sales tax on the purchase of commercial aircraft by flight training schools and flight training companies. This is very different from what happens in Ontario and Saskatchewan, where there is no retail sales tax on purchase of commercial aircraft used for flight training, and would clearly put Manitoba at a major competitive disadvantage. I have a letter, which was sent to the Government from the Manitoba Aviation Council, which outlines the problem.

I would ask the minister, what is he going to do to correct this problem.

Mr. Smith: The federal air industry is right now actually looking at a number of major changes within the province of Manitoba on regulation of aircraft and designated aircraft components within our industry. One is quite a concern to me. Certainly, on those changes is that we will be grouped on our provincial aircraft into a group. That has never happened before, where regulation of our aircraft will be assessed on a commercial type of system, where all aircraft usage in the province of Manitoba will be done under different legislation. Some of the technicalities to be worked out with the federal government on that are a great concern to me.

Mr. Chairperson, we have identified to the federal transport minister some of the concerns that we have regarding that and some of the difficulties that we, certainly, see on regulation of publicly owned service for people in Manitoba. To be grouped into a commercial type of classification I believe is, No. 1, shortsighted. Certainly, the impacts of that on the province and the cost to the province in doing that could well be substantial. In fact, some of the problems that would occur with service and service delivery are many.

Manitoba Safety Council recommendations are, certainly, something that we do work with. We do work with the aviation industry here in Manitoba on a number of issues. If the member would like to table his letter, administration and staff could look at the particulars in the letter that he has and the specific concerns. It would be something that we could address.

There are a number of issues with classification of aircraft in Manitoba that I do have concern with. Changes the federal government is making presently and looking at targeting very early in the year 2004 do concern me. If there are specifics in the letter that the member would like to table and have particulars looked at and considered, I would be more than willing to do that.

Mr. Gerrard: I will table this as soon as I can get some copies made. The minister was not even close to answering the question. This deals

with the provincial retail sales tax and how it is applied and the fact that the industry had understood the government's approach to the application of the retail sales tax to the purchase of commercial aircraft for flight training. The change to The Retail Sales Act of 1993 had made the change, which meant that the purchase of commercial aircraft was not subject to retail sales tax.

It would appear that the NDP government has reinterpreted this in some fashion such as it is now going to retroactively charge sales tax to flight training schools which have purchased commercial aircraft for their operations over the last number of years. The result is that operations are having to pay or are being asked to pay huge tax bills which were not foreseen because of the way that the industry understood that this section was working. The result may well be loss of jobs and businesses going under because of the ad hoc way that the government has managed this issue.

I would ask the minister what he is going to do about this problem with the way his Government is applying the retail sales tax to the purchase of commercial aircraft bought by flight training companies.

* (10:40)

Mr. Smith: Mr. Chair, the training industry we have here in Manitoba is a good industry. Obviously, we have some of the best qualified and the best instructors throughout Canada here in our province. It is something we can be quite proud of.

Mr. Chairperson, the impacts of the industry in many ways have been greatly affected by some of the changes in transportation over the last while. Obviously, everyone is feeling the strain after 9-11. We have seen some impacts with huge fees being regulated onto private service deliverers and impacts to our flight training facilities here in Manitoba as well.

The charges on taxation are something this Government does not take lightly. Working with industries such as the one mentioned is something we continue to do. We have a relationship. I know with the industry they have identified

many, many problems. One I have identified is some of the changes the federal government is looking at in classifications of aircraft, aircraft use. That is something that is a problem with this particular issue. We want to remain competitive in Manitoba. In many ways we are remaining and exceeding some of the other provinces in different areas.

This specific is something where the compounded effect of the GST we have seen upon the industry, the compounding of some of the regulatory red tape and costs we have seen in the transport industry, which is governed by the federal government, are onerous on the industry. Taxation is something no one likes. It is something that is not taken lightly by this Government and, I would suspect or should expect and should demand, should not be taken lightly by the federal government either.

The industry is competitive. It is an industry that, certainly, has been a major player in Canadian aviation since the turn of the century here in Manitoba. We are working with the industry on their concerns and have met numerous times with the aviation industry on a number of issues. We will continue to do that. We will continue to make Manitoba a competitive environment.

Any concerns that need to be raised by the industry have been raised. The ability to get into our office is quite easy. We will remain competitive here in Manitoba and take anything under consideration the industry would like to present to us.

Mr. Gerrard: I quote for the minister the section from the letter: The operators understood, because the operated commercial aircraft is defined in the Aeronautics Act. Their purchases of aircraft and parts for those aircraft were exempt from the retail sales tax. That is the provincial sales tax.

In fact, Mr. Chair, their conversations as I understand it with members of the provincial government had so led them to believe that in fact was the case. One of these operators was in business in 1993, signed a release, and clearly all involved believed that flying school operators were included in the exemption for retail sales

tax in the purchase of commercial aircraft for use in flight training.

Clearly, Mr. Chairperson, flight training is important and education is important. The approach which appears to be taken by the provincial government, which is to retroactively charge flight training companies for purchase of aircraft, which they have purchased, over quite a considerable length of time, and to do this in a way that is going to be uncompetitive with other provinces, is as the Manitoba Aviation Council and Judy Saxby, who is president, indicate: This approach the current provincial government is taking is undesirable and inappropriate, similar to applying a retail sales tax to tuition fees paid by students attending education classes or post-secondary education.

For these reasons, the Manitoba Aviation Council does not believe it is in the best interests of Manitoba to impose the retail sales tax, as the Government is doing, on commercial aircraft used for flight training. It will cause major problems for the industry and may result in loss of employment and movement of industry to other areas and development of industry in other provinces as opposed to Manitoba. So I would ask the minister what he is doing about this because, clearly, this is an industry for which he is responsible as the provincial Minister of Transportation.

Mr. Smith: Thank you very much, Mr. Chair. Certainly, as the member imagines and I equally agree, the flight training and education in Manitoba is very important to our province. The particulars, and I look forward to receiving a copy of the letter that the member has mentioned he will table in the House. Looking at the particular details, obviously, in working with the industry, we have met many challenges together and head-on, and the member was quite right, the challenges that the aviation industry has had over the last period of time, with large corporations and large transport corporations across Canada and, in fact, internationally collapsing because of the impact 9-11 has had on the entire industry, the particulars of this. Certainly, we want Manitoba to remain competitive.

The office that I have is, certainly, working with the aviation industry. Ms. Saxby is a person

that knows the industry and knows the industry well. They have identified many things to the department we have worked on together with them, and if this issue is a major component of working together and considering and looking at, this office is not opposed to looking at how we can strengthen, how we can keep this industry viable, keep it in Manitoba and support it. But, as the member opposite knows, there are many components to the industry. There are a number of issues that we do work on together. This is an issue that, certainly, in particulars, I would have no problem having identified by the industry and working together for solutions in some form. Obviously, if there is an impact, it is a substantial impact on the industry. I am more than open to sitting down, speaking with the industry and considering it.

This is something that has been identified over the last period of time. I know the industry, and Ms. Saxby is good representation, she has a good pulse on the industry, and I value her input. We can sit down and look at particulars, and if there is a large impact on the industry in any area, I am interested. It is components like this that make up the entire picture, but I am more than willing to sit down and consider any impact that the industry has from any direction.

Mr. David Faurshou (Portage la Prairie): One last question to the honourable Minister of Transportation and Government Services (Mr. Smith). I wondered if the minister is aware of the positioning in the eventuality of the changing in the Prime Minister's Office with the imminent retirement of Prime Minister Jean Chrétien, of potential funding towards the highways throughout Canada. Is there any dialogue going on with the heir apparent to the Prime Minister's Office? A short answer please.

Mr. Smith: The member has asked for a short answer, so I will be as short as I can. It is quite a big question, the continued relationship with the Province working with the federal government. It appears that Paul Martin will probably be the heir apparent. I imagine that is who you are speaking about. Paul Martin has mentioned infrastructure programs are important to him, and if, in fact, he was the heir apparent, he, I believe, is a strong proponent for moving ahead infrastructure programs.

So the short answer is government is continually working with the heir apparent and previous Prime Minister and potentially any other Prime Minister that will be there. We, certainly, want to develop a relationship and have the federal government in in a more substantial way. That is the quick answer.

* (10:50)

Mr. Leonard Derkach (Russell): No, I am just the member from Russell. I would like to ask the Minister of Transportation a question with respect to highway development. I know that he had talked to me in the House here about work that was going to go on on Highway 16 north of Binscarth, south of Russell. It is a stretch of about 15 kilometres which was built by the former administration, I guess, and was supposed to have been paved the year after.

We are now four years later and we are still waiting for the pavement to be laid. This road is deteriorating as we speak. I know the minister has designated some money towards it. He told me that he had. I am just wondering if he could give me some indication as to when this work would be started and what work he is anticipating take place on that stretch of road.

Mr. Smith: Mr. Chair, the member has raised this issue, the Member for Russell. I know there are a number of folks in his constituency; Mr. Fowler, I believe, is from Russell, the Chamber of Commerce president. I believe I got a letter from him just a short time ago. I know the member has had a number of folks in the community, I believe there is probably a bit of a petition that is coming forth. A lot of the folks in the community would like to have the member present that. Certainly, I know it is incredibly important for folks in that area.

He is quite right. Over the last number of years both the previous government and this Government have looked at that section of highway. There was a considerable amount of money from the previous government spent on the area. We plan on doing an upgrade through that portion that the member is talking about over the next couple of years.

Next year, I believe, in the Budget will be considerable dollars in the tune of millions of

dollars on that area for some of the paving and work that needs to be done. I am not sure of the exact details of the total numbers, but I know it is substantial. That stretch of road is high in the priorities for consideration. Highway 16 is a critical piece, as the member well knows, up through his area. The amount of people travelling on that highway and moving along really our other national highway through this province has been undervalued for a number of years, in fact decades.

Mr. Chair, we are putting substantial money, as the member knows, between Minnedosa and Neepawa right now, which was a major project and a project with the federal government. I would like to see stretches of highway, not only in that 15-kilometre stretch, but others where we could get into a major upgrade thought that entire area, but a commitment through the federal government as well on the SHIP funding.

Some of those components need to be worked out, but the Province, I can tell the member, there will be substantial work done in that area over the next couple of years, I believe next year key components on some paving and asphalt in through that area as well, but I can get the member the particulars. Certainly, he and I had mentioned we would sit down and go over the entire project with staff and give him a better idea of exact time lines.

Mr. Derkach: I thank the minister for the answer. I will in fact sit down with him so that he can give me more detail on that specific stretch. I have a petition in my office that I received from residents of the area whose intention it was to encourage the minister to move on this stretch of highway sooner than later, simply because right now, I have to tell the minister, there is a significant safety issue with respect to that highway.

As the minister knows, Mr. Chair, there are heavy trucks moving through that area probably in greater proportion than there is in other jurisdictions of the province because of the elevators that are situated along that stretch and, as well, the CanAmera Foods plant that is just on the west side of the province.

Mr. Chairperson, I travel Highway 16 at least twice a week, and sometimes more, often

right through to Winnipeg, and I see the work that is being done between Neepawa and Minnedosa. I have to say that I am quite encouraged by the quality of work and the specs on that particular stretch of road because I see that the road is being paved right to the extreme shoulders, which is important when you have both heavy traffic and slow traffic moving sometimes. It gives them the ability to move over and allow the normal flow of traffic to continue since this is not a four-lane highway.

I am asking the minister whether or not the highway that is going to be paved south of Russell to Binscarth will be brought up to the same specs as the pavement on the stretch between Russell and the border? That, as the minister knows, was done four years ago, and I think his department would tell him that that particular stretch of highway has stood up extremely well to the heavy traffic that pounds that road on a daily basis, both grain and general transportation of goods and also a significant amount of heavy gravel moving through that area as well.

Mr. Smith: Mr. Chairperson, the member is quite right. That stretch that was done to the border was a good piece of roadwork that was done in that area. I am well aware of the number of trucks that are running up along No. 16, and that is, I believe, why we believe it is critical for both the social and the economic value up through the Russell, Roblin, Binscarth area to have improvements on that road.

The components of shoulder widening, as the member well knows, once you get into roadwork, can be looked at in a lot of different ways. Improvements and functionality, certainly, is one. To expand roadwork and shoulders and such and to make the paving wider, obviously, increases value in dollars on the job. Certainly, we know it is a priority to get some roadwork done in that area.

Mr. Chair, the particulars of the roadwork, we can sit down, we can look at it, and get a good feel for the member. I know many people in his community approach him, if not daily, certainly, weekly on this issue. I have, certainly, had a number of calls from folks out in the area. The particular details are important for him to

have to be able to explain to his constituents exactly the work that is being done, the amount of overlay that will be put on, the width of the road surface that will be done, the grading and base course bottom structure that some areas do need to be redeveloped and done. But, obviously, with projects, like all others, if, in fact, there are huge amounts of work that need to be done, grade widening and whatnot, this increases costs and value of the job.

I know that that stretch of highway is looking at some substantial funding, but the details, I will be more than willing to sit down with the member to go over, so that he can take it back to his constituency to show the folks exactly what is being planned.

* (11:00)

Mrs. Myrna Driedger (Charleswood): Mr. Chairperson, generally the health of people living in rural communities is poorer than that of their urban counterparts. Research shows that they have shorter life expectancies, higher death rates and higher infant mortality rates. Certainly, the closure of any rural hospitals is going to exacerbate the health of people living in rural Manitoba.

Recently, Mr. Chair, the Minister of Health (Mr. Chomiak) has been saying one thing, and at the same time that he was indicating that there would be no hospital closures, Emerson Hospital has closed and Erickson Hospital has closed. While the minister was saying there would be no closures, they, in fact, were happening, and the minister has never clearly stated that the RHAs will not be allowed to close rural hospitals.

Mr. Chairperson, the public has been here to a rally. Several hundred people from rural Manitoba attended a rally here because they felt that they are not being heard, that their voices are not being heard. There, in fact, is a large community meeting tonight because of the fear of a hospital closure in that community. There was a huge meeting last week in another community where 200 people showed up. These are ongoing throughout rural Manitoba.

Obviously, rural Manitobans are not feeling confident in this minister's comments that no hospitals will be closing because indeed, while he is saying that, hospitals are closing. The stress

and anxiety of people in rural communities is, certainly, growing out there, especially when the minister is talking about practice changes out of one side of his mouth and then out of the other side he is saying there are no closures and at the same time closures are actually occurring.

So, certainly, the minister needs to be more clear to the public and the RHAs about what is actually happening. Mr. Chairperson, we ask the minister to be more clear to the public and the RHAs about what his intent is related to the closure of rural hospitals.

The one thing that is imperative that needs to be clear is the whole issue of travel because what we end up with in a situation of closure of rural hospitals is a two-tier system where the general public is having to pay for their own ambulance costs from hospital to hospital to hospital if they are being transferred. It is a cost that has to be borne out of their own pocket. So, certainly, as has been stated a number of times, if we really wanted to look at where real disparities will occur, it will be in the issue of rural, urban two-tier health care.

I would ask the minister if he could state clearly today what his position is on the closure of rural hospitals and what he has specifically directed to his RHAs in this regard.

Hon. Dave Chomiak (Minister of Health): The member asked about seven or eight different questions during the context of her rambling question, and it is almost impossible to give a specific answer to something that not only was rambling but is factually inaccurate.

I will try to, in very clear fashion, outline for the member some of the issues. I do recall the last two periods of Estimates with this very member suggesting to me that our department was behind because we were not closing beds and we were not living in reality. I remember the member bringing articles saying, you have to close beds in the province of Manitoba. That, from the member from Charleswood, who tends to forget that, Mr. Chairperson, when she then champions the rural hospitals and holds up and indicates that in fact there is a two-tier system that is in place.

I want to remind the member of several things. Firstly, close your hospitals. Let us take the case of Erickson which occurred in 1998, 1999. Now, I do not remember the member standing up, when she was the legislative assistant to the Minister of Health, standing up and saying: You have closed Erickson Hospital, Minister of Health; well, what are you going to do about it? It closed in '98. It closed in '99. It closed in 2000. It closed in 2001 because of shortages of staff and related matters. Again, a doctor resigned in the case of Erickson and the ER portion could not be maintained without 24 hour on rota call.

If the member is sincere in her questioning and is sincere in dealing with the issues in rural Manitoba, the member ought to be factually correct and ought to deal with the factors based on what in fact is happening in terms of rural Manitoba.

The member was part of a government that commissioned a report in 1995 under the Manitoba Centre for Health Policy and Evaluation that assessed approximately 95 centres in Manitoba small hospitals and, in fact, tiny hospitals. The report looked at a number of centres and talked about some of the difficulties.

In fact, the member's colleague, who was the Minister of Health at the time, said something along the lines, I am quoting from memory, that at 30% occupancy rates these hospitals are in trouble. That was what the member's own Minister of Health at that time stated.

Mr. Chair, in terms of Erickson hospital, I want you to know that the hospital right now is open. Wawanesa is open, Rosburn is open, Rivers is open, Baldur is open, Birtle is open. Wawanesa is open, but the member goes off and makes bland accusations and thinks that by making these general statements she is helping the progress or even the discussion. It does not help the discussion when the member makes blatant inaccurate statements over and over again.

Now talking about ambulance costs is a significant issue. One of the issues with ambulance costs is ambulance costs have never been covered under the Canada Health Act under the medicare system. The member knows that, when

she was the legislative assistant to the Minister of Health. The standards and the structures put in place under ambulance costs were the same when the member was minister. They are the same as they are now, except that we have doubled the amount of money we put into ambulance and EMS in the province and tried to update it.

Mr. Chairperson, it is a valid issue. The issue of transportation, the issue of the cost of transportation is a valid issue and it is of graver concern as we move around. The member forgets we have repatriated all kinds of services back to rural Manitoba. The member tends to forget that. The member tends to be micro-focussed on specific areas and specific issues and forgets there is a larger context, a larger process that is dealing with health in Manitoba.

The member talks about mortality rates and general health standards around the province in Manitoba. I suggest to the member generally what the member states is true, but I suggest that in the North it is far worse and is one of the more difficult problems with respect to rates.

If one looks at all of the data and all of the information the member knows full well that providing primary care, providing first class care is the main reason we will deal with some of these significant issues. The member knows that, chooses to disregard that, chooses to equate simply one issue for political gain and for political fodder, because there was a rally here of about 150 people, and jumps on that bandwagon.

If the member was intellectually consistent with what she has said in the last two Estimates periods, we would talk about primary care. We would talk about delivering care. We would talk about all of the other services that are in place around a lot of communities. We would talk about hospitals that have been opened in rural Manitoba. We would talk about hospitals that have expanded service in rural Manitoba. We would talk about hospitals and services that have been improved in northern Manitoba. If the member was intellectually consistent, that is what we would talk about.

But, no, the member chooses to focus on several trouble spots that had been trouble spots

when the member was the legislative assistant to the Minister of Health and continue to be trouble spots. This Government has attempted to solve the situation.

In fact, Mr. Chair, in the specific region, the Assiniboine health region, there are more doctors now in that region than when the member was a member of the government. Do you know why? It is because we put in place measures to deal with doctors. We increased the number of doctors enrolled at the medical college. We put in place bursaries for doctors to stay in Manitoba. We put in place an IMG program to get IMGs in place. We put in place an Office of Rural and Northern Health to get rural students interested in medicine. That is just in medicine. That does not even include the services we put in place for nurses and for other health care professionals.

Mr. Chairperson, I find the rambling rhetorical question of the member difficult to answer directly unless put in the context of the issues that are being dealt with. I have said consistently it is not our goal or intention to close hospitals. Having said that, over the past six or seven years, if one uses the member's definition, there have been lots of centres that have closed their ERs for limited periods of time, for an extended period of time.

Mr. Chairperson, I remind the member in 1997 Gladstone hospital closed temporarily and still is not open, when the member was running around as the assistant to the Minister of Health. It still is not open. We are still attempting to deal with that issue and we are hoping to have some success in that regard.

It is a challenge in rural Manitoba to keep smaller centres opened. We recognize that challenge. We are not brushing it aside and pretending it is not there. We have instructed the RHA to continue to recruit. We are very happy to report that three new doctors have been recruited and five have conditionally been offered positions, pending licensure and other related matters. I think that is a very positive step, something that has not been noted in the comments of the Member for Charleswood (Mrs. Driedger). If the member were consistent, I think the member

would discuss that. Having said that, the position has been very clear of this Government.

I said it when I talked to the 150 or so people that were out front. I have said it in the communities. We have put in place processes so that people could have their input and we could examine the situation, but I have never said that it is going to be a situation that is not going to be flexible and fluctuating dependent upon the services and the conditions.

Mr. Chairperson, for the member to take the leap and for the member to make the point that the member did about the absence of a hospital and the increased mortality or the decrease in health determinants is totally contrary to what the member has lectured me on numerous times during the course of the last two or three Estimates.

I find it passing strange that the member would link that particular component together. I have made very clear our position both to the regions and to the various facilities with respect to smaller hospitals.

* (11:10)

Mrs. Driedger: Mr. Chair, if the Minister of Health were intellectually consistent, he would have also noted that the report that would have been commissioned when we were in government to look at rural hospitals was not released until he was the Minister of Health. There was, certainly, never anything that we could have done about it, because we never had that report in our hands. It did come out when this minister was already the Minister of Health.

I would like to ask the minister a question about the Erickson Hospital and ask him if it is currently open today as a hospital with an emergency room that is functioning, or is it actually functioning as a northern nursing station?

Mr. Chomiak: Mr. Chairperson, the facility, with all of its staff continuing in place, has not changed. The last information that I had was that six of the beds were occupied: two are palliative, three are awaiting placement in PCH and one is sub-acute. Contrary to what the member says, the Erickson Hospital is still functioning.

Mrs. Driedger: Can the minister tell us whether or not the Erickson emergency room is open and functioning?

Mr. Chomiak: The member knows full well that the Erickson emergency room is the same status as the Gladstone emergency room that was temporarily closed by the member opposite in 1997.

Mrs. Driedger: Is the minister saying today, then, that Erickson emergency room is only temporarily closed?

Mr. Chomiak: I have made the position clear on numerous occasions. I mentioned it both when the member was present at the rally that she was at and where other members were at.

Mrs. Driedger: I would like to ask the minister again if he could indicate, as he is not answering the question, is the Erickson emergency room then only temporarily closed?

Mr. Chomiak: The Erickson room is not presently open because there are not enough physicians in Erickson to cover on the 24-hour call. In fact, when the physician left the region on August 26, I believe, notice went out to the region that until another physician was recruited in order to cover, that that emergency room would not be able to be operated on a 24-hour basis.

Mrs. Driedger: On September 16 of this year, on CJOB, I believe, excuse me, it was on Global TV, the CEO for the Assiniboine Regional Health Authority said that recruiting doctors for Erickson may have to take a back seat to other priorities in the region.

With that particular comment from the CEO and the minister indicating that the ER is temporarily closed because of lack of doctors, is he pressing this issue with the Assiniboine Regional Health Authority to ensure that there is active recruitment of doctors, so that that particular ER can be reopened as an ER?

Mr. Chomiak: Mr. Chairperson, about a week ago, I tabled in this House a letter that indicated that in my discussions with the Member for Russell (Mr. Derkach) that the region would be

attempting to recruit a second doctor in order to do that, and I tabled that letter in the House.

Mr. Mervin Tweed (Turtle Mountain): Mr. Chairman, just a couple of questions for the minister in regard to the Rural and Northern Health Office. It was announced I believe back in June of 2002. Can the minister bring us up to speed as to is the office open? Is it functioning? How many people are working out of it?

Mr. Chomiak: Yes, Mr. Chair, I can do that. As the member might know, Doctor Klassen from the Winkler-Morden area was hired as the official doctor to the offices functioning out of Dauphin, Manitoba, and there is an additional individual who has been hired with respect to working on some of the activities of the Office of Rural and Northern Health.

There has been some considerable activities undertaken by the Office of Rural and Northern Health, and I will outline a number of them with respect to that. In co-operation with the University of Manitoba Faculty of Medicine, the medical director assisted in the organization and delivery of a week-long rural and northern clinical training experience for 65 first-year medical students that took place in 17 separate communities in rural and northern Manitoba at the end of May 2003. Apparently, there was an overwhelming response.

It is part of the process to take first-year students and expose them to rural medicine. Of course, that is in addition to the fact that we have expanded the number of residency positions outside of Winnipeg available to students. We have more than doubled the positions available, so that students can take up residency outside of Winnipeg.

Mr. Chair, they have also begun to work co-operatively with the Faculty of Medicine on a number of projects, including the redevelopment of promotional materials to attract rural youth to the faculty. In addition, the Office of Rural and Northern Health was an active participant in the 2003 admissions process, as well as the current review of the admissions process. The office is also creating a database to track all students who have expressed an interest in health care and in

enrolling in a health care profession to allow the office to be in contact with all of these students.

There is going to be a newsletter published three times a year by the office to interested individuals, a Web site that will allow for information to be outlined. In addition they have met with the RHAs, they have met with community groups and organizations and they started to liaison with secondary schools and students, all part of the mandate of the Office of Rural and Northern Health.

* (11:20)

Mr. Tweed: So the minister is saying on top of Doctor Klassen, there is one more person working in the office in Dauphin? Is that correct?

Mr. Chomiak: I will provide the member with that name.

Mr. Tweed: In his comments, Mr. Chair, the minister talked about the development of new promotional materials. Is there anything the minister can table today that shows the progress or actually shows us the new promotional materials that have been developed?

Mr. Chomiak: If I do not have access today, in the next several weeks as soon as I get access to it I will provide it to the member.

Mr. Tweed: It was noted that the office was going to open with a budget of \$500,000. Is this still within budget?

I guess I missed the opportunity in the Estimates process. Perhaps the minister can get it to me, but I would like to know on what budget line that expense comes out of.

Mr. Chomiak: Mr. Chair, I will find the line for the member. If the member wants to go down another line of questioning while I locate that, that is fine with me.

Mr. Tweed: I just wonder if the minister can tell if the \$500,000 budget line has been used up in the first year of its operation.

Mr. Chomiak: We are still in the fiscal year, so I do not know how I could specifically answer that question to the member.

Mr. Tweed: I also note the minister has said that a second office in northern Manitoba will open, it says next year, being June to June. Has the minister finalized plans for that second office?

Mr. Chomiak: No.

Mr. Tweed: Is the minister close to announcing when that office will be open, as it was stated in the news release that within a year it would be announced?

Mr. Chomiak: I cannot give him a specific time line at this point.

Mr. Tweed: Can the minister tell the House the \$500,000 operating line for the northern office: Was there extra or additional funding to hire Doctor Cram to do the review of the Assiniboine Regional Health Authority?

Mr. Chomiak: We are going to be earmarking specific funds on a one-time basis to the office with respect to the review. The specifics of that are not yet finalized.

Mr. Tweed: Can the minister, when he announces that Doctor Cram would be doing the review, let the House know, and I guess Manitobans, at the time the deal was made, what was offered to Doctor Cram?

Mr. Chomiak: Mr. Chairperson, that information will come out in the normal public accounts as it always does.

Mr. Tweed: Since Doctor Cram has decided that he cannot perform the review, can the minister provide us with the logic or the reasoning behind that?

Mr. Chomiak: Mr. Chairperson, when we announced on Friday that, in fact, the Assiniboine Regional Health Authority had offers to three additional physicians and had recruited five more physicians they are going to give offers to in order to deal with some of the physician issues related to the Assiniboine Regional Health Authority, I also announced that because of the work load issues, because Doctor Cram carried on a thriving practice, the extent of the review and the intention of the review was broader than Doctor Cram would be in a position

to handle given his workload. He decided, and we decided, that it would be more appropriate to have the Office of Rural and Northern Health with augmented resources undertake the review because, quite frankly, it was somewhat beyond the scope of the ability of Doctor Cram at this point in his practice to undertake this review.

Mr. Tweed: Did the minister or the minister's office not have this conversation with Doctor Cram before they offered him the position?

Mr. Chomiak: Mr. Chairperson, yes.

Mr. Tweed: So, on a Thursday when there was a group of people in here from rural Manitoba and the minister announced that Doctor Cram would be hired to do a review, he says that they had discussions with the doctor regarding the process and what they would follow to do this review, and then a week later or within 10 days, the doctor resigns from this position. Does the minister not see that there is a problem there as far as his, I guess I would say, shotgun approach to trying to resolve the recruitment issue?

Mr. Chomiak: Mr. Chairperson, first off, the approach to dealing with the recruit issue, I remind the Member for Turtle Mountain (Mr. Tweed), is not just to rely on what the former government did, that is, smaller medical classes and going out on particular sojourns to recruit foreign doctors. We started a more comprehensive plan when we came into office that saw us expand the medical faculty by 15 positions, the number of residency positions by 15 positions; an internationally-recognized IMG program that would take doctors who are not practising medicine and who were doing other forms of work in Manitoba and allow them to practise medicine; giving bursaries for the first time to medical students, both in the last year and in their residency positions to do work in Manitoba. Aggressive rural campaigns is hardly a shotgun approach to recruitment.

Mr. Chair, it is hardly a shotgun approach to recruitment purposes, and I have to tell the Member for Turtle Mountain that the steps taken in the nineties in which doctors left over and over and over again, in which doctors were not replaced, is not something that can be dealt with overnight. Surely, the member knows that.

With respect to the specific issue related to Doctor Cram, as I recall it, there was a rally here on the Monday or Tuesday. I think we announced Doctor Cram here Thursday or Friday. I do not know what reference the member is making to people here Thursday, Friday. Maybe the member could clear that up, but we announced the Doctor Cram appointment. We had discussions with Doctor Cram. It is very clear that the amount of public consultation is beyond the capacity of one physician to undertake, and with the scope and the breadth, it is just too much for one particular individual given a lot of the circumstances that have developed, and consequently, the extent of the undertaking is beyond that of a single doctor in a practice.

Originally, we had envisioned that Doctor Cram, with all the physicians, some of the key community leaders and some of the other officials would quickly put together some recommendations to deal with some of the issues of recruitment in that particular area and region. It became apparent that there was far more involved in this than Doctor Cram could undertake, and we thought it would make logical sense to just expand it, and provide that activity and function to a broader mandate.

* (11:30)

Mr. Tweed: Mr. Chair, I would suggest to the minister that, when 33 out of 42 doctors in southern rural Manitoba have left their positions in the last four years, this is not a problem that just happened overnight. It is interesting that the minister would make reference to Doctor Cram when he was introducing him to the public as the man to be and the person most capable and the person in charge of this. Now he is saying that he is not capable of doing it. It is just kind of interesting, the timing of the announcements. It seemed to be more of a let us get rural Manitoba out of my office and off my back and try and pacify them for a short period of time.

The minister also notes that he has increased the number of admission opportunities for rural Manitobans. Can the minister tell me if those admissions are at their maximum level?

Mr. Chomiak: First off, Mr. Chair, with respect to Doctor Cram, I think I made it very clear that

the breadth and the scope of it had expanded beyond that. The member can make any generalizations that the member wants. Doctor Cram is a very well-respected, well-recognized Manitoban who has done outstanding work and will continue to do outstanding work in the community. We were simply utilizing that expertise. It is very clear that that expertise went beyond.

Mr. Chairperson, the members opposite have for years been under a misapprehension with respect to rural Manitoba. I know when the former government slashed the number of program admissions to medical school by 15 right across the province, the number of doctors available dropped dramatically. We brought back 15 new positions. We expanded residency positions to 15 additional residency positions in Manitoba, which, as memory serves me correctly, 9 were rural, family-oriented residency positions with respect to the faculty.

We are now endeavoring to enhance the ability of rural and other students to be cognizant of their abilities to enter into the Faculty of Medicine. That is part of the expertise that has been brought to us by the Office of Rural and Northern Health and Doctor Klassen in particular.

Mr. Tweed: Again, I will ask the minister, of the 15 additional residence positions that he is suggesting are out there, I am asking him if there are 15 rural residents taking part in the program.

Mr. Chomiak: I will get the numbers. I will confirm the numbers for the member. I will get those numbers.

Mr. Tweed: Well, we have, certainly, had the minister promise all sorts of numbers in the past. I guess I will look forward to seeing them when they arrive.

Mr. Chair, I want to get back a little bit to the office with Doctor Klassen. Is the minister suggesting that this office will add staff to take on the review of the Assiniboine Regional Health Authority?

Mr. Chomiak: There is not a review of the Assiniboine Regional Health Authority.

Mr. Tweed: Will the minister tell the House if there will be additional people employed to perform the duties that Doctor Klassen has been assigned by the Government?

Mr. Chomiak: We will be providing additional resources to the office for them to undertake the assignment, as noted in the release on Friday.

Mr. Tweed: I would ask the minister again: Can he tell us how much this increase in funding will be?

Mr. Chomiak: As I indicated to the member several questions ago, we are finalizing those numbers.

Mr. Tweed: Will the minister today table the terms of reference for the review?

Mr. Chomiak: I will table the terms of reference when they are finalized.

Mr. Tweed: I guess what we have then is a call for a review, the quick announcement of a doctor within the RHA to do a review of the doctor services within the RHA who later resigns from that position. The minister is saying the Office of Rural and Northern Health has been mandated now to do this review. They are going to increase funding to do this review. We do not know if they are going to increase staff and they have no terms of reference.

Does the minister not see something wrong with this picture?

* (11:40)

Mr. Chomiak: I see something wrong with the member's question. As I have indicated we will provide finalized versions of the terms of reference and finalized versions of the costing to the member. I think there was some difficulty in the member's conclusions.

Mr. Tweed: Well, I think the conclusions are obvious, Mr. Chairman, that the minister, to get himself out of a political jam, out of political hot water, announces, it would appear without any terms of reference, hires Doctor Cram. Obviously, after the fact, through discussions, Doctor

Cram, the RHA and the Government recognized that this is not the right process to follow.

Mr. Chair, I would suggest the minister probably received several letters and phone calls of concern and changed his mind. To announce a review of something without any parameters as to what the review would entail and how much it is going to cost, certainly, would seem odd from this side of the House.

I would like to ask the minister if he has a deadline as to when this review will be completed and submitted to the Government.

Mr. Chomiak: I indicated on Friday, I do not know if the member picked up on it, that we would be finalizing the terms of reference and the cost and that the deadline was the end of the year. That was all indicated on Friday.

Mr. Tweed: So the minister is asking a body to perform a review. We do not know who will be involved in it, we do not know how much it is going to cost and we do not know what the terms of reference are. Yet they have to have this completed by the end of the year. Will the minister, upon receiving the review, table that document in the House?

Mr. Chomiak: I cannot promise to table it in the House if the House is not sitting, but if the House is sitting when the information is made public, we have followed a practice, unlike that of the previous government, and we have made information public. We have not followed the practice of not providing information to the House, which was a pattern that was developed over the nineties. That information will be made public, as we have in all of our reports.

Mr. Tweed: Well, I think there would, certainly, be some debate about the minister tabling reports in a timely fashion.

I would ask the minister: Is he prepared to release the document whether the House is sitting or not to all interested parties by the end of the year when he receives it?

Mr. Chomiak: As has been our practice, unlike the previous administration, we will release the information to the public.

Mr. Tweed: Has the minister received representation on behalf of the communities that are enduring the loss of doctors in their communities?

Mr. Chomiak: I have received lots of contact from Gladstone in 1997 and since, Mr. Chairperson, from Stonewall in the late nineties and from all of the communities that periodically have difficulties in doctor recruitment. We treat them all seriously and try to deal with each issue.

I have also had individual MLAs from each constituency contact me and meet with me on problem solving on a number of communities throughout the years. That has and will continue.

Mr. Tweed: Does the minister think that it is strange that 33 doctors in four years would leave the regional health authority in southern Manitoba?

Mr. Chomiak: Mr. Chairperson, I think it is important to note that there are more doctors in the regional health authority now than when the member was a member of Cabinet. That is the first point. There has been active recruiting in that region.

What has been identified as a major problem, and I do not know if the member had the opportunity to review the comments in the paper by the doctor from Rivers, the doctor from Rivers, Manitoba, said he was leaving to go to Prince Edward Island and take a cut in pay, even though I should say, Mr. Chairperson, they have one of the best pay packages involved. He was going to take a cut in pay because he could not stand to be on call 24 hours all the time, on the one-two call rote.

Mr. Chairperson, this was the problem in the nineties and it is a problem now. This was one of the reasons why members opposite sent delegations to South Africa to bring in South African doctors. This is why recruitment takes place. I think the member is very familiar with that particular process.

We do know that what seems to be the major difficulty, if the member would refer to a report by the Manitoba Centre for Health Policy

and Evaluation that came out in the last six months and looked at patterns of doctor practice, it is very clear that the pattern of doctor practice has changed dramatically throughout the country. The idea of one-in-two call rotations makes it very, very difficult to be a physician in places where you are on call 24 hours a day all the time. Doctors are increasingly finding it difficult to manage practices and lifestyle in that regard.

That has been probably the fundamental most difficult issue in dealing with small health centres, small hospitals, Mr. Chairperson, in order to maintain doctors. They simply do not want to be on call for those long periods of time. We have experienced that in many, many centres outside of Winnipeg and it has been a struggle ever since we came to office and it has been a difficulty before.

I only cite the example of Gladstone, when the members opposite chose to close the Gladstone ER because they could not keep doctors on call, Mr. Chairperson. That, in fact, was larger doctor practices, but it is clear that the one-in-two call rotation has been a difficulty. From the data and the information I have received, the region has brought in more doctors but has lost doctors. One of the major reasons cited for the loss of doctors is the one-in-two call rotation, which has been the major difficulty and which has been one of the issues that has to be addressed with respect to how we are going to staff facilities, particularly smaller facilities in places that there are not more than one or two doctors.

Mr. Tweed: Mr. Chairperson, listening to the minister make comments on the doctor leaving Rivers, it would seem ironic that we have a doctor in Wawanesa quoted in the paper as saying a young rural physician born and raised in rural Manitoba, when he applies to rural Manitoba is told by the RHA that we do not want you there because we are planning on closing them, almost contradicts what the minister is trying to do.

It would suggest that the minister, through his office and, I suspect, through the declining funding or the inability of the minister to recognize that the RHAs, are actually creating this problem. I do not know whether it is with his blessing or with his understanding of it, but

when you have three doctors in a community resign, and only recruit one, obviously you are going to go back to a one-and-two doctor rotation, which is going to create the very problem that he is talking about. So it is almost ironic that the minister and his office is creating those problems and then talking about them being the issue and yet not offering any viable solutions to the people in the communities that are out there.

I would ask the minister: Has he had any discussion with the Abell family in regarding their leaving the community of Wawanesa?

Mr. Chomiak: Mr. Chairperson, it is interesting that the member uses the Wawanesa situation, which in my experience is relatively unique in terms of the fact that there is a mother, father and son practice in that particular community and has been for some time and the member cites that as an example. I think it is a relatively unique situation with respect to one family that had provided practice in one community for a long period of time. I might suggest and add to the member that he forgets that a doctor has been recruited and there are further attempts to recruit another doctor with respect to that community.

I also suggest that this Chamber, this forum is not a place where I have traditionally nor will I discuss personal issues, that is issues of personnel, because it is not the appropriate forum and it is not a forum that I suggest is appropriate for discussing those issues. The member knows full well that, and I will leave it at that.

Mr. Tweed: I guess myself as the head of the Health Department in the province of Manitoba, I would be very interested why a family of physicians in which two of them have worked for 37 years in a community, why they would want to resign and pull up stakes would be something that might interest me as the head of that organization. Whenever you have a situation where doctors are hard to recruit, and we acknowledge that, and they are hard to retain, when you lose three community doctors that have lived and worked in that community all of their lives, it would raise a red flag to me as to what has happened or what is going on.

The minister may suggest that he has assigned one person who, at the end of the day,

decided he could not do it, and has actually given the task back to the original group of people or the organization that probably should have done it in the first place. I can use several examples. But I think the minister would want to know, particularly if he is really serious about helping rural Manitoba not only recruit but retain. I am not certain that 33 out of 42 doctors leaving communities in rural Manitoba in the last four years is a good track record for a Minister of Health or his designated administrators that are running the program. I would think it would be incumbent upon the minister to find out why that is happening. That is why I have asked the question.

Mr. Chair, good people come to your community and if they choose to stay, I think it is incumbent upon organizations to find out (1) why they leave, and (2) what we can do to help them stay. I would ask the minister if the part of the mandate of the northern health office, Rural and Northern Health Office will be to contact doctors that have left and do an exit interview with them to find out why they left.

Mr. Chomiak: First off, that the member suggested we are not concerned whenever doctors or physicians or nurses or anyone else leaves is, of course, inaccurate. Secondly, the regions that employ physicians do conduct interviews and exit interviews with individuals and there is a fair amount of that that has taken place. Thirdly, it was very clear that part of Doctor Cram's mandate was to talk to all doctors in the region, particularly those that are leaving, and that will continue under the mandate of the Office of Rural and Northern Health. Fourthly, I had a very frank and open discussion with the community of Wawanesa about a week and a half ago.

Mrs. Driedger: On September 25, Mr. Chair, in the *Winnipeg Free Press*, there was a story about St. Boniface Hospital getting a major revamp, and I would just like to put on the record a few of the paragraphs from that particular news story. It says: Gauthier said the reorganization will require deletion notices being sent to 52 nurses, 45 health care aides and 3 ward clerks. Gauthier said hospital staff cannot simply be reassigned to the different units, adding that collective agreements require the hospital to

delete positions in one unit and post openings in other units. It is true that we are deleting 52 nursing positions, he said. Gauthier spent most of the day meeting hospital staff, some of whom were upset to learn of the changes and the job losses. Ian McMahan, a health care aide and acting union representative said there were a lot of angry and confused people here today.

In fact, another newspaper story indicated that there were many tears being shed because dozens of positions would be cut. I would like to ask the Minister of Health why 52 nurses were being fired rather than being allowed to transfer over into another unit. Is it as Mr. Gauthier has said, that you cannot simply be reassigned to the different units, adding that collective agreements require the hospital to delete positions in one unit and post openings in other units.

* (11:50)

Mr. Chomiak: Mr. Chairperson, I believe I quoted from that same newspaper article. Mr. Gauthier also indicated that there would be a net increase in the number of nurses at the facility.

I also pointed out to the member opposite that I did not understand her mixed position with respect to our having to consolidate surgeries at one centre. I am not sure because the positions change numerous times by members opposite as to whether or not they support the consolidation of programs.

In order to do that, it requires movement around the system. I am not clear what the member's position is, but I do know that that same article indicated that there would be a net increase of nurses who would be hired.

Mrs. Driedger: Can the minister tell us why 52 nurses have to be fired in the first place?

Mr. Chomiak: The member is well aware of the pattern with respect to collective agreements, Mr. Chairperson.

Mrs. Driedger: Well, the minister is on record so many times saying that the Tories fired a thousand nurses. Now he is firing 52 nurses. Mr. Gauthier, the head of St. Boniface Hospital said, well, hospital staff cannot simply be reassigned

to the different units, adding that collective agreements require the hospital to delete positions in one unit and post openings in other units.

Is the minister willing to concede that that is what happened when a thousand nurses had their positions changed in the nineties, when programs were being changed, when nurses were being shuffled through the system, that this is exactly the same thing that happened in the nineties?

Mr. Chomiak: How do I put it emphatically, underlined, parentheses, in bold type—no, Mr. Chairperson, because in the 1990s, not only were nurses fired and not offered jobs, I was on many occasions sitting in the Legislature when dozens and hundreds of nurses would come here without jobs—without jobs—who had been callously fired as a result of the Connie Curran process that saw the elimination of nurses.

Not only that, Mr. Chairperson, but we saw the elimination of nursing programs. At the time members opposite started the firing process, we were graduating somewhere in the neighbourhood of 600 to 800 nurses a year. By the time the members and Connie Curran had finished their process at the end of the nineties, we were graduating 200 nurses a year—200 nurses a year. They could not even keep up.

I might add that during that period of time in which the members fired a thousand nurses, they closed 1400 beds in the system—1400 beds. So members opposite ask where did the nurses go? The nurses went to the United States. The nurses went to other provinces.

If the member had kept track of the outflow at that time, the stats are quite apparent, but the member never kept track of stats. Therefore we utilize stats by the MNU. It is the MNU that provided us with the stats with respect to firing. I have numerous, numerous articles that I could cite—and I am quite prepared to bring them here—chapter, word and verse with respect to that.

The difference, Mr. Chairperson, with respect to the process that was entered into last week is that we are announcing the fact that we are expanding—let me put it again to the member.

We are expanding the number of nursing positions being offered. We are expanding the number of full-time positions being offered, something that I thought the member opposite was supposedly in favour of.

So it is a process of a reconfiguration. Yes, we knew we had to do it. I thought the member was supportive. Now it is not clear to me what position the member has with respect to St. Boniface. At one time the member was supporting HSC. At another time the member was supporting St. Boniface. Now I am not sure what position the member has with respect to moving and opening beds at St. Boniface Hospital.

This will result in a net increase of nurses, Mr. Chairperson, which is totally contrary, completely contrary, totally apposite, a-p-p-o-s-i-t-e, to what members opposite did during the time when they were in government.

So, for the member to draw the long bow with respect to the layoff and the firing of a thousand nurses under Connie Curran and the reconfiguration process, we are moving from programs and expanding the programs, recommended by Doctor Koshal, recommended by all kinds of individuals, and increasing the number of nurses is a long, long way away from the dark days of the 1990s when nurses were forced to have no jobs, were forced to leave the province, were forced to take a pay cut.

I might add we are also working with the nurses in terms of a collective agreement to deal with full-time, part-time and other matters of a joint council relating to nursing relations. We are trying to work with the nurses to the extent possible in order to deal with some of the issues raised and some of their concerns.

Mrs Driedger: Mr. Chairperson, the Minister of Health, certainly, wants to have it both ways. When Boundary Trails Hospital opened, the nurses at Morden and Winkler had to be fired before they could be rehired into Boundary Trails.

I believe the same thing happened with the VON nurses. So this minister is sitting somewhere with a track record of about 500 nurses that he had to fire and he had to rehire. In fact,

St. Boniface Hospital is now saying that reorganization indeed is going to cause the firing of 52 nurses.

I think Mr. Gauthier is very, very specific in why these types of things have to happen. They have to happen because hospital staff cannot simply be reassigned to different units because collective agreements require the hospital to delete positions in one unit and post openings in other units. This is what happens when there is reconfiguration in the system.

While the minister likes to have it both ways and makes his passionate comments about it, it is becoming more obvious as changes are happening in the system that he is not going to be able to have it both ways anymore.

When the minister reinstated the nursing program at Red River College, I believe it was with 100 students entering the program, and I note that a news release just last week indicated that of those 100 students, and the minister could, certainly, correct me if I am wrong about 100, I know it is in that vicinity, but that only 67 students actually graduated from that particular program. Can the minister tell us why the attrition rate is so high?

Mr. Chomiak: In fact, the attrition is not so high. There are another 13 nurses who are graduating subsequently. The last time I looked at the attrition rates with respect to that program it was one of the lowest, but I will just find out the specific facts; 67 were graduating, another 13 are subsequently graduating, and I think the total number was somewhere in the neighbourhood of 90, not 100.

Mrs. Driedger: Can the minister tell us when he is going to release the nursing vacancy numbers for this year? It is well over a year since the numbers were last brought forward. In fact, it was somewhere in mid-September of last year that the minister brought forward the numbers for last year. Right now we are still waiting for the nursing vacancy numbers for this year.

Mr. Chair, I do have some concern because two years running the minister tried to manipulate those numbers: one year with term positions and another year with health care aides. I am quite concerned as to what might be happening with the numbers this year and would ask the minister: When is he going to release those numbers so that we know how bad the shortage is in Manitoba? Or if it is better, that would be fine, too. I think we would all hope that the nursing situation is getting better, but I would ask the minister when is he going to release those numbers.

Mr. Chomiak: Mr. Chair, I already answered that question. I said it would be before the end of the month. I know last week the member said I refused to release the report and again the member was wrong.

Mrs. Driedger: I would like to indicate to the minister twice I have asked him for the numbers. In the summer I phoned his office and I was refused the numbers when I phoned his office. Then, again, I was asking the minister in Estimates and again basically he did refuse to put them forward in Estimates saying they would be coming later. Well, we are still later and later and later and the numbers are not there.

As I said, I do have some concern as to what the minister might be doing with those numbers. His track record on this, because the shortage has doubled under the NDP, has tried to manipulate the numbers so that it looks better than it actually is. Certainly, I would hope the minister is going to be putting those numbers forward and that they are going to accurately reflect what is happening with the nursing shortage in Manitoba right now.

Mr. Chairperson: The hour being 12 noon, the Chairperson is interrupting the proceedings of this Committee of Supply.

The committee will recess with the understanding that it will reconvene this afternoon after Routine Proceedings.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, September 29, 2003

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