



Third Session - Thirty-Seventh Legislature

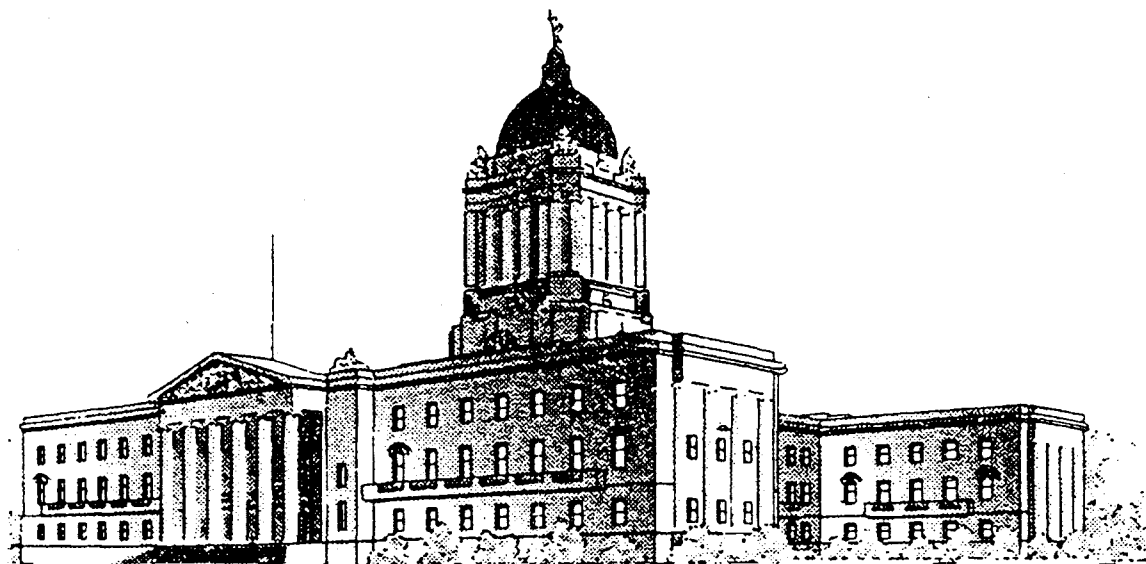
of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
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DOER, Gary, Hon.	Concordia	N.D.P.
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FAURSCHOU, David	Portage la Prairie	P.C.
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HAWRANIK, Gerald	Lac du Bonnet	P.C.
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HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
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LATHLIN, Oscar, Hon.	The Pas	N.D.P.
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TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 30, 2002

The House met at 1:30 p.m.

### ROUTINE PROCEEDINGS

#### MINISTERIAL STATEMENTS

##### Forest Fire Update

**Hon. Steve Ashton (Minister of Transportation and Government Services):** I have a statement, Mr. Speaker.

As Minister responsible for Emergency Measures, I am pleased to provide the House with an update on the forest fire near Red Deer Lake that was threatening the communities of Powell and Barrows. I am very pleased to report that the need to evacuate residents from these communities has passed, and as of noon today people began returning to their homes.

The fire lines were held over the course of the night, and the ground attack crews and helicopters are continuing their work to suppress the fire. The fire is now contained, and I am sure all members of the House join me in applauding the excellent work of those who worked so hard to protect these communities. As a precautionary measure, residents in Powell and Barrows will remain on one hour notice evacuation for the next 24 hours. I would also like to report to the House that the RCMP are working to determine the cause of the fire.

I am sure all Manitobans share a relief that the fire was contained without injury or property damage. Forest fires are a fact of life in this province. We should all keep in mind the tremendous destructive powers of those fires and do our part to stop forest fires before they start. All Manitobans can look at the fire at Red Deer Lake as a reminder of the dedicated professionals who stand ready to fight the forest fires and assist those affected by those fires. I am sure I speak for all members of this House in extending our thanks to those people who did this difficult and important work.

**Mr. Harry Enns (Lakeside):** Mr. Speaker, I thank the minister for his statement to the House, and again allow me to take this opportunity, along with him, to congratulate our forest-fire fighters that have done such an exemplary job in this instance. I want to indicate to him and to the House that this section of the minister's Estimates passed speedily, as we approved the annual \$14-million-plus for the protection of our property and forests, and in this case a community.

It is regretted, and I hope that will be determined shortly, if indeed this fire was arson, deliberately started, that we have these kinds of occurrences. I hope the RCMP can come to a satisfactory conclusion in their investigation of this matter.

**Hon. Jon Gerrard (River Heights):** I ask leave to speak to the minister's statement.

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

**Some Honourable Members:** No.

**Mr. Speaker:** No, leave has been denied.

### INTRODUCTION OF BILLS

#### Bill 27—The Safer Workplaces Act (Workplace Safety and Health Act Amended)

**Hon. Becky Barrett (Minister charged with the administration of the Workers Compensation Act):** Mr. Speaker, I move, seconded by the Minister of Transportation and Government Services (Mr. Ashton), that leave be given to introduce Bill 27, The Safer Workplaces Act (Workplace Safety and Health Act Amended), and that the same be now received and read a first time.

*Motion presented.*

**Ms. Barrett:** Mr. Speaker, The Safer Workplaces Act deals with a number of areas

including: provisions respecting Workplace Safety and Health committee duties; providing for safety and health duties of contractors, owners, and suppliers, and new duties for employers, including provisions on safety and health programs, training and supervision of workers; as well as streamlining appeals and addressing compliance issues.

*Motion agreed to.*

\* (13:35)

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us from the Souris School 38 Grade 5 students under the direction of Mr. Glen Wallmann and Ms. Theresa O'Brien. This school is located in the constituency of the honourable Member for Minnedosa (Mr. Gilleshammer).

Also in the public gallery we have Amanda Willms and Angela Schellenberg, who is the daughter of the honourable Member for Rossmere (Mr. Schellenberg). They are also the guests of the honourable Member for Rossmere.

Also in the public gallery we have Mr. Larry Soldier, who is the Chief of the Swan Lake Band.

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

### ORAL QUESTION PERIOD

#### Manitoba Medical Association Contract Negotiations

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, once again we have seen this Government perform another flip-flop. Last week we called for the Province to enter into binding arbitration with the Manitoba doctors, but the Health Minister, he refused. Yesterday, they changed their minds and did enter into binding arbitration, but they refused to put it in writing.

Mr. Speaker, in less than 48 hours Manitoba patients will be put at risk if this Government

allows doctors to walk off the job. I will ask the Health Minister if he will do the right thing. Will he do the right thing and provide a written, signed document providing and proving that the Province will enter and agree to binding arbitration?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I have consistently adopted the position in this House that it is not appropriate to negotiate in this Legislature. As an example, yesterday the Member for Charleswood (Mrs. Driedger) raised issues in this Legislature about negotiations that were not, shall I say, totally with all the facts in the situation. Had I started to engage in debate with the member on that issue, it could have jeopardized ongoing negotiations.

**Mr. Speaker:** Order.

### Point of Order

**Mr. Speaker:** The honourable Member for Turtle Mountain, on a point of order?

**Mr. Mervin Tweed (Turtle Mountain):** Yes, Mr. Speaker, *Beauchesne* 417. Yesterday, the Minister of Health leaked a letter to the media before he sent it to the MMA. If that is not negotiating in the public eye, I do not know what is, and I would ask him to explain that.

**Mr. Speaker:** The honourable Minister of Health, on the same point of order.

**Mr. Chomiak:** Yes, Mr. Speaker, not only does the member not have a point of order, but the point of order he raised is factually inaccurate.

**Mr. Speaker:** On the point of order raised by the honourable Member for Turtle Mountain, it is not a point of order. It is a dispute over the facts.

\* \* \*

**Mr. Chomiak:** As I indicated last week when members raised the issue of binding arbitration, as I indicated this week regarding binding arbitration, I do not think it is useful insofar as we are in negotiations now with the MMA concerning a whole series of issues, concerning a contract valued at half a billion dollars, concerning a contract that has hundreds and

hundreds of clauses, implications and ramifications.

**Mr. Murray:** Mr. Speaker, it is getting to become a bit of a habit for the Doer government to always wait till the eleventh hour before anything happens. That tactic may get the Government's union juices going but it does little to help those patients who are wondering if there are going to be services available on Saturday.

I will ask the Health Minister again: Will he do the right thing, stand, put patient safety first and sign a document to say they will enter into binding arbitration with the MMA?

**Mr. Chomiak:** Mr. Speaker, the last time there was a negotiated agreement between the Government of Manitoba and the Manitoba Medical Association was in 1998. That contract had expired on March 31 of that year and, as I recall, the previous government entered into an arbitration agreement with that same organization on June 3 of that year.

**Mr. Murray:** What the Health Minister is basically saying is: Take me at my word. Take me at my word that we are going to proceed with this binding arbitration.

The fact of life is this is the same minister that said: I will end hallway medicine in six months, I will slash waiting lists for diagnostic testing and we will hire more full-time nurses.

Failed on all of those. They cannot trust this minister for his word. I simply ask him, on behalf of Manitoba patients: Will he do the right thing, put patient safety first and enter into a written, binding arbitration to ensure patients know that on Saturday this Government will not allow doctors to walk out?

\* (13:40)

**Mr. Chomiak:** Mr. Speaker, dealing with all the issues raised by the member opposite, it has been well documented across the country that the hallway medicine situation is down 80 percent and has been viewed by CIHI as the best in Canada. In fact it has been copied by the Conservative government of Ontario.

Secondly, it is also well known that we have created more full-time jobs in our tenure in the

last several years than have occurred during the equivalent period of time during the last government. In fact, we have a clause in the new collective agreement that we were able to reach with the nurses to work with the nurses, not firing nurses, not laying off nurses, but working with the nurses to deal with issues of full-time work.

In addition, as I have indicated, we are in negotiations. The members opposite were in the situation where I do not think it is appropriate that we should be discussing the specific aspects of negotiation, where we are at a crucial stage.

#### **Manitoba Medical Association Contract Negotiations**

**Mrs. Bonnie Mitchelson (River East):** This Minister of Health has been in charge of the health care system for almost three years now. Under his watch in the last year, three times patients have been put in jeopardy as a result of the emergency room physicians, as a result of the nurses, where surgeries were cancelled and beds were closed. Now it is with physicians.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. The honourable Member for River East has the floor.

**Mrs. Mitchelson:** My question for the Minister of Health is: When is he going to stop blaming everyone else, show some leadership, take some responsibility and ensure that patient safety is not put at risk this weekend because of his inaction?

**Mr. Chomiak:** Mr. Speaker, we are in negotiations with the MMA. As I recall, during the 1990s there were at least two or three episodes when emergency doctors walked off the job, at least two or three occasions. So I think that is what the member is confusing in terms of her reference in her preamble.

Secondly, I think it is well documented and I think it is well known by Manitobans what measures we have put in place. We have increased enrolment at the Faculty of Medicine to have more doctors, after members opposite cut the enrolment. We increased enrolment in

nursing after members opposite cut the nursing programs. We have not closed hospitals like members opposite who closed the largest hospital in Manitoba history.

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader, on a point of order.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate.

What is this minister going to do on the weekend when the doctors walk out?

**Mr. Speaker:** The Minister of Health, on the same point of order.

**Mr. Chomiak:** Mr. Speaker, the member opposite does not have a point of order. The rather ambling preamble of the Member for River East made reference to facts that I was correcting for her information and for the people of Manitoba. They asked about the negotiations, and I indicated they are ongoing negotiations. I might add further that—

**Mr. Speaker:** On the point of order raised by the honourable House Leader of the Official Opposition, I would like to draw the attention of all honourable ministers that *Beauchesne* 417: Answers to questions should be brief and should not provoke debate.

\* \* \*

**Mr. Speaker:** The honourable Minister of Health to conclude his answer, please.

\* (13:45)

**Mr. Chomiak:** Thank you, Mr. Speaker. In conclusion, what the member states in her preamble and question is wrong.

**Mrs. Mitchelson:** Will the Minister of Health, who has ambled and rambled on and on and

taken no responsibility, shown no leadership in this issue, answer one very simple question? Why has he changed his position, when in opposition his leader said in questioning the government of the day, and I quote: Will the Premier have the Minister of Health agree to put all items in dispute before an independent binding arbitration process so that patients can be served by this process? Why has he changed his position now and not shown any leadership?

**Mr. Chomiak:** Mr. Speaker, that is precisely the position we took and agreed with at the bargaining table.

**Mrs. Mitchelson:** That certainly was not the spin the minister was putting on this outside the Legislature yesterday, where he had no answers.

Will the Minister of Health today, Mr. Speaker, do what he indicated in opposition that the Government should do, and will he simply try to solve the situation for the benefit of all Manitobans and agree that the Government will go to binding arbitration in order to resolve this issue? Will he sign the documents and get on with the process?

**Mr. Chomiak:** Mr. Speaker, we have gone further than the comments we made in opposition. At the time those comments were made in opposition, there was a strike ongoing. We have offered binding arbitration prior to job action in recognition of the demand of the MMA.

#### Manitoba Medical Association Contract Negotiations

**Mr. Mervin Tweed (Turtle Mountain):** We have heard the minister claim that he is in negotiations, he is not in negotiations, that he was deferring negotiations for a week. We now understand that he is negotiating publicly and privately with the MMA and the individual doctors separately.

My only question for him is: Will the Minister of Health guarantee that Manitobans will not be put at risk while he dilly-dallies with the negotiations with the Manitoba Medical Association?

**Hon. Dave Chomiak (Minister of Health):** I will confirm that we are in negotiations.

**Mr. Tweed:** Mr. Speaker, that is absolutely intolerable for the people of Manitoba. He makes light of the fact that services are being taken away from rural Manitobans.

**Mr. Speaker:** Order.

### Point of Order

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

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, Mr. Speaker. A couple of days ago we had a very insightful statement made in the House on a point of order, I think a statement that is worth repeating.

It says *Beauchesne* 417, I do not know if that is the right citation: Preambles to questions should be brief and supplementary questions should require no preamble. That was from the Official Opposition House Leader. It reads like Shakespeare. I urge that in considering the preamble to the supplementary questions of the Member for Turtle Mountain.

**Mr. Speaker:** The honourable Member for Turtle Mountain, on the same point of order.

**Mr. Tweed:** On the same point of order, Mr. Speaker. We on this side of the House find it awful that the government of the day would find it a position to be cute and fancy when people in rural Manitoba and their life and limb are being put at risk while this guy sits around and makes jokes about the negotiations that are going on. It is shameful.

**Mr. Speaker:** Order. On the point of order raised by the honourable Government House Leader, I would like to take this opportunity to remind all honourable members that 409(2): A preamble is not required on the supplementary question.

I would ask the honourable Member for Turtle Mountain to please put his question.

\* \* \*

**Mr. Tweed:** Thank you, Mr. Speaker. Then I will ask the Minister of Health: Will he quit

playing chicken with the MMA and resolve to settle this issue and not put Manitobans at risk while he fiddles?

\*(13:50)

**Mr. Chomiak:** Mr. Speaker, we have been at the bargaining table with the MMA for weeks. Binding arbitration was on the table with respect to the MMA in the negotiations at a time even sooner than when the members sat around the Cabinet table of a previous administration.

I do not understand where members opposite are coming from. What I do know is we are doing everything we can to ensure the patients are of the first priority for all Manitobans. I know the MMA is doing the same thing.

**Mr. Tweed:** My question for the Minister of Health: Is the Minister of Health considering legislation if this cannot be settled through negotiation?

**Mr. Chomiak:** Mr. Speaker, we are at the bargaining table with the MMA negotiating a collective agreement. We continue to negotiate a collective agreement. We continue to meet with the MMA. As I speak there are ongoing meetings that are recommencing very shortly. We are continuing to bargain.

What I fail to understand—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, I think I now better understand some of the climate and some of the issues that occurred during the 1990s when members opposite were government.

### Adult Learning Centres Funding Overpayment—Legal Action

**Mr. Harold Gilleshammer (Minnedosa):** In April of this year the Minister of Education stated that ratepayers in Morris-Macdonald School Division should sue the division's former partners in adult education for restitution. Was it the minister's direction that individual ratepayers must go to court because he himself would take no action against these former partners?

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** Mr. Speaker, this Government, since it came into office in September 1999, has been engaged in nothing but taking action in rectifying the problems left by members opposite when Manitobans exercised their choice to remove them from office.

The reality of the adult learning centre situation in Morris-Macdonald was well outlined in the provincial auditor's report, an extensive and exhaustive document that I refer members opposite to for their edification. The provincial auditor identified a number of responses in recommendation form that should be undertaken to bring some order to the system of adult learning centres established by members opposite, a system with no accountability either fiscally or educationally.

**Mr. Gilleshammer:** I would ask the minister to focus on the question. Did he indicate to individual ratepayers and people who were considering running as trustee candidates in Morris-Macdonald that they should run on that option, that they should sue for this restitution?

\* (13:55)

**Mr. Caldwell:** Mr. Speaker, as I indicated in the House yesterday, there is an RCMP investigation into this matter, an investigation that was referred to them as a basis following on the provincial auditor's report, an Auditor's report that identified an adult learning system in the province of Manitoba that was established with no apparent forethought by members opposite.

That ill-conceived scheme, conceived by members opposite, cost the people of the province of Manitoba tens of millions of dollars, up to four and a half million, which was identified as going to happen in Morris-Macdonald.

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader, on a point of order.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** On a point of order, Mr. Speaker, *Beauchesne* 417: Answers to questions

should be as brief as possible, deal with the matter raised and not provoke debate.

I do believe it was a very simple question for the minister. I do believe if he listens carefully the next time, he might catch on.

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order, 417: Answers to questions should deal with the matter that is raised.

\* \* \*

**Mr. Speaker:** The honourable Minister of Education, Training and Youth, you concluded your comments?

**Mr. Gilleshammer:** I can well imagine why the minister is embarrassed by these comments.

Did he in fact say to the public that members of the public, ratepayers at Morris-Macdonald School Division should sue these former partners for the overpayments that were made to institutions like HOPE and Anokiiwin?

**Mr. Caldwell:** Mr. Speaker, I do appreciate the Member for Minnedosa's concern with this. I think we should all be concerned with the Morris-Macdonald issue in this province.

Taxpayers from the Turtle Mountain constituency, taxpayers from the Minnedosa constituency, taxpayers from every constituency in this province had tax dollars going to Morris-Macdonald. The provincial auditor identified that millions of those dollars were mismanaged and instructed the Government to take action on that matter. That is indeed what we are doing.

#### Adult Learning Centres Funding Overpayment—Legal Action

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I will try to place the question more clearly for the member and more simply. Did the minister say to the people in Morris-Macdonald that they should sue third parties to reclaim the monies that were owed to Morris-Macdonald School Division?

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** Again, Mr. Speaker, I am



not going to have the member for Roblin put words in my mouth. What I am going to say is that taxpayers in the constituency of the member from Roblin—

**Some Honourable Members:** Russell.

**Mr. Caldwell:** Russell, sorry, Mr. Speaker, the member from Russell. But taxpayers from Roblin, taxpayers from all over the province had dollars go into Morris-Macdonald.

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate.

Mr. Speaker, the very simple question for the minister: Did he make those statements?

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order. *Beauchesne* 417: Answers to questions should deal with the matter raised.

I ask the honourable Minister of Education to deal with the question, please.

\* \* \*

**Mr. Speaker:** The honourable Minister of Education, Training and Youth, you concluded your comments?

Next question.

**Mr. Derkach:** Mr. Speaker, I ask the minister again: Did he say to the people of Morris-Macdonald that they should sue third parties like the Orlikows and the Anokiiwin Centre to recoup money in terms of the overstated enrolments?

**Mr. Caldwell:** Mr. Speaker, I fully expect that as the RCMP investigation into this matter continues and concludes, something that we have faith in in terms of the RCMP's integrity,

that we will in due course resolve this issue in terms of criminal action.

Mr. Speaker, in terms of the tens of millions of dollars that went out of this Legislature—

#### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader, on a point of order.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate. If this minister is unable to answer the question, maybe he should let somebody else take that position.

\* (14:00)

**Mr. Speaker:** The Minister of Education, Training and Youth, on the same point of order.

**Mr. Caldwell:** Mr. Speaker, to the last two questions I have said that I will not have members opposite be putting words in my mouth.

**Mr. Speaker:** On the matter raised by the honourable Official Opposition House Leader, *Beauchesne* 417: Answers to questions should deal with the matter raised.

Have you concluded your comments?

\* \* \*

**Mr. Derkach:** Mr. Speaker, in trying to get an answer from this minister I will ask it one more time. It has been reported that the minister said that citizens should launch civil suits against third parties to collect the money that was owed as a result of overstated enrolments. I want to ask the minister one more time: Did he in fact make that statement with respect to residents of Morris-Macdonald School Division launching civil suits against third parties to collect the money?

**Mr. Caldwell:** Mr. Speaker, my answer is going to be consistent. I am not having members opposite putting words in my mouth.

### Hecla Area Land Expropriation Investigation Results

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, today we learned that Britain has lost its *Punch* and here in Manitoba people are asking questions about the punch of the Minister of Conservation, the minister responsible for foxes; a minister who has been very sly in his answers to questions about the Prouse, Fitzjohn investigation into what happened at Hecla, an investigation conducted between December 7, '99, and some time in February 2000, the results of which were then provided both to senior people in the department and to a variety of people outside the department.

I understand that the results of the Prouse, Fitzjohn investigation were not provided to the original complainants. I ask the Minister of Conservation: When is he going to provide the full results of this investigation to the original complainants, the Joneses; or whether, in fact, he concluded the investigation was such a sham that it would not be appropriate to do so?

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. Before recognizing the honourable Minister of Conservation, I would like to remind all honourable members when addressing a minister it is by their official titles and no other way.

**Hon. Oscar Lathlin (Minister of Conservation):** Mr. Speaker, I advised the member yesterday, I believe it was, that I take this matter very seriously, and that is why I have made a request to have a meeting with the Ombudsman to determine what further he feels needs to be done to carry out his recommendations. I understand that meeting has been now set for June 6.

**Mr. Gerrard:** Mr. Speaker, it is good to hear of a little progress anyway. I ask the Minister of Conservation when he first learned of the results of the internal Prouse, Fitzjohn investigation, and when did he first get personally involved in the file to make sure appropriate action was taken? Will the minister acknowledge, as Mr. Prouse himself indicated in a recent letter, that final decisions rest with the minister?

**Mr. Lathlin:** Mr. Speaker, I will again advise the Member for River Heights that I am not

going to prejudge anything that is going to come out of any investigation that is being initiated by the Office of the Ombudsman and now by the provincial auditor. I am simply going to meet with the Office of the Ombudsman, the Ombudsman himself, on June 6, and from there I will decide on a course of action.

**Mr. Gerrard:** Mr. Speaker, my second supplementary to the Minister of Conservation. I ask the minister why, in two and a half years since the original letters, has the Minister of Conservation not written directly to the Joneses, even though his deputy minister and the Premier have done so. Who is looking into serious issues in his department? Who is making decisions? Who is running his department?

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Lathlin:** Thank you very much, Mr. Speaker. I again want to indicate to the member that I will have further to report to this Legislature once I have met with the Ombudsman on June 6.

### Bridging Generations Initiative Status Report

**Mr. Stan Struthers (Dauphin-Roblin):** My question is for the Minister of Agriculture. At Ag Days the minister announced the Bridging Generations Initiative. Can the minister indicate to the House what the uptake on this program has been?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** I thank the Member for Dauphin for this question because it is a very important question. When we took office we recognized that there was a huge amount of land that had to change from one generation to the other, and no action had been taken to address that, Mr. Speaker.

We announced Project 2000, and the member is right I did announce the program at Ag Days. The program became official as of April 1, and I am very pleased to report that since April 1 we have had 31 applications. Of those, 23 have been approved, 8 are in the process of being reviewed and there are about 15

to 20 applications that are still at MACC offices across the province.

So, although the Opposition said this was a useless program, it would not help any farmers, it is indeed helping young farmers take over farm operations in this province.

### Adult Learning Centres Funding Overpayment—Legal Action

**Mr. Harold Gilleshammer (Minnedosa):** In the daily paper, Friday, April 12, the Minister of Education has quoted and I quote: "I fully expect some sort of civil action out there. That is what I would expect the board to run on, not garrotting programs, Caldwell said in an interview. You can (also) have civil action launched by ratepayers." Is this an accurate reflection of what the minister said that day?

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** Mr. Speaker, as we know, the issue in Morris-Macdonald School Division has generated a great deal of interest throughout the province from taxpayers who have had money go to that division and be mismanaged. Also in the local division, around this issue, quite reasonably I believe that the program of adult learning centres that were established in this province with no fiscal accountability, no legislative framework—

### Point of Order

**Mr. Speaker:** The honourable Official Opposition House Leader.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate. Maybe the minister did not hear the question.

**Mr. Speaker:** The honourable Minister of Education, Training and Youth, on the same point of order?

**Mr. Caldwell:** I was getting to my answer, Mr. Speaker, when the member got up.

**Mr. Speaker:** On the point of order raised, *Beauchesne* 417: Answers to questions should deal with the matter that is raised.

\* \* \*

**Mr. Caldwell:** As I said, there is throughout the province a great deal of concern, and has been over the last number of months. The provincial auditor's report identified very serious concerns.

### Point of Order

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, maybe this member does not have any respect for the Speaker, but I am sure I just heard you already on *Beauchesne* 417 tell the minister that he was ruled out of order.

Could you remind the minister what will happen if he continues to be ruled out of order? I do believe this is the fourth time.

**Mr. Speaker:** The honourable Government House Leader, on the same point of order.

\* (14:10)

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, on the same point of order. I believe the questions were on the issue of accountability for the financial mismanagement and the difficulties that were discovered by the provincial auditor in Morris-Macdonald School Division.

**Mr. Speaker:** Order. I must remind all honourable members again, a point of order is a very serious matter, and I have to hear the words that are spoken by the member who rises on a point of order, because if I cannot hear how can I make a ruling one way or the other. I cannot. So I would ask the co-operation of all honourable members, please.

The honourable Government House Leader, on the same point of order.

**Mr. Mackintosh:** On the same point of order, Mr. Speaker. My understanding of the question and the series of questions is to the minister based on the issue of financial accountability and accountability generally for what happened in Morris-Macdonald School Division. It is within that context that the answers were offered.

In terms of whether there is even a point of order, Mr. Speaker, I refer to *Beauchesne* Citation 416: A member may put a question but has no right to insist on an answer. There is an

answer nonetheless. It is an answer in regard to the issue of financial accountability for what happened.

**Mr. Speaker:** The honourable Minister of Education, Training and Youth, on the same point of order.

**Mr. Caldwell:** Yes, on the same point of order, Mr. Speaker, if it would be helpful. The member was quoting from something in his hand. If he would table the document, it may help me in fact refer to what he is asking so that he could clarify this.

**Mr. Speaker:** On the point of order raised, first, for clarification, *Beauchesne* 416 where a minister is not required to answer a question, that is in *Beauchesne*. But once the minister rises to answer the question, then the minister has to deal with the matter that is raised.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. When the question is put to the minister, *Beauchesne* 417 states: Answers to questions should be brief and deal with the matter that is raised. Ministers have the option of rising to deal with the matter or not even rising to answer.

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

\* \* \*

**Mr. Speaker:** The honourable Minister of Education, Training and Youth, please conclude your answer.

**Mr. Caldwell:** Thank you, Mr. Speaker. I was framing a conclusion, but there seems to be an ongoing concern with members opposite. So I would again ask the member to table his document, so I could refer to it.

**Mr. Gilleshammer (Minnedosa):** I would be pleased to table the article, which indicates exactly what the minister has said. I can fully understand why he is so embarrassed by this article and by these comments.

I would ask him again: Did he say that individual ratepayers from Morris-Macdonald should be responsible for that overpayment, that potential candidates running for school board

should sue those third parties for the overpayments? Did he say that?

**Mr. Caldwell:** Well, Mr. Speaker, the only embarrassment should be for the establishment of a program that sent tens of millions of dollars out this door without a legislative framework.

### **Adult Learning Centres Funding Overpayment—Legal Action**

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I want to quote from an article on April 12. This is the article that was just tabled. I want to quote. Minister Drew Caldwell said yesterday, and I quote: I fully expect some sort of civil action out there. That is what I would expect the board—

**Mr. Speaker:** Order. Before we continue on, we are dealing with a lot of points of order today. When making a reference to a minister, refer to the minister by the minister's portfolio or by their titles, even when quoting from an article or a letter to refer to ministers by their titles and members by their constituencies. I ask the co-operation of all honourable members, please.

**Mr. Derkach:** Thank you for your guidance, Mr. Speaker. I was simply quoting from the article, but I would certainly refer to the minister as the Minister of Education. He said, and I quote: I fully expect some sort of civil action out there. That is what I would expect the board to run on, not garrotting programs.

I want to ask the minister if in fact he did say this and if in fact he now has an official trustee who is supposed to represent the taxpayers and the department, would he then instruct his trustee to ensure that those funds are collected and that he indeed launches the civil suit?

**Hon. Drew Caldwell (Minister of Education, Training and Youth):** We are not instructing the trustee to do anything except manage in the best interests of students. I know that is a novel idea for members opposite, actually working on behalf of students, but that is what we are doing. In fact, we are acting on behalf of all taxpayers in Manitoba on this issue, something I am surprised that members opposite seemed not to be doing.

**Mr. Derkach:** From his comments, is the minister saying that he is not responsible for the quote of April 12, 2002, where he said that ratepayers should be suing third parties to collect the monies from Morris-Macdonald School Division?

**Mr. Caldwell:** Again, I am not going to have the Member for Russell put words in my mouth. We know that those are generally suspect. I will say, however, that we do not expect individuals to launch legal actions. We expect that the divisions will attend to this. We expect that elected board members, when they are elected in October, will deal with this. We expect that the RCMP investigation into this matter will bring us some answers. I have confidence in the abilities of the RCMP if members opposite do not. I also believe that we in this Chamber should all be acting on behalf of all Manitoba taxpayers on this issue.

**Mr. Derkach:** On a new question.

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

**Mr. Derkach:** This minister fired a board. He then put in place an official trustee. He said that the board owes the Province \$2.5 million, but when he was asked whether or not he would go after the individuals, who are card-carrying supporters of the NDP party, he says there is a police investigation. Why are there two standards in the mind of this minister?

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. The honourable Member for Russell just asked a question. I ask all honourable members to have the courtesy of at least letting the member who raised the question hear the answer. It is very, very difficult to hear.

**Mr. Caldwell:** I would like to table an article in my response. I will wait, Mr. Speaker, until the members opposite have it.

Mr. Speaker, the tabled paper, we had the member opposite making allegations and innuendo. The article is from *The Winnipeg Sun*, and it starts: When you have been through as much political scandal as the Manitoba Tories have—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Derkach:** Mr. Speaker, on a new question.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. The honourable Member for Russell, on a new question.

**Mr. Derkach:** Mr. Speaker, the comments that I quoted—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. May I ask the co-operation of all honourable members. Decorum is very, very important, especially to the viewing public.

**Mr. Derkach:** Mr. Speaker, the comments that I quoted were made by the Minister of Education. They were made on Saturday, May 4, April 17. They were reported on May 4, April 17, April 13, and April 12.

Mr. Speaker, did the minister once call a reporter to indicate that he was misquoted in the papers and that indeed he did not call on ratepayers to collect the money from the third parties?

**Mr. Caldwell:** Mr. Speaker, I sat down. I was not finished my remarks when I tabled this. I guess in the general hullabaloo in the House, but—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate. This minister can table any documents he wants in the House, but if it is not dealing with the answer he should not be stating from them.

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, I understand why the other side would feel provoked, but, until the

minister has an ability to put the response forward, I do not know how there can be a point of order.

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, I did not hear enough words to determine if he was going to use those comments to answer the question or not.

\* \* \*

**Mr. Speaker:** The honourable Minister of Education, Training and Youth, to please answer the question.

**Mr. Caldwell:** I tabled this article. I suppose we were both tabling newspaper stories today in around this question. As I said, the newspaper article, when you have been through as much political scandal as the Manitoba Tories have, you start getting a little desperate to catch your opponents.

#### Point of Order

**Mr. Marcel Laurendeau (Official Opposition House Leader):** I only hope we have heard enough. *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate. Mr. Speaker, every time this minister opens his mouth, he is provoking debate. We understand that, but if he could just answer a question.

**Mr. Caldwell:** The Member for Minnedosa (Mr. Gilleshammer), who answered the question, impugned the character of individuals in his question. That was improper, in my view. I was responding in a fashion that would respond to the innuendo the member was putting on the record. I did also say, in answer to the question, twice already in terms of this Question Period, that we do not expect individuals to launch legal action in Morris-Macdonald.

\* (14:20)

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, *Beauchesne* 417 is very clear. It says that ministers should deal with the matter that is raised.

\* \* \*

**Mr. Speaker:** The honourable Minister of Education and Training, have you concluded your comments? The honourable Member for Russell.

**Mr. Derkach:** Mr. Speaker, one final time, on a new question again.

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

**Mr. Derkach:** The minister says that he is not encouraging individuals to go after third parties. Then why did he make the comments in the newspaper where he said that it is up to individual taxpayers, ratepayers and potential candidates to go after third parties to recoup the money that was as a result of the overstated enrolments?

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, we are just getting the same question over and over again. Members opposite should know *Beauchesne* Citation 408: Questions should not inquire whether statements made in a newspaper are correct. This Question Period is for obtaining information about the operations of departments.

**Mr. Speaker:** The honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Official Opposition House Leader):** On the same point of order, the question was totally in order. The honourable minister has attempted to dance around this issue all afternoon. If he answers it directly and tells the truth to this House, that he did speak those words, then we will have the facts on the record.

**Mr. Speaker:** Order. On the point of order raised by the honourable Government House Leader, *Beauchesne* 408(b) states questions should not inquire whether statements made in a newspaper are correct, but—[interjection]

**Mr. Speaker:** Order. Manitoba practice has been to allow questions from newspapers, and it is entirely up to the minister if they choose to answer it or not.

### Harness Racing Negotiations

**Mr. Denis Rocan (Carman):** Mr. Speaker, for over a century the Manitoba Great Western Harness Racing Circuit has provided entertainment and excitement to those who have come to witness this fast-paced action. During the 23 scheduled days of the 2002 harness racing season, people of all ages would have enjoyed watching some of the best racers in Canada compete.

The first race date scheduled is June 30 in Holland or, I should say, was scheduled. In all sincerity I would like to ask the Minister responsible for Industry, Trade and Mines, as I know the minister has been diligent in trying to solve the issue to resurrect an industry that is indeed important to Manitobans' life, our way of living in rural Manitoba.

I would ask the minister: Could she please give this House, indeed, the people of Manitoba, through you, Mr. Speaker, an update on the negotiations of trying to resurrect that industry?

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** I rise on dealing with an important issue. The negotiations are underway and I would not want to say anything that may affect negatively what I think is possible, and that is an industry solution. I believe that there is a strong argument that the federal legislation indicated a desire for the revenues of simulcast wagering to be shared amongst the local jurisdiction and the horse industries of those jurisdictions. This may be a persuasive argument in the negotiations. We are confident that a solution for Manitoba can be found as has been found in other jurisdictions like Ontario, a solution that is an industry-based solution that ensures the viability of Manitoba's industry and the success of racing in Manitoba

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

### Introduction of Guests

**Mr. Speaker:** Before I go to members' statements, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us Ajay Chopra, who is a

special assistant to the Minister of Justice and Attorney General of Canada.

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

### MEMBERS' STATEMENTS

#### Verna J. Kirkness Institute

**Mr. Tom Nevakshonoff (Interlake):** Mr. Speaker, it gives me great pleasure to rise in the House today to tell the Assembly of the grand opening and naming of an education and training facility in Fisher River on May 27, 2002. In honour of Verna J. Kirkness, who was born and raised in the community, the centre will now be known as the Verna J. Kirkness Institute of Higher Learning.

Doctor Kirkness, who can list among her other accolades an Aboriginal Achievement Award and is a recipient of the Order of Canada, has dedicated her life to the field of education and has played an instrumental role in advancing the delivery of this critical system to First Nations people.

In its first year, the new institute will deliver two programs: the Licensed Practical Nurses program in partnership with Assiniboine Community College of Brandon; and the first two years of the three-year bachelor of general studies degree program through the Brandon University Northern Teacher Education Program known as BUNTEP. The LPN program is one of seven to be delivered in Aboriginal communities over the next five years with the assistance of a provincial government allocation totalling \$1.2 million.

\* (14:30)

I want to acknowledge the hard work and professionalism of the Fisher River Board of Education for their efforts in attracting these two critical programs to their community.

On behalf of the Government of Manitoba and the people of the Interlake, I want to offer my sincere congratulations to Verna J. Kirkness for a stellar career and to the Fisher River Board of Education for a job well done.

## University Graduates

**Mrs. Louise Dacquay (Seine River):** Mr. Speaker, I rise today to extend congratulations to all of the graduates receiving degrees from Manitoba's universities. I know all members of this Chamber join me in saluting the hard work and determination shown by the many people graduating this week. They indeed represent the future of our province, and their accomplishments are noteworthy and commendable.

I would particularly like to acknowledge the achievement of Mr. Steven Fletcher, who is receiving his MBA from the University of Manitoba. Steven is the first quadriplegic to complete an MBA at the U of M, and may quite possibly be the first anywhere in Canada. The completion of a graduate degree is a tremendous achievement for anyone, but to do so while facing the challenges Steven faces everyday is an outstanding and incredible accomplishment.

Mr. Speaker, after completing a degree in engineering, Steven was in a tragic car accident that left him quadriplegic. He has said that it was his education that pulled him through the hard period after the accident, and his disability in no way tempered his academic dreams and ambitions. He was determined to complete his MBA. The MBA program is demanding and arduous, but Steven persevered. He faced challenges that most of his classmates could not even imagine, but he surmounted them all.

I know that all honourable members join me in congratulating Steven Fletcher and all of the graduates from Manitoba's universities and colleges on completing their degrees this spring.

## Bernie Wolfe Community School

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, I want to recognize the 25th anniversary of Bernie Wolfe Community School and the Mission Gardens Play Centre in that school in the Radisson constituency.

In keeping with a long history in Transcona of naming schools after local leaders, Bernie Wolfe Community School was named after a very proud Transconian and former municipal councillor, Mr. Bernie Wolfe. It is fitting that he has a community school carrying his name. I

learned recently, in talking with some of our staff, that his mother was a teacher of some of our staff in the Legislature here.

I wanted to congratulate the Bernie Wolfe Community School Anniversary Committee, the parents, the staff and the administration in the school division, as well as a number of partners that make the Bernie Wolfe Community School such an asset in the west Transcona area. The community school model is something that I, as well as our Government, strongly believe in, and Bernie Wolfe Community School, over the years, has been designed as a community school and certainly has fulfilled that vision.

I want to give special recognition to the Mission Gardens Play Centre which is a nursery school program that has provided school readiness and care for preschool children for 25 years in the Mission Gardens area and more recently to the before and after school program, the Spring Meadows program that runs an excellent in-school child care program for the community.

I want to also recognize that Bernie Wolfe Community School was designed to be a joint-use school with the city of Winnipeg. It houses a pool as well as an agreement for recreation and drop-in centre for the city of Winnipeg. There is a Ukrainian bilingual program in the school. The Scouts are located there. There are senior volleyball leagues.

I want to congratulate them for 25 years of service to the Transcona community.

**mywinkler.com**

**Mr. Peter Dyck (Pembina):** Yesterday I had the privilege of bringing greetings at the launch of mywinkler.com. Mr. Speaker, mywinkler.com provides a complete source on the Internet for people to access information about businesses, Winkler's community organizations, schools, churches and more.

Another key service accessible through this Web site is a regionally focussed on-line yellow pages directory. This addition will provide economic development benefits as local businesses now have another avenue to connect with consumers in the community and beyond. It will greatly assist Walter Siemens, who is the



development officer for the area, as he pursues new initiatives.

Mr. Speaker, mywinkler.com's partners have the ability to easily update the site, ensuring it is always current and relevant to consumers. Utilizing MTS technology, infrastructure and services, the launch of mywinkler.com represents MTS' first smart community project. MTS and the City of Winkler will continue working together to further develop an on-line community housed in mymanitoba.com.

Winkler mayor Neil Schmidt is thrilled with the project. He says, and I quote: This is a great opportunity for the City of Winkler to invest in leading edge technologies together with MTS. Our on-line presence and local expertise will provide the foundation for our businesses and community to gain maximum value from the Internet.

Mr. Speaker, I, too, am very pleased that such a project has been developed that gives Winkler a valuable presence on the World Wide Web and allows it access to some of the same competitive and civic advantages as larger urban centres. I would like to commend the two partners in this excursion, MTS and the City of Winkler, on bringing this project to fruition. I would also encourage MTS to expand this initiative to other communities throughout Manitoba.

### Sunset Ceremony

**Ms. Bonnie Korzeniowski (St. James):** I rise today to talk about an impressive event I attended recently. A sunset ceremony was held last Sunday, May 26, at the Second Princess Patricia Canadian Light Infantry Kapyong Barracks. The ceremony was put on to honour the Canadian forces who are on duty or supporting the war in Afghanistan. It took place from 6:30 p.m. to 9 p.m. It was put on by six cadet units representing sea, army and air cadet corps, squadrons and divisions. Their ages ranged from 12 to 18 years old.

This was a very special ceremony commanded by Capt. Keith McLean, and the reviewing officer was Major-General Steven Lucas, Commander of First Canadian Air Division, Winnipeg. The sunset ceremony is a traditional and ceremonial evening parade for the military, which historically took place to gather

together troops to ensure that all guns were safe and cleared, that the guard changed for the evening and that the flag was lowered for the night. Today the ceremony has a more symbolic purpose.

The bands of the 407th Queen's Own Cameron Highlanders Of Canada Royal Canadian Army Cadet Corps, the 170th Royal Canadian Air Cadet Squadron and the Skirmishers of the 2295th Royal Winnipeg Rifles Royal Canadian Army Cadet Corps all put on performances. There were marches, the RO's address and a flag-lowering ceremony. Their precision and showmanship was admirable, reflecting dedication and much hard work.

The idea for this ceremony came from the CO of the 553rd RCACC Tommy Prince Corps and his staff. I was very moved by the experience and glad they put this idea into motion. I would like to thank all the units who participated in this event. I would like also to congratulate the outstanding cadets, one per unit, who were presented with awards.

Mr. Speaker, I would like to thank and congratulate all involved for a job well done in putting on this very touching ceremony.

\* (14:30)

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, is there leave to call it six o'clock at 5 p.m.?

**Mr. Speaker:** Is there leave to call it six o'clock at 5 p.m.? *[Agreed]*

**Mr. Mackintosh:** Mr. Speaker, would you please call Bill 14, and following that we will resume Supply.

### DEBATE ON SECOND READINGS

#### Bill 14-The Public Schools Modernization Act (Public Schools Act Amended)

**Mr. Speaker:** To resume debate on second reading of Bill 14, The Public Schools

Modernization Act (Public Schools Act Amend- ed), standing in the name of the honourable Member for Minnedosa (Mr. Gilleshammer).

Is it the will of the House for the bill to remain standing in the name of the honourable Member for Minnedosa? *[Agreed]*

**Mr. Daryl Reid (Transcona):** I am pleased to rise to add my comments on Bill 14, the amendment to The Public Schools Act, the modernization of The Public Schools Act in the province of Manitoba.

I want to start. I have several comments because my colleague the Member for Radisson (Ms. Cerilli) and I had the opportunity to consult quite broadly with members of our community with respect to the modernization and to the issues that are contained within Bill 14.

Mr. Speaker, I know if we want to put this in chronological sequence of events, we can refer back to the fact that the Minister of Education (Mr. Caldwell) had undertaken a review of school divisions in this province and had communicated his thoughts to the various school divisions' boards of trustees early on in the mandate of this Government. At that time, the minister indicated there was a preference to go towards voluntary amalgamations. After that period of time had elapsed where boards had a chance to respond to the minister, of course, there were opportunities for boards to give their comments back to the minister, but the minister also again asked for some progress on the modernization of the number of school divisions in the province.

\* (14:40)

In keeping with the comments that were made publicly by the minister, and I know members opposite are quite familiar with what has been said, my colleague the Member for Radisson and I recognized there would be a need to consult with our community stakeholders in this process. We undertook to meet with every stakeholder group in our communities. In fact, I can say quite clearly that I undertook to meet with every school community council on the issue of school boundaries, school divisions'

modernization. We held 12 open public meetings in my community for the residents of the community. I asked the leaders of the parent councils to notify the interested parties in their sections of the community of Transcona to make the members of the public aware that there was an opportunity to come out and consult broadly and to ask any questions they might have on their minds with respect to this process.

Mr. Speaker, we received a fair amount of feedback on this. I said right from the beginning to the members of the parent council that I was prepared to take their thoughts, their ideas back to our caucus and to share those thoughts and ideas with the members of my caucus. My colleague and I have undertaken that responsibility right from the very beginning, because we wanted to make sure everyone was aware of the issues that were out there. I will go into that in a few moments about what some of those issues were.

I do not know if other members of this Legislature had the opportunity to go out and consult with their respective parent councils or their stakeholder groups. I do know in Transcona, Mr. Speaker, in addition to the 12 school community councils that we met with, we also met with the teachers, the Transcona Teachers' Association, we met with the school trustees, the whole board of trustees, nine of them. We also met with the superintendent and we met with other members of the community who had an interest in the Schools Modernization.

We received a number of good and valid suggestions back with respect to this issue. I do know, and I am sure other members of this Legislature have received information, about the support that MAST has shown through resolution, asking for all members of the Legislative Assembly to get on with this process, not to stall it, and that it is common knowledge that MAST supports.

It is also interesting and noteworthy to put on the record that Manitoba Teachers' Society has also indicated their public support for this process. I am not saying that there are not some wrinkles in the process as this moves along, but those problems would be identified by the

individual stakeholder groups. They would then raise those issues, as they have done, and share those with members of our Government. Of course, they have been addressed in large part.

Now I know that there have been letters received. I have received letters from other school divisions with respect to the way that this process is unfolding in this Legislative Assembly. I know members opposite, to this point for some reason, have not taken the opportunity to debate this particular piece of legislation. But I do know that the trustees of the Boundary School Division No. 16 have indicated to members of the Legislative Assembly that they are dismayed that the legislation in the form of Bill 14 may not be passed and proclaimed in time to facilitate the move, and that they have spent countless hours in preparing for the merger of school divisions, and that the delay of this legislation is going to create some unnecessary problems and unnecessary expenses for that particular school division. So I hope members opposite keep it in mind that they are creating some problems by not allowing this legislation to go through further debate.

Now this legislation will reduce the number of school divisions from 54 down to 38 and will bring about, I believe, some greater efficiencies. Of course, through that process there will be a reduction in the number of trustees, I think, of around 31 percent as a result of Bill 14. That means that there will be some administrative savings in that regard as well.

I do note that, in the Norrie Commission report that made reference to my community and the splitting of the community, and, if you want to reference page 147 of the Norrie Commission, there is comment in there about Transcona-Springfield School Division in specific, the recommendations contained in the Norrie report indicate that there should be some four divisions inside the city of Winnipeg boundaries.

Now, in consultation with my community, there were a number of issues that were raised, and I will relate to them. There are three distinct and, I guess, separate types of high school functions within the community, although they all have their academic components that are similar.

If you look at the three high schools, you have Transcona Collegiate that has an arts

program incorporated with its academic programs. I know the high school and the surrounding community, and student population and teachers take great pride in the achievements of that high school with respect to their programming. In Murdoch MacKay Collegiate, they have a vocational program attached to their academic program and they have great pride in the skill level and the skills themselves that they teach and provide for the young people taking part in those programs. I know the school parent council and the surrounding community, and students and teachers, are proud of what they have accomplished through their programming. In addition to those two high schools, we have Collège Pierre-Elliott-Trudeau that is a French immersion program high school, a single track program in my community. I know, having my own children as part of that particular program, there is a great opportunity in that school for language instruction as one of the two official Canadian languages for the young people of my community. So we have three distinct high schools within the community offering different types and levels of service and programs.

During the consultation with the parents and the parent councils stakeholders in the community regarding education, one of the issues that came up in just about every meeting that we had was the fact of the language instruction programs. We are fortunate in Transcona-Springfield School Division currently that we have a French immersion program that is single track. I know the trustees that have worked long and hard, Mrs. Mary Andree and other trustees who have worked long and hard on this program to keep it functioning and are proud of it, would not want to see this program diminished. I note that the members of the parent council have raised that issue with me.

There are also discussions with other parent councils with respect to the Ukrainian language programming that is offered through one of the other elementary schools in the community. It had been originally Westview School but then it moved to Bernie Wolfe School. So there is some concern about the Ukrainian language program as well.

Now the purpose and the issues that were important to the parent councils that we talked to, was the transparency of the process. That is why we went out to our parent councils and to

all of our stakeholder groups, to consult with them broadly about what their viewpoints were. We wanted to share with them. While there was no plan that had been announced at that time and there was not a complete or thorough information package available for them, we shared with the parent councils everything that we knew at that particular time.

\* (14:50)

We do know that Schools of Choice was an issue, and I know it is an issue for other parent councils in schools that are on the rural component of the Transcona-Springfield School Division. I have told our caucus that this issue is important, on behalf of the parent councils and the people that I have talked to that live in the Springfield side of the school division, but they want to see that there is an opportunity for Schools of Choice to continue for those students that are currently enrolled in either the vocational, the arts, or the language high schools within the community. I know our minister has responded to that by indicating that there would be a grandparenting of students that are currently enrolled in the high school itself under the current programs.

With respect to new students coming into the school, of course, there would be the opportunity, space permitting, because, as River East and a portion of the Transcona-Springfield School Division merge, there would be opportunities for the students, the young people in River East School Division, to share of the existing programs that are available in the Transcona school division portion.

I do know that there are opportunities in the River East side, and I am familiar with some of the programming that is offered in River East School Division currently. I must say that there are some opportunities available for the young people of my community to participate, once the school divisions are merged, in those programs, whether it would be Kildonan East Collegiate, or Miles Macdonell, or other school facilities and programs. But I do know that there are synergies that can occur as a result of the merger between the Transcona portion and the River East portion of school divisions in the city of Winnipeg.

Now I could go on and talk about the cuts to education that have occurred over the course of the 12 years that I have been here and have had to fight against by members opposite that imposed those cuts in education funding for my community. But that is an argument that has been well documented and recorded and I will not go into those comments.

I do know that, in Bill 14, it will require a number of years to implement the process, and that the school divisions, through the blending of their functions, whether it would be their administrative functions or their programming or their other activities related to the merger with respect to collective agreements with their employee groups, will take a number of years to implement the complete merger of those activities. So I know that, and have indicated to the members of my public, that this is not just a short-term process, and it will require some patience over a period of time to allow this whole process to unfold.

There has been some concern in the rural components of the Transcona-Springfield School Division, concerns about small school closures. I do know that, even in my own community of Transcona, there has been some concern about small school closures. This issue, I believe, has been addressed, and I have raised this issue with my caucus to make them aware that this is also a concern within the community. There will be, of course, a moratorium on any school closures for three years except, I suppose, where members of parent councils or the school division would make a request in conjunction with the parent councils to have such an item move forward.

Now I do know that this Bill 14, The Public Schools Modernization Act, will provide for an administrative cap on expenses, limiting it to 4 percent in urban areas, like Winnipeg, and that the rural areas will have a cap of about 4 1/2 percent on their administration costs. Now, when we look at some of the savings areas that can occur with respect to payroll, human resources, purchasing, technology, superintendents and treasurers, some of the support staff associated with that, there will be some administrative costs in addition to the reduction in the overall number of trustees through the reduction of the number of school divisions in the province. It is our

intention to have those dollars go directly into the classroom for the benefit of students.

I do know that special needs has been an issue in my community, and I have raised it with the previous government a number of times. I have raised it with our Government, and I am quite hopeful that some of the money that is saved as a result of school division mergers will find its way into special needs support programs for the young people that are currently in our schools and for those that will be following in the future.

Now school division property taxes, as I am sure all members have encountered here, has been an issue for us. I know that, probably, the single largest issue that I have encountered in my community over the course of the last number of years has been the issue of school property taxes on the municipal tax bill. I do know that this issue, this Schools Modernization Act, we hope, will move towards a reduction in those property taxes, and that we have, as a government, committed to reduce the education support levy by 10 percent this year. That was announced in the Budget, which, I think, will incur a savings of about \$35-\$40 on the average home in my community this current budget year.

I do know that we have also committed to phase out the education support levy over a period of time which will phase out the whole amount so there will be a 100% savings for the residents in my community. As a government, we committed to move towards property tax credits. I know the previous government had reduced the property tax credits down to \$250, and it was an issue in the last election campaign. Our Government committed to restoring it back to its original level. In fact, we also committed to boosting that up a further \$75. So the total property tax rebate now to the homeowners of my community and, I think, to most homes in this province, is \$400, which means that there is \$53 million more back into the pockets of Manitobans, that they have saved as a result of our property tax credits increases.

We have, as a result of government functions through the Public Schools Finance Board, approved and have now been completed an addition to Transcona Collegiate phase 1, and

I believe that we are moving to phase 2 which will move towards the improvement of the exterior and the roof of that particular structure. That will ensure a longer life span for that particular facility and not inconvenience the teachers, the staff and the students of that particular high school. So I am proud that we have been able to make that addition to that high school.

Now one of the issues that I did hear was with respect to the sustainability of low enrolment schools. I know, in the Norrie Commission report, it referenced the fact that there would not be any optimum level of enrolment, because there are so many varying factors that have to be taken into consideration.

But it is my understanding, in reading through the report, that there was a reference to 15 000, perhaps, being an optimum range or thereabouts, student enrollment, full-time equivalent population in the school division, and that, with the merger of the Transcona portion and the River East portion, we will be in the range, slightly over the 15 000 student population. So that will fall close to the recommendation of the Norrie Commission report.

Now I do know that there has been some interim board functioning. The two school division boards have come together, and there were some problems originally that had occurred as a result of that. There was, perhaps, some intransigence on the part of some of the trustees to want to see this process move forward. But I think the wiser heads, or cooler heads, have prevailed in that case, and the trustees have now had some very serious discussions and have moved forward with the merger of the River East and the Transcona portions of the two school divisions.

I have had the opportunity to sit in the meetings. Not only did I talk with the trustees of the Transcona-Springfield School Division, but I have had the opportunity to meet with the members of the Agassiz School Division and the River East School Division, and, on a particular number of times, with the River East trustees. I have had some discussions with them, very frank and very fruitful discussions, and they, too, want to see this process move forward in a way that will be in the best interests of students.

So, in the past, I know that there has been much said about the activities and the function of the Transcona-Springfield School Board. I do know that the people there are dedicated and with the purpose in mind of assisting and doing what is best for the student population. I hope that with the merger of these two school divisions, both on the Springfield and Agassiz side, and then Pine Falls when that should occur, and on the River East-Transcona side, that the work of the trustees will continue, as I am sure it will, with the best interests of the students in mind.

I have committed to the trustees, whoever they may be, because there are municipal elections occurring in the fall of this year, October 22, I believe, that I would be more than prepared to sit down with those trustees at any time and talk with them about the issues regarding education for our mutual communities. I want to make sure that item, that commitment, is on the record.

I am prepared to sit and work with them and I have commenced those discussions with trustees, both on the Transcona side and on the River East side, to make sure that the items and the issues that I am hearing about, and my office is hearing about, are brought to their attention as well, and vice versa, from their part to me, through to our ministry.

Now I think there are more opportunities to devote resources to the classroom, as I have said. I am hoping that, while there are quite a number of decisions to be made with respect to school divisions' activities and programming and opportunities for our students now and in the future, I have indicated to my community that a lot of those decisions are going to be left in the hands of the trustees themselves, whoever they may be after October 22, and for the interim boards that are currently in place and working towards the merger.

\* (15:00)

I have indicated, to my community parent councils and to other stakeholders, that the October 22nd municipal elections that will also include elections for trustees will, perhaps, be the most important elections that we have had in

this province, municipally, in many decades. The school trustees that will be elected to fill that new role will be establishing a new policy direction that will provide guidance to those respective school divisions for the next 20, 30, or 40 years, because it has been since 1959 that the school division boundaries have been adjusted.

You can see that there have been at least 42 years passed in the interim here since the last boundaries adjustment, so that the trustees that will be coming forward after the municipal elections will have significant impact on where the combined school divisions will proceed in the future and the types of opportunities that they will provide for our students and our children.

Now I am hoping that, with respect to Bill 14, The Public Schools Modernization Act, as we have committed to do in the past, we will continue to work in partnership with the parents, the parent councils, the teachers, the trustees, and that, as a member of the Legislature, and I know the Minister of Education (Mr. Caldwell) has committed to do this in partnership with all of the stakeholders involved in education for the benefit of our children. I know that our minister has indicated, over and over again, his commitment to that. I know that our Government is committed to that, and that I myself, as the MLA for the community, am committed to making sure that we do what is in the best interests of the children of our respective communities, as we try to progress and improve the efficiency, the equity and the high quality of our public education system.

Thank you, Mr. Speaker, for the opportunity to add my comments here today on Bill 14, The Public Schools Modernization Act.

**Hon. Jean Friesen (Minister of Intergovernmental Affairs):** Mr. Speaker, I move, seconded by the Minister of [interjection] We move into Supply?

**Mr. Speaker:** Are there any other speakers on Bill 14?

**Some Honourable Members:** No.

**Mr. Speaker:** The bill will remain standing. When it is called again, it will remain standing

in the name of the honourable Member for Minnedosa (Mr. Gilleshammer).

Now we will revert to Committee of Supply.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**CONSERVATION**

\* (15:10)

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

Item 12.8. Infrastructure and Minor Capital Projects (a) Equipment \$460,600.

**Mr. Harry Enns (Lakeside):** This is a sizeable amount, some \$8-million-plus for various minor capital projects that include a host of activities that the department is engaged in. I wonder if the minister can provide some kind of a breakdown. Prior to the reorganization of the department, well, I do not know if that is responsible for it, but it was easier to get a handle on, for instance, the kind of maintenance, repair work that was being done, for instance, in our park system along with the other things.

Can the minister give us a bit of an overview about where this \$8 million is going to be spent. Earlier on in the Estimates when we were dealing with the water resources department, you know, we learned that out of the roughly \$4 million that was being asked for there, you know, the minister did give us a breakdown as to the area where the money was being spent. A considerable amount was in replacing water course bridges, others for maintenance of various drainage systems. This is a very general heading here that talks about upgrades and construction of park facilities, bridges, waterways, dams, flood control works, obstruction of water control structures, interpretive facilities. How does this \$8 million break down?

**Hon. Oscar Lathlin (Minister of Conservation):** The member references the \$8

million number. That represents three parts of the Estimates book that we have, the first one being equipment, the other one being water projects, and the third one being parks.

I think what we will do is we will go through the first one, equipment, first and try to break it down for the member. There is a total of \$460,600. That is broken down further into minor equipment and facility maintenance, \$265,000, and that means, you know, purchase of minor field equipment to support departmental programs and funding maintenance work that gets done on things like fish hatcheries and wildlife management facilities. So that is the \$265,000 part of the \$460,000.

The other one, \$195,000 is regional and minor equipment and infrastructure. This program is allocated annually to regions for infrastructure repair and replacement, things like district storage sheds, office and equipment, warehouses, and even minor capital equipment replacement. So that totals for \$460,000.

The other one, water projects, the total there is \$4.39 million.

**Mr. Enns:** Pardon me for interrupting the minister, but just that I am clear. Is this the same \$4.4 million that we touched on earlier in terms of maintenance of drainage systems, or is this in addition to that?

**Mr. Lathlin:** I believe that this is the same money that we had covered earlier. I believe what we did earlier was when we were talking about the Budget earlier, we were talking primarily drainage, so yes.

**Mr. Enns:** Mr. Chairman, a lot of this money is the heart and guts of the department in terms of where you really impact on the capability of the department field staff to perform and what the general public sees what the department is doing in parks or on their waterways and so forth. I am disturbed to see just about a million dollar reduction here over last year. Last year we had estimated for expenditure on this item some \$9,655,000. This year you are asking for \$8,655,000, just about a million dollars less.

\* (15:20)

Now, Mr. Chairman, that does not quite ring true with the statements that you, Mr. Minister,

have enjoyed making, particularly about how absolutely nothing was done for the last 11 years when previous administration was in office and how you are transforming the landscape. You have listened to the agricultural community about the need for drainage and so forth. I know the same thing can be said about our beautiful parks. Our park system, our inventory of park structures is getting old. It needs constant upgrading and maintenance. But here we are, we are spending a million dollars less on this, what I really think to be the heart and soul of your department.

We have got a million dollars just about to spend on what I call airy-fairy things like what we ought to do with the Kyoto Accord. Quite frankly, I do not know what Manitoba's responsibility in that direction is. I know the minister is taken up with it, and I know he has enjoyed hobnobbing with his colleagues in that fine province of Prince Edward Island recently.

But when I see a million dollars less for fixing park benches, for fixing park harbours, for fixing park facilities; when I see a million dollars less for replacing an old piece of equipment that the department has been fighting with and paying maintenance bills over and over again to keep on the road; when I see a million dollars less, despite what you have said about your increased emphasis on drainage, if it is out of this budget that your maintenance for drainage monies comes from; there is a million dollars short here. I would like the minister to explain where is he cutting the million dollars on this item over last year?

**Mr. Lathlin:** Mr. Chairperson, what we spent on spring flooding this year is \$2 million less than what we anticipated. What we are spending on drainage this year is \$1 million more, so therefore overall it is down \$1 million.

Now, if I can get into the specifics for the member, the decrease that we see, for example the Fairford bridge and control structure, that was budgeted for \$675,000. We are postponing that. We cannot do the work this year anyway, so we are postponing that project.

The other part that makes up the \$1 million, Mr. Chairperson, can be found in the Parks area.

There was a decrease of \$325,000, so that makes up the \$1 million.

**Mr. Enns:** In what area? I did not hear. I did not catch the minister's final comment, the other postponement of a project. In what area was that?

**Mr. Lathlin:** Mr. Chairperson, it was in the area of Park Facilities, \$325,000. So that makes up the \$675,000 and the \$325,000.

**Mr. Enns:** So we are spending some \$300,000 to \$350,000 less in Park Maintenance this year than was anticipated.

**Mr. Lathlin:** Mr. Chairperson, yes, that is true. Let me tell the member where specifically the decreases occurred. In Park Infrastructure and Facility Renewal, there is a whole bunch of small projects totalling \$125,000. In the Park Road Maintenance, the Spruce Woods erosion control and road upgrading, \$50,000. The Park Enhancement Projects, the Falcon Lake development initiative was decreased by \$50,000, and the Park Districts, we have deferred payment of the Manitoba Water Services Board by \$100,000. So that totals to \$325,000.

**Mr. Enns:** Mr. Chairman, I should indicate to the minister that I enjoyed a bit of fishing in the Whiteshell last week up on Big Whiteshell Lake, and I had the opportunity to travel on the Parks Road 307, the entrance from I guess you would call it the mid-park provincial road off Highway No. 11 at River Hill community.

The past few years, the department had a reconstruction program of that well-travelled road, and it is well on its way past the first two lakes, Dorothy Lake, Eleanor Lake, but then, Mr. Minister, the road really deteriorates. I mean, like, not to offend the sensitive ears of our staff recorder here, but it is just plain rat shit, that road.

**Mr. Chairperson:** Excuse me. I would like to caution the Member for Lakeside not to use unparliamentary language. I just want to caution the Member for Lakeside. Thank you.

**Mr. Enns:** Mr. Chairman, I will defer to your admonition but I would like you, for future



reference, to point out to me, I mean, we do have a list of unparliamentary words that I am well aware of in our little blue guidebook. I tend to go to bed reading that rule book every night before I come to committee just so I will never transgress a rule, but I do not think you will find that word as being unparliamentary. But I think the minister understands what I was getting at. The road is in poor shape.

Earlier on in our discussion of your Estimates, Mr. Minister, we have determined that we have millions of people coming to enjoy our parks. I believe the number is upwards to 5 million people who visit our parks. I just want to encourage the minister, and I want to indicate to him I will go to bat for him to find him an extra million dollars somewhere for this kind of work in his department.

Can I ask the specific question: Is there any work in the future scheduled for that important thoroughfare that cuts right through one of our most popular parks that services over a dozen lakes— Brereton, Whiteshell, Jessica, Betula, Dorothy, Eleanor—and is visited by many hundreds of thousands of our citizens? It is a road with dangerous curves and very little shoulders in many respects, so it is important that road be looked at by the department.

**Mr. Lathlin:** Parks' roads, as the member, I am sure, knows from his time as a minister, are a long-standing problem. Since we have been in government, I have been in discussions with highways and transportation with a view to try to delineate responsibility. Is it a highways and transportation responsibility or is it a Parks responsibility? We are going to continue to do that.

I sometimes, albeit reluctantly, tell people that Conservation is not the department of highways and yet we are responsible for several hundred miles of roads, but we try our best. We do the best we can.

The road the member is referring to is the Provincial Road 307. The Department of Transportation is responsible for that one. We can check, and I will get the information from Transportation.

The one message I want to give to the member, though, Mr. Chairperson, is we recognize the problem and we are going to do our best to co-operate with the Department of Transportation to make sure that these roads are looked after.

\* (15:30)

**Mr. Enns:** I tend to agree with the minister. I think within government we ought to let those people who are most expert in their particular field, Mr. Chair, deal with the field. Certainly, Transportation is the shop, is the department that builds highways, builds roads in the province. I would be only too happy to offer any support I can to the minister in his effort to help convince the department of highways to take on the responsibility of road maintenance and road construction within the Parks structure, obviously co-ordinated with the Parks people.

Highway engineers, having had the opportunity of being associated with that department as well, Mr. Minister, they sometimes need to be feared. If they see one lone tree two miles in the distance, they generally aim for it and make sure they knock it down when they demand their 990-foot right of way on either side of the highway to put in a roadwork. I do not think I or anybody else would want to see our park system decimated by that approach, but under the guidance and with the help of the Parks people, highways certainly knows how to build a road. I see nothing wrong with transferring that responsibility to highways and transportation and would encourage the minister to not give up on his efforts to have highways take more responsibility for the maintenance and construction of these roads. It is that department, after all, that gets upwards to \$100 million, \$150 million, if not \$200 million, in vehicle registrations and revenues—gasoline, provincial gas revenues—for the building and maintenance of our highways, and, certainly, these people are all contributing to that revenue that the department of highways and transportation receives.

Mr. Chairman, my colleague from Pembina has a few questions that he wants to ask with respect to his area. It may be fudging a little bit on some past areas that we covered but not in a

serious way. This is, again, a fairly general appropriation that covers construction work of all kinds throughout the province by the department, and I should accommodate him.

**Mr. Peter Dyck (Pembina):** I do have a few questions and I think, right now, that you are dealing with capital projects. I represent the area that has the Pembina Valley and, of course, the Pembina River, and it has always been my contention that, rather than send all our water, especially during the years when we have flooding, but to send it, first of all, east as quickly as we can and then send it north as quickly as we can, it would serve our purposes much better if we could retain it in some way. So, with that in mind, I know also that the International Joint Commission, in studies that have been done over the years, has been looking at the possibility of the construction of the Pembina River dam.

Now I am just wondering if there is still any discussion in that, if there is a possibility as you work through the International Joint Commission, if they are looking at this as a feasible project. I realize it encompasses international waters, the international border, so, truly, they do have to work together on this project. But I am just wondering where the status is of these discussions. I know that, with the budget that you have here, you would certainly not be able to build a dam of that magnitude, but, on the other hand, I know that, presently, the discussions and those that I have had with some of the U.S. people, there seems to be an openness and some receptiveness to looking at a project like that.

I know that, because, again, it is international, the federal government would have to become involved as well. But I am just wondering if there is any discussion that is taking place, if there is any possibility at all. Maybe I can just add to this, and that is, the area of Winkler and Morden, those two areas are increasing in population. In fact, Winkler will be getting the status of being a city this year. So the growth is there. I think the census that was just let out indicated fairly clearly that the fastest growing areas in the rural area were Winkler and Morden. So, with that in mind, we need water.

This would be a good way of retaining water and would also help us, first of all, if we get

potable water but also for irrigation. Added to that, of course, the area is looking at increasing the potato acreage. It seems to be a requirement now from some of the processors that there needs to be accessibility to water for irrigation. So, maybe, if you could just—my question is specific to the Pembina dam as to where the status is and what the plans of the department are on that one.

**Mr. Lathlin:** I thank the member for the question. I would like to advise him that—I think he is probably aware and I think he has said this—a number of studies have been done on the Pembina dam. We are not aware that the IJC is looking at any potential projects on the Pembina.

The issue, certainly, has been raised by the member and by his colleague, the Member for Emerson. What I would like to suggest to the member at this time is to ask our water resources branch to provide us with a summary of past studies and what we might do to discuss this matter further on a local basis. So that is what I would suggest to the member.

**Mr. Enns:** Mr. Chairman, my colleague opens up an area that, in my opinion, is probably one of the most important matters that this department faces over the next few years. My colleague from Portage la Prairie, who has a very specific interest in this whole matter, will be joining me shortly, and that is the matter of water retention in the province, in our whole strategy with respect to water. The minister has made several references to the developments of an overall strategy for water management, and I concur with that.

I want to indicate to the minister that he has, if he chooses, every right to be critical of a government that I was part of for not having pursued on some of the matters that I will now bring to the table, although I make the observation that sometimes it just needs to be the right time for specific major projects to proceed.

\* (15:40)

It was my privilege, for instance, to have joined government when the last contract on the Winnipeg Floodway was signed. I, indeed, was the minister then signing it, water resources

being within the Department of Agriculture. It was my privilege to tender the contracts for the Portage Diversion and to tender the initial contracts for the Shellmouth Dam. That generation dealt with the horrendous after-effects of the 1950 flood; the royal commission of inquiry followed that, and the recommendation of the expenditures of some \$100-million-plus for those three structures: the Winnipeg Floodway, the Portage Diversion and the Shellmouth Dam, which have served us, as just about everybody acknowledges, reasonably well over these many years.

With the benefit of hindsight, I should inform the minister that the question about the use of the Portage Diversion as part of that scheme was controversial then, as it still continues to be controversial. Indeed, I lost a good colleague, a Cabinet minister in that election from Portage la Prairie, a Conservative by the name of John Christianson, who lost on the single issue of the Portage Diversion being recommended to be built.

At that time there was a lot of controversy about a matter in which a host of work, I would say upwards to millions of dollars of detailed work, had been done with respect to a further dam on the Assiniboine River, and the optimal choice was the dam at Holland. They looked at four sites, from Rathwell to Alexander. As recently as the last NDP government acknowledged this importance and resurrected it again, and I have letters here. I will let my colleague from Portage do that.

As I say with the benefit of hindsight now, and with the whole question of global warming and what that may change in future decades in terms of water supply and, even most recently, the massive intervention in agriculture by the U.S. government, the minister, I know, does not daily follow the market reports and the price of wheat and Canola, but he is aware of the fact that Canadian farmers and Prairie farmers are facing a specific challenge.

Our answer to that is more diversified crops, crops, regrettably, however, that will be more dependent on stable water supplies. If the minister can, for a moment, visualize a body of water, two times, three times, four times the size

of Lake of the Prairies that we talked a great deal about in these Estimates, in the centre of our province, in that rich part of our province that could support two or three more Simplots, and the heck with the Yanks and their wheat subsidies, we will grow potatoes and other things.

Much has been said about the Garrison reservoir, but it is worthwhile to go down and visit that, particularly on a holiday weekend when they have sailing regattas on it and just a host of recreational activities on that man-made reservoir. That kind of reservoir would make Spruce Woods Park an instant jewel. It already is, but it would rival anything we have in the Whiteshell or up in your area with a lake like Clearwater Lake. To have a body of water of that kind available, and where is it situated? It is situated in some of our richest farmlands, adjacent to our richest farmlands, the Portage plains, channels that could service all the way to the U.S. border, Morden, Winkler, some of our most productive areas.

The time, in my humble opinion, has come for that to happen. You might tell me why I did not do it and I must admit, if I get to write my memoirs one of these days, I will acknowledge this as being my biggest failure. Having had the privilege of being Minister of Natural Resources three times, it sounds even more impressive when I say that over a period spanning four decades, why did I not do it? I could not convince my tight-fisted Conservative colleagues to go along with this visionary plan. The times were different. As I said, my first crack at it, the vision was there, and \$100 million was spent to flood protect our major areas such as Winnipeg, Brandon, and that was done.

My second crack at it, the minister may not recall, it was relatively short, was the Sterling Lyon regime. It was always characterized by the regime of acute restraint where governments were, for the first time, beginning to come to grips with the fact of how much money governments had to spend. Besides, it was such a short time, far too short, four years. I just barely got comfortable in my ministerial office and then you guys kicked me out again.

In the waning years of the Pawley administration, your colleague, Mr. John Plohman,

and others revived these studies and were beginning to take a serious look at it. The time has come. Times are better in the province. We have come to grips with our fiscal problems. We, and even you, are dedicated and committed to balanced budgets. We are paying off our debt. We can take the next stride forward in the development of this province.

What always astounded me, in even those years, was that your government will come in and, without batting an eye, commit \$6 or \$700 million to Wuskwatim to the next hydro dam. We are talking about committing \$6 or \$700 million to further flood protection, right now. We have an item of \$18 million that we are coming to in your Estimates in a little while. I meant to make this speech in front of some of these inquiries, but the road to somewhere is paved with good intentions, they say. I never did get there.

\* (15:50)

I wonder, and following on the question of the member from Pembina, I know that there have been studies. I heard of one study that the Pembina River, in flood stage, contributes upwards of 7 percent of the flow of the Red River. I know that the Assiniboine, when in conjunction with the Red in full flow, is what really created the 1950 disaster. That is why we have the Shellmouth up there now so that we can stage the flow on the Assiniboine better. I am wondering how much work there was done even before the current plans. How much more control would we have if we had a further structure at Holland that could hold back and further fine tune the staging of the Assiniboine flow? How would that impact on the requirements for further flood protection? Would that make my friend from Selkirk feel a little more comfortable, instead of just building the current ditch bigger so it can handle more water faster and get it dumped on his constituency faster with no thought being given to his constituents?

We are talking about a relatively modest structure, in today's terms. In my time, it was \$140-150 million. Now, I believe, it is upwards of \$300 million, which includes channels all the way down to Morden, Winkler that would rival southern Alberta with respect to how roughly 4

percent of the land base in southern Alberta produces upward to 60 percent of the agricultural product of that province.

If you do not believe me, ask that gentleman over there, Mr. Topping, who has some understanding about what I am talking about. He also has some understanding about building dams. He might have been around when the Oldman River Dam or a few others were built.

If you ask the people of Saskatchewan right now where weather reports are coming in about dust storm warnings, about the merits of Rafferty and Alameda, which the naysayers said would take 15, 20 years to fill, they filled in 3 years, Mr. Chair. They are going to provide an asset to that southeastern part of Saskatchewan from here on in, just as the Shellmouth Dam does for my colleague the member from Roblin-Russell, and which we are fighting about. Not him because of the asset that was created on Lake of the Prairies both for recreational facilities, for fishing facilities, for flood protection, for increasingly important water control which is high on your list, Mr. Minister.

More and more communities are taking their water, in fact, a lot of my constituency most recently, one of the most recent facilities that went on line from the Assiniboine is the Cartier water treatment facilities. We have MacDonald treatment facilities; we have Portage; we have an increasing number of Manitobans looking to the Assiniboine for their potable water supply, never mind irrigation for the farmers.

Now, putting together a body of water and there are different projects here being touted, my understanding is it would create a body of water three to four times the size of the current Lake of the Prairies. It would impact on six landowners, very minimal environmental damage. Oh, the tree huggers will find every reason to stop you.

The Assiniboine Valley begins its valley formation right about at Holland. So for the size of the acreage of feet, I think, less than 18 000 acres of land are actually impacted and a portion of it, admittedly, is part of your Spruce Woods Park which you already own. I say the trade-off of giving up a few parkland acres for flooding to adding a beautiful lake the size of Lake of the

Prairies as part of the park far outweighs the downside of not proceeding with it.

Well, Mr. Minister, I will be the first, in fact, Mr. Minister, I will spearhead a movement to build a bronze monument of you straddling the Assiniboine River at Holland, like both legs straddling the river, it would have to be a large monument, you know, but I would spearhead, and we will do it with private resources. The Tory Party has not had much success raising money for political purposes anymore now that you have screwed up the fundraising act, but maybe for something like this I would find support. I would find support from my farmers throughout southern central Manitoba to build you that monument if you gave this serious consideration.

**Mr. Lathlin:** Mr. Chairperson, I agree with the member and as rather a long but good presentation, but sometimes I think it is not even the tight—I forget what word he used, tight-fisted fiscal arm of government, you know, budget restraints and so on, sometimes I feel that that is not even the cause of why certain things do not proceed.

When we look at water, the member knows we have been so preoccupied in recent years with too much water, so during that time there were not that many people who had been talking about water retention because we were too much of the mindset that we have to get rid of this water somehow and not necessarily to Selkirk.

So, as we see drier conditions again, I think we will be inevitably looking at water retention more and more. I think our attention will be diverted to water retention projects. We are, for example, looking to raise the gates on the Shellmouth Dam for greater water storage. So, yes, we are turning our minds more in that direction.

The Holland Dam the member was referring to is certainly a huge project. So, obviously, no government could commit to such an undertaking without a very considerable amount of study and public discussion; and, as the member knows, building a dam is not as easy as it used to be.

I can think of one group of our friends who would more than likely have something to say about building a dam, and that is DFO. But I am sure that if we worked with DFO, the work could still get done.

Seriously, there is no question we will have to all be looking at increasing water retention in the coming years. We are going to have to look at that very seriously.

**Mr. Enns:** I see my colleague from Portage is back, who will do a better job of it.

I certainly concur with the minister that an undertaking of this size is a big undertaking, and calls for the broadest of consultation and study.

But you do not have to start from the beginning. That is the point that I am trying to make, and that is the reason why we brought out the libraries—the massive amount of work that has already been done and paid for. It is good work.

A lot of this work was done by the joint contribution of the Canada-Manitoba drought-proofing programs that we have had in the prairies over the past number of years. So hard dollars have gone into this work. Admittedly, the consultation effort, today's environmental hearings and all the rest of it would have to be considered. But in terms of the merits of the basic project, much of the staff work has been done.

**Mr. Dyck:** Just a little further to the whole area of dams and water retention and, again, specific to the area that I represent. I know that right now we are getting potable water, it is being pumped up from the river and, of course, heading up towards our area, and that is great. But I guess there are also years like 1988. I recall when the flow on the Red was minimal. I know it did not stop completely, but it was minimal.

With the whole idea of having a sustainable water supply, I know another project that has been looked at, and that the town of Morden has been looking at quite seriously, is another dam upstream of the Lake Minnewasta. Now, is that

anything that the department has looked at, has considered?

\* (16:00)

Just because I asked this question does not mean that I do not want us to continue to pursue the Pembina dam because, again, I believe that, as my colleague has indicated so clearly, that our whole mindset should be of where we retain water, rather than on all the tributaries; rather than just sending it out to Lake Winnipeg or just sending it to the big lakes north so quickly, and, in the midst of all of that, creating all kinds of flooding. There are many advantages to doing this.

But I am just wondering, back to the Lake Minnewasta: Is there anything that has been looked at over the years?

I know that the local town of Morden did have a study that they themselves initiated, but I am not sure whether they, in fact, brought it to the department.

**Mr. Lathlin:** I am afraid I am going to have to apologize to the member. I am not really aware of the specific proposal that he has referenced. But I can tell him that I will try to get some information with respect to that. I believe he called it Minnewasta—

**Mr. Dyck:** I think Minnewasta has a dam. They hold water back. It is on the Deadhorse Creek, but it is just west of Morden. But I know that, in fact, they have some drawings they did a number of years ago, of establishing another dam just further west of the existing site. Now, I know that the water flow there varies somewhat, and, yet, though, there is a fairly large watershed west of it where the water funnels into. I am just wondering if there is anything that has been done on that. It is certainly not the magnitude of a Pembina dam, but there are some opportunities there as well.

**Mr. Lathlin:** Mr. Chairperson, again, I apologize to the member. I think probably the best way to handle this is for me to ask staff to put together an information package and then I will get back to the member as soon as I am able to.

**Mr. Dyck:** One more question and then I will defer to my colleague. I am just wondering about

the status of the Winkler aquifer as well, the water levels, and so on. I know that the community is very dependent on it, and yet I also know that they are taking, I believe, 50 percent of their water from the Red River through the Pembina Valley Water Co-op. I am just wondering as to the status of that aquifer. Also, there is the Massey Pit Aquifer, which is in the southern part of the area there. If he could also give me an update on that, I would appreciate it.

*Mr. Stan Struthers, Acting Chairperson, in the Chair*

**Mr. Lathlin:** Mr. Chair, I can indicate to the member that the Winkler Aquifer management plan apparently is in place. This aquifer was previously over-allocated. The plan is to move water demands off that aquifer onto the new Pembina Valley pipeline. Winkler now draws water from both sources. We are going to continue that process. For now the aquifer level is high.

*Mr. Chairperson in the Chair*

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Minister, I know that you have already passed the line and you can just get back to me later with the answer, if you want, and I will understand that. I had a discussion this afternoon with a constituent of mine who had some concerns around the fisheries industry. What had happened was that they were hearing of some fresh pickerel before, I guess today the pickerel season opens up actually. *[interjection]* But fresh pickerel, I do not believe, was available back in February and March. That was being distributed to the restaurants in Winnipeg. Also at Neechi Foods there was fresh Manitoba pickerel being sold there when other markets did not have any fresh pickerel. Who is in control of the fish that go to these markets, or do they buy it anywhere they want?

**Mr. Chairperson:** Order, please. Do we have leave to ask questions in this area? *[Agreed]*

**Mr. Lathlin:** As I understand it, any individual apparently can buy fish from any commercial fisherman, so long as that commercial fisherman has a licence, or from Freshwater Fish Marketing Corporation.

Now when a company has to go through the Freshwater Fish Marketing Corporation—I cannot remember what the member was referring to, whether a store or a restaurant was wanting to purchase fish—I think, in those cases, it is the Freshwater Fish Marketing Corporation that issues the special permit to that hotel or restaurant.

**Mr. Laurendeau:** Could you investigate for me, Mr. Minister, whether a Mr. Fong was under investigation by the Gimli natural resource officers, or whether he was reprimanded for selling fish to different restaurants in the city of Winnipeg?

**Mr. Lathlin:** Yes, we will look into that.

**Mr. Laurendeau:** One of the concerns that was brought up by my constituent was that the pickerel that they were selling was selling for \$6.50. They were told that Mr. Fong was supplying them fish at \$2 a pound, and he was supplying it to a number of the restaurants in the city of Winnipeg. I understand that they thought that the natural resources officers in Gimli were aware of this, and they were surprised that he was continuing on with this practice.

\* (16:10)

So if you could look into it, and let me know, I would appreciate it. It would make my constituent much happier, seeing as they are in the business. They do not mind competing against somebody who is buying at the right prices from the right sources, but Mr. Fong seems to have some contacts with people who are using nets illegally, and we would appreciate it if these people were shut down.

**Mr. Lathlin:** We will definitely look into that and get back to the member as soon as we are able to.

**Mr. Laurendeau:** Thank you very much.

**Mr. David Faurchou (Portage la Prairie):** I appreciate my colleague for St. Norbert concluding his remarks, and affording me the time. In regards to 12.8, which, I believe, is the section we are on, this involves infrastructure and consideration for waterways, dams and flood control structures.

I want to put a question to the minister. First off, are you, Mr. Minister, familiar with the 1987

report that was tabled for the perusal of Minister Plohman, who was a Natural Resources Minister at that time, as well as Minister Kostyra, who was the Minister of Finance at the time? On that basis, I will preface my remarks either more in depth, or in brief, depending upon his knowledge of this report.

**Mr. Lathlin:** No, I have not seen the report.

**Mr. Faurchou:** In that case, I will attempt to perhaps make a bit of a superficial introduction to the minister to the report. As the honourable Member for Lakeside (Mr. Enns) has alluded to, I personally checked this out of the reading library archives the day before yesterday, and it involves five volumes. As you can appreciate, there is an extensive amount of information. I will, just for the record, state that there is a main report and it is entitled *Assiniboine South Hespler Area Study*. It then has appendices A, B, C and D. Appendix A deals with the actual construction of dams in southern Manitoba; appendix B is the actual engineering and design work of these structures; appendix C is the economic considerations that are derived from the construction and operation of these structures; appendix D, Mr. Chair, is the social considerations which, effectively, take in a wide range of considerations of persons in and about the areas where the dams are suggested for that area. Also too, appendix E is the environmental considerations, and, as you can appreciate, appendix E is the thickest of the documents, because it involves everything that anyone can imagine as far as the environment goes, as stated in 1987.

Now, as I say, this particular report was done in conjunction with the federal government and was presented to Minister Plohman and Minister Kostyra on March 11 of 1988. Sorry, I did previously say 1987. The report, when tabled, effectively—and I might just say the management group recommends that a long-term water management conservation strategy be developed for Agro Manitoba. This strategy, to be developed by the Manitoba Department of Natural Resources with the assistance from Agriculture Canada, Prairie Farm Rehabilitation Administration, and other federal and provincial agencies as required, would include the implementation of water conservation measures

for agriculture and rural development, along with water development to meet site-specific needs to support economic growth and security and enhance the quality of life throughout the region. That pretty much summarizes where the report was targeted.

Now the reason I am bringing forward this particular report, because it was visionary at the time, expecting that there was going to be a demand for water not only for personal use but industrial use, recreational use, and that the time was, then, to provide for a longer-term vision. In fact, there is a phased-in component to this over 30 years that would provide for an expansion of water distribution network coming from structures that are designed to retain a spring or a flood runoff.

The preface for this is that, throughout the two weeks, the one week in December of 2001 and then one week earlier on this year, 2002, the Clean Environment Commission held hearings in Portage la Prairie. Time in and time out, there was concern raised about the flow of the Assiniboine River and the demands upon that flow from the J. R. Simplot and related industries that would be put on the Assiniboine River. Now this study was not specifically named, but I sourced this study because I wanted to learn more about the Assiniboine River and what had previously been done, because there is no point in our reinventing the wheel every time we have a problem.

I might just mention to the minister that the engineering that is in this report is one that has taken a long time to bring together. In fact, we go back to the late 1950s when the geology of the region was done, like core samples that were done to give profiles and provide for the basis of engineering of dams on the Assiniboine River. So the report does mention a report on Preliminary Foundation Investigations, Red River Plains Project, Holland Site No. 3, dated 1959. It also references first progress report on soil mechanics investigation for Assiniboine River project, Holland Dam, 1962. So the information in these documents is prefaced by a lot of work by very qualified individuals. So we are not talking about a project that is out of the blue. This is a project that has been in discussion, and I speak, very specifically, of

Holland Dam site No. 3 on the Assiniboine River.

\* (16:20)

So, for more than 40 years, this has been a discussion item. Why I bring it forward for your consideration at this point in time is that the J. R. Simplot development, which Premier Doer made the announcement of a year and a half ago now, and I am happy to say, is under construction and is going to bring an immense amount of economic activity to southern Manitoba. But, during the Clean Environment Commission hearings, the concerns that were raised really identify the need, once again, to visit Holland Dam project and to evaluate its costs and benefits and to provide for a long-term sustainable quality water source for southern Manitoba.

We, right at this point in time, are going to be in considerable need of more water. The Assiniboine River has the flow, Mr. Minister. It is the only annual flow when it is the bottom line. It is the matter of the low flows that we see during the summer months that is a concern for everyone because, in the summer months, that is when the demand is the highest not only for recreation but for industrial purposes and agricultural irrigation purposes. That is when the crops need the water, when it is hot and dry.

A lot of talk has been done of the Shell River and the Shellmouth Dam and the situation there about adding additional leafgates and putting more water behind that dam and providing for additional reserves of water. The concerns raised during the Clean Environment Commission hearings is that it takes 16 days from that released water for us to get to see that water down here where we are viewing the river just outside our window here, and a lot can happen to that water flow within 16 days.

If the demand is forecast through a formula to be X and we get a lot of hot, dry weather in that two-week period—I think everyone around the table is quite familiar with the fact that our weather forecasters are quite challenged to get an accurate forecast even 48 hours ahead or two days, let alone 16 days ahead. It is virtually impossible for your department staff to forecast the required needs along the river in that 16-day



period and to accurately release the correct amount of water. You are either going to be too much or not enough. So, as I said, time and time again the need was expressed for an additional structure that would provide the controls that we need in southern Manitoba and additional water sources.

So, if the minister has any comment at this time, I would like to continue and bring forward just a few more facts about the report.

**Mr. Lathlin:** Well, Mr. Chairperson, I just want to say to the member, maybe repeat what I told the Member for Lakeside. At one point, the Member for Lakeside was saying that sometimes the fiscal health of a government will prevent some projects from going further, no matter how important that project may be for the benefit of a lot of people.

But I also said that when we have good times, people hardly think about what is going to happen down the road. It is when these hard times hit us, you know, people all of a sudden reprioritize and rethink what they are going to do.

For the last several years in Manitoba, for example, we have been so preoccupied with getting rid of water, because there has been too much of it; too much that, in 1997, it was a tragedy. So people have that mindset, you know, that there is far too much water. Even to this day, when I talk to the people in the south area, they were so affected by the flood of '97 that when they see just a little bit of rain, right away its memories come back, and people start to think.

As I said to the Member for Lakeside (Mr. Enns), there is no question about it, we have to turn our attention, and I think we are going to be forced to turn our attention, because it is going to be dry at least for this summer anyway, according to the forecasts we are getting. So I think people will now turn their attention to the water retention, safe water, rather than trying to get rid of it. So I see there will be a lot of work.

You know, the Holland Dam, I am told, would be a big project. It is something that governments just cannot go ahead and build without having to do a careful study, maybe not

go back to the starting point, because obviously there has been much information gathered already, probably have to revisit the studies though and have a look. In addition to revisiting the studies, as the member knows, the Clean Environment Commission was in Portage and there was a lot of interest. So there would have to be a considerable amount of public consultation before, I think, any government would proceed with that size of a project.

Having said that, though, I think, collectively, we need to turn our attention in that direction for sure.

**Mr. Faurschou:** I do appreciate the minister's comment, and I do believe it will be a lot of work. One has to have a determination within his position that we are not going to just look and live for today. We have to plan for the future, and time and time again at the Clean Environment Commission hearings.

Once again, I have to compliment the staff from your department that were out there, did an extraordinary job of making presentations, and the wealth of information that you have within your department. I had no idea that you were studying the sandbars within the Assiniboine River, and how it plays for the habitat of the fish within the river, you know. You are really microstudying the river and organization.

Let us be very specific. This particular project is an earthen dam, and, in 1988 dollars, the projected cost would be \$65 million. That provides for the land, the reservoir, the embankment, the spillway, the diversion outlets that would need to be constructed during construction, and then there is a line in there for damages. This will create a basin that will extend back over 30 miles from Highway 34 through to Highway No. 5. It will flood somewhere in the neighbourhood of about 87 070 hectares of land.

I want to draw to the minister's attention, the minister already owns 5000 of those hectares, so we are looking at about 3000 hectares of which less than 1000 are in private hands and of agricultural use. You are looking at very little cultivated ground in private hands that would

have to be acquired. The rest is in slope that cannot be farmed. The reason it is in Crown, not only does it lay within the river valley proper but also there is area of Spruce Woods Provincial Park.

I know that there has been discussion saying that this is a provincial park that will ultimately end up being taken away from the park; it is about 10 percent of the park area that would be flooded by the reservoir area. With this particular area being taken as reservoir area, we now have the benefit of hindsight from the reservoir up at the Shellmouth. We now call it Lake of the Prairies. The amount of economic activity up there, and I think it is upwards to \$2 million annually, that is now being derived from that particular reservoir, which is based in tourism and recreation.

\* (16:30)

This project would enhance Spruce Woods Provincial Park because travelling distance is a concern for those that live within this perimeter of Winnipeg. If one could access Lake of the Prairies with only an hour's drive from the city versus three-and-a-half to four hours' drive, I would say that persons would very readily accept this type of project and an increased use of Spruce Woods Provincial Park for that purpose. It is not to be considered a detraction from Spruce Woods Provincial Park but an enhancement. The minister might note that the area that is consumed by the reservoir water area is really undeveloped area of the Spruce Woods Provincial Park. There are only minor considerations towards moving of thick structures. That is a little bit more micro analysis than I want to make.

I also want to draw on the consideration that we have spoken about agricultural, industrial. Now we have spoken of recreational but it also can play into what we have all been discussing in the Manitoba Legislative Assembly. This particular dam structure has a hydro-electric generation capability. The figures in the engineering documents state that Manitoba Hydro could benefit significantly from two generators that would generate approximately 7.5 megawatts of electricity. That is on the basis of a 200 feet-per-second flow guaranteed coming

down through the spillway. They said, more than 60 percent of the time, much more electrical power could be generated. That is virtually guaranteed, that minimum amount of power which would provide \$1.3 million at 2 cents a kilowatt hour. I think that right now the going rate is about 6 cents a kilowatt hour. You are looking at over \$4 million of hydro-electric power generation coming out of that structure. This particular project has an immediate benefit as well, not just the long term.

What I also want to make the minister aware of, on the environmental side, we are all concerned about the degradation, the deterioration, of our dikes and the river channel proper. We see river banks falling into the river because of erosion. This is an occurrence that is derived from a wetting and drying cycle that comes from intermittent flows, varying flow levels within the river channel. When your river recedes, the soil along the river bank dries out and becomes very porous and is very much susceptible to erosion. When the water rises in the river again after a summer rain storm, it very quickly erodes that dry soil because it is very porous, flaky and goes into the river. That is why we see the dikes and the river banks going into the river. If we could provide for a constant flow, that this particular structure would provide for, we would see very, very little erosion of our riverbanks and our dikes. It would be a significant cost saving to your department. As well, all of us want to preserve the trees and shrubbery and green areas that river erosion significantly detracts from.

There is a very positive environmental aspect of being able to control a river's flow and to make it constant; not to mention riverboat activity, I believe it is in its second season here, Splash Dash operated on the Red and Assiniboine rivers here in Winnipeg. The gentleman that started the river taxi, as he got a license from the City of Winnipeg to operate, has exceeded his business plan by 400 percent. It has been extraordinarily well received by the citizens of Winnipeg and tourists alike that get a view of our city from the river which is very picturesque.

His concern is the fluctuating river level that this Holland Dam 3 would change, not only on the Assiniboine but, as you are aware, when the

Assiniboine intersects with the Red River, it has an elevation effect on the Red River as well. The Red River fluctuates dramatically during the summer and an adaptable flow from the Assiniboine River would take care of the fluctuations in the Red as well because you would have a reservoir that has 653 000 acre feet of water—more than enough water to irrigate the identified 319 000 acres of available irrigable acres in southern Manitoba. There is lots of reserve in here insofar as for recreation and for hydro, as well as for industrial purposes that may come in the next while, because whether the minister is aware of it or not, there is another company that is looking to Manitoba to be the site for their potato processing expansion plans as well, which could equal the size of the plant that J.R. Simplot is now constructing, as well as the existing plant that McCain's is operating in Portage la Prairie.

It all hinges on water, water availability, consistent water availability, quality water availability. So I cannot overstate the importance that this particular project could have to the development, quality of life of rural Manitoba, as well as the city of Winnipeg, too.

This particular structure, I will say, will also enhance the quality of water because the depth, as you can appreciate here, is going to be in the neighbourhood of about—I am sorry, I am going back between metric and imperial, but about 90 feet of water, 85-90 feet of water, will be the depth from the core base of the river channel that sits on shale to the top of the reservoir level, operation level, where the flood spillway will take the water away.

\* (16:40)

That type of depth cools the water and actually purifies, because there is not the organic growth within the water that we are seeing today with the algae blooms that are clogging our irrigation screens and making life very miserable for water treatment, for the manager at Portage la Prairie who is having to take the algae out of the water before it is treated. This quality of water component, by the depth, is an important consideration, as you as minister want a quality water source for all persons downstream. The Cartier waterfication project, which draws the water from the Assiniboine River, is going out to

many, many communities in southern Manitoba right now.

As we speak, they are laying lines out to Poplar Point, to the community just to the east of Portage la Prairie and then they are going to be going up a little further north to High Bluff. So the Assiniboine River is playing an increasingly important role in southern Manitoba quality-of-life issues in all aspects, whether they be economic or recreational or whatever.

This is also for your own information. It was drawn out at the Clean Environment Commission hearings, is the outflow from the Carberry aquifer, which is estimated at about 100 cubic feet per second of flow that just naturally comes through the riverbank, out of the Carberry aquifer, into the river. This, Mr. Minister, is pristine water that is very, very high quality water. This dam would capture that outflow. So we are trying to retain and meter out water that is of a very high quality, and this particular reservoir could very well be the source of water for other waterfication projects that the minister might consider in the future that will enhance those of us that live outside of urban areas and would like to have a safe and secure source of domestic water use.

So I know I have spoken at length again. I wonder whether the minister has any questions at this time or, in fact, has commentary to this, because I hope he is grasping the true value of this project.

**Mr. Lathlin:** Well, yes, Mr. Chairperson, I find the member's presentation very interesting. I said earlier that now that we are sort of out of the thinking that we are going to have to forever do flood proofing and getting rid of water, we can now, I think, turn our attention to the opposite. When it is dry, we need to make sure that there is enough water, not just for drinking water, economic business development, recreation, but I think also for the environment. I think it is very important, let us just say, in order that there be pristine water.

An earlier presentation was made here today where people, I believe it was the Member for River Heights (Mr. Gerrard) who suggested that people are going to have to swim in the

Assiniboine River, and if it is in such a condition it could harm people, then people should not be allowed to swim there. So I find it very interesting. As I said, as we go forth certainly we are going to be looking at options. I would be interested in finding more, but in fact I will maybe try and get a summary of the report that the member is referring to so that I can be knowledgeable about it so when it comes time for me to discuss it with our department and others I will have the information.

I thank the member for his excellent presentation. I know he had five volumes of books there, but the way he presented it I am able to understand the project itself, the history and possibly the positive results that it could bring. So once again I thank the member.

**Mr. Faurschou:** I appreciate the minister's interest, and I hope his interest will be shared by the staff. I do not know how many of his current staff are familiar with the natural resources discussions of 1988.

I do know that as late as April of 1999 I was privileged to be part of a presentation or receive a presentation from the Department of Natural Resources that did an analysis of all dam structures or all water retention potential structures within the province of Manitoba. This specific Holland Dam 3 project, the cost benefits had it at the very top of the list. I believe the Department of Natural Resources had a formula that equated out all of the pluses and minuses of a project and balanced them through a formula and came out to a ranking of all the different projects, whether it is a dam on Rat Creek or a dam on the Assiniboine River or Shell dam. There was another one on Shell River. They provided the minister at that time, the Honourable Glen Cummings, with a report that stated that this particular project was still at the top of the list.

It was recommended in the sixties, recommended again in the eighties, recommended you can say in 2000 as the top of the list as far as benefits versus costs. That I would like to stress with the minister. If the minister would like to ask for a review of the Clean Environment and all of the concerns that were raised at the Clean Environment about the

J.R. Simplot project, they were all about water and water quality and the concern for the Assiniboine River.

This particular project, I believe, as I have studied, is the answer to all of those concerns, because I did take the opportunity to talk to some of the presenters after they had made their presentation and asked if they would perhaps through their own concerns be now supportive of the Holland Dam 3 project. The responses from these individuals that I spoke with were all in the positive. These are persons that were at the Clean Environment Commission to air concerns. So when they were asked about this their concerns were addressed and sounded in support of this particular project.

There is also in the area, the Swan Lake Band that purchased significant farmland for irrigation and potato production immediately adjacent to this area that I think would benefit as well from this and other individuals that are now being forced to look at higher value crops, because I cannot stress the detrimental effect that we as agriculture producers are going to feel from the U.S. farm bill. There are figures that are saying that if you are an agricultural producer in only cereals and oilseeds, there is only going to be one in three survive after this farm bill comes through its 10 years because of the reduced level of commodity pricing from this bill in the United States.

\* (16:50)

So we as producers have to look at higher value crops. Higher value crops require water, and water through this project will be available. Timing is of the essence here. If you were going to preserve, safeguard the rural way of life, Mr. Minister, this project is going to be a fundamental feature in that survival, because water is the nature and provides all. You know, they always said whiskey was for drinking and water was for fighting over, right. That is still, I think, as true today as when it was coined.

But I do also want to say that we are doing a good job as producers that live and work and play alongside the river. I grew up beside the river. All my life. Now, the Member for River Heights (Mr. Gerrard) said about swimming in

the river. Well, I darn near drowned when I was 16 years old, and I do not swim in the river anymore. If I do go in the river it is tethered to a tree or something. I am not a bad swimmer, but the currents can be deceiving.

The river is a vital and integral component to our way of life. We want to preserve the quality of the river. If the minister might be curious in this one note, the aqueduct to Shoal Lake that provides for the water in Winnipeg was constructed because of the outbreak of the Red River fever in 1903.

The Red River fever was traced back to those persons drawing water from the Assiniboine River and the Red, but the river water quality at that time was terrible. Some people said there was so much debris and pollution in the river you could perhaps walk across it at times. We have seen the river when it was in very, very poor quality. It is in much better quality today because we value the water quality, and I think we are doing a better job today than we have had in the past when livestock came to water right at the river.

I am leading myself now into another project that I would like your consideration, and that is the formalization through your Crown lands alongside the river of a green space that would support agricultural producers, that would allow for a planting, a sowing down of that area. We as producers are hard pressed to meet our bottom line and to stay out of the red ink. So we have to use almost every available inch of property that we own. That, sometimes, is not the best prescription for the health of the property in the long term.

I know one producer that, in order to get a full pivot irrigation, cleared all of the bush away from the riverbank. There was no vegetation left from the cultivated field through to the riverbank. His irrigation pipe is testament to how much erosion has taken place. He has now two 40-foot lengths of pipe fully exposed that were once the low ground into the river. So that riverbank now has receded over 80 feet because of his farming practices destroying the vegetation on there. One point of note is that the fellow went broke anyway and is no longer farming, but his lasting legacy is one that you and I and those that continue to be responsible are left to correct.

Producers cannot do that by themselves. We need the support of your department and of government, because it is a benefit to everyone in the province that we maintain our quality of water within our rivers and streams. That comes with natural vegetation that is properly cared for along the river and stream banks. This is an investment that everyone benefits from. Just the few thousand of us left out there as agriculture producers, we cannot shoulder that burden by ourselves. We want to preserve the land and our environment for the future, but we cannot do it alone. We need the support of our urban cousins and those that ultimately will benefit as well, because the river does not terminate at Portage la Prairie. The same water that passes by Portage is passing by the Legislature, just outside our window.

With those comments I will leave the topic of Holland Dam 3 for the minister's consideration. Mr. Chair, I will provide all of the documentation to the department with a note that it has to be returned within three weeks to the librarian; otherwise, they are going to come looking for this honourable member. I do believe the honourable Member for Lakeside (Mr. Enns) has just a couple of comments that I may have missed because this is a project that he is very supportive of as well.

**Mr. Enns:** Mr. Chairman, I do not know what the House leaders have negotiated, but other than a few additional comments, I would be prepared to pass the remaining portion of these Estimates at this time and allow the minister's capable staff to get on with their duties. I do want to hold on to the minister for a little while and have some further discussions, along with some of my colleagues, on your salary, Mr. Minister. Just a little while ago I was prepared to build bronze statues to you, and now I am going to take you to task on your salary.

I just want to add one thing, and the Member for Portage la Prairie alluded to it. The City of Winnipeg has seriously looked at the possibility of twinning the aqueduct for future water supplies. This project could provide all the water the city of Winnipeg needs. With the technology that we now have, in terms of our water treatment plants, a good number of my constituents are enjoying the quality of water coming

out of the Cartier treatment plant, as they are enjoying it from MacDonal treatment plant. For a minuscule amount, compared to what an aqueduct from Shoal Lake would, for instance, now cost, should be of interest to all Winnipeggers and urban members.

The other point that I want to make is that one would assume that, as the precedent has been set, just as we are talking about with respect to floodproofing, there would be a substantial federal input in a project of this size; 60-40 would not be a bad formula to start with: 60 percent federal, 40 percent provincially. With those few comments, Mr. Chairman, if the Chairman wants to read off these remaining items, we will pass them, and just leave the Minister's Salary.

**Mr. Chairperson:** 12.8. Infrastructure and Minor Capital Projects (a) Equipment \$460,600-pass; (b) Water Projects \$4,390,400-pass; (c) Park Facilities \$3,814,300-pass.

Resolution 12:8. RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,665,300 for Conservation, Infrastructure and Minor Capital Projects, for the fiscal year ending the 31st day of March, 2003.

*Resolution agreed to.*

**Mr. Chairperson:** The hour being 5 p.m., committee rise.

## AGRICULTURE AND FOOD

\* (15:10)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Agriculture and Food.

I believe there was agreement at our last sitting to begin consideration this afternoon of questions relating to the Manitoba Crop Insurance Corporation found in the main Estimates book under Resolution 3.2, Risk Management and Income Support Programs. Is that the will of the committee? *[Agreed]*

The floor is now open for questions.

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Madam Chair, before we begin questioning, I would like to introduce staff who are from the Crop Insurance Corporation.

We have Neil Hamilton, who is the general manager; and Mr. Jim Lewis, who is the director of finance at the Crop Insurance Corporation; as well, Craig Lee, Assistant Deputy Minister; and Don Zasada, Deputy Minister of Agriculture and Food.

**Mr. Jack Penner (Emerson):** I would like to welcome the staff of the Manitoba Crop Insurance Corporation to committee. The first question I would pose to the minister is I wonder if the minister could give me a bit of a background overview as to what the budgets have been over the last three years for Manitoba Crop Insurance.

**Ms. Wowchuk:** The Estimates for 2001-2002 was \$29,499,600, and for 2002-2003 the Estimates of Expenditure is \$30,317,500. For 1999-2000, the actual was \$31,700,000.

**Mr. Jack Penner:** I am sorry, Madam Minister. The 2000-2001 was how much?

**Ms. Wowchuk:** In 2001-2002, the Estimates were \$29.5 million, and in 2002-2003, were \$30.3 million. The actual for 1999 was \$31.7 million.

**Mr. Jack Penner:** I wonder if the minister could give us a bit of background on what the reason was for the rate reduction in Manitoba Crop Insurance to the producer. I understand, at least I believe on our farm, it amounted to some 70 cents an acre of premium reduction for the farm.

Can the minister give us an overview as to what her reasoning was to reduce the amount of crop insurance premium to producers by about 70 cents an acre?

**Ms. Wowchuk:** The member knows, and I have said this many times, that we recognize that there were difficult times for producers and we were looking at options at how we might be able

to provide producers with programming without increasing costs, as well.

In order to fit in with the federal funds that were available, and also maintain coverage, we decided that we would reduce premiums for the producers.

**Mr. Jack Penner:** Let me just, for the committee's sake, look at a bit of an overview as to how this has impacted the farm community.

If you look at the cost of reducing the premium by 70 cents to anywhere to 90 cents an acre, and some crops it might have even made one dollar an acre, but if you take a look at the total cost of production in most commodities, now, they run anywhere between \$150 to \$250, up to \$300 and \$400 an acre, cost of production. When the minister considers a 70-cents-an-acre reduction, with the total cost of producing a crop, how relevant really is that, is the question I leave with this committee. How relevant is a 70-cents-an-acre saving?

There are many of the commodity groups that have lobbied long and hard for Manitoba Crop Insurance to increase the coverage levels. I know there have been all sorts of things said about increased coverage levels and why that cannot be accomplished, and all those kinds of things.

However, there are specific areas that have seen dramatic growth in this province. One of them is the bean producers in this province of Manitoba. Some people might perceive bean production as being white beans, black beans and pinto beans. But we have many, many other bean varieties that are being grown and experimented with in the province of Manitoba, some of them very, very successfully.

However, we recognize that the specialty beans have a significant difference in yield potential and in expenditures when growing these crops. When one considers cranberries and dark red kidneys and light red kidneys and pink and red Mexicans, and all kinds of other coloured beans, including great northerns, one recognizes the tremendous changes in yield potential in these varieties.

Yet the coverage levels are largely based on four areas of production, currently, and the others are all lumped into one area. Great northerns, for instance, have the potential to yield up to 3000 pounds an acre. The pink Mexicans have a yield potential of roughly between 11 000-12 000 pounds an acre. When you lump these all together, one can certainly see the disparity and the reason why people are not moving into these specialty areas because of the way we apply crop insurance to them.

Now, I know the Pulse Growers Association has lobbied long and hard to try and convince Manitoba Crop Insurance to make the varietal changes and identify them and insure them based on variety instead of lumping them all into one.

Can the minister explain to me why she has not encouraged Manitoba Crop Insurance to make these changes in policy instead of—and I am sure there are other areas, as well, in the province where we have been lobbied for higher coverage levels—allowing or encouraging, maybe even directing Crop Insurance to lower the premium by 70 cents an acre?

\* (15:20)

**Ms. Wowchuk:** Madam Chairperson, the bean industry is an important industry, and I have had discussion with the growers to talk about how we could improve coverage for them and look at the different programs. In fact, we worked through the costs of what some of these programs would require within the framework that we have, and if we were to change our funding, it would mean that we would have to go beyond our 60-40 cost-sharing program with the federal government.

As well, Madam Chairperson, the member should be aware that in Manitoba, and I know he is, we have four programs for covering beans. They were looking for seven, but the member should also be aware that, in fact, in Manitoba we are offering a better variety of coverage than in Ontario where they only have two categories of beans that they are covering. We told the Manitoba Pulse Growers that we would continue to work with them and look at what the options

might be to improve the varieties of coverage that would be available through crop insurance.

**Mr. Jack Penner:** I appreciate what the minister is saying. However, I find it difficult to understand why she would try and make the argument of the 60-40 cost-sharing provisions within Manitoba Crop Insurance. I would suspect that if the minister chose to, she could have seven different variety coverage levels for beans, and it would not affect the federal-provincial agreement one iota. I would suspect that we would be able to insure beans on a variety basis.

I think sometimes one would imagine that the minister might, in fact, want to play a leadership role in demonstrating to other provinces how it could be done and what kind of benefit could be derived to encourage further production and further diversification into bean varieties and even other commodities by having an aggressive forward-thinking approach to change in agricultural insurance coverage levels for the province of Manitoba. I think she might want to even demonstrate that she would be willing to take a leadership role in this.

So if the minister could explain to me, other than using the 60-40 formula argument, which does not fly with me, why she would not consider providing, for instance, a seven varietal bean coverage level to an emerging and growing industry in the province.

**Ms. Wowchuk:** Madam Chairperson, I hope the member will realize that there are many diversifications that are taking place in agriculture. There are always many proposals for changes that are brought forward before the board to look at, to see where we can make improvements. The change to the bean program was one suggestion that has been put forward and one the board had a very good discussion on with the producers and I am sure one that will be given careful consideration in the future.

You know, the member talks about the seven varieties, but some of those varieties are fairly small amounts that are grown in those varieties. But, also, I want to tell the member that we continue to make changes. For example, the following changes were made in 2002. There was a higher-grade guarantee for oats and forage

seed. The grade guaranteed for oats has been increased from No. 3 to No. 2 to more closely reflect the predominant grades in Manitoba.

There is a tame hay portable yields program, and this program is a reduction of the relative feed value guarantee that has resulted in a significant increase in the tame hay portable values. There is a perennial rye grass seed insurance program that was not in before, a forage restoration benefit, and a pasture insurance pilot project that we have brought in, as well as a native hay portable yield methodology change. So we continue to make changes and producers continue to make suggestions. As the resources are available, as we look at what can be done, we always have to think within the limitations of budgets that are there, the finances that are there before we can move forward. Each year, the programs at Crop Insurance are reviewed, and changes are made within the financial ability that we have.

**Mr. Jack Penner:** Well, having heard the minister say that then, could the minister tell me then what the surplus in the Crop Insurance Fund was in 1999?

**Ms. Wowchuk:** Madam Chairperson, at the end of 1999 the surplus was \$229.6 million.

**Mr. Jack Penner:** Could you give me the surpluses for 2000, 2001 and 2002?

**Ms. Wowchuk:** The surplus for 2001-2002 was \$265.7. The surplus in 2000-2001 was \$286.2; '99-00 \$228.6; 1998-99, \$175.7.

**Mr. Jack Penner:** So, Madam Chairperson, we have seen a significant growth in the surplus till this last year where there has been a reduction of the surplus. *[interjection]* \$265, is that correct? *[interjection]* Yes, and the previous one was \$286, so it is a reduction of about \$21 million, or is my math off? Okay. So we have seen a reduction in this last year of the surplus.

If one does the calculation of the 70-cent-an-acre reduction to the farmer, one also comes up with some interesting numbers. Maybe I should ask the Crop Insurance administration what the actual savings to the Province and to the federal government were by not having to contribute that premium reduction amount to the corporation. How much money did the Province save and how much money did the federal



government save in all three of those years that we were reducing the premiums?

**Ms. Wowchuk:** The member is accurate in his comment that the surplus is built up out of premiums paid by the producer, payments from the federal government and payments from the provincial government, and you want to have a surplus there, should you have a significant disaster in the province within the agriculture community. We do have a surplus that has risen slightly. It continues to rise because we have not had some very really serious disaster where there was a huge amount of claims. So we are looking at 2001. I believe that is the year the member asked for.

\* (15:30)

**Mr. Jack Penner:** The effects of that for the three-year period and on a year-by-year basis, and then I want the total. I would like the total of what the reduction has been on the contribution to the Crop Insurance by the Province, by the federal government and by the producer, and what that total amount is.

**Ms. Wowchuk:** Okay. Let us start with 2001–in 2000, I should say. The producers' saving was 0.9 million; the Province's saving was a million, and Canada saved 1.3 for a total of 3.2 million. In 2001 the producers' saving was 6 million; the Province's saving was 6.8 million; and Canada's saving was 8.8 million for a total of 21.6. The 2002 is an estimate, and we anticipate that the producer will save 8 million, Manitoba will save 8.8, and Canada will save 11.4 for a total of 28.2. But in all of this I want the member to recognize that we work within a total safety net package, and if we make reductions on one side, these monies are allocated on the other side. Because of the total package, we have to find a way to continue to provide the programs on the crop insurance side and to make our commitments that are required on the Part B of the program.

So, when the member asks how much savings are made, the money in the safety net program is fully allocated. There is a shift from the crop insurance side because we are using some of the reserves. Then this money is able to shift over for the programs on the other side,

such as programs like NISA, where we have an increasing amount required in that area.

**Mr. Jack Penner:** What you have really told me is that the total reduction of the contribution to the Crop Insurance Fund by the two levels of government, by the three levels of participation—the two levels of government and the producer—the total reduction that has occurred is \$53 million, which would be 21.5 of federal money and 15.7, provincial money, if my calculations are correct.

Now, if you have an emerging industry for potential and significant growth, why would the minister not encourage the Crop Insurance Corporation to leave the funds in the corporation, and utilize those funds to increase the benefits to those industries that have significant potential? It is not only the bean industry that I believe has significant potential; the potato industry, and there are a number of other industries that, I think, have significant emerging possibilities.

Why would the minister sit there and tell us that she tried to reduce the producers' cost by 70 cents an acre, when the potential on the developmental opportunity side is very substantive?

**Ms. Wowchuk:** Madam Chairperson, there is a fixed amount of money in the program; that is, the federal contribution is fixed, and we have to provide for all of the programs. If we were going to take more money and put it into the bean program, we would have to take it out of another part of a program, in order to meet our 60-40 requirement under the program, and that is simply what is happening. There is a fixed amount of money. We have to make some decisions on which programs we can continue with, which programs we can enhance, and that is exactly what we have done.

We have not taken money away; we have used money that has been built up in the reserves in order to discount the premiums, in order to maintain the existing programs, and, in fact, make some changes to some programs; but also, within the program, meet our requirements of the 60-40 share.

**Mr. Jack Penner:** Madam Chairperson, what the minister has just told me is that she has transferred out of the Crop Insurance Fund 21.5 million federal dollars, 15.7 million provincial dollars, and by not asking the producer to contribute a very small amount of money to the fund. This money has gone somewhere. This has been transferred to other programs, because I do not disagree with what the minister is saying, that it is a global amount of money within the safety net program that is prescribed for Manitoba. I do not argue that, but obviously this money has been taken out of Crop Insurance, and it has gone somewhere else, into some other fund, because we have not asked for the federal contribution to Crop Insurance of \$21.5 million, and from the Province of Manitoba \$15.7 million.

I would like to know what the Province of Manitoba has done with its portion of the \$15.7 million that would have been required under budgetary provisions to be contributed to Crop Insurance, had she maintained the premium and coverage levels as they were before?

**Ms. Wowchuk:** Madam Chairperson, if we had not discounted the premiums, there would have been more money that would have been gone into reserve. So the reserve would have increased. But there is no federal money in the program to match those premiums, and we would have changed a proportion of the 60-40 agreement that we have.

So what would happen if we would not have discounted these premiums is we would have had more money going into the reserves, but we would not have been able to—the amount of money would just not fit within the 60-40.

So there is no removal of money; it is a reduction in the premiums. There is no money being removed. There is money taken from the reserves to pay the premiums, rather than increasing the premiums and putting more money into the reserves.

**Mr. Jack Penner:** Obviously, I have not been to the same school of economics that the minister has been. In my 14 years in government and in my 40 years in business and in serving on such boards as the Manitoba Public Insurance Corporation for almost 5 years and serving on many other boards, business boards, I have never

heard this kind of explanation before. Any time there are reserve surpluses within any corporate body, those reserve surpluses are normally unencumbered. I believe they are unencumbered in this corporation as well.

The question I would like to ask the minister is: Who are the actuaries for the Manitoba Crop Insurance Corporation?

\* (15:40)

**Ms. Wowchuk:** There is an encumbrance on the money. The act requires that the reserves can only be used for future claims. The only way that the reserves can be reduced is by using them to reduce premiums. That is the only way you can use the reserves.

**Mr. Jack Penner:** I still want to know from the minister who the actuaries are for Manitoba Crop Insurance.

**Ms. Wowchuk:** The company is Towers Perrin. It is a worldwide company.

**Madam Chairperson:** Would you mind spelling that for Hansard, please?

**Ms. Wowchuk:** Towers, T-o-w-e-r-s, and Perrin, P-e-r-r-i-n.

**Mr. Jack Penner:** How long has this company been the actuaries for Manitoba Crop Insurance?

**Ms. Wowchuk:** I am not sure of the exact year, someplace between '94 and '95.

**Mr. Jack Penner:** Who are the internal actuaries for the corporation, or are there any?

**Ms. Wowchuk:** We do not have any internal actuaries. We have internal analysts.

**Mr. Jack Penner:** I am a bit surprised that we have no internal actuaries for Manitoba Crop Insurance. It surprises me. It is something that the minister might consider, because I believe from personal experience with MPIC, I thought they gave the board very significant and good advice most often when required or when requested. I found the internal actuaries very useful to deal with matters such as this. I would think that the corporation and the board might have actually received some good advice, and the minister might have received some good advice through the actuarial process in

determining what kind of reduction she should extend to the producers. Maybe that kind of advice would have also been offered to bring into being new coverage levels and/or new programs. We certainly did that at MPIC when we looked at coverage levels and new methods for coverages when we determined the rate-setting ability and the process for rate setting.

So, I am wondering whether the minister might want to give some consideration to appointing and/or hiring an internal actuary.

**Ms. Wowchuk:** Madam Chairperson, I want to assure the member that there is nothing unusual being done here in Manitoba. I am told that there are no provincial crop insurances that have internal actuaries, but all premium rates and financial balances are all certified by external actuaries, as is required by the federal regulation that the corporation operates under. We are no different from any other province, and all provinces, all crop insurance corporations follow the rules that are spelled out by the federal regulation.

**Mr. Jack Penner:** Thank you very much, Madam Minister. I am not going to pursue this much longer. I just wanted to satisfy my own curiosity as to how the actuarial process actually functioned in edible commodities. I would suspect that if the minister would inquire, she would find that the federal rules or guidelines that Manitoba Crop Insurance operates under were minimum standards. There would be nothing precluding Manitoba Crop Insurance to employing an internal actuary to look at the abilities within the corporate, to set new standards and rates and coverage levels and, I think, the utilization of the surplus. She would find that she might actually have a lot more flexibility than she now is telling this committee she has.

**Ms. Wowchuk:** The member is making suggestions. I will take his suggestions, but I want the member to know that, even if we had internal actuaries, it would still have to be certified by external actuaries. We would have internal ones, we would have external ones, and this would come at a tremendous cost. The system that we have, where we have analysts that do the work and then have the certification

by the external people, meets the requirements and, I think, that it is a good process. It has worked in the past, and I am surprised that the member would want us to be adding another layer that would be then, very, very expensive.

**Mr. Jack Penner:** Well, I would suggest to the minister that she might find that, in fact, she might at times save some money instead of spending money. Actuaries can be expensive, but actuaries can also be very cost-effective. As I said, I was not going to belabour this any further.

What I am getting at, Madam Minister, is that I truly believe if the minister had directed the Manitoba Crop Insurance Corporation to utilize some of the surplus funds that she had on hand to increase the coverage levels to the producers, on especially those areas that have significant potential for development in this province, she could use that as a tool to encourage further production and processing in this province. That is where my concern lies.

I simply will not accept that the minister or the corporation has not got flexibility, the same flexibility within the corporation to increase those coverage levels than they do to reduce the premiums the way the minister has. I suspect that the minister and the Government made a decision that they wanted to save between \$8 million and \$9 million a year to the provincial Treasury, cause a saving and not have to pay that as a premium portion to Manitoba Crop Insurance and thereby decrease the provincial liability. That, in turn, triggered a saving to the federal government of a total amount of \$21.5 million, and I think that is what was behind all this, instead of encouraging. Do not get me wrong. I am not pointing fingers at staff. I am saying I think she utilized the board and encouraged the board to make these kinds of decisions and reduce the funding requirement and the liability on Treasury in order to make this happen.

The other question I would like to ask the minister: Did any monies flow out of Manitoba Crop Insurance into the ARDI program?

\* (15:50)

**Ms. Wowchuk:** Madam Chair, I just want to say to the member that he was talking about the

amount of money that was saved. We met our full allocation that was under the requirement of the program. I know the member is very upset that we were not able to do the bean program this year. *[interjection]* What are you upset about?

**Mr. Jack Penner:** Our costs of production are going straight up and our cover levels are coming down in most cases because our prices that we are receiving now are coming down. That reduces our coverage levels, and I think it is time that the corporation increased the coverage levels. The minister can have a lot to do with that if she chooses to.

**Ms. Wowchuk:** Madam Chairperson, the member is talking about coverage going down. As crop prices go up, then coverage goes up in the programs.

I started to say to the member I know he is concerned about the coverage for the bean program. Each year, we look at programs and Manitoba's coverage has four programs. Provinces like Ontario have only two programs that they offer. We said to the pulse growers when they met with us that we were not able to make the changes this year, but we are always looking at changes that we might make. I outlined to the member the various changes that we made this year. It is an ongoing process. You look at what the crops are, the board brings forward new ideas, and then we develop programs within the budget that we have. To say that there were savings, that somewhere savings were made that were not used for programs, that is not true.

On average, prices went up by about 10 percent. If you look at the coverage for wheat in 2001 it was 465, and 2002 it is 476. If you look at white pea beans, in 2001 it was 20.4 cents; under 2002 it has gone up to 25.9 cents. So prices have gone up. The member asked if any money flowed out of Crop Insurance into ARDI. No money flowed from Crop Insurance to ARDI. ARDI is a program that is funded if there are surpluses in the whole package, but the money does not flow out of Crop Insurance into ARDI.

**Mr. Jack Penner:** Let me ask them now on Crop Insurance, as well. Is the corporation

giving any consideration to reinstate hail spot loss to the producers of the province of Manitoba?

**Ms. Wowchuk:** We did have spot loss insurance in 1992. It was dropped in 1993. I think that the previous administration recognized this as a very high-cost program. That is why they dropped it. I understand that this year Saskatchewan is dropping their spot loss insurance and we are not giving consideration to reinstating it.

**Mr. Jack Penner:** Getting back to beans and the dockages and how dockages are arrived at, I understand that the corporation has indicated, or maybe what I should ask is: Can the minister give me an overview as to how dockages and grade levels are established for bean varieties if and when damage occurs and a crop insurance claim is in the making?

*Mr. Cris Aglugub, Acting Chairperson, in the Chair*

**Ms. Wowchuk:** If it is a stored product and there is a claim a sample is taken and the testing is done by SGS, which is the company that the corporation contracts to. If it is less than a No. 3 sample then a hand-picked test is done. If it is above No. 3 or above it is the Canadian Grain Commission standard that is used.

**Mr. Jack Penner:** Could the minister tell the committee how PIK is handled in the dockage calculations on the various grades and grades established on the various grades of beans in a crop insurance claim situation?

**Ms. Wowchuk:** PIK is only used if it is a sample that is less than No. 3. If it is above No. 3, then the Canadian Grain Commission standard is used.

\* (16:00)

**Mr. Jack Penner:** Could you give me an example of how that occurs?

**Ms. Wowchuk:** Is the member looking for an example of how the PIK is used?

When a sample is taken from a bin, and it is less than No. 3, a PIK is taken, and then the percentage of PIK is used to calculate the amount of the claim.

**Mr. Jack Penner:** Thank you very much. I want to say to the minister this might be a bit of a foreign language to her, and I do not blame her, because this is something that all bean growers had to learn when you got into the business.

But PIK is something that happens when a bean is off-colour, is off-size, sometimes when they are too small, or when they are frozen, or other quality impediments occur, such as cracked skin coats, splits, and many other things. So, if you have a frost, and you are able to, with an electronic eye, take the frozen, discoloured kernels out, you can very often market the untouched, or uncoloured, amounts of the beans at a No. 1 grade, after it goes through an electronic eye sorter, and they work very well.

It is my understanding that Manitoba Crop Insurance grades based on actual grade samples from 1-3 and anything under 3, PIK is included in the dockage amount and, therefore, the amount of product saleable is what is deducted by PIK, and also by other dockage materials, such as straw or dirt, or whatever.

If you have a significant amount of dirt tag in a field of beans, which happens very often if you have frozen beans. The beans might not be touched much other, but they maintain a slimy kind of wetness around them, and when you rub them in dirt they become black. If you polish them up after the fact, sometimes you can get rid of the dirt tag.

However, the same thing can happen to a bean variety, or a sample of beans, whether it is a No. 1, 2 or 3, and you can very often have 7% PIK in a No. 1 bean. So that PIK is not covered under the current crop insurance procedure as a dockage for a crop insurance claim. If it would be graded a No. 3, then all the PIK is considered as a dockage, and the amount of insurable product or the amount of product harvested that would be calculated for insurance purposes becomes a much lower amount if the grade sample is 3.

Now, I am suggesting to you, Madam Minister, that you give some direction to Manitoba Crop Insurance and suggest to them that they change their procedure in determining the amount of salable product other than by grade and that PIKs should be a deductible

allowable under all grades equally, because if you have a 7% PIK in a No. 2 bean or a No. 1 bean, it is a loss of 7 percent of marketable product. If you have a 7% split in a Grade 1, 2 or 3 bean, it is all an unmarketable product. Therefore it becomes PIK, whereas if you have a 7% split skin that becomes PIK, it becomes an unmarketable product. It does not matter what grade it is, it becomes unmarketable.

For crop insurance calculation purposes, I think it is unfair to the producer that there is a differentiation made between Grade 1 through Grade 3 in determining the amount of PIK allowed or disallowed. I would strongly suggest that there needs to be some changes made in the calculable amount based on the actual damaged product removed from a sample of grain to deem it marketable.

So I leave that comment with you because I think that is only fair. That is a fair procedure to the producers. I think the current process that is used by Manitoba Crop Insurance, I do not know where they got that suggestion from, but I certainly do not believe that that is fair to the producers, because the producer has a lot to do with how much cracked skin coat there is. That can mostly be dealt with by the producer, because you do that, you damage the skin. Most of the skin coat damage gets done by the harvesting machine. If you are not careful in the adjustment, if you are not careful when you harvest and how you harvest, you can crack those skin coats and you can split beans. So it is all a matter of management. You will find in most producers' records that their splits and their skin coat damage come down dramatically after three or four years of experience. They learn a lot.

For that matter, if we are going to PIK as a reduction of marketable product—and it is; I would strongly suggest that there should be some procedural changes made in that process.

**Ms. Wowchuk:** Mr. Chairman, the process that is used now was developed with the pulse growers. They developed it together, along with Crop Insurance. That was how the system came about. It was only recently that they changed their opinion and asked for some changes to the

system. The corporation has said to the pulse growers that they will work through this. But, whatever system we develop, it will be developed with the pulse growers.

So they worked with the corporation to develop one. They are outlining some of the concerns that the member has outlined here. We will work with them.

The member talked about the dissatisfaction, that some producers have dissatisfaction, and when they do have dissatisfaction with the calculation, they have the option of taking a deferred claim and then bringing back their receipts and working through it that way. The member raises an issue that has been raised by the producers just recently, and it is one that we are working through, Mr. Chairman.

**Mr. Jack Penner:** I appreciate that. I think this is a developing market and it is a developing process. It is a learning curve for the producers as well as for the corporation, and I certainly encourage them.

I think they have done a really superb job of dealing with the producer groups, and the consultation that they constantly go through with producers and producer organizations, I think, is commendable.

One other question on the bean issue, I understand that there has been what some producers call a clawback on the coverages offered or payouts made under claims. Can the minister explain exactly what happened there to the committee?

**Ms. Wowchuk:** Mr. Chairman, there was an error made and there were 33 bean claims that were overpaid because a PIK was applied. We then discovered that it should not have been PIK, it should have been the Canadian Grain Commission standard that should have applied, and, because this error was made, there was an overpayment.

The producers have been notified. They have one year to repay the money. There is one year without interest that they have to make the repayment, but, also, if they have sold their grain and find that there is a different level of

payment, there is a discrepancy, they can bring in their receipts and that can be worked through. At the present time there is a request for that overpayment to be returned. I think that as with any overpayment, if there is an error made and it has been discovered, then it should be corrected.

\* (16:10)

**Mr. Jack Penner:** Well, thank you very much, Madam Chairperson, or Mr. Chairperson. I suspect, sorry for the gender problem. I suspect that this is probably very similar to what happened in the grain sector in Crop Insurance, that there was also a deemed overpayment made based on grading and probably more—I ask the question because I simply do not know, whether it was a grading error made by the company that the Crop Insurance Corporation employs as their grading agent or was it a grading error or an overpayment made in some of the grains areas?

Could the minister explain to us what happened with the grains area and some of the requests for repayment of crop insurance claims in the grain sector as well?

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Ms. Wowchuk:** Mr. Chairman, again this was an error that was made. They were given a grade of No. 3 instead of No. 2 on the wheat that they had grown. When the error was discovered, there was, again, as with the previous issue, a requirement for a repayment.

There are some 265 claims that are affected by this. The farmers have been given the same terms for repayment as were the bean producers. Again, if the producers find that they can only sell it for No. 3, rather than No. 2 as has been suggested—that is a No. 2 quality and they can only sell it for No. 3. They bring back their receipts for that, and then there would not be an overpayment on that. But if they sell it for No. 2, then there is a payment required.

**Mr. Jack Penner:** I understand that the crop insurance policy is to price to market; not to depend on the Canadian Grain Commission's

standards that are applied if they sample a cent into the Canadian Grain Commission. I understand that the Crop Insurance Corporation need not honour the standard grade that is applied by the Canadian Grain Commission. Is that correct?

**The Acting Chairperson (Mr. Jim Rondeau):** Before I recognize the honourable Minister of Agriculture, I remind all honourable members to address remarks, any questions through the Chair please.

**Mr. Jack Penner:** Yes. Just for clarification of the Chair's statement. You are suggesting that all questions to the minister should go through you?

**Mr. Acting Chairperson:** Yes, please. Thank you, sir.

**Ms. Wowchuk:** The Canadian Wheat Board has a program that allows grain companies to buy wheat with fusarium counted as dockage, rather than a degraded factor, and that is the same policy that the corporation follows. So the Wheat Board does not use the Canadian Grain Commission standard. They have a standard for dockage, and that is the policy that the corporation follows in this issue.

**Mr. Jack Penner:** This is where there are some concerns, and I am wondering at times whether there might, in fact, be some future liabilities if this process is maintained.

I understand, and I realize, that the Wheat Board does buy at times fusarium-infected grains, not based so much on grade, but they will buy it for a given market if they can find one.

My concern is that, if the Canadian Grain Commission is the agency that, in fact, assures producers that the quality of grain that they produce is what the market must deal with, whether it is the Canadian Wheat Board or Manitoba Crop Insurance, I think if we are going to apply and implement those standards to the private grain trade sector, the private grain companies, and if they must abide by those rules, and I understand that is the case, if there is an argument about the grade between a company and a producer, once the Canadian Grain Commission has made the decision on the grade, that becomes the final grade. At least that has

been my experience, unless it has changed lately, which I cannot speak to.

*Madam Chairperson in the Chair*

But I am wondering whether the minister is satisfied that from a policy perspective this is, in fact, the right policy to follow over the long term. This is an extremely slippery slope that you are on, ignoring the grading system and standards of the Canadian Grain Commission.

\* (16:20)

**Ms. Wowchuk:** The member talks about the Wheat Board policy changing. The policy of the Wheat Board is a public policy. It is determined year by year, and that is the policy they keep for the year.

If the Wheat Board has found a way to pay more for the producer, they have found a sale, they are paying more for the producer and they are paying over what the Grain Commission has set because of the sales that they have found, it would be unfair to then say: Well, you get one price, but then you have the Grain Commission price to pay your crop insurance claim.

The corporation follows the Wheat Board policy; the Wheat Board has set that price for these grains. So you cannot be changing back and forth, to be receiving the price according to the Wheat Board, but then having your claim adjusted to the Canadian Grain Commission price. It would end up that you could be getting paid twice, because you would be getting paid from the market and then getting your insurance adjusted on another one. So the corporation follows the policy that has been put by and the prices that have been determined by the Canadian Wheat Board. They have been able to find market and they have been able to blend and get a better return for the producer. That is ultimately the role of the Wheat Board, to get the best possible return that they can for producers. That is what has happened in this case.

**Mr. Jack Penner:** Madam Chairperson, the reason I say this might be a slippery slope is because Alberta is now talking about boycotting Manitoba feed grain. If Ontario would follow the same procedure, and if the Americans would follow the same procedure, there is nothing

preventing them from doing it. If they would follow the same procedure, and if farmer Joe Brown would harvest a crop of 50 bushels an acre with severely infested fusarium wheat that would have no value because a market could not be found, what would the liability of Manitoba Crop Insurance be, based on the same standards?

**Ms. Wowchuk:** The member raises a whole issue of the whole discussion of fusarium that has taken place in Alberta right now. That is a very serious issue, and I am quite concerned about the fact that a province is looking at putting up barriers. I think that they are in the process of doing a study. They have not determined what they are going to do but, I think, that it is a very dangerous policy to set when you start to try to use something like fusarium to improve opportunities for sales within your own province. Our staff has certainly had discussions with people in Alberta on how they are going to proceed on this and we have to wait for it. There are serious implications when provinces start to put up barriers for products coming in, particularly when the member and others know that there is fusarium in Alberta right now, and a fairly significant one. You wonder what the motives are for doing this kind of study.

This decision was based on a policy of the Canadian Wheat Board. If the Wheat Board did not have this policy. Maybe next year they may not have a policy like this. It goes from year to year. If there is none, then we would go back to the Canadian Grain Commission standard and that would be what would be used. In this case, there was a policy and that is what we worked on.

**Mr. Jack Penner:** Well, again, Madam Chairperson, I would strongly suggest to the minister that she review this policy position, not even so much from the perspective of what Alberta is doing, or how restrictive Alberta becomes in its importation, but because of the feed requirements of our livestock industry in this province. I know that many of them are now refusing to take delivery on fusarium-based content. Many of the feed mills are simply not buying barley and/or wheat with a given amount of fusarium in it. That causes me a great deal of concern. For two reasons, it causes me concern. We have not been very proactive in Manitoba in pursuing proper research to develop new

varieties that would be resistant to fusarium. I think we have been lax in that. I am not blaming any government or party for that. It is just, I think, we have been too lackadaisical in our approach in that manner.

We do have, currently, access to an American variety that has significant resistance to it, yet we are hesitating to allow that variety again to be brought in for feed-grains purposes. The simple reason is because it is not identifiable from our bread wheats and again, understandable. I mean, there should be some hesitancy and maybe concern. It is not a criticism, but I believe that we are, or our corporation could be in a serious problem if, in fact, a severe case of fusarium outbreak occurred, as it did back in '89, I believe, '88, '89 when we had a severe outbreak of fusarium. The liabilities to the corporation could be significant.

The second reason I say this is that I am not sure that if a farmer would do a legal challenge on the grading of grain and the requirement of the Canadian Grain Commission of the standards using the standards method of the Canadian Grain Commission, I am not sure on how solid ground we would stand. The corporation might have a response to that, or maybe the minister could give me an overview as to how solid she thinks her case might be if a challenge was made to the grading standards of the Canadian Grain Commission.

\* (16:30)

**Ms. Wowchuk:** Madam Chairperson, I guess, listening to the member—and he raises concerns on behalf of producers, I want to tell him that, in all cases, if the farmer does not like the assessment that has been made, he can always come back with his sales receipts and an adjustment will be made.

If it is found that a product is not marketable, then the corporation will write it off. So there are options there for the producers.

**Mr. Jack Penner:** The minister just said: If a farmer does not like the grade that has been applied the farmer can come back and an adjustment will be made, or does she mean that it might be made; there will be a reassessment done? I just want—just for clarification.



**Ms. Wowchuk:** Madam Chairperson, when a farmer has a claim and the adjustment has been made, if that individual does not like the adjustment, he has a number of days, a certain number of days to come back to make a deferred claim and when he or she has made that deferred claim and after they have sold the product, they can bring back their sales receipts and the dockage that is on those sales receipts will be used to make the adjustment, because the individual has taken a deferred claim.

**Mr. Jack Penner:** Still, the minister, a little while ago, says if the farmer does not like his claim, he can come back and we will adjust it. I just want to clear that, sorry.

**Ms. Wowchuk:** Again, and I realize where the member was going and that is why I said that if, when an adjustment is made and if the individual who has the claim is not happy, he has a certain number of days to indicate that he would rather take a deferred claim. When that deferred claim is made and the individual sells the product, they can then come back with their sales receipts and adjustments can be made to the dockage, if there are any.

**Mr. Jack Penner:** Could the minister explain to the committee how the IPI system is affected by this rule, as well as the rule that is being applied to the PIK process in beans and the grading in beans? How is the IPI affected by this?

**Ms. Wowchuk:** When you look at the IPI system, the production we use is net rate and there is no adjustment for grade, and when we apply PIK to beans and when it is a No. 4 or less, that is not counted and it is considered as dockage.

**Mr. Jack Penner:** So, it would affect the IPI calculations over a period of time, or even in a short period of time it would be affected, the actual yield would be affected. In other words, if you harvest a crop of 2000 pounds an acre of severely frozen beans and you have 50% PIK, the actual yield value is not calculated through IPI. It is the actual docked value applied, and the same principle, by the way, applies whether you have a No. 1 one bean, No. 2 bean, or a No. 3 bean. The actual amount of PIK determines your IPI. Is that correct?

**Ms. Wowchuk:** As I understand it, PIK only applies to No. 4 or lower. Madam Chairperson,

Nos. 1, 2 and 3 are Canada Grain Commission standard. So PIK does not apply to Nos. 1, 2 and 3. It does not affect the IPI for 1, 2 and 3, but it does when it is applied to No. 4.

**Mr. Jack Penner:** I concur with that. That is the way it works now. Is that fair to the producer that if you should have 30% PIK, and I use 30 percent as a high number, but just to make the case, if you should have 30% PIK in a No. 1 bean and the IPI calculation is based on the total amount of yield, and, yet, if you have a No. 3 or lower grade, the IPI is deducted off the yield value and applied in that manner?

I only want to make that case because this is a two-edged sword. On the one side, you are saying, well, the PIK does not really matter and, on the other side, you are saying, well, PIK does matter.

I would like the corporation, and I am not going to belabour this, but I think the corporation needs to do some serious thinking about this and, maybe, the minister wants to have some discussion with the corporation on this to see. Maybe the corporation wants to sit down with the producer groups, because it has a significant impact on how it affects different producers in different parts of the year and how it affects their coverage levels. It can affect their coverage levels if that should happen two years in a row, fairly dramatically.

I think there needs to be a level of fairness developed here based on both sides of the calculation. I would make a strong argument that PIK should be an allowable deduction no matter what grade you harvest because PIK is not a marketable product, and if it is not a marketable product, it should not be considered a yield.

Therefore, the yield value should be calculated based on clean grain sample value. That can also have a side-effect impact but, I think, that would only lend a measure of fairness to the whole process. I say that more as a producer than I do as critic for agriculture, but I think it is useful to make those kinds of considerations.

\* (16:40)

**Ms. Wowchuk:** We had this discussion earlier about how the process was developed and this

has recently been raised by the Pulse Growers. The member is right. There are some inconsistencies and it is something the corporation has been in discussion with the Pulse Growers, and one that we will continue to discuss with them in order to look at ways we can bring fairness and better coverage and address issues that are raised by producers. But we have to remember that the process we have in place now was developed with the producers. They pointed out an issue and it is one that we will work with them to try to improve on.

**Mr. Jack Penner:** Getting back to the hail crop-loss area, I wonder if the minister could explain how, in a hail insurance claim situation, the Manitoba Crop Insurance hail adjusters, or what the policy is directed to the adjusters on plant-loss yield ability in specialty crops?

**Ms. Wowchuk:** Madam Chairperson, I think the member has been talking about beans and what will look at a bean claim here. Up until now, coverage has been that should there be a hail claim, it was a consideration of the whole plant stand. If you had a percentage loss, if you had 10% loss, well then, you just work that out. You said that other plants would take over so there is not a claim. What we are moving to this year is looking at a percentage loss. If there is a 10% loss, or a 20% loss, then we would pay according to the amount of loss. So there is a change coming in this year as to how the adjustments are going to be made.

**Mr. Jack Penner:** Madam Chairperson, I am pleased to hear what the minister is saying. I think that would bring Manitoba Crop Insurance in line with similar procedures that the private sector industry uses now for claim loss evaluation. I raise that only because of that reason, because I think there was a differentiation in process before and that is fair ball. I am pleased to hear that the corporation is moving in that area.

I would like to ask the minister, Madam Chairperson, whether the NISA claims are under Crop Insurance as well? *[interjection]* Crop Insurance has nothing to do with NISA? Okay.

**Ms. Wowchuk:** It is on the same vote, but it is not with the Crop Insurance.

**Mr. Jack Penner:** I would like to say, Madam Chairperson, to the corporation, that there are a

number of areas that I would ask that, someday, when all of us have a bit more time, or some clear time and the staff at Manitoba Crop Insurance has some free pocket change, that I might ask them to have lunch or something like that, to continue some of these discussions because, I think, it is always useful to be able to dialogue with a corporation. I have found the staff at the corporation extremely amenable and accommodating, and I want to thank them for that kind of co-operation that they have demonstrated. I have brought, on at least one occasion, a significant group of people in to dialogue with them on some of the problems that they were having, and they were very, very professional in their approach. I certainly commend them for that, and thank them for that. I think Manitoba Crop Insurance, in general, has provided a very significant service to producers.

I believe there is a real opportunity to make some policy changes in some direction, and that might need some dialogue with the federal government in that regard, but I would encourage the new board and the administration to proceed in that manner because I think crop insurance can, indeed, be one of the key underpinnings of a security net that could be developed for farmers. I think we need Manitoba Crop Insurance, but, again, I think we need to upgrade some of the programming to ensure that it will be a lasting program.

I would only like to add to this that there have been questions asked about cost-of-production formulas being developed under these kinds of processes. When I look at the American farm bill, and what they have done under that, and how they are treating crop insurance in the U.S. now—and it is not certain yet how it is going to be dealt with under this new farm bill—I have not been able to get a handle on how the changes that are coming about there will affect us.

Certainly, if the corporation and staff have an opportunity to dialogue with their federal counterparts over the next short while, I believe it is extremely important that we take every opportunity in Ottawa to impress upon the bureaucrats the need for western Canada, the western Canadian farmers, to be dealt a more equitable hand than we have been in the past. I believe that we need to make some very

significant changes in the process of negotiating settlements, whether it be Crop Insurance, or other programs with the federal government. I think it is time we became a lot tougher with our federal counterparts in negotiating some of these things.

The reason I raise this is I encourage you to proceed as you have in developing programs that can benefit the farm community and I want to thank you for your involvement, and I want to thank the minister for cooperation in this section of the Estimates. I will not take up any more of your time, and I will not ask you to come back on Monday. Thank you.

\* (16:50)

**Ms. Wowchuk:** I want to thank the member for that indication, but I can assure him that the staff at the corporation would be more than willing to come back to this wonderful building should he have more questions.

I want to also say to the member. He talks about negotiations with the federal government. If he will remember, I think it was in January, when the federal government floated the idea that we would be going to one safety net program. I believe there was not going to be a crop insurance program and that caused a serious concern because we were not quite sure what the federal government was doing, but they were floating some ideas. I can tell the member they have floated many different ideas since then. I have always impressed on the federal government how important Crop Insurance is for our producers. Since that discussion, and as we work through the agricultural policy framework and look at the different pillars in the program, the safety net program is, for me, the most important one of all of them.

I can tell the member that Crop Insurance staff and the staff from policy have been putting in many hours and a lot of time bringing forward suggestions and options, and looking at how we can ensure that we do have the best safety net program, and that Crop Insurance continues to be a very important part of the protection. We have some high risks in this province and we have to look at how we can improve on those programs, to have a better safety net. I was very concerned when I was hearing signals from the

federal government that they thought that Crop Insurance could be blended in with other programs and for me, that was not a good signal to be sending to our grains and oil seeds producers, because when you look at those other programs, sometimes, with the prices that we have, there is not very much benefit to our grains and oil seeds and we need this risk-management tool for our producers.

I hope that we can build on the solid base that we have. We know that it is a good program in Manitoba because it has the highest uptake of any of the other provinces. The uptake is producers recognize that it is a good program. So I hope that, as we move forward with the policy framework agreement and we work on the various parts of it, we can build on the solid base that we have at the Crop Insurance Corporation.

**Mr. Jack Penner:** Madam Chairperson, I thank the minister for those comments.

Just one parting comment that I would like to make to the corporation. We are seeing a tremendous transition in the farm community today, and I am really surprised at how many of our young farmers in our area are leaving the business. I am really surprised at how many farmers my age, or even a bit younger, are packing it in. Some of the land is not being transferred to other owners. Some of the land is being held by that aging farm group, but what is happening is the emergence of partnerships in the agricultural community, the likes of which I have never seen before. It is happening in the building of livestock facilities. I have six neighbours that got together two years ago to build a hog barn. They have abandoned their little barns and are operating with one manager and a couple of staff, running probably a few more hogs than they did before, but they are doing it jointly. It is really an astounding change that is taking place.

Similarly, you are seeing the grains operations, some of them becoming very large. We have one producer now that is operating around 14 000 acres this year. I think we will see more and more of that, but what is happening there is similar to what I said in my opening remarks yesterday, that some of this equipment is becoming so expensive and has such a tremendous capacity that these people are

banding together. If I keep looking at the chairperson all the time, the people sitting here watching might think something other than—okay, thank you, Madam Chairperson. What is happening is that the farmers are banding together and utilizing each other's equipment, exchanging labour, exchanging tasks, and I would encourage Manitoba Crop Insurance to go easy on enforcing the individual, or the lack of, sometimes crop insurance contracts, or questioning the contracts and the operations of it, simply because some of these people are forced to do what they are doing.

My family is something similar. I can relate to this because I have three sons that own their own properties, but I did a deal with them. They manage my operation and they use my equipment, and if it were not for that, I would not be here. But they are a separate entity. They do the joint operation. They share labour and they share equipment. They share their labour with me and I share my equipment with them. That allows us all to run an economical unit, although very separately. It has to be that way. I would not have it any other way.

I think there are many other operations where even not brothers, fathers and sons are doing this, but neighbors are starting to do this, much of this. I think it is being forced by economics more than anything else. I would strongly encourage the Crop Insurance to recognize the individual contracts in these, because it does two things: It allows the independence and the independent decision making to be maintained and encouraged. I think that is useful for agriculture, for the culture in agriculture to be maintained and the significance of independence to be maintained. I think that is important.

In closing, I encourage the corporation to take that into consideration when those kinds of issues are debated around the management table.

**Madam Chairperson:** Is it the will of the committee to pass the items?

**An Honourable Member:** Pass.

**Madam Chairperson:** Okay, item 3.2 Risk Management and Income Support Programs (a) Manitoba Crop Insurance Corporation (1)

Administration \$4,172,500—pass; (2) Premiums \$24,922,000—pass; (3) Wildlife Damage Compensation \$1,223,000—pass.

The hour being five o'clock, committee rise.

## JUSTICE

\* (15:10)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Justice. Would the minister's staff please enter the Chamber. We are on page 117 of the Estimates book, Resolution 4.1.

**Mrs. Joy Smith (Fort Garry):** I am just going to defer to my colleague, who has to go back to another committee. He would like to have some time to ask some questions.

**Mr. David Faurschou (Portage la Prairie):** I appreciate my colleague for Fort Garry allowing me just a moment or two, the scheduling conflict we have at this point in time being Conservation and Agriculture taking place, which are also very important to Portage la Prairie.

I wanted to ask the Attorney General, in regard to the question I already posed to him about the situation in Portage that many in the community feel is becoming almost intolerable. As I had questioned in the House during Question Period, we have experienced a rash of automobile thefts as well as vandalism and numerous suspicious fires, too many to mention, and break and enters, which have been increasingly bold, if I might say so, because they involve three occasions to a public school, which is a high-security area. There was an attempted arson at one of those break-ins.

I look to the Attorney General's support, because it is well known that Portage la Prairie has had a significant rise in crime. City Council, Portage la Prairie, has to evaluate the required number of police services personnel to sustain the level of incidents that are occurring in Portage la Prairie currently. One would require an additional 11 members be attached to the City of Portage la Prairie complement of the RCMP.

I do realize, as the minister mentioned, the basis for contractual agreement between a city,

municipal jurisdiction and the RCMP. It is their municipal responsibility to provide for a complement through their own resources. I am asking the minister to consider treating Portage la Prairie and perhaps other like communities that are experiencing increased criminal activity the same as Winnipeg, where the provincial government, in consort with one of his responsibilities, that being the Minister responsible for Manitoba Public Insurance Corporation, combined the level of supports and sustains 40 police officers here in the city of Winnipeg.

I am asking the minister for his consideration to provide for a complementary level of support to other jurisdictions in this province. I might just add, to the minister, whether he be aware or not, even though the community of Portage la Prairie, urban and rural, is less than 25 000 in population, more than 35 000 people traverse Portage la Prairie each and every day. Estimates rise up, it could be as many as 50 000 persons in a summer month.

I am gravely concerned that the minister is perhaps not recognizing that we in Portage la Prairie perhaps are not responsible for the homegrown criminal element, that individuals who are traveling through our community are in fact responsible.

I think of a very specific issue that occurred just a few weeks ago where an individual from the province of Québec believed that he was a little short on traveling money and attempted to secure additional resources from the Canadian Tire store in Portage la Prairie.

It is for this community, one that I represent, that I stress very strongly the minister's consideration. I ask that he respond to this concern.

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** I certainly am aware that there are differing views about the role of RCMP and policing services in Portage la Prairie as well as differences of opinion about the state of criminality in the city. I have heard that first-hand, by the way. I know there are some, and I am sure the member has heard this, who are concerned about how the situation in Portage is

being currently characterized by members in the Opposition. They know full well when they make comments like that they are accountable for it.

Given the differing views, I think it is important to go back to the organization of policing in Manitoba. The City of Portage la Prairie, for one does have a contract, a municipal policing contract with the RCMP. The contract comes about as a result of negotiations between the City and the RCMP to which the Province is not a party. The level of policing is decided on the basis of presumably need and presumably the view of the elected representatives of Portage on the advice of administrators as to the costs that the City wishes to allocate for policing.

I understand there is some debate within Portage right now as to whether it should have its own municipal force, as some other municipalities do, or whether the RCMP are doing an adequate and good job policing the city of Portage la Prairie.

First of all, when it comes to concerns that may exist with the RCMP under the contract, I trust there are terms of that contract that allow for a dialogue between the City as a corporation and the RCMP. If there are concerns about the policies or protocol, practices of the RCMP detachment in the city of Portage la Prairie, I am sure those can be addressed. As a result of that dialogue, I am confident there would be responsiveness. If there is a concern about that, we could relay that on behalf of the member to the RCMP, although I think the member could do that, most certainly, directly.

It should also be noted that there has been some estimate of costs of municipal force policing in Portage la Prairie, and that may include debate among some of the councillors of that city which I think the member would certainly be more familiar with than myself. But I do understand that, in fact, some of the elected voices in Portage la Prairie are very pleased with what the RCMP have been doing and how responsive they have been to what I understand from articles provided by the honourable member a recent rash of incidents. Now, if the member is concerned that there has not been responsiveness by the RCMP to those incidents,

then I think, of course, as I said in Question Period, it is very important and incumbent on all of us to direct that concern to the police. If they are aware first-hand of any information, then it would be important to pass it on to the RCMP.

I might just say I had a conversation with one of the members of the RCMP Gang Awareness Unit that has been created by this Government in order to help counter and work with communities to counter the presence of street gangs outside of Winnipeg. I was very concerned in opposition, as members know, about the growth of street gangs in Winnipeg, particularly beginning around 1992, 1993, 1994, and the lack of a partnership-driven law enforcement and prosecution, corrections and prevention strategy. So we now have in the prosecutions area and within the Government in the Justice Department, first of all, the Gang Prosecutions Unit is part of the larger Criminal Organization and High Risk Offender Unit, so that the Justice Department was all speaking to each other and specialized along the specialization of gangs.

\* (15:20)

The RCMP Gang Awareness Unit was created because as we saw the growth of criminal organizations outside of Winnipeg over the last decade and, in particular, over the last half of the last decade, I thought it was important that communities have expertise available to them from an organization with as much expertise and status as the RCMP to put in place community plans, prevention plans, looking to see how gangs can be countered, stopping people from getting involved in gangs in the first place and then responding to gang activity when it does show up.

The RCMP Gang Awareness Unit is the first of its kind in Canada, the only one of its kind, I understand, in Canada. In fact, some of the other jurisdictions are now looking at what has been created. I want to add, just for the record, that the individuals in that Gang Unit are just exemplary members of the force.

I ran into one of these members of the unit last week, and I did say that in the House there had been allegations raised about gang activity

in Portage la Prairie. I asked if the unit was involved and aware of the allegations. I was advised that I would be contacted by the RCMP, and I will pass on any information that I have. I think that is a valuable resource that is funded by the Province to the 70% dollars, as we are required to pay for RCMP. I would like to speak more about the RCMP Gang Awareness Unit, but I think that is one area where I have tried to be of assistance and perhaps can help further.

In the area of citizen patrols, I know that Portage has a very successful track record with citizen involvement going back a number of years in the area of crime prevention and citizen patrols, but it may be that, through the partnership initiative with Justice, MPI, RCMP and the private sector, we can, through the co-ordinator, provide some additional assistance for citizen patrol enhancement in Portage. I do not know that. I am certainly willing to explore that and ask the co-ordinator who is housed at MPI—MPI does fund that co-ordinator position—if they can assist.

In other areas, I do know that the former mayor, Glenn Carleson, has been active in providing leadership as others have in the community on the community justice front so that there is a swift consequence for lesser offences. I think that nipping problems in the bud through community justice in a city like Portage la Prairie could be very effective. I know the member and I have had some discussions about that. He certainly respects the role for community justice in dealing with some of these offences.

So if there is any additional help needed there too, in terms of any fortification, any additional recruitment or tips or any other assistance that we might be able to provide as a department, we would be very, very eager and willing to do that.

In terms of the policing itself, something the member may not be aware of is that Portage la Prairie gets a supplementary grant from the Province that, while tied to policing, is unconditional. Last year that amount was \$1.3 million, I am advised. Different communities have some different relations, but that is another support that the Province has available, and, of

course, if Portage la Prairie does entertain photo-radar, red-light cameras, the member knows that the legislation now as a result of the amendment requires the money to be used for policing and safety initiatives or vice versa. That, of course, then, is up to the municipality to determine how that could be used, but that is at least another opportunity that will now become available for that city, as well as any other traffic authority in the province.

The department may also be able to assist in other ways. We do have, of course, the new Fortified Buildings Act, which will be proclaimed within just a few weeks, I understand. We have The Safer Communities and Neighbourhoods Act, which has been proclaimed. So it may be that if there are certain properties that are being habitually, continually used for any of the four listed reasons in the act, that is, the booze can, prostitution, a drug den, or sniff house, the department would be certainly willing and able to work with the community using the remedies in that legislation. They are active, by the way, I can tell the member, with regard to some other properties in the province. So that is another one. If a fortified building may be at the base of criminality, organized crime or whatever, I am not saying that, I mean, I am just relying on allegations, I am not saying that I have any conclusion about what is the basis of criminal activity in Portage, but if that can be of assistance then that will be available.

I also note that the information I had earlier may have been off somewhat, but the Portage municipal detachment has as a result of those arrangements between the City and the RCMP, to which the Province is not a party and to which I suspect municipalities would say butt out, because that is their responsibility. As I said earlier this morning, the City of Winnipeg, for one, wants greater flexibility in terms of being able to manage its own budget, and so on. But I understand under that agreement, that contract, there are 23 established positions. There are 22 positions filled. I think earlier I might have said 24 and 23, but, in any event, it is 23 established positions, 22 filled. I understand that, actually, it is Constable Templeton, that tragic occurrence that is responsible for the difference of one there. Whether that is being filled or not, I do not know that. No. That is not the case. Okay, so there is

another, whether it is a leave or a transfer or whatever, that is responsible for that other position. Those are all issues of course that the RCMP manage internally subject to that contract with the City.

I understand that there is also General Investigation Services, which is outside of the contract but which is where officers are deployed to Portage la Prairie. There are an additional two positions there, and both of those are filled. Then in Portage traffic services, there are eight positions, and seven are filled. In the Portage PPSA, for which the Province does have financial responsibility, accountability, it does have a role on the PPSA, we have been working really hard to enhance the complement. We have it up to the highest now in Manitoba history, I understand. The Portage PPSA is a complement of eleven, and there are eleven on duty.

So, when you look at the difference between all of the established complement and the positions filled, there is only a difference of two. The formula that was talked about by the member and the difference of eleven, it may well be that there is a formula to which Portage may be entitled to those additional officers, but it would be up to Portage to decide to fund them and make that arrangement with the RCMP. Now that is my understanding or presumption about what that means, but that is a municipal responsibility based on local conditions, based on local taxpayer considerations and so on.

\* (15:30)

In terms of whether the Province can help in other ways, the main role of Manitoba Justice obviously is prosecutions and corrections and of course is a funder for the 70 percent of the PPSA in terms of the very core functions of the department. We have now, of course, expanded those to include Victims' Services. Portage has access to that service. We look forward to the continued service in Portage of that.

In terms of the Prosecutions service in Portage, we have been able to add a 0.5. I corrected the record the other day. There was a 0.5 added to Portage as well as to two other of the regional Prosecutions offices as a result of the Ernst & Young recommendations. There are

other recommendations as well in regard to the regional offices that we will be pursuing, but, in the meantime, we also have additional assistants to Portage Prosecutions from Brandon and Winnipeg on an as-needed basis.

There is an ongoing evaluation of the workload of the Prosecutions office in Portage la Prairie. We have some fine prosecutors there, the member knows. So they do know why I am confident that the Prosecutions service of the Province is behind them and is there to help them if they feel that they need further assistance.

In terms of the provision of funding directly to municipalities, I had mentioned the amount earlier. The IAF, or the supplementary grant, I understand last year was about \$1.3 million, according to the notes provided. The issue of some allegations of criminality I understand have been the subject of ongoing police investigation in Portage. I think if there are questions about how that investigation is proceeding or whatever, I would urge the member to make that contact.

When it comes to direct funding of municipal policing, of course there is the Dakota Ojibway Police Service, the municipal services, and the RCMP, and the different kinds of RCMP contracts. Currently in Manitoba there are currently only two direct funding arrangements. One is with Brandon for two officers, and the other is with Winnipeg, as the member noted. That has been in place for a while now. With Winnipeg, I think it has been seven years and this the eighth year now, and with Brandon I believe it has been two years, or maybe it has been one and a half years. I am not sure of the time of that.

Clearly, to move beyond that would signal quite a different funding arrangement with municipalities in the province. We do have, as we noted earlier, new funding opportunities available for safety that were not there even a week ago.

**Mr. Faurschou:** I appreciate the minister's response, and I do want to stress that the discussion we are having here today in no way insinuates or implicates a distrust or a lack of

support for the RCMP operating in Portage la Prairie. The community, which I represent, is outstandingly behind and support and are extremely proud of the performance of the RCMP officers operating in and about Portage la Prairie.

The case I am trying to make at this point in time is maybe it is time for the Attorney General to look very strongly at where the criminal element come from. They perpetrate their crimes in a community that is basing its policing services on the population which reside there. When you have the Trans-Canada Highway and each and every year there are more and more persons using that artery that transverses our province to travel to and from wherever they may be going or coming from, this is what is adding to our problems in our area.

I want to stress very strongly at this point in time Portage la Prairie is an extremely proactive community. We established our community front policing services offices on Saskatchewan Avenue. We established eyes and ears: Block Parent, Citizens on Patrol, ride-along programs. We were one of the first in the province and in fact were the first in the province to receive provincial recognition for our Community Justice Committee. You have made mention of an outstanding member of our community, former Mayor Glenn Carleson, who currently is still involved with that forum.

We have a community that has done over and above, I can think of no other community in the province that has been as proactive as Portage la Prairie in making our community as safe and as secure as is possible.

What I am asking the Province to do is effectively look at the non-home-grown criminal element who are active in Portage la Prairie and to consider the situation as one that is vitally necessary to address, because the RCMP, as good as any one member might be, can only do so much. If you are looking at the number of occurrence reports that each member is attempting to deal with, we are No. 1 in the province, per member of police services. I know we are not always No. 1 because Thompson is sometimes No. 1, but between Thompson and Portage la Prairie the number of occurrences attached to each and every member of the police



services is the highest in the province. That is what I am asking the minister to recognize.

That is how we come to the point where the provincial formula that assesses where complement should be, and I know it is negotiated, should be increased in Portage, but we do not have the resources within our community to take care of a criminal element that goes far and beyond our boundaries. I know if the minister were to evaluate what supports are lent to the City of Winnipeg, I am certain that we in Portage la Prairie would be looked upon favorably to receiving additional resources.

Just to clarify the record as well, Constable Mike Templeton was a member of the highway patrol, and so the complement there is actually down. But, when one considers being off on medical leave, illness, pregnancy, they are still considered part of the complement. It is only when their vacancy occurs.

So, when you are down a member, like from 23 to 22 within the city, that occurred from a transfer of a constable to a provincial operations involving computer crime, and that is why that transfer.

I am unaware of what the highway patrol or highway policing unit is down a member for, but I know that we, in rural, are at full complement. However, when you have someone away for an extended period of time, for either maternity or paternity, illness, which may involve stress leave, or compassionate leave, holidays, you are still part of the complement even though you may be running at perhaps only 50 percent of your members available to take a shift because of those other considerations. So it is very deceiving when one says we are only one member down from complement, because these other factors have to be considered.

\* (15:40)

I am certain the minister has been made aware of the numbers of actual members not available out of the full complement out of the Portage la Prairie area, and that being 44 active police services members, as well as the 11 individuals that are in support areas for that complement. If the minister is not aware of the number of members not available for shift, say,

this afternoon or this evening, I can certainly provide that information to the minister, but I believe he has that.

Recognizing his main focus is Prosecutions, and that the report, yes, stated that the Portage la Prairie area and shared with the area of Alonsa and Ste. Rose and Dauphin was an additional 1.5 staff members, yes, 1.5 has been added, but that still leaves a recommended requirement of 1 additional prosecution position to be filled in that area. So I do want to stress that there is need for attention.

I am also unclear as a layperson here in the Prosecutions area as to how much influence the Attorney General has towards the judicial process. However, with just one justice in Portage la Prairie, I believe that perhaps there could be consideration for additional resources to that area as well.

I want to be viewed, as members of City Council want to be viewed, as being proactive, understanding and considerate of the situation we are confronted with, and to work together. This is not something that I want to be viewed in an adversarial manner whatsoever; I just want all individuals that are a part of the process to be understanding and cognizant of the existing concern that the citizens of Portage la Prairie have at this point in time.

So, without further words, Mr. Chairperson, I do not know whether the Attorney General would like to respond in any fashion, but I do ask his consideration in those areas which I have mentioned this afternoon.

**Mr. Mackintosh:** Well, in recognizing the mobility of persons who would commit crime, that says in itself that the challenge must be met by ensuring that the policing resources should, indeed, be directed to support the PPSA complement. I know the member has probably seen the additions. Since we have come to office, we have added millions of dollars to the PPSA. I think we have made a difference with the complement of the RCMP in Manitoba. That has been working with the RCMP. That is a joint deal. That commitment to what we are financially responsible for I think can make a difference when we are talking about people who would commit crimes across jurisdictions or across the province.

The member knows that we, sadly, lost Assistant Commissioner Egglestone just a short while ago. My understanding is that a new commanding officer for Division D has now been named. He is a person from rural Manitoba, is now in British Columbia, and we expect him to come here in the next two or three weeks. His name is Gerry Braun. I can suggest it may be important for the municipal representatives in Portage to talk to the new commanding officer as part of the range of options they are considering and raising any concerns about whether it is complement or other activities of the RCMP in Portage.

As well, I neglected to mention that I also had discussion with representatives in Portage and will have further discussions to explore what the Province can do, because I am certainly eager to do what we can as one player, one partner, in the Justice system.

In terms of the Prosecutions service in Portage, too, I had some advisory notes given to me following the questions in the House. The member knows, of course, there are two Crowns stationed there full time, but others can and are added as needed, I am advised by Prosecutions.

How long is it taking to set a case in Portage? I know the member was advised it is well into next year. The advice we are getting from the department—I think there have been a number of questions posed and court dockets reviewed and so on—in custody matters are being set in two to three months and dates are available for the other trials in October, so about five months.

I might add there were 19—[interjection] pardon me? Maybe there are some further questions on that, but that is the best information the department was able to obtain from all the information we could gather.

There may be other initiatives as well that Portage could pursue that the Province has become involved in. We do hope for an expansion of Lighthouses, for example, and there may be opportunities there for an application to be forwarded for the future. That does require though the mobilization of a community committee to put it together, and a

police officer should be part of that committee. I believe there is a minimum of two youth required. If the member is interested in that, we can get information.

There may be other things we could do as well, but I look forward to having discussions with municipal officials. We can explore how we can work together to explore further options.

**Mr. Faurshou:** Yes, I suppose we could discuss it and address the timing of the court dockets and that, but they do vary from place to place, as whether Portage la Prairie is responsible for Winkler and Portage la Prairie, Alonsa. Alonsa is the one that is longer than the others.

In any event, we have outstanding Crowns in Portage. Joyce Dalmyn and Larry Hodgson are individuals who burn the midnight oil so often to make certain there is no delay from their office in the court proceedings. So I am pleased to have them in Portage la Prairie and the community respects that task, the awesome task that they have going on all the time.

In regard to the Lighthouses Program, I just want to say that I thought perhaps the Attorney General looked at Portage la Prairie and duplicated the programs already operating in Portage la Prairie, because we initiated that back when we had the arrival of more than 300 individuals from the Waterhen. All of our schools are active. In fact, you would be very hard pressed to get into any auditorium in any one of the schools in Portage la Prairie during the week or weekend. They are fully prescribed to, and the volunteerism in Portage and the organizations within Portage la Prairie, Neighbourhood Connections being one and Youth for Christ being another, have been extraordinary organizations that have provided for numerous programs.

I do appreciate the minister's understanding of this, however, I still want to come back to the fact that I do request, on behalf of my community, and it is reflective, right now, that the level of support that Winnipeg has been able to receive through Manitoba Public Insurance Corporation and the matching dollars from the Province towards car theft has been fruitful, has

been productive as is played out by the statistics. Car thefts are down by 12 percent as the minister reported to the House. However, that initiative within Winnipeg is being effective and effectively moving those that are interested in the theft of automobiles to other jurisdictions that are not as well staffed, not as focussed on car theft.

\* (15:50)

I just ask the minister to consider that angle on the statistics. When you have a hundred-plus percent increase in Winkler, almost 100% increase in Selkirk, in Portage la Prairie we are up by almost 50 percent. These are the areas that are in close travelling time to Winnipeg and easier pickings, if I might say, in those locales because of the resources that are being focussed on auto theft here in Winnipeg. I think the minister has to recognize that because of the program's success, we are being preyed upon in the rurals of Manitoba in this particular criminal activity. I do recognize that about half of our automobile thefts in and about Portage la Prairie are from individuals that are from our area; but 50 percent, more than 50 percent, come from elsewhere. Also, the automobiles are recovered elsewhere. Our community is experiencing auto theft that does definitely come from non-home-grown criminal element. This is why I am so adamant that the Attorney General look very deeply into the figures and analyze and come forward with a fair and equal treatment of rural Manitoba on this point.

**Mr. Mackintosh:** The public safety issues outside of Winnipeg are what has driven the funding of the four-person RCMP Gang Unit. I might add though that the RCMP have received an additional \$8 million since we have come into office. That is an area of expenditure growth that is not matched by any other area in the Justice Department's budget. Prosecutions, as I recall, come second but it is \$8 million in a very short period of time. We certainly are committed to ensuring that the RCMP have the provincial support that they need for the PPSA work that they do around Portage la Prairie. I think the PPSA probably deals with the GIS people, the two officers stationed in Portage. Without that kind of support the member would be seeing I think a difference.

MPI's initiatives have certainly an impact on communities outside of Winnipeg. Aside from the driver's licence suspension scheme and the public education campaign, the You Lose campaign, that was directed at all Manitobans. The MPI discount for anti-theft immobilizers is available for all Manitobans. Of course the driver education component, which has been revised on auto theft prevention, is for all Manitobans. The MPI special investigation unit is for all Manitobans.

The member should know too that the RCMP have an auto theft team that is specialized. The citizen patrol assistance that MPI has been working in tandem with us on is also for all. I do not know, maybe you are seeing the bright yellow jackets already in Portage la Prairie. I do hope, by the way, that some of the citizen patrols in Portage are taking a leadership role, perhaps with the advisory council or otherwise, in the new booster plan that is ongoing.

So I just wanted to leave those remarks with the member to assure him that MPI serves all the province and notably not just Winnipeggers. That is absolutely certain.

If this is concluding this area, I want to assure the member that I will do everything that is within the provincial area of responsibility to assist. I think that we can look at some innovation. I look forward to discussing this further with elected representatives from Portage. I will be pleased to offer as part of that the involvement in the years of the auto theft task force, which is comprised of Justice, RCMP, and MPI officials, and is headed by Rick Linden. WPS, of course, is involved in that.

There may be something there through that task force, because one of the jobs of the task force is to look for prevention strategies. Sometimes when we have outbreaks of auto theft or other kinds of crime, and I have heard this many times from law enforcement officials, it can be traced to sometimes very few individuals, people that are on a bit of a rampage, if you will. I have no view or information as to whether that is the case, because I will not interfere in a police investigation in Portage or anywhere, but perhaps with some RCMP intelligence and so on

we can assist with local authorities and community groups to ratchet this problem away.

I look forward to that, in addition to the concern of the member opposite. I will certainly listen to any of the voices elected by the people of Portage la Prairie. Arrangements have been made, I can advise the member.

**Mr. Faurschou:** I do appreciate the minister's remarks. I will just say that currently the RCMP are taking a very proactive stance on all of this. Part of their media awareness program is to state that most of the thefts are occurring one block north or south of the Trans-Canada Highway that goes right through Portage la Prairie. So, with even that within their public information package, it would lead you to believe that these are traveling individuals that are looking for potential new transportation through theft as they exit or enter Portage la Prairie. That was just for the minister's information. I look forward to further discussions in this regard and I want to thank my colleague from Fort Garry for allowing me this opportunity. Good luck, guys.

**Mrs. Smith:** Just to carry on, there are a few things. I know my colleague had to go to another Committee of Supply. There are a couple of other questions that are still pending in terms of the Portage area.

Could the Attorney General confirm, I know the other day in Question Period it was brought to our attention that some of the public was concerned about the possibility of gang members taking up residence in the public housing there? This came from the community as a whole. I wondered whether the Attorney General, following Question Period, had any confirmation that this was the case to reassure the public in some instance in this manner.

**Mr. Mackintosh:** I had explained earlier that I raised this issue with one of the members of the RCMP Gang Unit and was advised I would be contacted further then by a senior member of the RCMP in terms of what allegations are existing. At the same time, I cannot interfere in an investigation.

My understanding to date is that the police are investigating the presence of gang members

or associates in Portage la Prairie. There are some allegations that are being pursued as to whether there is a link between that and auto thefts that have grown in number. That is about the extent of the information I have.

If the member does have any information she is aware of first-hand, if she has any concern and the police may not know about it, it is important that the person closest to that information relay that to the police for necessary investigation. As the member knows, the Justice Department is not the police agency. That is the responsibility of those professionals in the law enforcement agencies. Any information that comes to our attention like this would also be referred to the police.

\* (16:00)

In fact, I have done that, both as a critic and as a minister. I remember one time getting a call through my constituency office making an allegation. When you are seized with that information, it is very important that you discharge that obligation and get it to the police right away. Otherwise, if something happened and there was no follow-up there would be some significant political and ethical liability. I am sure the member knows that. I think it is probably trite to say that.

*Ms. Marianne Cerilli, Acting Chairperson, in the Chair*

Although I do recall, in opposition, getting some information, the first time getting that information. I think it is sometimes difficult for any member in public office to know immediately what to do with allegations of criminal activity that come to their attention. It is not usual for MLAs to deal with the police, but sometimes when allegations are made, even when they may at first appear to be unwarranted or may appear even frivolous, it is important to pass them on, because you do not know what can come of it. I leave that.

Again, I do not know if the member is just acting on second or third-hand information or what, but I certainly cannot interfere. Any allegations of gang activity of course have to be investigated by the appropriate law enforcement agency and have that information go to them.

I am confident that any information would be dealt with in a highly professional manner and any charges that are laid will then come to the department. That is where our direct role will be triggered.

**Mrs. Smith:** I can assure the Attorney General that anything that might come to my office goes directly to the police department, and that, regarding the public housing in Portage, the only reason why it came to the House was the Government supports and puts money into public housing. That was the reason why it was asked in Question Period. So it was a concern that people had in terms of the Government.

I was wondering whether the Attorney General would be amenable to a two-minute break, a bathroom break, if that is okay with you, and we will continue.

**Mr. Mackintosh:** So, when both of us are back, we can agree to start again.

**The Acting Chairperson (Ms. Marianne Cerilli):** That is agreed, a two-minute recess? *[interjection]* Excuse me. The honourable Member for Fort Garry, what is your intention?

**Mrs. Smith:** Ten after four would be just fine, thank you.

**The Acting Chairperson (Ms. Marianne Cerilli):** There is an agreement, then, that we will recess for five minutes, to resume at 4:10. Agreed? *[Agreed]*

*The committee recessed at 4:05 p.m.*

*The committee resumed at 4:10 p.m.*

**Mrs. Smith:** Thank you for that short break. I must apologize if I ask you to repeat things. I have an ear infection. Both my daughter and I have ear infections. It keeps changing from one side to the other. So, if I say I beg your pardon, it is because my ears are blocked today sometimes. It is a great assistance using this.

*Mr. Chairperson in the Chair*

I thank the Attorney General for the forthright answers to some of the questions, and

I would like to move on now to the Gang Action Plan that has been put forward by this Government. There have been a number of Gang Action Plan initiatives that have been implemented by members opposite, and, true, there are still many challenges out there that have to be addressed. We have talked about that earlier. I know we are working under the Prosecutions side right now.

The minister had referred earlier to the Justice Department Gang Unit. It was my understanding, on May 16, 2000, there was a 21-member team of prosecutors and probation officers and supervisors of gang members and high-risk offenders put together.

Could the minister please outline who is on this team and what they have been doing in terms of the high-risk offenders, especially, and the gang member part of it, this team, Prosecutions, probation officers, supervisors, just to give an overview of what they are doing? On May 16, this 21-member team was established. I want to know the goals and objectives of what this team is doing and what is different from what was done before. Thank you.

**Mr. Mackintosh:** The Criminal Organization and High Risk Offender Unit, known as COHROU in the department, was the product of some thinking and consultations and research around the continent that culminated in the NDP opposition's release of what was called a Gang Action Plan in September of 1996. From that action plan, there were consultations around the city of Winnipeg. As I recall, I was involved in one in Portage la Prairie. There were many other consultations and feedback received from different agencies and individuals around the province.

The idea of the Gang Action Plan was not only to form the basis of that kind of consultation but to urge the former administration to put together a comprehensive response to criminal organizations, particularly street gangs, at the time, in the province.

As part of the election commitments, there were aspects of the Gang Action Plan that were put forward for consideration of Manitobans during the 1999 campaign. One of them was to

establish a gang unit. So, therefore, work began immediately on coming into office to put together this Gang Unit, which was based on the practices in some jurisdictions elsewhere, south of the border and particularly along the west coast of the U.S., where there was experience showing the usefulness of having not only a dedicated, specialized prosecution team to deal with criminal organizations, but that it embrace a concept called vertical prosecution whereby prosecutors would be assigned to cases at or shortly after the bail process, right through the process and sometimes including at appeal.

As well, we wanted to bring together the different groups within the Justice Department based on the simple notion that gangs were organized and therefore the Justice Department has to be organized to counter that threat. So the Criminal Organization and High Risk Offender Unit was initially put together. I think we had identified 21 positions to be part of that unit. My understanding is, and I am going from my notes here, that there are now actually 28 members overall in the Justice Department comprising several divisions within the department.

The area that receives the most attention, although I do not think it has been publicly recognized really, but certainly is a very important part of the COHROU, is the Gang Prosecutions Unit. The Gang Prosecutions Unit is comprised of six prosecutors and one support staff. The unit, though, the Gang Unit in Prosecutions does not operate in isolation, obviously, from Prosecutions. In fact, I will just add that even the seven persons in the Gang Unit do not comprise the prosecution services response to gangs, that there is general counsel, for example, available to the unit and who may prosecute particular gang matters. That is Mr. Bob Morrison. The member opposite may know of his experience and involvement in the Warriors matter, which has given invaluable experience to the unit.

As well, there is a link between that unit and help in the Constitutional Law section of the department. For example, persons like Heather Leonoff have established a particular expertise and, I think, probably would be able to stand tall against any Canadian lawyer in understanding the dynamics in some of the constitutional

challenges around prosecuting gang cases. The Gang Unit has also responsibility for other certain offences. For example, the home invasions go there, so it is not only gang crime, although it may coincidentally be that.

There is also the link between the Gang Unit and the Winnipeg Police Services Gang Unit. Right now, they have been operating, well, since its inception, out of the same place. I mean they are over there at the Dynasty and Public Safety Building, the Dynasty Building. So there is some co-location there. My understanding is, by the way, there is just a very high regard, a mutual high regard as a result of this new partnering and sharing.

What has happened on a practical basis is that there is now information available from the police for Prosecutions at a very early stage, and Prosecutions is able to put together the effective bail case on a timely basis. That can make all the difference because, of course, information is evidence, and the more information you have, the more evidence that there can be rallied at a bail hearing. So it is right from bail where the Gang Unit will become involved.

\* (16:20)

There, as well, is a policy of enhanced community surveillance, so that crosses over to the Corrections area, and with that involvement of Corrections are expedited breaches. For example, we have had expedited breaches for 39 offenders who have met the target criteria. Community surveillance can include daily contact with the offender—this is all based on risk assessment—home visits to assess the living situation, monitoring compliance with mandated conditions, crisis intervention as required, and a urinalysis program also has been established. I know the predecessor of the current critic was rather critical of that one, but we think that can be an important tool in a toolbox for surveillance in making sure that conditions are being met. Tests are being conducted on a random basis.

The communications strategy for management of gang and high-risk offenders assigned to COHROU has been developed between the Corrections and Prosecutions divisions. Mr. Jim Wolfe is ADM of

Corrections, who is sitting at the table now. The integrated approach includes protocols and procedures for breaches, section 8.10, Criminal Code of Offenders, bail applications and offence-specific community conditions. As well, there has been outreach to community resources to look for recommendations as to how to better manage these offenders in the community.

The bringing together of Corrections and Crown attorneys to expedite the arrest, prosecution and supervision of these kinds of offenders, I think, marks a change and a departure from the past. I think that this kind of approach is being looked at from elsewhere now. I think Québec, for one, has moved certainly on the prosecution specialization side, but I do not think they have yet been moving. I could be wrong now, but the last time I talked with individuals from Québec, I do not think they had moved on the broader linkages.

Another part of the strategy is to have specialization in Corrections. We have been talking mostly about Prosecutions. Corrections has systematically developed a gang management process which has a considerable range and is recognized by many jurisdictions as one of the most advanced strategies. Some of the key elements of this strategy include a prison gang suppression strategy or team. It is a policy that takes into account issues such as gang identification, segregation of gang members, non-contact visiting protocols, co-ordination of information, sharing between Corrections and other law enforcement agencies as well as approaches to inmate management generally.

Right now, there is an initiative underway to include community corrections in this strategy and linking. There are special security approaches. For example, Corrections has extended its ability to protect the community, witnesses and others from gang intimidation through such initiatives as electronic phone monitoring, correspondence control, victim notifications, close co-operation with Prosecutions and police on relevant cases and enhanced drug interdiction practices.

By the way, I remember having a discussion with the then-head of the Winnipeg street gang unit who was critical of not knowing who was being released from provincial or even, I think at

that time, federal institutions and yet who had been identified as a gang member. So they are being released back on the streets of Winnipeg without the police while they were trying to identify and use their six-point strategy to identify gang involvement, but they were not being told. So that was a challenge that has been overcome by the sharing of information.

When we talk about sharing of information, Corrections also participates in regular intelligence gathering and the sharing of intelligence with the police jurisdictions and the criminal intelligence service of Manitoba. All high-risk releases are communicated in advance to the relevant police agency. Preventative security officers, these gang suppression team members, are now located in every correctional centre in the province.

I remember visiting the Brandon correctional centre and having that individual so eagerly and immediately advise what the population was comprised of, what gang members were there, how many were there, backgrounds on the gangs. We have to know. A gang awareness manual has been developed for the orientation of all institutional staff though on gang issues now. This manual is regularly updated and shared with all staff. Community corrections utilizes the training package *It Takes a Whole Community* in their staff training.

There is gang intervention programming. A comprehensive range of intervention programs aimed at primary criminogenic needs is available. Also a specific gang intervention program that provides guidance and opportunities for gang members who want to refute their ties with street gangs has been offered at Headingley and the Manitoba Youth Centre. This program is designed to be delivered to both institutional inmates and offenders under community supervision.

As well, I will add, and not least, the Intensive Support and Supervision Unit, an initiative that we strongly support, offers specialized programs and supports to high-risk youth. The majority of them are gang members, and that is to provide that more intensive supervision. There, there has not been the traditional deployment of probation officers. There is an around-the-clock availability of these

ISSP workers. These people are working evenings and nights.

I remember one difficult situation showed that one of the ISSP workers drove all the way across town because one of the offenders had an incident and was responsive in that way. Clearly, that is the kind of approach that we have to do. We have to change the way we have been doing business. That suppression team approach in Corrections is an integral part of COHROU.

We will, over the next several months, look at that initiative as well as our Child Victim Support Initiative. Those were the two early initiatives of this new administration to see about levels of resourcing as we head into the next fiscal year and start to determine how well we are doing, how well co-ordinated it is. We are looking at how we can better link with the federal system. There are links that perhaps we can enhance that.

I think it is important to note that as part of the COHROU is the other unit in Prosecutions called the High Risk Offender Unit, and I did describe that I think in full yesterday. That is comprised of three Crown attorneys. They may deal with gang activity as well, but they are focussed on the very highest risk offenders and that will disproportionately be pedophiles, others who are high-risk sex offenders. They are part of COHROU because I think it is difficult to simply divorce those high-risk gang situations from other high-risk situations. That has been operational since October of 2000. They look at those long-term offender applications. We have not had a lot in Manitoba. I suspect we will see more, and we will see them better documented.

You get back to this whole issue of the community notification process. Yes, it is important for there to be notification to the community. Perhaps there are other things we can do around that. It is important that the Justice system not be purposely putting dangerous high-risk offenders back on the streets. That is why I think a high-risk offender unit is an essential element of a justice system. We will see how that is doing. I think there will be some re-evaluation in the next little while.

\* (16:30)

I am very proud of these changes. Yes, they are changing priorities, they are changing staff

around. Quite frankly, it is cutting edge. I think, as was said recently to me by a member of the department and one who is connected with this, Manitoba is seen across the country as way ahead now in dealing with criminal organizations in terms of the functions in the Justice Department. It is our intention to stay that way and to learn from other jurisdictions and learn from ourselves.

We have in Manitoba now with the Gang Prosecutions Unit, these tremendous resources of people who know the language, they know the hierarchy, they know the players, they know the special laws that apply, the laws of evidence that apply. As well, they are able to connect with gang units outside of Manitoba. I have encouraged the Gang Prosecutions Unit to connect with the gang prosecutions unit, I do not know what they are called officially, in Minnesota and I think North Dakota. I think they have a get-together plan for later this year, so they can share prosecution practices.

There is a lot of similarity, I think, in gang prosecutions across the continent that should be recognized, a lot of experience. What California has as experience is quite tremendous. We are doing a lot of those practices here now, recognizing there still could be a lot to be learned. Whether they are street gangs, regardless of perhaps the racial mixes or other mixes of the gangs, whether it is motorcycle gangs or street gangs, whether it is any kind of organized crime, I think there are certain fundamental differences of protocol and practice. I think even the challenge of intimidation is one that comes along with the challenge of prosecuting gangs. There are evidentiary matters that are different.

I know that even the case law, it is important to identify that area of case law as it develops across the country, the kind of evidence that is necessary, for example, to ensure that a particular gang is recognized by the court as a criminal organization for the purposes of a prosecution under the code. That could be very important.

So we are seeing some progress institutionally. That can make a difference. The police I think have appreciated this. I know the member was commenting on the issue of the bail



conditions or the release conditions of a particular Hells Angels member. I think it is important to be cautious that, sometimes, relying on media reports can skew an understanding of an event.

But my understanding of that situation was there was an example of the gang prosecutor conferring with the Gang Unit of the police force, conferring and strategizing, and there are considerations that—I am not saying that one in particular, but there can be considerations that may go beyond the particular matter before the court. There may be other strategies. As I say, I am not saying that that is the case here, but there may be intelligence issues that have to be considered.

But that kind of co-operation, that sharing I think is very important and in the long term will hopefully serve Manitobans well.

**Mrs. Smith:** I can assure the Attorney General that I do not rely on the media for my information. Most of my information comes from elsewhere. It is of public interest when that question was asked in Question Period whether or not the Hell Angels president was getting a trip to Spain to meet with other organized crime members.

I would ask the Attorney General at this time what the state of that is. Is that still a go?

**Mr. Mackintosh:** Well, what I said was based on a press release from the PC caucus where it said: Knowing the purpose of the trip, the police opposed the exemption to allow this trip to Spain but failed to get support from the Minister of Justice's own officials. As well, it said that there was a publication ban.

First, there was no publication ban, and, second of all, the information that I have been provided with has indicated that the police did not oppose the exemption. So the press release was inaccurate, unfortunately. The original release was done by the Winnipeg Police Service where in their professional judgment they concluded that the release should be made on certain conditions, and then when there was an application to court by counsel for the accused to change some of the conditions, there was a consultation, I understand, with the specialized unit, with the police.

This occurred, as well, with the report of this. The information was not full. It turned out to not be accurate, and the judge was presented with a position from the Crown after consultation with the Winnipeg Police Service Gang Unit.

As an elected member, as a politician, I must be very reluctant to second-guess the professional judgments of police and prosecutors in these matters, although I certainly recognize that the article would rightly give rise to concern. I certainly have shared that concern with the member opposite, but I wanted to be very careful not to draw conclusions from just that information, and I think there has been more public discussions on that.

I also have to be very cautious now because I cannot get into the background of the charges that the individual is facing, because I will not do anything, as a minister, to give any ammunition to a defence counsel for a mistrial or for a motion to move. I just do not want to do that, and I will take the political hits, if it means that I do not prejudice a trial or even give arguments, as I say, to defence for motions. So that is that. My understanding is that a decision was made by the Queen's Bench, and so the decision will remain.

**Mrs. Smith:** I must point out to the Attorney General that no one has asked the Attorney General to give any information. No one has asked the Attorney General to say anything about the case, or nobody on this side of the House has even approached that. The question is: What is the current status? Is the Hells Angels president having a trip and going to Spain? What is the outcome? I have not heard anything, and we just want to clarify: Is this a go? Will the Hells Angels president be going to Spain to meet with the other members of organized crime?

**Mr. Mackintosh:** Well, I have no first-hand knowledge of whether he went or not. I think the dates would indicate that he may have even, if he left, be back by now, but I am not sure. All I know is what the order had read. Like I say, whether he even went, I do not know.

**Mrs. Smith:** Would the Attorney General be amenable to supplying me with the gang awareness manual? I would like to take a look

at that if that is possible, that you were talking about a little earlier.

\* (16:40)

**Mr. Mackintosh:** The department will look at that. I am advised that there is information on there that is confidential for the purposes of law enforcement and prison gang suppression, information intelligence on gangs. Having said that, I will ask the department to review the manual and perhaps there can be an accession of certain parts, but I think the member should be entitled to whatever information we can give without jeopardizing the objectives of the manual.

**Mrs. Smith:** I would certainly not want to have any information that would be confidential or that would jeopardize the suppression of gangs or the gang awareness end of it in any way, shape or form. I am simply asking for something to see what could be made available that is appropriate to do so. So do not misunderstand the request. It is a matter of, I think, the more that we have of this kind of information, the better it is.

Could the Attorney General, in writing, just give me the 21-member team, who they are and how many prosecutors we have, probation officers and supervisors of gang members and high-risk offenders we have on that team? On the same date, on May 16, there was announced a three-member specialized provincial police initiative that monitored gang activities. Could the Attorney General confirm: Is that three-member specialized team still in place, or what is the status of that particular initiative at this point?

**Mr. Mackintosh:** Well, there is another issue to deal with on the request for the COHROU membership. I will certainly consider that, but there is ongoing concern by both management and people working on gang initiatives. Most recently, just this last week, actually, I had another concern brought to my attention of a member of the department who was very concerned that he not be identified as working on Hells Angels issues. We will take that under advisement. I am just concerned about providing those names without their consent. I do not mind

talking, perhaps even in here, and we did have some names put on the record, some that are publicly known, but there are some others that I am concerned about. I do not know where papers end up and so on, but I do have a concern about that. Perhaps we could agree that we certainly would provide a list of the functions, the positions.

**Mrs. Smith:** To clarify, I never asked for names. I do not want names. I said the three members, whoever they may be. Is it still in place or is it something that is a go right now? I do not want specific names. I fully understand the privacy issues there. In no way would I want the names of the three members. I am wondering if this particular unit is still a three-member unit. Is it still in place? Are there more members on the initiative? Please do not misunderstand the question. Names are not a concern to me at all, nor would I want them.

**Mr. Mackintosh:** I thought the member was asking for a list of the names of those involved in the COHROU.

**Mrs. Smith:** Maybe I can see why that misunderstanding was there. Perhaps I can clarify it. I am looking at the 21 members in terms of prosecutors, probation officers, and supervisors. I would assume that is pretty well public knowledge. The second part of that question to the Justice Minister was, the 21-member team, I would assume that is apart from the three-member, specialized police unit. The 21 members, I would assume that that would be public knowledge and no harm to anybody. If that is the case, if it is something that needs to be kept private, please keep it private. I just wondered who those 21 members were and what their function was. I highly endorse this initiative. My second question was the three-member, specialized team, which I would not want to know who those members were.

My objective is to see if this police initiative, three-member team is still there monitoring the gang activities and if indeed that you said that the whole team had been expanded to 28. I had assumed that now maybe it is not three members but maybe it is even more. Definitely, I would not want those names put forward.

Please correct me if I am wrong in the other area. If the 21 members, prosecutor's probation officers and supervisors of gang members, if that is something that the names should not be brought forward, which I did ask for those names, that would be perfectly okay. I would not want anyone to be put at risk at all.

As I say, just to reiterate, so it is perfectly clear, I would not, under any circumstances, want the names of the three members. Is that better clarification for the Attorney General?

**Mr. Mackintosh:** The three-member RCMP Gang Unit I believe has expanded to four now. It is a very proud initiative. I was just told last week that they had been asked to come to Ottawa to let law enforcement agencies across Canada know what they were doing, because they are the only one of its kind in the country, here in the province. That was a result of the Province's funding three new positions in Budget 2000 that were going into this unit, recognizing that the feds would pay the other 30 percent of those positions. The fourth position I think, though, is a civilian or a support staff for the three RCMP officers. Two of them are from Thompson. One had been in Thompson for quite some time. These are just extraordinary individuals who were hand-picked by the assistant commissioner for this role. They monitor gang activities outside of Winnipeg, in rural and northern Manitoba. They co-ordinate intervention, community-based strategies with Manitoba communities.

I remember receiving a call from a Manitoba community a number of years ago, asking: Well, what resources are in place and who do we talk to about getting ideas and tips on how we can deal with some gang activity that is happening because we have got some kids coming home from school, and we think they have organized a gang? We do not know what to do.

These individuals are the ones that are deployed to deal with that challenge. I am pleased to see the continuation, not only of individuals initially appointed, but the recognition of the work they are doing. So that is where that is at. There may be connections to COHROU, but that is a different organization.

**Mrs. Smith:** So is there any problem with having the names and the numbers of the 21-

member team? That is over and above the three that we are talking about, right?

\* (16:50)

**Mr. Mackintosh:** The three officers of the RCMP Gang Awareness Unit, I think it is officially called, those are individuals that the member should have the names of because they want to be available to all Manitobans. But we will provide that. I know a couple of their names, but I will leave that for now. They do not do gang charges. They are on the awareness prevention side, the community co-ordination side.

The COHROU unit, however, is where I had the concerns about the names. It is not a matter of privacy. It is a matter to guard against intimidation and concerns about their security. I am really concerned about that. I can talk to the member about some of those individuals. We will look at that, but just with that caveat, we can certainly provide a list of the positions and the divisions where COHROU members are comprised of.

**Mrs. Smith:** Could the Attorney General talk about the young offenders' mentoring programs that have received funding from the Province and how those mentoring programs are progressing at this point in time?

**Mr. Mackintosh:** The young offender mentoring program was a proposal or an idea that was also put forward in the Gang Action Plan in September of '96 and was one of those initiatives that was, again, then promoted during the election campaign. It was based on the experience, not only in Manitoba, but in other jurisdictions, I thought in particular in Missouri and in Minnesota.

As well, just the role of Big Brothers-Big Sisters in Manitoba. Materials that I had looked at that were shared with me by a person who was working at the time with Marymount on the value of mentoring, I was struck by the potential of mentoring in the justice system. We know the probation officers, like so many in the justice system, work very hard. I thought it could be very useful to have additional supports and additional supports for offenders who are on probation.

There were different models available. Some U.S. jurisdictions contract with universities and some pay the mentors. Coming into office then we asked the department to make a recommendation on how best to implement a young offender mentoring program for Manitoba. We had nothing to go by in the country except in terms of our correctional program. So they went back and looked at some of the research and the gaps that existed in providing supports and monitoring to offenders. By the way, there was some discussion as to whether it is a mentoring program or a monitoring program or a mentoring-monitoring program. So we went with mentoring because I think that is really clearly the emphasis.

They came back and they said that, first of all, as a result of discussions including Macdonald Youth Services—and I had heard that first-hand, by the way, from the organizer of Macdonald Youth Services mentoring program—that we should not be setting up a model here paying mentors, that volunteer mentorship is much more effective and meaningful. It just seems to work better. It is not just a job. There is a real commitment. So we accepted that notion.

Then the department also advised me that there was a very serious gap in providing programming for female offenders. The correctional system has largely been focussed on male offenders simply because that has been the majority of offenders under supervision, both in incarcerated and non-community supervision.

So it was recommended that we launch this program for female offenders, and it was decided that female offenders on probation, young offenders, medium risk to re-offend, were really ideal in terms of the gaps and the potential for making some difference, also recognizing that there has been a significant growth in the rate of offending by young females. In fact, the rate for female offending is more than double the rate for male offending growth over the last decade. I do not know if that is a Manitoba statistic. I think it is a Canadian statistic, but the Manitoba statistics, I think, have reflected the unfortunate Canadian phenomenon of greater female offending.

So the program was developed after consultation with organizations and particularly

bearing in mind the needs of Aboriginal female young offenders given their disproportionate population in the sentenced population.

There was a partnership then struck with Partners for Careers, a federal-provincial employment program operating in Winnipeg with some tremendous leadership, just some wonderful people there, and Laurie Favell-Mowat was brought in as the co-ordinator. It was announced in March of last year and has since been pairing mentors with offenders in Winnipeg.

The program has been, I think, great. It has an advisory council. There has been some challenge of ensuring that the mentors recognize that this is long-term commitment. It is not just a matter of giving a couple of months. I know the program which is called Ototema, or "Friend," has been out to some career fairs, for example, and has been out promoting itself.

I was pleased to take part in some of that promotion to raise awareness of it, to attract young adult women as mentors, hopefully people who can bring you experience of life, can bring experiences of healing. Experiences of being, as I say, around the block, I think, can be useful to provide some bonding and provide some supports to these young women who sometimes in their lives have never even had someone who has been a positive influence at all.

Just a couple of months ago, we were then able to expand the program to Brandon and in the city of Brandon, the program there partners with the Brandon Friendship Centre. Ms. Dewar is a tremendous young woman in Brandon who is paid through the program and is with the Brandon Friendship Centre staff and has been very active in recruiting college and university mentors as well as other mentors and has put together an advisory team comprised of elders and others who bring some wisdom to the program in that city. There are a number of mentors already established there.

What does the future hold for Ototema? I think it depends on how solid the success is in both Winnipeg and Brandon. I certainly would hope that this proves to be a successful part of

the justice system, involving partners, involving volunteers and turning around the lives of people who might otherwise be dangerous. I hope that we can see its expansion some time. I am not going to commit to that now, but I certainly have an interest. I know there are other centres in the province that, maybe, will be very well suited to having Ototema, as well as looking at how this may be expanded to deal with males in certain categories of offences.

So that is the young offender mentoring program, and we are very proud of that. We are proud of it just if for no reason other than there has been a tremendous contribution given to this effort by many and, again, as an example of partnerships, which I think is the future for the justice system. It is not just the big Justice Department that is coming along and delivering

a program operated by civil servants. It is a program that is operated in concert and in partnership with others who sometimes know way better than governments might about how to effectively deliver programs and respond to changing needs and, as well, to incorporate a volunteer component.

**Mr. Chairperson:** The hour being 5 p.m., committee rise.

Call in the Speaker.

### IN SESSION

**Mr. Speaker:** As previously agreed, the hour being six o'clock, this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 30, 2002

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>		<b>Members' Statements</b>	
<b>Ministerial Statements</b>		Verna J. Kirkness Institute Nevakshonoff	2055
Forest Fire Update		University Graduates	
Ashton	2043	Dacquay	2056
Enns	2043	Bernie Wolfe Community School Cerilli	2056
<b>Introduction of Bills</b>		mywinkler.com Dyck	2056
Bill 27—The Safer Workplaces Act (Workplace Safety and Health Act Amended)		Sunset Ceremony Korzeniowski	2057
Barrett	2043		
<b>Oral Questions</b>			
Manitoba Medical Association			
Murray; Chomiak	2044		
Mitchelson; Chomiak	2045		
Tweed; Chomiak	2046		
Adult Learning Centres			
Gilleshammer; Caldwell	2047, 2051		
Derkach; Caldwell	2048, 2052		
Hecla Area Land Expropriation			
Gerrard; Lathlin	2050		
Bridging Generations Initiative			
Struthers; Wowchuk	2050		
Harness Racing			
Rocan; Mihychuk	2055		
		<b>ORDERS OF THE DAY</b>	
		<b>GOVERNMENT BUSINESS</b>	
		<b>Debate on Second Readings</b>	
		Bill 14—The Public Schools Modernization Act (Public Schools Act Amended)	
		Reid	2058
		<b>Committee of Supply</b> (Concurrent Sections)	
		Conservation	2063
		Agriculture and Food	2078
		Justice	2092