



Third Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

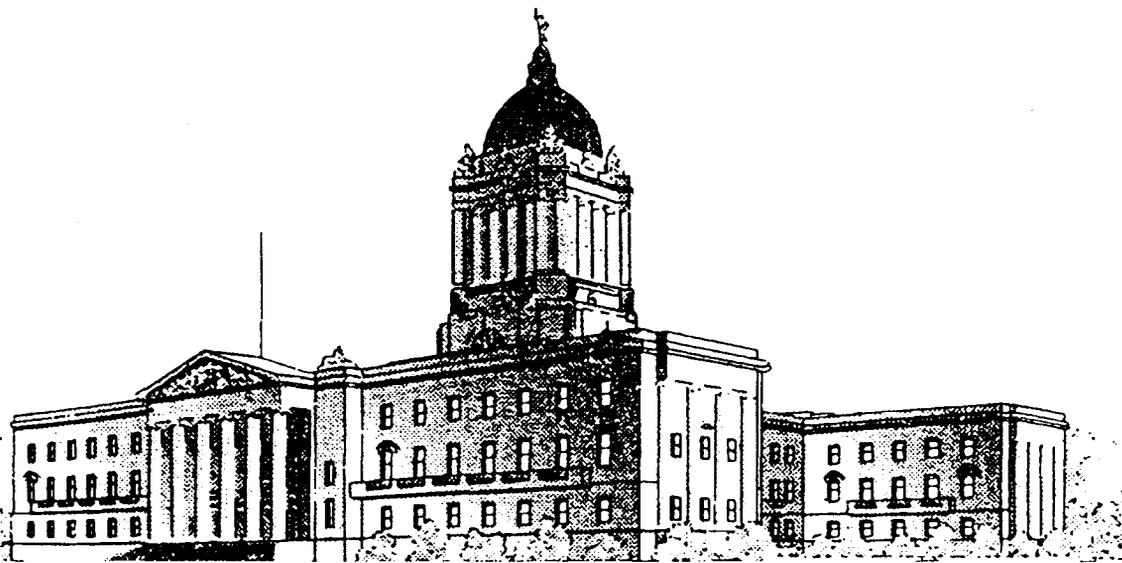
DEBATES

and

PROCEEDINGS

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
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.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSON, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupert Island	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 3, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Aboriginal Suicide Rate

Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs): Mr. Speaker, I have a statement for the House.

The high rate of Aboriginal suicides across Canada has been an issue for some time. Davis Inlet in Labrador and Pikangikum, Ontario, are normally raised as the communities most troubled. Nunavut also has a severe problem and has asked to be involved with Manitoba on efforts to stem youth suicides.

Over the past few months there have been increased concerns about the need to examine the issue of suicide prevention in Manitoba. Preliminary analysis of data from the Chief Medical Examiner's office of completed suicides for Aboriginal people in Manitoba for the last five years indicate that 215 out of the 821 completed suicides in Manitoba are identified as Aboriginal people, accounting for almost a third of the total for the last five years.

Pauingassi, Shamattawa and Cross Lake had the highest numbers of completed suicides over the last five years. Pauingassi, with a population of 484 and 10 suicides, had the highest number per capita. There were 13 at both Shamattawa and Cross Lake, but Shamattawa's on-reserve population of 964 is less than a quarter of Cross Lake which is 4140. Norway House had 9, Berens River 7, Nelson House 6 and Garden Hill 5, followed with equally high completed suicide numbers.

Winnipeg's Aboriginal community had 44 suicides over the last five years out of the

Aboriginal provincial total of 215 deaths. The deaths of Aboriginal people in Winnipeg is seldom noted despite the high numbers. Virtually all 63 First Nations and 50 Northern Affairs community councils have experienced suicide problems.

* (13:35)

Causes of this epidemic often focus on the legacy of residential schools, unemployment, racist attitudes, hopelessness, despair, overcrowded housing and other social conditions, including ill health. Some of the issues that have been identified include the facts that public reporting of suicides is rare and many small communities that have been plagued with suicide attempts do not want to publicize these issues. The actual rate of suicides is even higher than the reported rate, as many deaths listed as accidental were not accidental and many others are not reported. Prevention and counselling services need to be better co-ordinated, be more culturally appropriate and accessible for Aboriginal Manitobans. These services need to be accessible for Aboriginal people in isolated and remote communities. Clusters of suicides often occur in these communities making the situation even more tragic; better partnership opportunities need to be identified between the federal, provincial and local governments and First Nation communities.

In an effort to begin addressing some of these concerns, a discussion session was undertaken this past weekend by our department to bring community and departmental representatives together to examine the loss of spirituality and cultural identity; grass roots and community approaches to address the issue of suicide; holistic approaches that have demonstrated success in achieving wellness with the use of traditional Aboriginal practices to complement western medical practices; models of culturally appropriate prevention strategies, services and programs; wilderness camps and other recreation

and cultural activities to promote wellness; promoting traditional values and reclaiming our history; community-driven initiatives with a holistic approach.

I want to thank all the community people from across Manitoba who participated in this round table: Councillor Ed Green of Pauingassi; Lou Moodie and Edna Moodie of Nelson House; Bobby Brightnose, Helga Hamilton and George Muswagon of Cross Lake; Elaine Scott of the Dakota Ojibway Tribal Council; Louis Lathlin of the Opaskwayak Cree Nation; Linda Ballantyne of Grand Rapids; Darlene Osborne and John Osborne of Norway House; Chris Harper of St. Theresa Point; and Dave Courchene Jr. from the Sagkeeng First Nation. They all contributed very important insights and suggestions.

The sharing of personal experiences in promoting best practices that occurred this weekend was an important first step in addressing the crisis and suffering we see in so many communities. I look forward to further discussions on how we can foster hope and a sense of belonging in our communities as we work together to reduce this tragic reality.

Mr. Gerald Hawranik (Lac du Bonnet): I thank the minister for his statement. We on this side of the House, of course, share in his sentiments with regard to suicides within the Aboriginal community. I commend the minister for the information he brought to the House and his efforts in helping with suicide prevention, and for participating in the round table during the last week. I note there are high rates of suicide among Aboriginal people, particularly Aboriginal youth. It is always very tragic when one considers the amount of suicides that are present within the Aboriginal community, particularly Aboriginal youth, especially, as I say, if it is young people who are just starting out in life.

We need to find long-term solutions so that suicides can be prevented and perhaps even eliminated at some time in the future. We need to ensure there is counselling within each community. We need to involve Aboriginal communities and Aboriginal people to find solutions to the problem.

I would like to commend the minister, Mr. Speaker, and I wish him success in reducing and

trying to eliminate suicides within Aboriginal communities.

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

Mr. Speaker: Does the honourable member have leave?

An Honourable Member: No.

Mr. Speaker: Leave has been denied.

INTRODUCTION OF BILLS

Bill 28—The Registered Dietitians Act

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh), that leave be given to introduce Bill 28, The Registered Dietitians Act; Loi sur les diététistes, and that the same be now received and read a first time.

Motion presented.

* (13:40)

Mr. Chomiak: This act changes the name of the dietitians regulatory body from the Manitoba Association of Registered Dietitians to the College of Registered Dietitians. As well as a short scope of practices statement, this new act sets in place board representation requirements, complaints, management processes and reporting responsibilities to ensure this college fulfils its duty.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us Ms. Neela Kati who is Miss Manitoba for the year 2002, and also the guest of the honourable Member for St. Norbert (Mr. Laurendeau).

Also in the public gallery we have from Palliser Furniture English as a Second Language

nine visitors under the direction of Mrs. Shannon MacFarlane. This school is located in the constituency of the honourable Member for Rossmere (Mr. Schellenberg).

Also in the public gallery we have from Isaac Beaulieu Memorial School 23 Grades 9, 10 and 11 students under the direction of Mrs. Colleen West. This school is located in the constituency of the honourable Member for Ste. Rose (Mr. Cummings).

Also in the public gallery we have from St. James-Assiniboia School Division 9 Grades 6 to 12 students under the direction of Mrs. Karen Strobel. This school is located in the constituency of the honourable Member for St. James (Ms. Korzeniowski).

Also in the public gallery we have from Pineview Mennonite School from Barwick, Ontario, 14 Grades 7 and 8 students under the direction of Mr. Robert Heatwole.

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

ORAL QUESTION PERIOD

Manitoba Hydro Profits

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, the Premier and the Hydro Minister have repeatedly said the \$288 million they raided from Manitoba Hydro would be taken from the profits of export sales of Manitoba Hydro in order to balance last year's books.

Can the Premier assure Manitobans, can he assure them today, that Manitoba Hydro will not have to borrow \$288 million to make the payment the Premier has ordered?

Hon. Gary Doer (Premier): First of all, I would like to congratulate the Manitoba Medical Association and the provincial government's Department of Health in securing a structured arbitration award. I would also like to pay tribute to all the staff on the front lines of our health care agencies and facilities for dealing with a fairly stressful situation, but one which provides

a six-year ability to have arbitration on a go-forward basis. I would like to thank them for that.

Secondly, Mr. Speaker, the members opposite should look at the advice we received even from the Business Council of Manitoba, where they identified the fact a number of provinces and a number of states were going to go into a deficit post-September 11, and we are not only having a balanced situation in Manitoba but we are paying down debt and our debt per capita ratio is going down. In fact, the investment dealers of Manitoba acknowledged this is another Budget that continues to pay down debt, both in the '01 and '02 years. We are in a situation now in the long run, by paying down the debt and balancing the Budget, Manitoba is in a very positive situation.

Mr. Murray: Then I assume what the Premier is saying the answer to my question then is no, Mr. Speaker.

For months, we on this side have been calling for Manitoba Hydro to go before the Public Utilities Board. Today Manitobans will understand why. Manitoba Hydro officials are finally before the Public Utilities Board answering questions under oath.

Mr. Speaker, last week Carolyn Wray, the division manager of Business Analysis and Regulatory Affairs for Manitoba Hydro, was questioned under oath at the Public Utilities Board hearings. In sworn testimony last week, Ms. Wray was asked, and I quote: In other words, Manitoba Hydro does not have \$150 million on hand to cut a cheque to the Government. To which Ms. Wray, under oath, answered, and I quote: Evidently not.

* (13:45)

Mr. Speaker, can the Premier explain how Manitoba Hydro will make a payment of \$150 million to this Government if they do not have the money to pay?

Mr. Doer: Mr. Speaker, Manitoba Hydro has been before the PUB for the last four or five weeks at least. If the member opposite understands the utility, there is a retained earning

account of about a billion dollars. There is a situation where Manitoba Hydro files a projected surplus for the year and then it is adjusted thereafter. In the last few years, it has adjusted to be about \$750 million over the \$350 million projected year over year.

The latest projections we have, and we had them updated as late as last week, was that Manitoba Hydro would make \$230 million; Centra Gas, members opposite will recall the Centra Gas deal, will lose \$10 million, for a net surplus of \$220 million. We would not expect that money is sitting in a bank account. It is working for the benefit of all Manitobans in the Hydro utility, and nothing the member opposite says is contrary to what the Minister of Finance (Mr. Selinger) has said in the House.

Mr. Murray: In fact, during her testimony, Ms. Wray admitted, and under oath—this is important, Mr. Speaker—she admitted under oath that in order for Manitoba Hydro to make the \$288-million payment to the Government they would have to borrow the money to do so, the entire amount.

Mr. Speaker, I would like to ask the Premier if he agrees with Ms. Wray when she says that Manitoba Hydro will have to borrow the entire amount of \$288 million in order to make their payment, because this seems to be contradicting the spin we hear from this Government that has repeatedly said the money would come from export sales.

My question is simple: Who do Manitobans believe, an official under oath from Manitoba Hydro or this minister, the First Minister?

Mr. Doer: Last week the members opposite and the Leader of the Opposition were giving us advice to just capitulate and settle for whatever the MMA wanted. Thank goodness the people of Manitoba are not taking advice from the Leader of the Opposition.

Manitoba Hydro is going to make \$220 million in surplus revenue. Members of the Business Council of Manitoba, of which Mr. Morrow is a member, and he is also a head of Crown corporations, know this is an asset that is generating revenue. The export sales exceed the amount of revenue that is going to be made

because the export sales are used to decrease or lower the hydro rates for all Manitobans, Mr. Speaker.

In other words, there is over \$300 million or \$400 million in export sales negotiated by a government that had a vision. Your vision was to cancel hydro dams. Our vision was to build them. The surplus is going to be \$220 million—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: This is all fully disclosed in the Budget. Obviously, if you have \$220 million without a dividend to deal with the economic uncertainty, as opposed to \$150 million coming out of that amount, you would have more requirements for borrowing. That is obvious.

Having said that, Mr. Speaker, all capital debt requirements from Hydro, which include ramping up for future hydro-electric development, something that would never happen under the drifting strategy, the mothball strategy of members opposite, all future capital requirements are in the Budget. The \$180 million for the Brandon gas turbine plant is in the capital budget. The money in the Budget to eliminate the coal plant in Selkirk that spewed out for years under members opposite, that money is in the Budget. We are putting money in the Budget.

* (13:50)

Let me also say that under the former government there was no money, zero money, in the capital debt for Manitoba Hydro for the purchase of Centra Gas. Shame on you.

Manitoba Hydro Profits

Mr. John Loewen (Fort Whyte): Mr. Speaker, for the past six weeks the Minister of Finance and the Premier have tried to make Manitobans believe that Manitoba Hydro is sitting on a big pile of cash. On many occasions, the Minister of Finance has refused to answer the question of where Manitoba Hydro will get the cash to pay the \$288-million dividend required by the Doer government to balance their books.

My question to the Minister of Finance: Is he aware that under oath Ms. Carolyn Wray, an official of Manitoba Hydro, on sworn testimony, admitted that Manitoba Hydro will not only have to borrow the full \$288 million to fund the dividend, but in addition to that the financing cost of that borrowing will be \$276 million, bringing the total take for Manitoba Hydro, the cost to Manitoba Hydro to \$564 million?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, I have made it abundantly clear that Hydro's profits have exceeded forecasted revenues every year since 1997. The forecasted revenues for the five years from 1997 to 2001 were \$362 million. The actual results were \$734 million, with an excess of profits over projected profits of \$371 million.

When Limestone was built, it was always built to generate a dividend that would benefit the people of Manitoba. The success of that decision is shown in these numbers. Today we are fortunate in being able to benefit from that excess profit that Manitoba Hydro has earned.

Mr. Loewen: Mr. Speaker, my supplementary to the minister: Why is the Minister of Finance refusing to admit to Manitobans that the real cost to Manitoba Hydro of his scheme to raid Hydro for \$288 million is \$564 million? Why do we have to rely on sworn testimony from officials at Manitoba Hydro to get the truth?

Mr. Selinger: Mr. Speaker, I think the member opposite confuses profits from cash flows. What we have is an excess of profits over what was forecast. Those profits are, fortunately, available to stabilize the finances of Manitoba as we went through the challenging year that we had, where we had the events of September 11, we had a 60% reduction in the corporate revenues in Manitoba, and the excess profits of Manitoba Hydro, based on the tremendous success of the Limestone project, are available to us. Manitoba Hydro has a billion dollars of retained earnings that is available for this kind of a dividend, which was always foreseen when Limestone was built.

Mr. Loewen: Mr. Speaker, is the minister suggesting that Ms. Carolyn Wray, an official of Manitoba Hydro and an individual the Doer

government has appointed to the board of the Lotteries Commission, are they suggesting that that individual has not told the truth under oath when she admitted that the finance and interest costs required to pay the \$288 million was an additional \$276 million, and that the total cost to Manitoba Hydro for financing this scheme to prop up their Government is \$564 million?

Mr. Selinger: You know, Mr. Speaker, the member opposite specializes in playing fast and loose with the numbers, as we have seen before.

One of the things we have clearly established is that the excess profits in the last five years are \$371 million. We have also established that when we did our polling research 67 percent of Manitobans thought it was a reasonable proposition to use the excess profits of Manitoba Hydro to stabilize the services in Manitoba. It is unfortunate that members opposite cannot get in sync with the public when it comes to balancing the books and providing essential services to Manitobans.

Manitoba Hydro Profits

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, the story just keeps getting worse. We have already heard today that this Government is forcing Manitoba Hydro to borrow \$288 million to pay off their existing debt. We now hear from Manitoba Hydro, under oath, that the cost of borrowing is \$276 million in interest, for a total of \$564 million to the taxpayers of Manitoba.

In addition to that, under oath, we find that this nitpicking Government, under oath the representative representing PUB asked the question, and in fact I have to ask this question now. If you are financing, you are borrowing money to pay the special export profit payment to the Government. Does Manitoba Hydro have to pay the Government the provincial debt guarantee fee? Answer by Ms. Carolyn Wray: Yes, in the normal course of the business.

* (13:55)

My question to the minister is: Is the minister nitpicking Hydro to death for an additional \$3 million, Mr. Speaker?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): All I can say is nitpicking is something I can take lessons for from the members opposite.

What I can tell you for sure is the Limestone project has been enormously successful. It is generating 6 cents in American dollars per kilowatt-hour of benefit to Manitobans, and the excess profits of \$371 million are available to us, as the profits and the dividends are available in other provinces that own their public utilities. In the province of Newfoundland, in the province of Québec, in the province of Saskatchewan, in the province of British Columbia and in the Northwest Territories, dividends are standard policy.

Of course, all Crown utilities have capital projects for which they borrow, but they provide dividends to the shareholders, which in this case are the people of Manitoba who deserve that dividend.

Mr. Tweed: Mr. Speaker, I will remind the minister this is not a capital project.

Will the minister today confirm that it is now going to cost Manitobans \$567 million to finance \$288 million of their misspent money?

Mr. Selinger: I find it amusing that the member opposite talks about misspent money. He never complained when we put more money into agriculture. He never complained when we put more money into the health care system. He never complained when we put more money into the drainage system in rural Manitoba, something he neglected. He certainly never complained when we put more resources into the infrastructure of Manitoba.

Manitoba has made strategic investments to build the economy of this province while retaining the third lowest per capita expenditure among the provinces, certainly something the members opposite were not able to achieve.

Mr. Tweed: Mr. Speaker, my question for the Minister of Finance is: Did the minister mislead Manitobans by making them believe the money was in Hydro profits and that they would not have to put Manitobans on the hook for \$567 million?

Mr. Selinger: The only people that misled Manitobans, Mr. Speaker, were the members opposite when they had their hidden water parental agreement to pay for government expenditures in the North.

The only people who misled Manitobans were the members opposite when they had a hidden tax on Centra Gas for which they did not have legislation. We brought those issues to light. In addition, we announced publicly that we are taking a dividend from Manitoba Hydro to pay for the services Manitobans need, something the members opposite did not have the courage to do.

Manitoba Hydro Rate Increase

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, since Manitoba Hydro has now confirmed under oath that they do not have the \$150 million to transfer to the Doer government for last year's deficit and they do not have the money there to transfer to the Doer government for this year's deficit, will the minister still stand by his Premier's (Mr. Doer) guarantee that hydro rates will not increase?

* (14:00)

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, the commitment we have made is that we would keep Manitoba Hydro rates the lowest in North America, and we will do that by a country mile.

Mrs. Mitchelson: Mr. Speaker, a very simple question for the Minister of Finance is: Does he agree with his Premier's quote that hydro rates are frozen, they will remain frozen? Who is right, the Premier or the Minister of Finance?

Mr. Selinger: Mr. Speaker, during the period that we are planning to take the \$150-million dividend there is no increase in hydro rates. There is no increase in hydro rates. That is an absolute fact, and when it comes to agreements between ministers of Finance and premiers, we are doing better than the federal government today.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I am sure the honourable Member for River East has a supplementary question.

Mrs. Mitchelson: Thank you very much, Mr. Speaker. I do not think that is anything the Finance Minister should brag about.

Mr. Speaker, a very simple and very direct question to the Minister of Finance is: Since his Premier (Mr. Doer) has indicated that hydro rates are frozen and will remain frozen, will this Finance Minister now stand behind his Premier and tell Manitobans clearly today that hydro rates will not increase?

Mr. Selinger: I can only repeat the answer I just gave. In the year that we have taken the \$150-million dividend, hydro rates have not increased. We have also said we will keep hydro rates the lowest in North America, which we will do. Manitobans are getting a tremendous benefit by having hydro rates which are lower than the cost of service due to the export revenues that we have generated. That is a benefit which we include in the *Manitoba Advantage*, and we intend to continue to do that.

Manitoba Hydro Profits

Mr. Stuart Murray (Leader of the Official Opposition): Well, Mr. Speaker, I would like to go back to the Public Utilities Board hearing, under oath, when asked the question and it was stated, and I quote: Could you explain to me and to the board members, in laypersons' terms, if I look at retained earnings of \$1.2 billion, obviously that is just not money that you have in the bank account, but if you have retained earnings of \$1.2 billion why can you not just cut a cheque for \$150 million? Under oath, Ms. Wray said, and I quote: Because retained earnings is not a bank account. It represents the difference between the assets of the company and the liabilities of the company, but in fact it may be represented in terms of assets, hard assets rather than cash.

So I ask the Premier: Rather than costing \$0.5 billion for Manitoba Hydro, will he reverse his decision and do the right thing?

Hon. Gary Doer (Premier): I think the member, if he reviews Hansard, will find that I

talked about the retained earning in my first or second answer in the first or second question that was posed by the member opposite.

Mr. Speaker, Manitoba Hydro in the 2001-2002 year is projected to make \$230 million. It is projected to lose \$10 million on the Centra Gas side, which by the way is a capital asset, and it is scheduled to have a dividend of \$150 million; \$220 million minus \$150 million still leaves a \$70-million surplus in Manitoba Hydro.

Mr. Murray: The Premier and the Minister of Hydro would continually lead Manitobans to believe they are sitting on a pile of cash, that they have a Brink's truck. We know that is not true. Manitoba Hydro officials, under oath, have said that money is just not there. They cannot cut the cheque that this Premier has ordered.

I ask him today: Will he do the right thing and reverse his decision?

Mr. Doer: The last time the Leader of the Opposition asked me to do the right thing was to capitulate to the MMA when were in the middle of negotiations. So I want to thank you for your help, but no thanks when it comes to getting advice from the Leader of the Opposition.

The Finance Minister has already indicated there are capital assets. For example, there is \$185 million of a capital investment at Brandon for a gas turbine operation to back up a drought. That gas turbine operation will be in place for 30 or 40 years. That is a borrowing requirement for an ongoing revenue capital asset; \$220-million surplus, \$150-million dividend equals a \$70-million surplus. At the same time, Manitobans will allow us to not only balance the Budget but to pay down debt. Furthermore, there is no rate application before the PUB to increase rates as we speak.

Mr. Murray: All we are doing on this side is quoting what Manitoba Hydro officials, under oath, what they are telling Manitobans. Under oath, Mr. Speaker.

Ms. Wray was asked the question, quote: So in other words Manitoba Hydro has to make payment of \$288 million, and to make the

payment of \$288 million they not only have to pay \$288 million but they have to borrow money, and the cost of borrowing that money is going to be \$276 million. To which Ms. Wray answered, and I quote: That is correct.

Again, I ask the Premier: Will he do the right thing and reverse the decision to raid Manitoba Hydro for \$288 million?

Mr. Doer: Mr. Speaker, \$220-million surplus in the years 2001 and 2002, \$150-million dividend or requirement to help pay down the debt for the provincial government still allows Manitoba Hydro to make \$70 million in '01-02 and to have this dividend.

That is why the Business Council of Manitoba, knowing that 40 states out of 50—we were just down meeting with rating agencies a few days ago—in the United States are running deficits. The federal U.S. government is running a deficit. Many provinces in Canada are running a deficit. Even provinces that take a dividend like British Columbia are running a deficit. Here in Manitoba, not only are we balancing the Budget but we are also paying down debt, and that is, I think, a good balance for people.

Deerwood Soil and Water Management Association Funding

Hon. Jon Gerrard (River Heights): My question to the Minister of Conservation. Last Friday I visited the Tobacco Creek watershed where the Deerwood Soil and Water Management Association, led by President Mr. Les McEwen, have developed a real jewel of a water management project, an example of what could be done in many other areas of Manitoba. With 26 small dams on the upper tributaries of Tobacco Creek, the project has been remarkably successful in improving water storage and in decreasing erosion and infrastructure damage from flooding because it significantly decreased the peak water runoff.

My question to the Minister of Conservation: What are his plans to provide base or core funding for this important initiative?

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, I thank the member for

the question and I want to indicate to him that I am aware of the area that he is referring to. In fact, I visited the site myself last year.

I must say that I was quite impressed with the work that is being carried out by that particular group with respect to maintaining water and using it for the different purposes they have. With that in mind, I came back from that visit and I have conferred or consulted with other appropriate departments. We are looking at ways we can work with the conservation group there.

Mr. Gerrard: Mr. Speaker, my supplementary to the Minister of Conservation: I ask the minister why, after two and a half years of putting proposals to the minister, has Mr. McEwen, the president, recently received a letter which says there will not be base funding? Is the minister saying one thing in this House and then killing or undermining the project, in fact, outside the House?

* (14:10)

Mr. Lathlin: I can advise the member one of the options we looked at in conjunction with the Intergovernmental Affairs Department is that the group look at the conservation district concept. They have been discussing that for a while now and we are still of the opinion that the best route to go is the conservation district.

Mr. Gerrard: My second supplementary to the Premier, Mr. Speaker. I ask the Premier: Why has the Premier been talking so long and so loud about the importance of upper basin storage in flood control, and yet when there is a wonderful example of what can be done he refuses to support it?

Hon. Gary Doer (Premier): Mr. Speaker, I am glad the leader of the Liberal Party is interested in flood protection. Perhaps he could talk to his federal colleagues about support on our floodway options.

Manitoba Hydro Standing Committee Review

Mr. John Loewen (Fort Whyte): Mr. Speaker, today in this House we have an extraordinary

situation, unbelievable that the Minister of Finance and the Premier are not willing to stand up and inform Manitobans what they have been told under oath at the Public Utilities Board: that Manitoba Hydro will not only have to borrow the full \$288 million, the cost of financing will be a further \$276 million, for a total cost of \$564 million.

Seeing as the Minister of Finance will not admit to that in this House, I will ask him if he will do what he said he would do, live up to his commitment that he made on May 14 and call the Standing Committee on Public Utilities and Natural Resources immediately so that we can get to the bottom of this.

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, ever since we have come into Government, we have called the Standing Committee on Public Utilities every spring, and I am firmly committed to doing that again this year. The House leader will arrange the dates, and we, of course, will have ample opportunity to debate the details of anything relating to the Crown corporations in Manitoba.

Manitoba Medical Association Arbitration—Ability to Pay

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, this morning the Finance Minister stated clearly the arbitration process struck with doctors included the principle that the arbitrator must consider the ability to pay, similar to what teachers have. When did this Government accept this principle that, in fact, was ripped away from school divisions by Bill 42?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I indicated that ability to pay is always considered in arbitrations, as it is for teachers, and it is included within the preamble of Bill 42 for the teachers. All sensible arbitrators will look at the capacity of any government to pay the cost of a settlement that they are involved in.

Manitoba Teachers' Society Arbitration—Ability to Pay

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, on a new question.

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

Mr. Gilleshammer: Now that the Finance Minister has seen the importance of protecting taxpayers and having the ability to pay recognized in the upcoming doctors' arbitration, is he prepared to have that reinstated for teacher-trustee negotiations? That was the essence of that bill they took away, the ability of arbitration boards to consider the ability to pay.

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the legislation brought forward by the Minister of Education (Mr. Caldwell) has ability to pay as a consideration in the preamble to the bill. As we know, in Manitoba, where we have had a long experience with respect to teachers on arbitration, the ability to pay, from the time arbitration was made a legislative requirement of negotiating with collective agreements for teachers, there has always been due consideration to ability to pay, which is why the legislation was changed to put it into the preamble and not have it as a heavy-handed overlay in the interior of the bill.

Public Sector Employees Arbitration—Ability to Pay

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, on a new question.

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

Mr. Gilleshammer: The Minister of Finance stated doctors have to be treated fairly, but on the other hand it has to be affordable. He said that arbitrators have to recognize both of these factors, fairness and the ability to pay.

Is he now prepared to have the principle extended to other public sector employees?

Hon. Gary Doer (Premier): Mr. Speaker, I would refer members opposite to the preamble of Bill 44. I would also point out that with the last unstructured set of negotiations in arbitration with the doctors there was a general wage settlement arbitrated and then there were 50 separate agreements arbitrated for a 40% wage increase for the doctors of Manitoba.

The new formula is a structured environment that starts on October 1, 2002, and we will

not have a situation where we have one major contract arbitrated and 50 separate ones. It is much more structured.

Manitoba Hydro Profits

Mr. John Loewen (Fort Whyte): Mr. Speaker, under oath last Monday before the Public Utilities Board, when asked would you agree with the calculation that we have performed, that the additional finance of interest expense attributable to the \$288-million special export payment, which is incurred over the 10-year period of the IFF, would be \$276 million, under oath, Ms. Carolyn Wray admitted: Yes, that is my calculation as well.

I would ask the Minister of Finance: Is Ms. Wray wrong? Is she lying, or is he just unwilling to admit to the people of Manitoba that the cost of his dividend is \$564 million?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, many times the Member for Fort Whyte has asked me to make derogatory remarks with respect to public servants, and I think that is a very unwise thing to do in the Legislature. If the member opposite wants to attack institutions in this province, he can do that and bear the consequences.

What I am prepared to do is be accountable for the decisions we have made. We have decided, based on the extraordinary profits in Manitoba, Hydro is fully able to pay for a dividend. As a matter of fact, if the member opposite wants to do interest rate calculations I would ask him to calculate the interest rate calculations on the acquisition of Centra Gas and see how much that cost.

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

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

Mr. Loewen: My question is simple to the Minister of Finance: Given that Ms. Carolyn Wray has admitted that Hydro will not only have to borrow the \$288 million but the interest costs will be a further \$276 million, will he simply admit to the people of Manitoba that Hydro does not have the cash to make the dividend payments

and that they will have to borrow, as we have asked him numerous times in this House to admit, that Hydro will have to borrow the full \$288 million? Just admit it.

Mr. Selinger: Mr. Speaker, I think the Member for Fort Whyte is confusing two fundamental issues. The shareholders of any corporation can require that a dividend be paid based on their profits, and that is what we are doing in Manitoba. Those corporations still incur debt for capital purposes when they expand the assets of that organization for the ability to generate more profits.

We have installed additional gas capacity in Selkirk, Manitoba, and have taken out a coal plant which was operating on the edge of its licence. We have installed additional gas capacity in Brandon in order to have more backup for firm power sales in those provinces. Those kinds of capital assets are appropriately dealt with through financing arrangements. That is what the corporation will do. In the future when it wants to make investments in capital assets, it will make appropriate borrowing decisions to do that and still be able to provide a dividend out of its extraordinary profits to the shareholders, the citizens of Manitoba.

Manitoba Hydro Profits

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, what the Minister of Finance fails to recognize is that the ratepayers of Manitoba Hydro are also the taxpayers of the province of Manitoba. We have a skyrocketing provincial debt and now we have the Government offloading onto Manitoba Hydro to pay off their debt.

I want to ask the minister—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I ask the co-operation of all honourable members. I have to be able to hear the question. I have to be able to hear the answer, in case there is a breach of the rules, in order to make a ruling. I ask the co-operation of all honourable members, please.

* (14:20)

Mr. Tweed: Mr. Speaker, when asked at the PUB meetings the question was put: But you would likely chat with government about the need to improve the financial equity of Manitoba Hydro. The representative for Hydro replied: Oh, yes, the minister is well aware of the financial condition of Manitoba Hydro.

I ask the minister again: Is he prepared to admit today that Manitoba Hydro has to borrow \$288 million to pay off \$150 million of their last year's operating deficit?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the Member for Turtle Mountain has just plain got it wrong when it comes to general purpose debt in this province. We have reduced it dramatically this year. One of the things we did that the members opposite did not do is we have reduced our exposure to foreign currency debt from 19 percent down to 6 percent this year and in the balance have saved tens of millions of dollars of cost to Manitobans.

When it comes to Manitoba Hydro, one of the things that was abundantly clear was Limestone had generated excess profits through export sales every year for the last five years and was more than capable of paying a dividend.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. If members want to have a conversation, they will please do it in the loge or in the hallway. We have to be able to hear the member that has the floor.

Winnipeg International Air Show

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, I had the great pleasure of attending the 8th Winnipeg International Air Show on Sunday, June 2.

The air show's mission statement states that they are a non-profit organization which promotes education and interest in aviation and the

armed forces, provides family entertainment, and assists charities and community groups in raising funds supporting children and youth, and this year featured attractions from Canada and America.

The Winnipeg International Air Show welcomed the Snowbirds this year, with world-renowned aerial formations. I was happy to see the highlight of the show, Canada's famous aerobatic team, the nine-plane formation of the Canadian Forces Snowbirds.

Other demonstrations included the F-16 Fighting Falcon, the CF-18 Hornet, the Shock-wave Jet Truck, the Griffon Helicopter, the BIB Bomber, and the C-130 Hercules, which is an air-to-air refueling aircraft. There was also a demonstration by the Manitoba Hang Gliding Association. As well, there were monster trucks, and visitors were even allowed to ride in them.

The air show received support from various local and corporate businesses which contribute their resources, but the air show credits their continued success with the commitment of hundreds of volunteers and community groups that donate their time and hard work.

This year the show director, J. Barry Lynds, said that there was a base of 500 volunteers. It is also nice to see that the show has an ongoing commitment to raise money for charities and community groups throughout the province.

Mr. Speaker, I am very happy that this event went forward. In light of the events of September 11, there had been concerns about whether it would happen. I am glad that the organizers involved were committed to seeing that this show would go on. I would like to thank the organizers, as well as the businesses who helped make this happen. I would especially like to thank the volunteers, without whom this would not be possible. As a result of the hard work of so many, everyone present was treated to a first-class event.

Miss Manitoba Pageant

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, I rise today to recognize an outstanding young woman who we have here with us in the

gallery today. Neela Kati, a lifetime resident of St. Norbert, has been crowned Miss Manitoba for 2002.

The Miss Manitoba Pageant is held over four days with the contestants participating in various social activities as well as essay writing, etiquette classes, the formal interview, personal talent and participating in a fitness test. The weekend is capped off with a pageant evening where Neela came out on top, receiving her crown, sash, flowers and the title of Miss Manitoba 2002.

I have had the privilege of knowing Neela's family personally for many, many years. Who could ever forget the house on Cloutier Drive in St. Norbert that was always so nicely lit up at Christmastime until 1998, not only by the colourful lights but by Neela's beautiful smile that was always there, handing candies out to the kids. Dr. Arvind and Nancy Kati are very proud of their daughter's accomplishments that she has had over the number of years.

Mr. Speaker, over her 26 years, Neela has demonstrated her tireless efforts in community involvement. I remember her participating in the flood of '97, where she was handling the sand bags at a number of areas right from the very south of the city and right down into the heart of the city itself. She has also raised funds for the United Way, Cystic Fibrosis, and children and youth groups in the city of Winnipeg.

Holding the title of Miss Manitoba will allow her to be further involved in the community by assisting charities and promoting tourism through the many appearances she will have throughout her reign. I am sure I speak for all Manitobans when I say that we will be very proud to have Neela representing our great province at the Miss Canada International Pageant this August. We certainly wish her the best of luck.

Mr. Speaker, for being so young, Neela has certainly accomplished a great many things. I have no doubt that she will realize her goal of becoming a dentist. I take this opportunity now to congratulate her for all she has achieved and contributed to the community. I wish her the best of luck in all her future endeavours.

Millennium Works Community Gardens

Mr. Harry Schellenberg (Rossmere): Mr. Speaker, I recently attended the opening of the Millennium Gardens-River East Project. This is a community-operated garden and recreation area planned to enhance the lives of senior citizens and others in the River East area.

This 50-metre by 75-metre area is located in the Douglas corridor between Safeway and the Petrasko garden centre on Henderson Highway at Douglas Avenue. The City of Winnipeg has approved this area for gardens. This garden project consists of 39 raised garden beds of varying heights to accommodate senior gardeners, including 6 raised beds for wheelchair gardeners and also a grow-a-row area for vegetables.

This project will include a shelter shed, two water systems, a place for the storage of tools, and a community billboard. Plans are in place, Mr. Speaker, to have a wildflower garden, a gazebo, park benches and picnic tables. For many seniors who live along Henderson Highway this is an opportunity to engage in a meaningful activity. The need to socialize, exercise and to grow a beautiful garden are all a contribution to good health.

A steering committee, associated with Good Neighbours Senior Centre and with the guidance of Miss Sonja Lundstrom from the senior health team of the Winnipeg Regional Health Authority, Mr. Speaker, worked hard to bring this garden project to its completion. Financial support has been received from Eco Action, Sustainable Development Innovations Fund, Winnipeg Foundation, Manitoba Hydro, the DeFehr Foundation, CIBC, Royal Bank, Safeway, Bank of Montreal, Toronto-Dominion Bank, East Kildonan Kiwanis Ladies Auxiliary and the East Kildonan Garden Club. The total cost of this project is estimated to be about \$90,000.

I especially commend the steering committee, which consists of Darlene Karp, Pauline Senkiw and Diane Wickenden for their dedication and hard work for this project which will make a real difference in the lives of seniors in the River East area.

Electoral Boundaries

Mrs. Joy Smith (Fort Garry): I rise today on a very serious issue that substantially affects the residents of my constituency in Fort Garry. As a result of the Winnipeg Wards Boundaries Commission final report released in November 2001, the city ward of Fort Garry will no longer exist. Instead, the community has been split up and divided amongst the wards of Fort Rouge and River Heights. These new ward boundaries will take effect in September 2002, prior to the upcoming civic elections in October 2002.

* (14:30)

In December of 1999, the Winnipeg Wards Boundaries Commission presented a number of recommendations to the Minister of Intergovernmental Affairs (Ms. Friesen). Included in those recommendations was the commission's request for greater flexibility in determining the number of wards in Winnipeg. In July of 2001, the NDP government amended the city of Winnipeg to allow the Winnipeg Wards Boundaries Commission to change ward boundaries of Winnipeg and to make the ward boundaries established by the commission final and binding. Unfortunately, the Minister of Intergovernmental Affairs failed to provide the commission the flexibility they had asked for in their December 1999 report.

On behalf of the people of Fort Garry, I along with a number of other concerned citizens, presented our concerns to the Wards Boundaries Commission and lobbied that Fort Garry be kept intact. Unfortunately, the lobby to keep Fort Garry together was not successful. It is regrettable that the Minister of Intergovernmental Affairs and the NDP government did not fully respect the original recommendations of the Winnipeg Wards Boundaries Commission. If the NDP government had, the community of Fort Garry would have been saved. The Minister of Intergovernmental Affairs decision has resulted in the elimination of our historic place as a community in the city of Winnipeg.

St. Amant Centre

Ms. Linda Asper (Riel): Mr. Speaker, on Mother's Day, May 12, 2002, St. Amant Centre hosted its seventh annual Miles of Smiles walkathon and family fun day. Funds raised were for new equipment at the centre which provides

quality care and services for Manitobans of all ages with developmental disabilities. It is a valuable resource located in Riel constituency.

St. Amant Centre was established by the Grey Nuns in 1931 as the St. Boniface Sanatorium to provide care for patients with tuberculosis. It adapted to the community's needs and took on the task of extended health care, changing its name to St. Amant Centre in 1974. In 1989, St. Amant Foundation was created to support programs and services provided. Funds were raised through campaigns, sponsorships, major gifts and planned gifts. Today the centre is still committed to the work that was begun by Béatrice St. Amant. In 1939, she established the Youville Epileptic Hospital to care for children with epilepsy.

St. Amant Centre is currently owned and administered by the Catholic Health Corporation of Manitoba and funded by the Department of Family Services. Its mission is to be dedicated to excellence in leadership and care, education and services for children and adults with developmental disabilities. The centre's philosophy states, "Each individual is entitled to a life of quality, dignity and respect." St. Amant Centre offers a wide range of individualized programs and services that enhance the quality of life of children, adults and their families. Some of these programs include autism treatment, family care, community support and respite programs. I would like to thank the Board of Directors, Denis Bourrier, executive director, and the centre's staff for their hard work and commitment in making a difference in people's lives. Thank you, Mr. Speaker.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please call debate on second readings, Bill 14.

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 Amended), standing in the name of the

honourable Member for Minnedosa (Mr. Gilleshammer).

Some Honourable Members: Stand.

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

* * *

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of Finance (Mr. Selinger), that the House resolve into Committee of Supply.

Motion agreed to.

**COMMITTEE OF SUPPLY
(Concurrent Sections)
CONSERVATION**

* (14:40)

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.

We are on item 12.9 Amortization and Other Costs Related to Capital Assets (a) Desktop Services (1) Amortization Expense - Hardware and Transition \$646,100 on page 52 of the main Estimates book—pass; (2) Amortization Expense—Enterprise Software \$115,700—pass; (3) Enterprise Software Licenses \$265,200—pass.

9.(b) Amortization Expense \$1,421,000—pass.

9.(c) Interest Expense \$420,500—pass.

Resolution 12.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,868,500 for Conservation, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: We will go on with 12.10 on page 52.

Mr. David Faurshou (Portage la Prairie): Mr. Chairman, I believe that you were looking

down and not in observation of my raised hand for section 12.9.

I would like clarification from the minister in regard to item 9.(a)(3) Enterprise Software Licenses for over a quarter of a million dollars, where we did not have any expenditure in that column last year. Could he, perhaps, provide a little detail as to what expenditure his department is now incurring that did not incur in the past?

Mr. Chairperson: Order, please. Is there leave to revert back to item 12.9.(a)(3)? [*Agreed*]

Hon. Oscar Lathlin (Minister of Conservation): Mr. Chairperson, I do not have information at that level, so I am going to have to make a commitment to the member that I will get that information and forward it to him as soon as I am able to—that is, the Enterprise Software Licenses section.

Mr. Chairperson: We will go on to item 12.10 on page 52. Item 12.10. Flood Proofing Programs - Capital Grants \$8,080,000.

Mr. Harry Enns (Lakeside): There is obviously going to be a great deal more discussion about the overall floodproofing plans that the Government is proposing to undertake. We will have other occasions to raise this matter. I just want to put on the record that we are not just summarily passing an \$18-million item here without due examination.

We will be particularly interested in how the Government is faring with their negotiations with Ottawa, with respect to some significant and substantial federal sharing of some of these floodproofing costs. There will be occasions where we may be asking these questions on concurrence in the House at a later stage.

I acknowledge the role that both the Premier and the Minister of Finance (Mr. Selinger) have in this major undertaking, which could amount to some \$600 million when it is all included in its totality. I do not think it would be particularly productive for us to try to analyze exactly what the minister intends to do with this \$18 million.

With those few comments, we will pass this item and get to the Minister's Salary. I have

some colleagues that have a few general and specific questions that they would like to raise with the minister when we deal with this salary item.

Mr. Chairperson: 12.10. Flood Proofing Programs - Capital Grants \$8,080,000-pass; Infrastructure \$10,439,400-pass.

Resolution 12.10. RESOLVED that there be granted to her Majesty a sum not exceeding \$18,519,400 for Conservation, Flood Proofing Programs, for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: The last item to be considered for the Estimates of the Department of Conservation is item 1.(a) Minister's Salary \$28,400.

Mr. Enns: As I indicated, there will be some general questions that some of my colleagues, including myself, want to put before the minister before we pass this item, understanding as we do that the minister speaks for all matters in the department. We appreciate the fact that staff are not with him, but we also appreciate the fact that he has undertaken to provide information to members if they are asking very specific questions.

Mr. Faurchou: I would like to ask the minister, as I had alluded to in last day's committee, it is vitally important that we attempt to have areas of conservation around and about our waterways, whether they be still or flowing, that preserve the soil and maintain the water quality that is attributed to vegetation. At the present time, all parties that are in ownership, producers like myself that have waterways within their farm properties, make every effort to maintain them and preserve them for future generations. But, as the minister is quite aware, with the economic stresses that we as producers are faced with currently, sometimes we are financially unable to provide these types of conservation measures because we are forced to make use of every available producing acre.

Currently, the Keystone Agricultural Producers have a program, an Alternate Land Use

Services program, more commonly referred to as ALUS. It is a program that has been endorsed by the Canadian Federation of Agriculture, and, as well, has seen favourable discussion at federal levels in regard to a broad-based support from the federal government.

It has been discussed with the Minister of Agriculture, but are you, Mr. Minister, familiar with the program that has come forward that effectively recognizes the importance of vegetative areas round and about waterways, and to recognize that it is a benefit to not only those that own the property, but those in our urban settings that ultimately will benefit from the habitat that is preserved? Whether it be for waterfowl or fish and other wildlife species. I am greatly interested to know whether the minister is familiar with the program.

* (14:50)

Mr. Lathlin: I would like to indicate to the member that I am aware of the program. I am not intimately knowledgeable about the ins and outs of it, but I am aware of the general thrust of the program.

I want to also indicate to the member that I think I have alluded to this in my earlier responses, and that is, through the Manitoba Habitat Heritage Corporation, we were able to lever, I believe I said \$3 million with the \$640,000 that we were able to give to the corporation, some of which was used for the purpose that the member was referring to.

So, since I have been minister, I have met with the Habitat Corporation twice now, and they continue to impress me with the good work that they are doing with respect to preserving areas along the riverbanks, river mouths, vegetation, and so forth. So I am quite supportive of that program.

I also wanted to, again, indicate to the member that with respect to the issue of water, I think around the Portage la Prairie area, particularly as it relates to irrigation, let me repeat the response that I gave last week. That is to say, the advice I am given so far indicates that there will be enough water, but further studies are being undertaken to finally determine that.

But so far, as far as the quantity of the water is concerned, I am being told that there will be an adequate supply,

Also, the study that we are doing on the Assiniboine River will tell us, in the end, in about three years, the quality and health of the water in the river. So we are concerned with both areas, the quality of the river, the health of the river, as well as whether it can accommodate irrigation, all the pressures that are on the water supply.

Mr. Faurshou: I thank the minister for his response.

Before I leave that topic, I just want to encourage the minister to liaise with the Agriculture Minister in this regard, and I believe that both departments have a common interest in seeing this program adopted and pursued.

I do also want to state that the member of his staff, Mr. Steve Topping, has an infinite amount of knowledge of the Holland dam project, and I encourage him to ask Mr. Topping for a presentation as to the merit of the program. I am certain Steve would be most accommodating in that regard.

Now my final question I have for the minister is one that I had mentioned to him in private, and it comes again by way of the front page of the University of Manitoba Bulletin, and that being the university sod-turning ceremony for the new residence at the University of Manitoba Delta Field Station, which is in the constituency of Portage la Prairie and more properly known as the Delta Marsh.

As he is aware through our conversation, the lease that the university has with the Department of Conservation will expire in about two years' time, and there has been significant investment by the university in those leased properties.

I would like to ask the minister as to whether he has had opportunity to consider what we discussed as to the potential sale of those properties to the University of Manitoba, so as to safeguard the investment that the University of Manitoba is making for long-term use.

Mr. Lathlin: Again, I want to indicate to the member that the day he passed me on that

request, I alerted staff by way of a note that we would be needing that information and for someone to check it out for me.

Earlier this morning I was advised that I am meeting with the Minister of Transportation and Government Services (Mr. Ashton). I am not sure if it is tomorrow, but I am meeting with him this week, apparently to discuss this very issue.

Mr. Faurshou: I just want to thank the minister for that response. Yes, this particular property would have to go from his department through Government Services to effectively be declared surplus in order to facilitate the land transfer to the University of Manitoba. I encourage him to deliberate with the Minister of Government Services. Thank you very much for your response.

Mr. Peter Dyck (Pembina): Last week I had the opportunity to ask the minister and his department regarding some of the—what I was looking at was some proposed dams, the Pembina, and I know the upstream dam at Lake Minnewasta. This weekend I had opportunity to meet with some of the local agri producers, namely those who use water for irrigation. They are producing potatoes and onions.

Now, the question here is regarding the retention ponds that we built. We started building those a number of years ago I know when we were in government. There certainly has been good uptake by the producers. I know it has been a cost-shared program. I believe the name of the association is the Agassiz Irrigation Association.

The question that I have of you is: Where is that at? In discussion with them at this point in time, they are led to believe that there will be assistance to continue some of these retention ponds. But at this point in time they have had no clear directive, and do not know what is taking place. So I would ask the minister if he can give some clarification on that, and some direction, so that the producers out there, who have now basically finished planting their crops, will be able to proceed, and to continue to build some of these retention ponds for irrigation purposes.

Mr. Lathlin: I am going to have to apologize to the member. I am aware of the Agassiz Irrigation

Association and their work and the irrigation ponds that he is referring to, but as of right now I am not entirely sure of where that issue is. So rather than trying to guess I would like to propose to the member that I go back to our department and get the most up-to-date information. Then I will pass it on to the member as soon as I am able to.

Mr. Dyck: Just to assist these producers, do you know about what time line we would be looking at? Would he be able to get that information fairly quickly?

Mr. Lathlin: Well, because of the nature of this request I can endeavor to provide him with that information, let us say, by the end of the working day tomorrow.

Mr. Mervin Tweed (Turtle Mountain): I just have a couple of questions too. I certainly do not fully expect the minister to have all the answers, but I would ask if he would make a commitment to get them.

The Carberry area, I think, as the minister knows, relies heavily on irrigation for their agricultural product that they produce. One of the things, questions that I am being asked, and I said that I would just seek clarification more than anything, was in regard to water licence applications. Now, I am not sure of the process, but I guess what I am hearing and where I would like if the minister can answer or could provide the answers, are water licences, particularly for the purpose of irrigation, transferable with the sale of land. If so, or if not, is that a policy of the Government that has been an ongoing policy? If there was a policy change, I am wondering if the minister could provide at some point in the near future, perhaps in writing, just if there was any policy shift in that.

The reason I ask is there just seems to be some confusion out there amongst people, I think, with water licences. I do not even know if their big concern is about selling property, and being able to transfer the licence. I think they are really seeking more just clarification as to what the policy is, and if it is changed. If the minister wants to comment on that now, I do have one more question that I would like to ask after.

Mr. Lathlin: Again, Mr. Chairperson, I would ask for the member's patience. I understand the

question, and I will get that clarification in writing for him this week.

* (15:00)

Mr. Tweed: Thank you, and I appreciate that. The only other thing that I would like to do is maybe pitch the minister on a project that we have in one of our constituencies at Rock Lake. I know that he is aware of it and I know that the people in that area have been working hard to develop the project.

I am sure the minister is aware that Rock Lake, Pelican Lake and Swan run together. Pelican Lake has had tremendous success in development in increase in the tax base by managing the water and, I think, portraying to the people that are coming there that there is a good recreation opportunity. I think Rock Lake is trying to duplicate that with a water control system, as is Swan Lake further down.

I think my goal would be to see all three projects completed. We now have Pelican Lake, but as for Rock Lake and Swan, I know there has been some discussion between the two communities where we should start at Rock or at Swan Lake and come back, or at Rock Lake and advance.

I do think there is a strong sentiment out there amongst the people that they would like to see it happen for the obvious reasons, the economic reasons, but also the management and the flow of water and the control of water, I think, is becoming more and more important.

I would just ask the minister if he could provide me with an update as to the status of the project, and perhaps I could be able to share that with the members of the Rock Lake committee.

Mr. Lathlin: Mr. Chairperson, yes, I am aware of the project that the member is referring to. I believe the term used to refer to that area was, I think, did they not say Tri Lakes—Rock Lake, Pelican and Swan Lake.

In fact, I met with the group for the first time when I was in Brandon during the forum, and I have since met with them once in my office here in Winnipeg. We know what the

project is all about. I think it is a worthwhile project. It would achieve some desired results, both from their perspective and also from government's.

The status of the project right now: we are still reviewing it. I also have to be very honest with the member with financial considerations forever looming over your head, decisions are made based on where do we go, the area with the highest priority. But it is still there. I might want to revisit it again, probably in a short while.

Hon. Jon Gerrard (River Heights): One of the people who was on the minister's staff for quite some time while he was the minister was Mr. Glen Holmes. Mr. Glen Holmes, as I understand it, was hired at about the time that the minister took over his portfolio, as the minister's political staff. Is that correct?

Mr. Lathlin: Yes. I know that Mr. Holmes was hired, I think, well, the day before I was sworn in as minister.

Mr. Gerrard: You mentioned that he was hired the day before you were sworn in as minister, so he was not hired by you. He was hired by whom?

Mr. Lathlin: I believe Mr. Holmes was hired through the transition team. Probably I am guessing here, maybe I should not be guessing, but I would say that it would have been through the chief of staff.

Mr. Gerrard: When there were initially some concerns brought forward to Mr. Holmes by Messrs. Stuart and Allan Jones, in December of '99, did Mr. Holmes then bring those to your attention?

Mr. Lathlin: Mr. Chairperson, I have advised the member in the House through previous questioning with regard to this matter that I am going to await the report of the Ombudsman. I understand I will be meeting with the Ombudsman very shortly, and I would just like to respectfully request the member that maybe I should wait and meet with the Ombudsman. Then I will be in a position to answer more questions at that time. I make that request with the greatest of respect.

Mr. Gerrard: That is fine. I will not pursue that immediately as I had, but I would like the

minister to talk a little bit more about his relationship with Mr. Holmes in general, whom he has worked very closely with, I gather, until quite recently.

Mr. Lathlin: I can say that Mr. Holmes worked in my office as a special assistant from the late fall of 1999 until approximately a month ago.

Mr. Gerrard: So the minister indicates that Mr. Holmes has left. Was that because he decided to move on to another opportunity, or because he was fired?

Mr. Lathlin: Mr. Chairman, no, far from being fired, for Mr. Holmes, an opportunity came up within the department. He advised me that he was going to pursue that opportunity, and I supported him. He made application, and he went through the regular process through the Civil Service.

Mr. Gerrard: So is the minister indicating that he is now employed somewhere else in the department?

Mr. Lathlin: Yes.

Mr. Gerrard: Could the minister tell us what Mr. Holmes is doing currently?

Mr. Lathlin: Mr. Chairperson, I really do not have a good idea just exactly what his title is or his role is. I just know that he has gone to work for the department, I believe, in the Environmental Stewardship area.

Mr. Gerrard: Just a little bit more clarification, clearly he brings some environmental expertise of some sort to be working in that area and to have qualified on his merits. Perhaps the minister could tell us a little bit more about Mr. Holmes's background.

Mr. Lathlin: Yes, I believe Mr. Holmes has the necessary technical background. I know that he has the academic background. I believe he graduated from the University of Manitoba with a master's degree in Natural Resources, and that has been his area of speciality, environment and natural resources.

Mr. Gerrard: One of the issues, and I know that the minister may wait to talk to the Ombudsman

about this, but one of the points, I bring it up partly because it is an area of concern, and I have not raised it with the minister before: the Hecla advisory committee in the Ombudsman report was said to be not accountable to government. Now the Hecla advisory committee, in my understanding, is still in existence, is it?

Mr. Lathlin: I am not entirely sure. So I would like to advise the member that I want to check that out very carefully before I give him the answer. I just do not want to guess that, yes, I think it is still going. I have been dealing with it lately myself, but only from the historical end of it. So I would like to ask for the member's patience again, and propose to him that I give him that information as soon as I am able to.

Mr. Gerrard: Since the minister has been in his portfolio now for two and a half years, a little bit more, and presumably has dealt with the Hecla advisory committee from time to time in his capacity as minister, is it the minister's view that the Ombudsman's view—that this was not accountable to government, correct?

Mr. Lathlin: I believe this advisory council operated very similarly to other advisory councils that get appointed by government, Mr. Chairperson.

In Conservation, when I first came along, during briefing sessions and orientation, I counted some 30 organizations, and I know there were more organizations that were of the advisory nature, some through Crown corporations, some very informal, some by Order-in-Council.

I believe that when you are in an advisory role, that is exactly what it is. You are an adviser and the Government can accept your advice or recommendations, or it can sometimes choose to wait or maybe not accept your recommendations. I believe this advisory council was operating in a similar fashion.

* (15:10)

Mr. Gerrard: The Ombudsman, I believe, and I do not have the report right in front of me, but I believe he also said that the Hecla advisory council was not appointed by government.

Normally, such advisory councils are appointed by government. I just ask the minister what his view of this situation is.

Mr. Lathlin: Well, Mr. Chairperson, I am not sure what the member is asking me as to my view of the situation. I am not clear what he is asking.

Mr. Gerrard: Well, normally, when you have a council of one form or another, they are appointed for a period of time and then they are renewed. Did you ever have occasion to look at the time frame during which these individuals would serve?

Mr. Lathlin: Yes, I am aware of how that goes, that when boards and commissions are appointed, they are usually appointed for a definite period of time. The appointment expires and new ones are appointed or some are re-appointed, depending on the situation.

With respect to this particular advisory council, it is one of several groups that have never come across my desk, in that kind of a situation where it needed re-appointments or new appointments or extensions. I just never dealt with it before until this issue came up. Therefore, I am not really certain as to whether some new board members had to be advised. The member is suggesting that the Government was not responsible for appointing the members.

If government was not responsible for the appointment of those members, that is probably why I had not seen that particular advisory council, any paperwork going across my desk anyway.

Mr. Gerrard: I thank the minister for his comments, and I would certainly appreciate if the minister would look into this, and provide a clear answer as to what the status was; whether the people were appointed, whether they had terms of any particular duration, what the nature of the terms of reference for the committee were, if that is possible.

I just want to get a reply from the minister, whether he would be able to provide that information.

Mr. Lathlin: Yes, Mr. Chairperson, I will endeavour to do that for the member as soon as I am able to.

Mr. Gerrard: One of the issues which, indeed, I raised in Question Period today dealt with upper

basin storage. I would just like to get clarity on the minister's approach to upper basin storage of water.

Mr. Lathlin: Mr. Chairperson, yes, I am glad that the member is raising that issue again, because in Question Period you do not have enough time to really get into it to give it the proper perspective.

But in this case, as I said earlier in Question Period, I visited the area. I was invited, first of all, and we went there with staff, and we were given a tour. Like I said in the House, I was quite impressed with what they were doing in Tobacco Creek. I forget the name of the organization, but I spent about half a day there looking at their operations and going into their office. They were giving us video, you know, through the computer, presentations.

After I came out there, as they were driving me back to town, I was asking them, you know, this is such a good way to do it, it makes sense; why is it, though, that we are not sharing that with anybody else? I said this concept could be used anywhere in Manitoba. I told them that I would like to look at it further, instead of just doing it for that little region, although it works very well. As I said, I was impressed.

So I came back to Winnipeg, and I discussed it with staff. I said but I have one question. It works so well, how come it operates only in that area? How come the people do not want share that with others? Maybe they could work with other areas. I believe as a result of my questions and consultation with the Department of Intergovernmental Affairs, further meetings ensued. Some correspondence, I believe, took place, and Intergovernmental Affairs got to the point where they actually proposed the idea of a conservation district. Now, I may be wrong, but I believe Intergovernmental Affairs is still trying to convince the group that in order for government to get plugged into the bigger picture, not just in Tobacco Creek, that they go by way of conservation district. I am advised that there is a bit of a reluctance on the part of the group to go the way of conservation districts; however, I understand that discussions are still ongoing, so the idea is not been dropped completely.

* (15:20)

Mr. Gerrard: Just to come back to the question that I originally asked: What is the minister's overall approach to upper-basin storage?

Mr. Lathlin: Well, we have said that it is a good concept. It is a good approach, you know, for a variety of reasons. You could prevent flooding. It comes in handy also in times when it is dry, but also, such as the one that I saw in Tobacco Creek, I think it also served for environmental reasons. I think it is one way to protect the environment so I am quite supportive of those concepts. It is just a matter of getting enough and the right resources to do it. I believe that is why Intergovernmental Affairs was recommending it, because the idea of conservation district seems to work quite well in other regions of the province and you can access and lever a lot more money that way. Therefore, I still support the idea of maybe a conservation district, and that conservation district can look at the very approach that the member is referring to.

Mr. Gerrard: I am going to turn it back to the Member for Lakeside (Mr. Enns). I may have a few more questions later on.

Mr. Enns: Well, Mr. Chairman, I want to summarize the examination of these Estimates as best I can. I do sort of remind all of us at committee that it is a unique challenge and responsibility to do just that. We sometimes think that governments are just there to pass laws, and it is somewhat unique to Manitoba.

Just in the last week, we have read in front-page headlines that for the first time in many years the parliamentarians in Ottawa will get a chance to ask of their ministers and their departments how they spend \$170 billion. I am moved to say that perhaps if their bureaucrats and their ministers had to go through the same exercise that we have here in Manitoba, we would not be losing too many millions of dollars, as acknowledged by the Prime Minister recently in a recent speech. So, while it is a somewhat odious exercise for the ministers, and I know some of the staff do not always appreciate being grilled at these committee hearings, it is a very important function that we perform.

I have to say, with regret, Mr. Minister, that really you have offered us a great deal of smoke and mirrors and have been very successful at it, as these Estimates point out. You have managed to portray, particularly throughout different parts of rural Manitoba, that you are solving 11 years of neglect in the important issue of drainage and water resource, and we find out, Mr. Minister, that a very modest increase is being dedicated to that in these Estimates, \$1.4 million, of which the bigger part of it is to replace bridges, by the information that you have shared with the committee.

In that very important appropriation, 12.8.(a), we have seen an actual million-dollar decrease. This is the appropriation that looks after our park maintenance, looks after our general infrastructure maintenance of the department. Where the department interfaces most directly with the citizens of Manitoba, you are spending a million dollars less, Mr. Minister. Smoke and mirrors, I say, Mr. Minister.

You will have to acknowledge that these Estimates do not reflect any sudden realization that there is catch-up work to be done with respect to the infrastructure of our parks, of our overall massive investment in drainage across the country. You are doing some but not anywhere near the amount that you have led us to believe. You have been pretty successful, Mr. Minister, in presenting that case.

My job, of course, is to do exactly what I am doing and find out exactly where some additional work is being done. We are finding out in too many instances, and the member from River Heights talks about a very successful, modest little program where this community built 26 little dams and have done a marvelous job. They received, under the initiative of the previous administration, modest amounts of money. They also, in fact, received some federal money for this initiative, but the minister cannot tell us whether or not he is at all supporting its expansion anywhere else in the province.

My colleague from Pembina asked, again, a modest initiative on the part of the previous administration to help out with providing water for our important potato industry for irrigation, where we were building what I call oversized

dugouts; helping the farmers to dig, and particularly in the Winkler and the Morden area, oversized dugouts that would irrigate a section or two of potatoes. The Agassiz Irrigation people—I think the minister is familiar with them—they would like to continue with that program. I see nowhere in these Estimates any ongoing support for these kind of hands-on policies.

Mr. Chairman, we have had a chance to impress upon the minister that the works of this department are extremely important in conjunction with the agricultural opportunities in this province. The two particular issues that I want to mention in wrapping up these summaries are the TB question that is troublesome to the Manitoba beef and cattle industry, particularly, but to all livestock producers in Manitoba is extremely serious. While it is essentially his colleague in the Ministry of Agriculture's portfolio to deal with, a great deal of co-operation will be looked for on the part of your Conservation officers.

If, in fact, wild elk are to be quarantined; if, in fact, some arrangement has to be made to better control these animals that are carrying the TB disease, your field staff will be called upon to work with Agriculture Canada, with the Manitoba Department of Agriculture, to try to contain this very serious threat to Manitoba agriculture, and it is extremely serious. The livestock industry is more important to Manitoba than wheat and canola. Wheat is no longer king in the agriculture sector of Manitoba.

The other issue, and my colleague from Portage raised at some considerable length with the minister all and all, is the issue of drought-proofing. Mr. Chairman, through you to the minister, in my humble opinion, it is equally as important as flood-proofing. In many respects, a drought or chronic drought can be more crippling than a flood that may come once a century, or once in 20 or 30 years. With drought, you lose everything, as well, Mr. Minister; no crops, devastation of our livestock herds.

So I would ask the minister to give some consideration to the advice that he has heard as a result of these hearings, take the time to have that presentation that my colleague from Portage had mentioned to be made to him, to familiarize

himself with some of the opportunities of better water management. I believe it is in keeping with what the minister has talked about water management. I believe it is in keeping with the overall water management strategy that the minister and his department speaks of.

Mr. Chairperson, I want to just mention that I have every respect and I listened very hard when the First Minister (Mr. Doer) talked about his policies with respect to First Nations people and their involvement in the co-management of our resources. I know that we dwelt primarily on the fishery resources of specific lakes like Lake Dauphin, Lake of the Prairies.

Mr. Chairman, I wish the minister every success. There needs to be a resolution, a harmonious resolution to this issue. I caution the minister that it is a very big challenge. The references that he has made on several occasions to the situation on the eastern waters, Halifax, Burnt Church examples, are troubling to me in the sense that there is open confrontation with government there, not what I would call co-management.

I am very fearful that what we are potentially looking at is dual management of a single resource, and that will fail. That will fail. There is only one resource, and to that resource, whether it is fish or elk or some other wildlife species, migratory game birds, it really does not matter who is harvesting them or who is exploiting them or using them, if it is not done in a responsible manner, the resource will be the loss for it. We will lose out on the long term. So I wish the minister well in his endeavour. We will be watching that with great care and with great interest. It is in the interest of all of us that the minister succeeds in this very important task.

Those are my comments. I was going to conclude the Estimates at this point by moving a resolution with respect to the minister's salary, and I do not move it frivolously. This Government and this minister have accepted the concept of balanced budget legislation. We believe very, very sincerely in opposition that you have not, and your Government has not, achieved that, and collectively you are exposed to the penalties that exist in the balanced budget legislation. So, when you call the line of the Minister's Salary,

Mr. Chairman, I will be moving a 20% reduction in this minister's salary.

* (15:30)

Mr. Chairperson: The question before the committee is line 1. Administration and Finance (a) Minister's Salary \$28,400. Shall the line pass?

Mr. Enns: I move that line 12.1.(a) Minister's Salary be reduced by \$5,680, seconded by my colleague, the Member for Turtle Mountain (Mr. Tweed).

Mr. Chairperson: I would like to inform the Member for Lakeside (Mr. Enns), we need that motion in writing.

I will read the motion by the Member for Lakeside:

THAT line 12.1.(a) Minister's Salary be reduced by \$5,680.

The motion is in order.

Hon. Steve Ashton (Minister of Transportation and Government Services): I am curious with the resolution brought in by the member, because I suspect that the Opposition has a computer program in which they, this session, are just going to routinely add in a minister's name on a motion of this type. You know, it is interesting because time was when moving a reduction in the Minister's Salary was (a) relatively unusual, and (b) a little bit more creative than we have seen in this session. It was usually tied to a significant issue. It is interesting, because already the members opposite are saying, well, this is not a significant issue.

Quite frankly, the motion seems to me to be a rather routine attempt by members opposite to make some politics, but, I mean, that is part of the process. That is not what I have so much difficulty with. I think the Member for Lakeside (Mr. Enns) really let it out of the bag, in a way, because his big criticism of the minister that I just heard a few minutes ago was that the minister really was not doing all that much. Yes, there had been an increase on the Conservation side for dealing with drainage issues but really

was not doing all that much to clean up the 11 years of neglect. Well, you know what is interesting is 11 years of neglect.

This seems to be a theme, by the way, of members opposite in this session. To use a farm analogy here, their basic theme throughout the entire session is that, yes, they opened the barn door, and, yes, the horses are out of the barn, but we should be criticized as a government for not getting the horses back in quickly enough.

I must say, Mr. Chairperson, there is a word for that, and I hope Hansard can spell it correctly. It is called chutzpah. We hear it on health care day in day out. We hear it on this issue. I want to say on the record here that I am very proud of the work that this minister has done and the fact that, yes, we have started to turn around those 11 years of neglect.

I am not going to get into what has happened in my department. That will come in terms of Estimates. But I want to put on the record that this minister has made a significant difference.

I want to go further than that, because, quite frankly, I think this minister has also, I believe, made a significant difference in basically bringing together, and it is not easy at times, but bringing together many of the different diverse issues in terms of resource use. Particularly, it is very easy for members opposite to be critical, but, you know, I think this minister played a leadership role in recognizing that in some cases we can, in fact, in many cases we can bring together different resource users. It is not an easy process, but we have to work out a system in which we can all share in those resources.

Of course I am referring, certainly I think this is very important, to some of the work this minister has done to finally, I think, recognize the significant role of Aboriginal people, not only in terms of resource use, but, quite frankly, in terms of employment in this department. This minister has put a clear message out there that one of the ways in which this department is going to be able to properly manage the resources of Manitobans is to be an inclusive department increasingly. I give the minister particular credit.

I just picked two of the areas. I could continue. People may say those are rather localized to Manitoba. Let us look at the lead role this

minister has played on the Kyoto Accord. I am proud, by the way, of the position this minister and this Government have taken on the Kyoto Accord. I realize there are some differences of opinion. Ralph Klein, with his theatrical approach in Moscow, on the Team Canada mission, I was quite frankly very disappointed with that approach. I expected Alberta to have a different approach on Kyoto. I think, by the way, they are missing the point. I think there are as many opportunities from the Kyoto Accord as there are potential difficulties. Our minister has been a lead player at the national level in pushing for the final discussions on the Kyoto Accord.

Particularly members opposite here, I know this may create some difficulty for them, but pointing to the fact that our hydro resource—that I know our Finance Minister, our Hydro Minister (Mr. Selinger), keeps pointing to as one of our great advantages, our Premier has said this, those hydro resources have a specific role to play in terms of achieving the Kyoto Accord.

In fact, we can see a significant advantage by using that clean source of power to, once again, not only meet our own targets but also to allow other jurisdictions. I look at the tremendous relationship we have with, for example, Minnesota, with Northern States Power. Here is the beauty of this. We produce the hydro, we sell it to the Americans, we make profit on it, that benefits us as a province, and guess what? It also benefits the world, in terms of achieving the goals of the Kyoto Accord.

* (15:40)

I want to put on the record, you know, this minister has taken a lead role, quite frankly, because, if anybody doubts that we have difficulties in terms of global warming. Just look at the instability of weather patterns. I know this as Minister responsible for Emergency Measures. I want to indicate on the record that I have seen on the other end that we have paid out probably more than \$250 million in disaster assistance just in the last five years. Instability of weather is one of the predictable outcomes of global warming.

Quite frankly, I think if members were to look at the lead role the minister has played on

this national, international issue, I would say a 20% pay increase might have been a symbolic gesture. I am sure the minister modestly would have said no, because we recognize it has been a tough Budget, but a 20% increase because quite frankly this minister has played a lead role at the national level.

I am sure the members opposite when they review this will recognize the fact that this minister has made a significant impact on the province in a very positive way. I mean, I realize there are always going to be issues. I know the members opposite have a suitcase full of issues that they either did not deal with or created even more difficult situations of in the 11 years, but, you know, like I said, it takes some chutzpah to get up and say that a minister who is actually starting to deal with these issues should have his salary reduced.

Just another minor issue out there, and I hope that is in quotation marks here, you know, the floodway, I mean, this is the minister, through his department, that is doing what I think most Manitobans would expect, taking a lead role in terms of the floodway.

I realize this may be somewhat difficult for the leader of the Liberal Party. At least I give the credit to the Official Opposition. They have supported clearly in principle the concept of expanding the floodway, but, you know, I just want to put this on the record, and I know this to be a fact, because I have had the opportunity to work with the minister, that this minister and this minister's department in the last two and a half years have moved significantly in terms of floodproofing and have moved significantly now to the point where we have the floodway on the agenda. We have indicated very clearly this is our priority to the federal government. We in fact budgeted for it. We have indicated our willingness to move ahead.

We set up an all-party committee, not a reference to that in this motion, not a reference. Why would we not do this?

We have the potential for significant enhancement to floodproofing in the province of Manitoba. It surprises me in a way that the Conservative Party, the party of Duff Roblin, would not be the first ones to be pounding on the

table and applauding this minister for continuing in a tradition that was established historically. By the way, I want to put this on the record. It was both the Conservatives and the NDP that supported the floodway. Ironically, the Liberals at the time, and we will see if history repeats itself, opposed the construction of the floodway.

But this minister and this minister's department have been very much a significant part of that. When you consider how close we came in 1997, the members opposite will recall that, if you look at the IJC report, if you look at the KGS report, Mr. Chairperson, you look at the potential in there through, yes, a significant investment, but through a significant investment to greatly improve floodproofing.

I think all members of this committee will once again be putting in perhaps not a salary increase, certainly a congratulatory motion for the minister in terms of leadership, in terms of the floodway. I want to suggest, Mr. Chair, this minister is modest enough not to want to see it or even a congratulatory motion. I say this is a minister who has much not to be modest about, given the record in the last two and a half years.

You know, in the traditional parliamentary way, what I would suggest we do is very simple. First of all, we could have a fairly healthy debate on this motion, but I would suggest we vote it down. When we do vote this minister nothing more than the salary that he is entitled to under the laws of this province, under the amounts set out, in fact, set out by an independent commission, I think when we do it we should do it enthusiastically, because this is a minister in two and a half years, and I say this having worked for many years with the minister, including in his previous life, this is a minister showing I think a real vision for what Conservation can do and can achieve.

I will not even get into amalgamating the two departments, a huge challenge, or some of the I think efficiencies we have seen, but also the new mandate and role for Conservation. I could get into a number of the other significant initiatives that this minister has taken on issues that I have worked with the minister on, sustainable development, sustainable procurement.

In fact, I could get into that, I could get into what this minister has done in terms of recycling. Perhaps members would like to come and visit northern Manitoba, where this minister has made a commitment in words and in action in extending our recycling throughout the province, including many northern communities. We now have curbside pickup and recycling, not just in Thompson, we now have recycling in communities such as Nelson House. It has been extended throughout northern Manitoba.

The Minister of Aboriginal and Northern Affairs (Mr. Robinson), who has been a strong proponent of that, will tell you that in many northern communities in fact northerners are the first to want to recycle and have more sustainable sense of the environment because northerners are that much more close. So if you look in rural Manitoba, you look in northern Manitoba, or you look right here in the city of Winnipeg with the floodway, this is a minister that has done what this Government attempts to do and I think any objective analyst would say has clearly been able to do in two and a half years and that is represent the interests of all Manitoba.

It is not that easy at times, but you know this minister has never shied away from doing that. So I suggest that perhaps in jest in the debate that we have a salary increase motion, but I would suggest, Mr. Chairperson, recognizing that this minister perhaps does not have a lot to be modest about, he should be immodest in terms of what he has accomplished in this department. Let us vote down this motion, and let us enthusiastically support the salary for this minister for a job well done, not just for this past two and a half years, but I will say in advance for a job that we know this minister is going to do well for the next remaining part of this fiscal year.

I say on the record I am sure on behalf of a lot of Manitobans that this minister deserves congratulations for taking a leadership on local, provincial, national and international issues.

* (15:50)

Mr. Enns: I do thank the honourable Minister of Transportation (Mr. Ashton) for that contribution. I simply remind him that the motion is

there because it is the law of the land. They believe in balanced budgets; we believe your Budget is not balanced. As far as being trivia, I want to assure the honourable minister that no personal abuse is intended. I suffered through, from the leadership of the Leader of the New Democratic Party, a reduction of my salary to that of the price of an 80-pound bag of potatoes, which at that time was \$1.89, and all the New Democrats voted for that.

This is a responsible resolution, Mr. Chair. I suggest you put the question.

Mr. Chairperson: The question before the committee is as follows: It is moved by the Member for Lakeside (Mr. Enns) that line 12.1.(a) Minister's Salary be reduced by \$5,680. Shall the motion pass?

Some Honourable Members: Yea.

Some Honourable Members: No.

Voice Vote

Mr. Chairperson: All those in favour, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Formal Vote

An Honourable Member: Yeas and Nays, Mr. Chairman.

Mr. Chairperson: Does the honourable member have the support of another member?

An Honourable Member: Oh, yes.

Mr. Chairperson: I thank him. The committee will recess and proceed to the Chamber for a recorded vote.

The committee recessed at 3:50 p.m.

The committee resumed at 5:00 p.m.

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

AGRICULTURE AND FOOD

* (14:40)

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.

At our last sitting, we had passed the lines relating to the Manitoba Crop Insurance Corporation under resolution 3.2. Risk Management and Income Support Programs.

We will now revert to item 3.1. Executive Support.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Madam Chair, we had an agreement, I believe, that we would do Crop Insurance first and then go to the Agricultural Credit Corporation because these are the two boards that are out of town. So, with your indulgence, I would like to suggest that we move to the Agricultural Credit Corporation.

Madam Chairperson: Is that the will of the committee? *[Agreed]*

We will go to item 3.3. Manitoba Agricultural Credit Corporation, Administration, \$4,490,400. The floor is open for questions.

Ms. Wowchuk: I would like to introduce the staff from the Manitoba Agricultural Credit Corporation who have joined us at the table. We have Mr. Gill Shaw, who is Chief Executive Officer; Karen McEachen, Chief Financial Officer; and Charlene Kibbins, Vice-President, Corporate and Program Development.

With that, Madam Chair, we are ready to answer the member's questions.

Madam Chairperson: The floor is open for questions.

Mr. Jack Penner (Emerson): I wonder if the minister could give the committee a bit of a

breakdown as to the financial status of the corporation to date. I think the last report I have is the 2000-2001 annual report. I am wondering whether the minister could give us a bit of an overview as to what the current financial status of the corporation is.

Ms. Wowchuk: I wonder if the member would be willing to clarify specifically what areas of the report he is looking for, Madam Chairperson, as to the status of the corporation.

Mr. Jack Penner: Madam Chairperson, I was looking at the annual report of 2001. I wonder whether the minister would be prepared to share an overview as to what the current status is, in other words, what the assets and the liabilities of the corporation are currently.

Ms. Wowchuk: I would like to inform the member that the financial statements are not audited yet. Therefore, they are not available for release. Once that audit is complete, those numbers will be available.

Mr. Jack Penner: I wonder if the minister could then explain whether she is telling the committee that she is not prepared to share the current status of the financial situation of the corporation and whether in the current Estimates period any consideration has been made by her as a minister of the current financial standing and what the draw on the Treasury will be in regard to this upcoming year and what the Estimates are.

I believe we are currently dealing with the Estimates of next year. So I am asking the minister, and maybe she did not understand, what the current financial situation of the corporation is as we enter the financial operations of the upcoming year. How did we conclude 2001? That is the basis I am going to be asking my questions. What circumstances are we financing the current operations or next year's operations on? What are your projected budgets? That is what I am going to be questioning you on. I think that is how we do it on our farm, when we sort of look at those kinds of things.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

Ms. Wowchuk: Mr. Acting Chairman, the member had pulled out the annual report, and I

was assuming that he was looking for the upcoming numbers of the annual report, but, with respect to the Estimates for this year, our Loan Act authority requirement is \$237,025,000, and the Capital Supply requirement for this year is \$145.6 million.

Mr. Jack Penner: The current assets, what are they?

Ms. Wowchuk: Mr. Acting Chairman, our total assets are \$315.7 million.

Mr. Jack Penner: What are the liabilities?

* (14:50)

Ms. Wowchuk: They would be in the range of about \$325 million, but we do not have the specific number here. That is the range they are in.

Mr. Jack Penner: Does that include the contingent liabilities?

Ms. Wowchuk: Yes, it does.

Mr. Jack Penner: That does include the current contingent liability?

Ms. Wowchuk: Yes, it does include the current contingent liability for guarantees.

Mr. Jack Penner: Could the minister tell me what the contingent liabilities for the Guaranteed Operating Loan Program were at the end of the year?

Ms. Wowchuk: The Guaranteed Operating Loan contingent is \$1.737 million.

Mr. Jack Penner: Well, I am sorry, \$1.737 million, that is the contingency?

Ms. Wowchuk: That is the amount on this year's activity.

Mr. Jack Penner: What is the total contingent liability, not this year's operating liability? Mr. Acting Chairperson, I am a bit surprised that the minister does not have those numbers, because they are really an amount that is normally under Budget, set aside for the ability of the corporation to be able to guarantee the loans that they

have made through other financial institutions. Therefore, there ought to be a number contained within the corporation's budget that would ensure that there would be funds available if those loans should be for any reason called during their term. I believe that is what contingent liability means.

Ms. Wowchuk: Mr. Acting Chairman, I thought the member was asking for the existing year. The total contingent liability is \$11.25 million.

Mr. Stan Struthers, Acting Chairperson, in the Chair

Mr. Jack Penner: That means, Mr. Acting Chairperson, that the corporation has increased its contingency by about \$2 million over the previous fiscal years.

Ms. Wowchuk: Mr. Acting Chair, that is right, and that is consistent with the previous number that we gave you.

Mr. Jack Penner: Sorry I was not clearer than that.

On the Manitoba Cattle Feeders Association loan guarantee program, let me put it this way, then, last year's contingencies were \$6,973,027. What are they this year?

Ms. Wowchuk: It is very similar to last year. It is at 6.65.

Mr. Jack Penner: So that is a reduction of about \$200,000, \$300,000.

Ms. Wowchuk: Yes, Mr. Acting Chairman, that is accurate.

Mr. Jack Penner: Do the liabilities as identified in the annual report indicate the total amount of outstanding capital including the clients' share on these loans? Is that what is identified here?

The 9.365631 under the guaranteed operating loans and the 6.973027 amount of current liabilities, are they contingent upon the clients' amount, as well, or is that just the corporation's outstanding amount?

Ms. Wowchuk: No, this is just the corporation's outstanding amount.

Mr. Jack Penner: So, Mr. Acting Chairperson, this does not include any of the amounts that would be accrued as a liability to the feeder cattle co-ops or any other independent loan to a feedlot operator.

Ms. Wowchuk: Mr. Acting Chairman, what is indicated here is the Province's share of those loans.

Mr. Jack Penner: So it is the actual loan guarantee that is identified in the financial statement, not the total amount of money outstanding on these cattle that are out there.

Ms. Wowchuk: No, it is the Province's share of the loan guarantee, not the producer's share of the loan.

Mr. Jack Penner: What percentage of the total amount of loan made by a client through a financial institution would the corporation guarantee? What percentage would they guarantee?

Ms. Wowchuk: On the Feeder Association loans, it is 25 percent.

Mr. Jack Penner: That you would guarantee?

Ms. Wowchuk: What is shown here is the amount. It is the 25% guarantee that the Province provides that is shown here.

* (15:00)

Mr. Jack Penner: So that would mean that the total outstanding amount of cash borrowed on the livestock herd through MACC, the portion borrowed through MACC could be three times greater than is currently identified here. *[interjection]* Four times the amount. That is right, four times the amount.

Ms. Wowchuk: Mr. Acting Chairman, the amount that feeder associations have outstanding is \$14.8 million as of March 31, 2002.

Mr. Jack Penner: But the total, Mr. Chairperson, the total amount of outstanding debt, if four times is the correct calculation, would then be roughly about \$16 million times four would be about \$64 million. Between \$64 million and \$65 million could be the outstanding

debt against the cattle herds that are financed through a loan guarantee program with MACC.

Ms. Wowchuk: The total borrowing capacity of the feeder association groups would be about \$24 million what they have outstanding in loans. As of March 31, 2002, it was about \$14.8 million. If you look at it, those loans are in pretty good shape.

Madam Chairperson in the Chair

Mr. Jack Penner: I concur with that, but the corporation's total liability and the liability of the assets that are guaranteed through the corporation would in fact amount to somewhere in the neighbourhood of \$64 million in total. That is the loan guarantee through the feeder co-ops and the loan guarantee to other. I am talking about the contingent liabilities and the outstanding debts against those liabilities of other sectors as well.

Ms. Wowchuk: Yes, if you are looking at all the guarantee activity, our portfolio is at about \$154 million, total \$154.1 million.

Mr. Jack Penner: I would like to ask a few questions in regard to the Vita Feeder Co-op. I understand that is now settled, that case. There are a few areas of concern that still remain outstanding amongst the directors of the Vita Feeder Co-op or the directorate of the former Vita Feeder Co-op. It concerns me as a legislator, from the perspective of the liability incurred by the directors, in how that whole matter was dealt with. I think if I were currently a director of any of the provincial appointed corporations or boards or the feeder co-ops, I would be extremely hesitant to say yes to a directorship in any of these.

The reason I say that is because of the costs incurred of settling the whole mess, as I describe it, that occurred at the Vita Feeder Co-op and how the contracts were flipped and allowed to be flipped, as a matter of fact encouraged by a departmental employee of the Department of Agriculture to be flipped. That person, I understand, has not been working in the department for some time now. He is, I believe, in Alberta. So be it. That is not the point I make.

The point I make is that in the final settlement process, three of the directors incurred a total out-of-pocket expenditure of about \$30,000 each. One of your employees that is currently employed by the Department of Agriculture, I understand, has incurred a debt of somewhere in the neighbourhood of \$60,000 in lawyer's fees and other matters in final settlement claims. I believe that is totally, totally unfortunate that the corporation or the department, in fact, allowed that to happen.

I will explain why. In a meeting that we had in the deputy minister's office with the directors of the Vita Co-op at which time the Manitoba Agricultural Credit Corporation, some of the management staff were there. They left there at that meeting with the understanding that they would not incur any liabilities, and that they should not worry, and yet at the end of the day there were very significant debts incurred. One of the guys is totally out of cattle and simply had to sell his operation to pay for lawyer fees and stuff like that.

The question I have of the minister: Is any action being contemplated to ensure that directors, through no fault of their own, as advised by others would, in future, not cause to have that kind of liability imposed upon them as individuals?

* (15:10)

Ms. Wowchuk: The member asked about what we are thinking about how we could handle a situation like this. I want the member to know that there have been manuals developed, there are agreements, boards are given the administrative manual and made aware of the responsibilities, and the liabilities, and the risks they take when they become involved in an association.

What I want the member to know is that it was not MACC that sued the board members. It was a third party involved in this and it is difficult, impossible, to control what a third party will do.

With respect to the member's question, there is much more being done than there was in the past to make people aware. There are manuals

that are prepared for them and meetings held, and there is an opportunity for people to meet and talk about what the risks are and what the responsibilities are.

Mr. Jack Penner: I am not going to get into reviewing the whole case at committee here, although I would like to. I would like to spend days at this because I think it is important to spend days at this.

I think that the directors of the Vita Feeder Co-op were led to believe that, if they took on the position of being a director in the first place, they would not incur any liabilities. It was my understanding that the corporation indicated to the directors of the Vita Feeder Co-op that, if there were actions taken, there would be no liabilities to the individual directors.

As it turned out, the shareholders of the co-operative and some of the contracts that were flipped lost a very substantive amount of money. It fell upon the arbitrator. It was not done by legal courts or court activities. It was an arbitrator that encouraged the Vita Feeder Co-op board of directors' members to settle out of court and incur this liability. Part of the liability is fees that they paid personally to lawyers who they personally had hired. I would suspect that, if everything had run the way it should have run, they would have subpoenaed. If it would have gone through court, they would have subpoenaed the former employee of the Department of Agriculture that was the advisor to the Vita Feeder Co-op, that advised them to proceed in the manner that they did.

I would like the minister to explain why the corporation and she as a minister did not act to protect the economics, to protect from an economic side, the interest of the Vita Feeder Co-op board of directors from financial liability as it occurred, because I think it was totally, totally unfair they way they were treated.

If I was advising any board member currently of any of the co-operative, I would advise them to all resign immediately, because they do have a very substantive liability hanging over their heads. Any one of them could be taken to court and sued for the total debts of that co-operative, if that case will stand as an example. I

think that is unfair to those people. I think, quite frankly, it was unfair, as from a government prospective, to hang those directors out to dry, because it was not their decision. It was advice they received.

Ms. Wowchuk: Madam Chairperson, that case did not go to court. It was settled by a judicial mediation but was agreed to by all parties. All parties agreed to that. All parties had legal advice, and this was the advice that was given to the people that were affected.

The member talks about this being used as a precedent case for others. It did not go to court. It was not something that was forced. It was agreed to by all parties to do this, to take a settlement in this way.

Mr. Jack Penner: Well, Madam Chairperson, I agree with what the minister just said. The board members decided to arbitrarily accept the mediator's recommendation, but only because they were scared to death that they would incur huge, more costs in legal fees and others. My strong advice to them, when they asked me about it, I said: Continue in the courts and hire the lawyers and send the bills to the department. I said you are really not responsible, nor should you be held liable for any of these costs because of the advice that you received. I said if you go through the courts, you will be able to subpoena the guy and bring him to witness, and then there will clarification of this whole mess.

I am extremely disappointed that those three directors, not all five of the directors, only three of the directors were identified. And why only three of them were identified, Lord only knows, but I would certainly like an explanation as to why only the three of them were identified as being liable. I suspect somebody looked at them and said, well, these guys might have some money; we might be able to get some money out of these guys, I do not know.

Ms. Wowchuk: Well, I guess the members know that it was not the corporation that sued these people. It was a third party, and we cannot determine why it was that only three of the directors were named.

Again, I remind the member that it was not MACC that sued. It was a third party, and I

cannot tell the member why it is that only three people were named in this case.

Mr. Jack Penner: I have a letter that I will table at this committee before this committee rises, not today but at another time, that explains somewhat the misunderstandings and maybe some of the reasons why.

It also questions severely why the Province of Manitoba, why the Government, in the final analysis, would have hung them out to dry and used them as examples of how claims could be settled using the boards of directors as being liable for no fault of their own. So, at some date before the committee rises, I will table that letter.

I might raise this issue again. I want to serve notice to the minister that even if we pass lines in this area, I will in all likelihood bring this issue back to the committee at some later date because I am not happy with how this case was dealt with. I am convinced that the boards of directors did not get all the answers and were not given the information that they should have been given in order to be able to proceed properly through this whole thing.

At the end of the day, I think that fear, more than anything else, caused them to settle and take their losses at that time. As I say, \$30,000 to a young farmer—and one of them was a very young starting farmer—\$30,000 was an awful lot of money to that young person and I think totally unfair.

* (15:20)

Ms. Wowchuk: I wanted to just say to the member that, yes, for any farmer any amount of money is a significant amount of money, but I want the member to know that the settlement was one that all parties agreed to, and it is subject to client confidentiality, so there is not the opportunity to discuss details of it.

But I want to also remind the member that this is a long outstanding issue. In fact, I, as minister, inherited this issue from the previous government and it has been a long time in the works. I am glad that it is resolved and I think that we recognize that there are issues. As I said

to the member, since this has happened, there has been work done to do workshops, to provide manuals and give more information to people as they become involved in feeder associations.

Mr. Jack Penner: I might, if the four people that incurred significant liabilities and very significant cost, I might invite them to this committee one day and have them sit and listen and we might review this again. I think they would be very interested in the answers. I think it is important that this issue be cleared up in their minds more than anything else. They have asked for meetings with the minister and with the department and have been refused meetings. I think it is time that this issue be put to bed once and for all in their minds. If the department somehow, through MACC, could find a way to compensate or reimburse these people for those expenditures that they incurred, I think that would only be fair. It would be honest on the part of government to settle something that they had no way of knowing that they would ever be dragged into something like this. I think that it would allow for a measure of fairness to be applied to those people. Maybe it would allow that young person to get back into cattle again.

The issue that I would like to bring before the committee and ask some questions on is the Bridging Generations initiative. Could the minister take a few minutes and explain to me exactly what aspects of the program, Bridging Generations, would accrue to the young farmer and what portions of the program would be applied to the retiring farmer and who the major beneficiary might be at the end?

Ms. Wowchuk: Madam Chairperson, I am really, really pleased that the member asked the question about Bridging Generations, because I think it is a really, really exciting program. I think it is one that the producers see as quite exciting when you look at the fact that the financial portion of the program has only been available since April 1 and there have been over 30 applications. Of those, 23 have been approved, 8 are in the process of being reviewed, but there are many applications out in the region as well. So it is recognized as a program that will help the next generation of farmers and will help retiring farmers as well, because we know that there is a large amount of land being held by

farmers over the age of 55, some who are thinking of retiring but have all their assets tied up in the farm. It makes it very difficult for them to exit when all of their resources are tied up and a young farmer does not have the ability to access the amount of capital, or, if he or she can access it, the interest rate is very high.

So, under this program, the management training program will help the young farmer, but the most important part, I believe, is the reasonable interest rates and terms and conditions that can be negotiated between the two participants in the program. That is a huge benefit for the incoming farmer. The livestock herd establishment program that allows for a transfer of a herd over five years is beneficial to the starting farmer and it is beneficial to the retiring farmer, as well as the land lease program, which allows the incoming farmer to purchase only a portion of the farm and then lease the balance of it until such time as they would have resources to make further purchases and is beneficial to both farmers, the retiring and the incoming farmer.

The mortgage guarantee for capital repayment, having the ability to have repayments done over a certain period of time depending on the financial situation of the individual is beneficial to the retiring farmer, but it also helps the young farmer if he or she is able to stage their payments on a semi-annual basis or stage them over a different period of time as they can make arrangements. The Lifestyle Transition Loan is a loan that would be of benefit to the person leaving the farm. So there is a balance, but, ultimately, this program is put in place to help the next generation of farmers get started, to help the aging farmer exit, and it is one that has benefits on both sides of the equation.

Mr. Jack Penner: The minister made a significant to-do about the young farmer interest rebate program. Has that changed? Has the interest rebate program changed since 1994?

* (15:30)

Ms. Wowchuk: No, Madam Chair, the Young Farmer Rebate that the member talked about has not changed. That is at 2 percent. What I was referring to in my comments as reasonable interest rates are the terms that the young farmer

can negotiate with the retiring farmer, and those can be negotiated at a very reasonable rate.

For example, if the member was taking advantage of the program and transferring his assets to one of his children, he could make arrangements with them to charge a very minimal interest rather than charging the full amount that might be required through a bank or some lending institute. This would result in a much lesser cost for the individual, but the person selling their land would have the ability to be guaranteed that he or she was going to be getting the money for their land. In this case it is a family member. That individual may not want to charge the same amount of interest. I know many farmers who have talked about this kind of arrangement where they will take their money over time rather than having to have the young farmer go to the bank and borrow at very high rates.

With respect to the Young Farmer Rebate, the last time there was a change in the young farmers rebate was in 1993-94 when the previous administration reduced it from 4 percent to 2 percent.

Mr. Jack Penner: But the 2% interest rebate, young farmer interest rebate still applies today under this program?

Ms. Wowchuk: Yes, it does.

Mr. Jack Penner: Could the minister explain to the committee how the participants will be eligible for an annual rebate of 1 percent of the principal of the loan up to \$2,500 for five years if they took part in the farm administration training program such as marketing, employee management and financial planning?

Ms. Wowchuk: You know, this is a really important part of the program where we want to work with young producers to ensure that they have training and that they take training in many, many different aspects. The member knows well that agriculture is constantly changing. There are always different kinds of information out there to help farmers. The purpose of it is to encourage farm management training in areas such as business, financial planning, tax implications, marketing, employment management. Of course, computer usage is also important.

The individual, as they make their application and work through the program, the courses, maybe there are weaknesses identified where more training is needed. If the individual takes the courses and gets the training, then that individual is eligible for a 1% reduction on the loan payment in the following year.

Mr. Jack Penner: The rebate of the 1 percent will then, in essence, be added to the 2% interest reduction. So that could mean an interest reduction of 3 percent.

Ms. Wowchuk: Yes, it could be 3 percent, but the 1 percent is to a maximum of \$2,500 per year for a five-year time period, for a maximum of \$12,500.

Mr. Jack Penner: And that is based on the \$250,000 maximum bridge financing that you are going to do? That is minus 1 percent?

Ms. Wowchuk: That is right.

Mr. Jack Penner: They are both maximum amounts then, the \$2,500, 1 percent of the maximum amount of being able to borrow?

Ms. Wowchuk: On the Young Farmer Rebate, it is at 2 percent, and the maximum a young farmer can get a rebate on is \$100,000 over five years.

On the management training credit, it is 1 percent of a maximum of \$250,000 over a five-year period.

Mr. Jack Penner: Could you tell the committee what the interest rate charged on how many applications did the minister say there were now under this transition program? How many applications did she have in?

Ms. Wowchuk: I believe there are 23 that have been approved to date, unless that number has been changed in the last few days, but let us say 23 have been approved.

Mr. Jack Penner: What would the interest rate being charged on these loans be?

Ms. Wowchuk: On average, on the Bridging Generations loans, if you look at, it is about 7.8 percent on a 15-year loan.

Mr. Jack Penner: So that means, if Dad retires, he does a deal with his son, and his son pays him 7 percent or 8 percent or whatever the negotiated interest rate will be under the terms of the loan of the agreement. The son gets reduction on roughly about 3 percent if he meets the provisions under the agreement to take the training, and the Young Farmer Rebate of 2 percent. So that is 1 percent plus 2 percent would be 3 percent. That would mean he would still have an outstanding interest rate of about 4 percent. Is that correct if it was 7?

* (15:40)

Ms. Wowchuk: Yes, if you are looking at the mortgage side of it and the interest rate is set a 7.8, and if all of your requirements are met, yes, that young farmer would be getting about 4.8 percent, but on the guarantee side, that would be negotiated between the two partners, and they may negotiate a much lower interest if that is what they choose to do.

Mr. Jack Penner: But that is the question I asked, whether the corporation knows. Has the corporation got a handle on each contract that they guarantee as to the exact amount of monies that the owner will charge to the young farmer and how much interest is actually paid to the owner of the land?

Ms. Wowchuk: Madam Chairperson, of course, we will have all of those details on each of those loans because if we are providing the guarantee, flowing the money and guaranteeing the money, then the corporation will know all of those details. But there is a restriction that the maximum interest rate must be 1.5 below prevailing MACC rates for a similar loan.

So the member wanted to know whether the corporation would be aware of the details of those, and, yes, in each case they are very much aware because they are part of the negotiations and part of putting those loans and those guarantees in place.

Mr. Jack Penner: If the prescriptive rate is 1 1/2 below the market rate of MACC, the question is is that before the interest rebate and the 1% reduction occurs or after?

Ms. Wowchuk: Madam Chairperson, the credits apply to the direct loans and the livestock

transition loans, but those credits do not apply to the mortgage guarantees. They apply to portions of it, but they do not apply to the mortgage guarantee. So, when we look at the numbers that we have here, the maximum rate that would be charged today on the mortgage guarantee would be about 6.375 percent.

Mr. Jack Penner: So 6.3 percent roughly, 6.35 percent. That would be the maximum amount charged. What would be the minimum amount charged?

Ms. Wowchuk: Zero would be the minimum amount.

Mr. Jack Penner: So it could get out a zero.

Ms. Wowchuk: Madam Chairperson, we are not going to tell the vendor and the purchaser what interest rate they should work out. That is up to them. Should some of them decide that they want to go at zero, they could go at zero. But the maximum that they can charge today is 6.3, 6.4.

Mr. Jack Penner: So, in theory then and maybe in reality, the situation could, in fact, exist where a father says to a son: I will sell you this land at zero interest and you will get interest rebate from the MACC of 2 percent plus another percentage point on the management training credit?

Ms. Wowchuk: No, that cannot happen. That is why the rebates do not apply to the guaranteed portion of the loan. It only applies to the direct loans.

Mr. Jack Penner: Now the minister has lost me. Obviously, there are two parts to the loan now: the guaranteed portion and the non-guaranteed portion. What percentage of any given loan is guaranteed by the Province?

Ms. Wowchuk: On the mortgage side of a loan the corporation would provide the guarantee, so there is no credit that can come into that one. None of the management training credit comes into that, and the interest rate can be anywhere from zero to 6.37 percent. On the direct side of the loans, that is where the management credit and rebate would come in. That would be at a loan rate of about 7.87 percent. So there are two

sides to it. The one where the credit applies and has one rate interest, but the other one does not apply to that one because in reality somebody could have no interest and then still be getting a credit for the management training. That is why it is divided into two parts.

Mr. Jack Penner: Could the minister explain to me what the difference is between a mortgage loan and a direct loan?

Ms. Wowchuk: On the mortgage guarantee, it would be a situation where two people make arrangements to transfer the land, and they decide on the amount, they decide on the terms. The terms are spelt out that the interest cannot go higher than 6.37 percent, and we guarantee that mortgage. On the direct lending side, that is the side where the corporation is doing the lending and the interest rate is fixed at about 7.8, 7.5 percent. On that portion, with the right conditions and terms and training taken, then there is the opportunity to get the learning tax credit on that portion to a maximum of \$2,500 per year, up to a maximum of 12.5 over five years.

Mr. Jack Penner: Madam Chairperson, that means then that if farmer A wants to buy land at \$1,000 an acre, let us say a thousand acres of land, or let us say \$500 an acre and a thousand acres of land, that is half a million dollars, and he will go to MACC and make the maximum direct loan of \$250,000. Will MACC then guarantee the balance of the loan of the other \$250,000 through a commercial lending institution of the other \$250,000? In other words, will they extend directly and guarantee a total amount of a loan to a young farmer through this program?

* (15:50)

Ms. Wowchuk: I want the member to know that the corporation can lend beyond—in his scenario it was \$500,000 for the land. In that case, we could lend \$400,000, but the credit, the management training credit, would only apply to the \$250,000. It would not apply to the full amount. But there are also other options for that farmer that is getting started, and that farmer would not necessarily have to borrow all of the money or purchase all of the land up front. There is a leasing portion of the program where, instead of

trying to purchase all of the land up front, they could make arrangements that they purchase only part of it and lease it further.

As well, the member talked about guaranteeing a lending institute. We will not guarantee a lending institute for BGI. It is for inter-generational transfer of land or an arm's length. It does not necessarily have to be in the same family, but it is a transfer of land. There are guidelines spelled out as to who could qualify for this program.

Mr. Jack Penner: Madam Chairperson, let me make it a bit simpler then: \$650,000 for 650 acres of land at \$1,000 an acre. The maximum amount that an individual can get as a direct loan is \$400,000. The maximum loan to be guaranteed is \$250,000. Can the person borrowing, going out to want to purchase this land lower the total amount of \$650,000 against this one as a direct loan through the corporation and the other \$250,000 as a loan guarantee through another financial institution? Is that what I am hearing you say?

Ms. Wowchuk: Madam Chair, yes, it probably could be done, but the different pieces of land would have to be secured in different ways. Part of it would come under Bridging Generations, but I also tell the member that there is the option of making arrangements to lease that land over time, that you would not have to finance it all at once. So there are options and ways that it could, but there are situations when similar things are done, but the different pieces of land would have to be done in a different way.

Mr. Jack Penner: The reason I have taken a skeptical view of this program, and that does not mean to say that I have been critical of this program, but skeptical. It takes a significant amount of money these days to start even looking at establishing a young farmer. I talked a bit about this when we had crop insurance before the committee. Very often, nowadays, the previous owner is either the father or the grandfather, or maybe an uncle, and young farmers start working in partnership with. The importance of this discussion that I want to bring to the table is for the general public to realize how much capital is really required to make a viable farm operation function.

Madam Chairperson: Order, please. A recorded vote has been requested in another section of the Committee of Supply. I am, therefore, recessing this section of the Committee of Supply in order for members to proceed to the Chamber for a formal vote.

The committee recessed at 3:55 p.m.

The committee resumed at 5:01 p.m.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

The Acting Chairperson (Mr. Jim Rondeau): The hour being past five o'clock, the committee will now rise.

JUSTICE

* (14:40)

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 now.

We are on page 117 of the Estimates book, resolution 4.1. Shall the item pass?

Mrs. Joy Smith (Fort Garry): So we are back in Estimates again. There is a lot to cover in the next few months in Justice, and we need to be very thorough in what we do.

Having said that, I am going to remind the minister of one thing. I asked for a hard copy or a printed copy of the immediate staff, all the new staff since the minister came into power along with the roles and the salaries attached to that and also the political staff that were involved. Do we have a hard copy of that today?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Is the member talking about all the staff in the department, or just the new political staff?

Mrs. Smith: I think we went over this the other day, but perhaps next time I come in I will bring

it in letter form. What I am talking about is, since the minister came into power, all the new staff that came on board, the new people, not the people that were there before, and there is a goodly number of them. I understand the minister has roughly 2000 staff. That is not what I am looking for. What I am looking for is the new people who came on staff, the roles and responsibilities, and also the new political staff, anyone that is attached to the Attorney General's role.

Having the roles and responsibilities is very helpful because it shows you the thrust that we are in. I asked for a hard copy of that. If the Attorney General would like to have me bring it in in letter form, that would be something I could do next day as well.

Mr. Mackintosh: In terms of political staff, we went over that last time. Related to my role as Justice Minister, there are, of course, the EA and the SA. I believe the salary ranges and individuals and names and so on were set out, so I do not know if the member wants that again in writing, but it will show up in Hansard. Those two positions came in shortly after I was appointed to office.

In terms of a list of new staff, in other words, the civil service appointments, and all of those people, that would be a list that would have to be created through the human resources division. Is the member looking for new correctional officers and everybody that is appointed? We can provide that, but I suspect it will take some time to generate that list. If the member wants the functions as well, there would have to be job descriptions discovered. We are talking about a major investment of staff resources.

Perhaps the details of what is requested would be appreciated. Is it job descriptions or is it simply a job title that she would want? Is it every division? Is it every hiring? Is it part time as well as full time? I leave those as questions. This is a major undertaking. There could easily be hundreds of individuals that have been hired. Yes, indeed there would be hundreds of names, and those lists would have to be generated. Hopefully there is a computer database which can assist us to move on that one, but it is certainly not one that would be producible in just days I would think.

Mrs. Smith: Next time we come into Estimates, I will provide a letter for exactly what I want, and I do not think what I am asking for will take extensive staff time. I will outline that. Once again, I know some names were given to me, but, from what I know, there are some things missing. What I will do is outline it in a letter specifically and read it and hand it to you next day. Maybe having a hard copy in front might clarify things a little more clearly.

What I was asking for, basically, was everybody directly hired by the Minister of Justice, which would encompass all the new people in the offices of the ADMs and the Deputy Minister, and would encompass all the new full-time and part-time people that have been hired in that respect as well. Throughout the Estimates I will also be asking some other questions from the Orders-in-Council as well. To help clarify that, I do not expect to have all the new people on board that have been hired in corrections and all that kind of thing. That is not necessary. I will provide that for you next day so that we do not have to go over this question again. Would that be helpful?

Mr. Mackintosh: Yes.

* (14:50)

Mrs. Smith: To clean up some other business, the other day we had talked about the number of gang members, active and inactive, and I had tabled a report for the Attorney General to look at. We seem to have a discrepancy between information that was given to me and information that the Attorney General has, apparently, on gang numbers. I want to be accurate. I am speaking from the documentation that was given to myself. I said, as of December 2001, there are 1901 active members and 1748 inactive members, gang members here in the city of Winnipeg.

Now we talked about that the other day. I tabled the documentation I had. Has the Attorney General any new information in terms of the numbers of gang members here in the city of Winnipeg at this time?

Mr. Mackintosh: Well, I have figures that indicate that the number of active known gang

members in the city of Winnipeg has declined over the last year, and I believe that was the nature of the information that I had. I believe, if the member has figures, up-to-date figures, that should be indicated as well.

Mrs. Joy Smith: Could the Attorney General please share with me then those new numbers, if indeed the gang members have declined? Could the Attorney General please tell me as currently as possible how many active gang members are in the city and how many inactive members are here?

Mr. Mackintosh: The latest figures we have are dated May 29, indicating that the number of known active gang members in the city of Winnipeg is at 1836. That is down from exactly 100 in April of 2001.

Mrs. Smith: Could the Attorney General please tell me how many inactive members are listed?

Mr. Mackintosh: I am advised that the number is 1995 as of May 29, and that should total to 3831.

Mrs. Smith: Would the Attorney General please repeat that number, 1000?

Mr. Mackintosh: As of May 29, I am advised, and I have no first-hand knowledge, of course—this is advice that we have from Winnipeg Police Service as of May 29—the number of active known gang members in the city of Winnipeg is 1836. According to information, that is a decline, I believe the first decline, let alone significant decline, I think since this membership involvement was tracked.

Comparing that to the year earlier, I have figures for April 2001 of 1936. Going back to the information as of May 29, we are advised by Winnipeg Police Service that there are 1995 inactive, which my understanding is that they are not then considered, as I believe the member had said that would consider them defunct, but in any event that should be a total of active and then adding on the inactive numbers to that. I can leave it to the member's math, but our numbers would indicate 3831.

Mrs. Smith: The Justice Minister the other day in Question Period, when I said there were

roughly 3600-and-some active and inactive gang members in the city of Winnipeg all but called me a liar in the House, and now he is telling me that, you know, I find it very disturbing that the Attorney General of this province can play with numbers this way. I gave him the numbers December 2001, 1901 active members, 1748 inactive members. Now I am hearing the emphasis is on decline. In actual fact, active and inactive members total up 3831, which is more than what I had even talked about in Question Period. I am puzzled. Could you clarify? Did you say the inactive members were defunct? Could the Attorney General please clarify that?

Mr. Mackintosh: I never called the member a liar. If she thinks so, she is entitled to that interpretation. I said the numbers were inaccurate, and they certainly were misleading. To use the inactive numbers to connote that there was a growth of gang activity, I think, would be misleading to the public.

* (15:00)

In actual fact, the active gang member numbers are down, and they are down for the first time. I think that there should be some guarded cause for some optimism there. But, with the numbers at the level they are at, there should be no complacency. That is our view. But there is finally some reduction in the number of active gang members. That, I think, is the change in the statistics as provided by the Winnipeg Police Service. Having said that, I think the situation always has to be recognized for its volatility, for changing patterns. So, other than that, I think the numbers will have to speak for themselves.

Mrs. Smith: Mr. Chair, in actual fact, I would like to have it pointed out that in January 1999 there were 1596 active members. This Government came into power in 1999 and keeps insisting or downplaying the problem solving that needs to be done within the context of getting the gangs under control here in the city of Winnipeg. The math clearly shows 3831 active and inactive members, a serious problem here in the city of Winnipeg. I do not consider that a laughing matter; 1836 and 1995, if those were the numbers you gave me, 3831.

Now, could the Attorney General please explain to me what an inactive gang member is?

Why is it tabulated as an inactive gang member on the database?

Mr. Mackintosh: The police services across North America have established different measures of gang involvement. There have been some attempts to try and have similar criteria established across police agencies, I understand, so far without success, but my understanding is that the Winnipeg Police Service uses a six-point criteria which has been recognized elsewhere, as well, for establishing gang membership.

One of the measures, I understand, of inactive status is no police involvement, no criminal activity discovered or recognized or reported for a period of two years, but that is the responsibility of the Winnipeg Police Service to so define.

My understanding is that after a two-year period, the names are dropped from the database. If there are any other criteria that are relevant to this, we will attempt to get that for the member, but, again, this is the Winnipeg Police Service's database and their criteria and one that they have authority over.

Mrs. Smith: It is my understanding that the active members are the ones who have had personal contact with the police in the last two years, whether it be charges or personal contact in some way. My understanding is the inactive members are people who they just have not caught in the act or they know are gang members, are not necessarily out of the gangs, but because of the deflated police resources have not been able to get it under control or been able to address it. Simply, there is only so many police on the streets. I have been a strong advocate of more police on the streets, and I say right now that that is very necessary to shore up the police resources and the numbers on the streets.

Having said that, that is my understanding. Am I wrong in that understanding?

Mr. Mackintosh: Well, if the member is concerned about gang inactivity, then her point is made, but the level of gang activity in Winnipeg has to be a concern to everyone clearly. I have full confidence that the City of Winnipeg has been providing leadership in

countering gang activity as measured by these figures, is very aware of the trends, and I agree with Guy Ouellette who was recently commenting in the local media on the success of the Winnipeg Police Service. I certainly commend the Winnipeg Police Service for their work, their proactive approach to countering street gang activity.

Indeed, it is the Winnipeg Police Service that was one of the first law enforcement agencies to put together a specialized unit of police to deal with gang members, and we were very pleased with that. I think it attests to the eagerness and the organizational ability of the Winnipeg Police Service to counter this challenge by being better organized and specialized. Indeed, some of the members of that unit now work for the Department of Justice. We are very proud of that fact. Those are names that will appear on the list that the member is requesting. I am very pleased that those appointments have been made. We will not apologize for that ever because they have truly enriched I think our ability to counter the challenges that are there for public safety.

We understand as well that the Winnipeg Police Service takes the view that the number of gang members generally has remained somewhat static or somewhat stable over the last several years, and we certainly do have changes in how gang membership is being recorded in terms of the intelligence, in terms of the ability to discern trends and patterns of gang activity. I, in particular, have to commend the Winnipeg Police Service for that work.

* (15:10)

Mrs. Smith: I think I would like to establish some ground rules, because I am asking for the gang numbers. I do not appreciate trite remarks or remarks from the Attorney General suggesting that I am criticizing gang inactivity. What I am criticizing is the lack of plan that the Attorney General has in terms of deaths, to get this under control. I find it alarming when in Question Period I brought up the number 3600 active and inactive members and was really treated in a most disrespectful manner when the answers were given as if, oh, this is not the case, in actual fact, having today to tell me there are 3831 active and inactive members. When I say

inactive, it is widely known that these are known gang members, but the law has not caught up with them. They are known members on the street. I think this is a problem.

I said initially what I wanted to do was talk about problem solving. I am not into the political rhetoric. This is a serious problem. I think we have to work together, and I have given the Attorney General credit where credit was due, but those kinds of comments, I think, are disrespectful and unseemly and inaccurate. The Attorney General is quite aware that members on this side of the House, and myself in particular, would not be sorry there is inactive membership in gangs. What my worry is is the shooting on the streets, the *Juristat* that comes out on the gang violence, the violent crimes here in the city of Winnipeg, the lack of police resources. That is where I am coming from. This is where we have to problem solve.

I said on the onset I am not interested in the political side of it. I am interested in the problem solving and the admission because, once we know that the problem is there, which we do know, but members opposite have to be very mindful of the fact that the problem has to be solved. There is needed more police resources. There is needed more attention to this particular problem. This is a problem that I find very worrisome in the city of Winnipeg. There have been more gang activity, more violent acts this past couple of years than ever before, and I have said that partially it is the sign of the times, partially it is a number of reasons, but those kinds of remarks from that side of the House are not appreciated. It is regrettable that the conversation would sink to that level, unfortunate.

I would like rather to try to find out the information and see what we can do to problem solve. I have been a strong advocate of police resources, both on the street and in the offices, because I believe this is needed. I am concerned about the crime standards here in Manitoba, the violent crimes that have occurred. I am concerned about the active and the so-called inactive members because we all know the inactive members are still gang members; they just have not been caught up with yet because there have been other things to do. So this is a problem when there are 1995 inactive members.

Having said that, I also wanted to ask the Attorney General some questions about the anti-gang gathering held at the Thunderbird House in downtown Winnipeg this month. There was a forum held to talk about the problem of street gangs. There was a request at that forum to have a safe haven, or a place where young people, or people who are not so young, who want to get out of gangs can go. At that forum it said that there were roughly 300 gang members and we know that certainly to be true. There is an excess of that now, and 30 percent of them were female. That is what came up at that forum.

Does the Attorney General have any plans at this time, to assist the people that want to get out of gangs and have a safe haven to go where they can be protected and some supports in place so they can change their lifestyle?

Mr. Mackintosh: When the member says there should be a safe haven for gang members that say they want out of gangs, perhaps she could describe what she has in mind or what participants had in mind. Is she talking about individualized placement somewhere, or how do you separate? Is it outside of the city? I do not understand the nature of the concept, or how far that has been developed. I am certainly interested in hearing about that concept, because I certainly think that getting gang members out of gangs is critical.

I think the question is: How can that effectively be done, and what kinds of resourcing would be required, and what kind of monitoring? For example, is it a Corrections program? Is it a Family Services program? I think some of that dialogue would be useful.

Mrs. Smith: I thank the Justice Minister for that question, so I will give you some background. There was a second anti-gang gathering held recently at the Thunderbird House in downtown Winnipeg where some people gathered to act on recommendations made during the first gathering. They held one in March, as well. The idea to hold the forum and combat the problem of street gangs came from Tina Mason, who had grown up in a gang culture. This particular individual saw no way out of the problem. Eventually, she broke her ties with street gangs and now wants

to assist those who want to leave gangs and have a way out.

I was very touched by what I heard and what I read about this particular gathering, because I thought it must be extremely hard for—and I know it is extremely hard for—young adults who are in street gangs to break out of that culture. It was said that there are a lot of gang members who want to leave but do not know how. In fact, it was said at that forum that up to half of the gang members that were talked to before that forum were people who really wanted to be out, who wanted to be out of the gang and into a different kind of life. It was said that a lot of the gang members had no education to fall back on and gang life was the only thing that they had. It was like a family.

Michael Esquash [*phonetic*], who is, I believe, a youth worker there, and I would have to double-check that, expressed there was no funding available now to set something up to help people who wanted to get out of gangs. These people are very much pressured to stay in gangs, to remain solid, to be there, and it very much touched me to hear the kind of dismay that some of the members had at being successful in staying out of gangs, because the suggestion made at that particular forum said that there is a need for a safe haven for people who want to break out of the gang membership and escape the peer pressure associated with street gangs.

When we talk about restorative justice, when we talk about problem solving, I think this is one aspect, and I daresay members on this side of the House would like to see some programs that would assist these people in getting back on their feet and developing a new lifestyle.

Having said that, my question to the Justice Minister was at this point in time, and from the answer I just received, I suppose this is something that has not been looked at to any depth at this time, because it would be something that perhaps was not thought of or had not come to the Justice Minister's attention. But I was very concerned that breaking up gangs is part of the solution, that if there are people who want out, that there are some venues, some way that they can get out and have some supports in place where they can get jobs and get a different

way of doing business, because once they are in this atmosphere and they are in this kind of lifestyle, it is very difficult to get out of it.

So my question to the Attorney General is: Has there been any dialogue or any conversation about possible ways to assist gang members who do not want to be gang members anymore but who want to go away from that kind of lifestyle and live the kind of lives that are productive, where they can build legitimate careers?

* (15:20)

Mr. Mackintosh: Well, the concept of a refuge-type facility is one that we engaged Manitobans in, people on the front lines, a number of years ago. Around that, I know there had been different proposals here and there that had met with limited degrees of success given the difficult challenges of dealing with what may be many members and recognizing the interaction that goes on, the communications that are ongoing between individuals.

I know there was a proposal that had been shopped around by a service agency that was not successful in terms of the federal government, and I do not have any first-hand knowledge of the former provincial administration, but inherent were the difficulties of that kind of segregation: Where is it? How do you stop one member of a gang from talking to another? If there is a refuge facility, how is it that you provide supports that will encourage people to be able to deal with their challenges or provide opportunities?

So, if the member has more detail in terms of a safe haven, or whatever terminology, for gang members beyond a concept, I would certainly be willing to discuss aspects of that.

But I think in terms of a strategy, of a refuge strategy instead, I think that the work that has been done in Manitoba has been quite remarkable in the sense that we have devised a locally made program through Corrections to help address this and start to move in this direction.

We have, by the way, made some real efforts to break down barriers between agencies that serve gang members who want to get out of

that lifestyle and make sure we can direct people, refer people to the appropriate agencies that are best able to help them, as well to mobilize other assistance, whether it is elder services or employment services or addiction services.

We have, of course, the intensive supervision and support program in this province through Corrections. We described that earlier. That is able to provide a low ratio of officer to offender on release, provide a different around-the-clock supervision initiative.

We as well should talk about our Manitoba-made gang intervention strategy, which is a program of Manitoba Corrections that really is part of the prison gang suppression approach. That program operates at the Manitoba Youth Center and Headingley and is not only an institution-based program but has a tie-in obviously to the community. What that does is it provides supports for those who want to leave gang life to deal with their problems, whether it be addiction or training issues, and get them into a law-abiding lifestyle.

The gang intervention program is one that is continuing to evolve and over the last couple of years I think has been a notable addition to the range of opportunities that can be available for those who want to leave gang life, recognizing that the province does not have sole responsibility in this area whatsoever, whether it is municipal authorities, whether it is the City of Winnipeg or whether it is other departments of government.

I think, for example, in areas of education and family services there are many initiatives that are ongoing that can have a very remarkable effect on getting people out of gangs. Perhaps the most important way to get people out of gangs is to be able to hold out and be able to assist them in new hope and opportunities for being able to get by and deal with their issues in a whole range of programs. Our approach to crime in this Government is not to conclude that it is only up to the Justice Department to make communities safer. It is up to public policy in general. That is why there have to be these opportunities developed sometimes in partnerships. That is clearly the growth area of

organization and often with programs delivered by either agencies or even volunteers but as well by some government-delivered initiatives.

I think, for example, in the area of spiritual support the province has made some remarkable improvements. I have to commend the work of individuals like Art Shofley, for example, who has been working with organizations, Aboriginal communities to enhance elder services to probationers in gangs. That is one focus. It was prioritized as a result of a community mobilization conference that the province partnered in to look to see how we can move people out of gangs.

It is sometimes even programs like our support for urban circle training, which provides a culturally appropriate, medicine wheel approach to helping people, moving them into careers that can make all the difference. It may be in the area of housing, where we are focussing through the Winnipeg Housing and Homelessness Initiative through Neighbourhoods Alive! on how to enhance particular neighbourhoods and train people who might otherwise be attracted to gang life to help to renovate homes, and as well just providing a more lively functional and healthy neighbourhood, even if it is just one block at a time.

It may be initiatives that deal with addictions, or it may be even the role of Ototema, which is the young offender mentoring program provided to female offenders who are at medium risk of re-offending. It may be the initiatives of Healthy Child Manitoba and the wide variety of approaches there, including how we are working with the challenge of prostitution in Manitoba, particularly as the program is funded through the Province and delivered through New Directions.

So I think that, when we talk about getting gang members out of gangs, it is important not to focus just on one unidimensional approach.

Are there safe havens out there? Are there refuge facilities? Well, there are. They may not be residential in nature. We are always open of course to looking at other options, but there are safe havens and refuge facilities in terms of places where opportunities are being provided

and where there may be even just one-on-one work with people who have come in contact with the law and which triggers the Justice Department involvement.

* (15:30)

Mrs. Smith: Could the Justice Minister please explain: When was the prison gang suppression team put together? When did it actually get started?

Mr. Mackintosh: The notion of a prison gang suppression team, or shall we call it a surveillance or intelligence and supervision program in respect of correctional facilities, is one we had promoted going back with our consultations on the Gang Action Plan to 1996. I know under the former administration there had been some work on this one by putting in place some gang co-ordinators in some of the jails, but this program has developed to the point now where we are looking to see where else we can link individuals who are part of the strategy.

I think the gang intervention strategy or the work of these gang co-ordinators, if you will, for lack of a better phrase, can best be delivered by making sure that federal authorities and law enforcement authorities are part of the information-sharing ambit of the work. That is why we have been able to expand the consultative capacity of the strategy.

This strategy is recognized by many jurisdictions as being one of the most advanced in the country. I think I went into, actually, a detail of the components of that strategy. We are continuing to look to see how we can strengthen it. Its beginnings under the former administration, one of the few gang specific initiatives I think were more than called for at the time, but on a go-forward basis I can say we are continuing to look to see how we can strengthen that kind of operation.

I was struck by the need for information going back to law enforcement officials, particularly once police in Winnipeg formalized the specialization in dealing with street gangs. So now there is a formalized information sharing. I think the subsequent addition of the COHROU

and, notably, the gang prosecutions unit, is useful in terms of establishing clearly within the Justice Department a specialized and better coordinated mechanism to deal with the challenge of gang activity.

Mrs. Smith: Could the Justice Minister please outline exactly what the present gang suppression team is in terms of who is on it in terms of the roles and responsibilities, not names necessarily but who exactly is in charge of this strategy and what is the accountability, the checks and balances that are in place to see, indeed, if this is working?

Mr. Mackintosh: We can provide that for the member. I have seen a listing of those positions, so I believe a document is already available. We will get that as soon as possible. I can say that in every correctional facility in the province there is a person designated, and then there are some other functions that will be noted for the member.

I might add that, as well, there are individuals outside of the actual prisons who are involved in that team approach.

It may be that the document we have has actual names, and we would have some concern about that, but we certainly will provide the member with a list of functions which I think will show how the strategy is organized.

Mrs. Smith: When would that be available?

Mr. Mackintosh: If the document I am thinking of is located, we can provide that as early as tomorrow. If I am wrong in my recollection of what that document had, we will put it together as soon as possible. I certainly think it would be available if not tomorrow, within a day or two.

Mrs. Smith: Could the Justice Minister please tell members on this side of the House how the young offender mentoring program is progressing? How is it put together, who is involved, what organizations are involved, and what are the checks and balances put into place to see if this is producing some positive results?

* (15:40)

Mr. Mackintosh: The young offender mentoring program is a program that we are interested

in seeing its effect on individuals. So far we have some anecdotal evidence that is very heartening. We have offenders, for example, who are remarking on just how important their mentors are in their life. I think there are descriptions such as godsend. One description I recall on a local A-Channel report described a mentor as someone who had saved the life of one of the offenders, as I recall, some words to that effect. I think that the ability of Ototema, the young offender mentoring program, to on a one-on-one basis provide opportunities and provide supports for individuals who may have been involved in gang activity shows promise.

I know that the sense is that, as a result of the program operating in Winnipeg, it was felt that this was the way to go by senior officials in the Corrections Department, as well as others who had been involved in the program. We have got to recognize that the increase of female involvement in criminal activity demands different approaches. We cannot simply continue to do business as usual when we have got an 85% increase in female youth violent crime over the decade beginning in 1988-98. That is twice the rate of growth for males, recognizing that this challenge across the continent of increasing youth violence is a very complex challenge that deserves innovative thinking in approaches and programming and partnerships.

In Manitoba, we have 440 females on probation and 40 in custody, roughly, recognizing that the numbers change on a daily basis. So we need to chip away at this problem, and I think that this is one part of the solution. We cannot say that this is the solution whatsoever by itself. Of course, it is only part of what has to be a multifaceted response. Because the number of mentors themselves will determine the extent to which we do chip away at the problem, it is not that easy to attract and maintain, on a long term basis, the mentors. There could never be enough mentors, I think, for this kind of program.

What has happened is some proactive recruiting. I know, for example, Ms. Dewar, who heads this program in Brandon, has been very active, particularly in the colleges and universities circuit, if you will, looking, for example, at the contacts that she has made during her time at college but, as well, by public awareness, urging

adults to provide those mentorship responsibilities. There already, though, is identified an area that needs fortification, if you will, or just based on the observations by the Winnipeg operation. That is to do what we can to convince, motivate mentors to stay in for the long haul and not to offer their services only on a very short-term basis.

The needs of female offenders have been recognized as somewhat different than the needs of male offenders, and that is why the female partnering is very important. We often get people volunteering who have been experienced and have overcome personal challenges, some of the same challenges being dealt with by the young offenders.

We do know, from some of the research on female offending, that female offenders more often tend to be caregivers. They have unique health issues and challenges. They, interestingly, have suffered higher levels of abuse as youth or children. As well, they have addictions issues, and some of them different than males. Because, of course, females have been a small minority of the offending population, programs have developed that are focussed on males. I think that the time has come, and we are responding by delivering on some unique programs for female offenders. Ototema, by the way, is only one. We have also developed institutional programming unique to female offenders. There is one program that has been devised, I do not believe we have announced it publicly, but it is called Circles of Change, tailoring the programming for these unique needs, many of which I have just listed.

As well, we know how important it is that there be a local approach to the mentoring program. That is why Brandon is operating with a unique partnership to that community through the Friendship Centre, and with an advisory council that is different, obviously, than the City of Winnipeg's advisory council, where it has attracted local advisers, including I know at least one elder. I believe Doris Young is helping out in Brandon, but there may be others. I am sorry, I do not recall if there are other elders involved. I certainly recognize the tremendous contribution that people like Doris Young can make to an advisory council for this kind of initiative.

The cost of beginning this kind of program I think is certainly a reasonable one. It can pay off so well because it is really a planting of a seed and providing a full-time resource or two to mobilizing a volunteer effort, which I think is the key to the success of a mentoring program.

So that is where things are now, given that we have had the Winnipeg young offender mentoring program for just over one year and the Brandon program for roughly just two months. The Winnipeg partnership, of course, with Partners for Careers and Manitoba Justice obviously and as well Macdonald Youth Services, which helped us with some of the training, has been able to attract I think roughly 20 matches so far. I think not all of them have continued for the longer term, but that is again the challenge.

Recruiting, though, is always a work in progress. There is no such thing as a program that is just up and running. It is one that will continue to have to be vigilant in recruiting. I think that public relations campaigns will be very important for the continued success of the young offender mentoring program, which I am pleased to participate in when asked. I know that they have been active at job fairs and other places where they are able to connect with young adults for mentors.

I might add that the kinds of activities as well that the mentors are engaging in with their offenders is one that we will continue to monitor. We have to recognize that local differences can make a big difference.

In Winnipeg, for example, there is a group meeting of the mentors and offenders about once a week, I understand.

As well, on top of that there are voluntary and individual activities that are engaged in. That can depend on the personalities, the interests of the pair.

But what is critical overall to this is the recognition that there had to be an evaluation component. We wanted to go beyond just purely anecdotal information about the mentoring program as it moved along. We also wanted to put in place an evaluation component. That was put in place.

I note that the advisory committee in Winnipeg is comprised of about 15 women. The advisory committee in Brandon, I cannot recall the number of individuals involved, but it has taken from some aspects of the model of the Winnipeg mentoring program.

I think this kind of partnership and this melding of paid positions and volunteering and involvement of several agencies, and perhaps even the delivery of programming by an agency that is not the Justice Department is the new face of the Justice system. I, for one, am pledged to continue to look to see how we can use that in other areas of endeavour. There is information available to the member opposite on the mentoring program.

* (15:50)

Report

Mr. Harry Schellenberg (Chairperson of the section of the Committee of Supply meeting in Room 254): In the section of the Committee of Supply meeting in Room 254, considering the Estimates in the Department of Conservation, the honourable Member for Lakeside (Mr. Enns) moved a motion to reduce the minister's salary. The motion reads as follows:

THAT line 12.1.(a) Minister's Salary be reduced by \$5,680.

This motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

Formal Vote

Mr. Chairperson: A formal vote has been requested. Call in the members.

All sections in Chamber for formal vote.

* (16:50)

Mr. Chairperson: In the section of the Committee of Supply meeting in Room 254 considering the Estimates of the Department of Conservation, the honourable Member for Lakeside (Mr. Enns) moved a motion to reduce the Minister's Salary. The motion reads as follows:

THAT line 12.1.(a) Minister's Salary be reduced by \$5,680.

This motion was defeated on a voice vote, and, subsequently, two members requested that a formal vote on this matter be taken. Therefore, the question before the committee is: Shall line 12.1.(a) Minister's Salary be reduced by \$5,680?

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 22, Nays 29.

* (17:00)

Mr. Chairperson: The motion is accordingly defeated.

* * *

Mr. Chairperson: The Committee of Supply will now resume consideration of departmental Estimates. Is it the will of the committee that we continue with the Estimates, or the committee rise?

An Honourable Member: Committee rise.

Mr. Chairperson: Committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5 p.m., it is time for private members' hour.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

Res. 9—Emergency Personnel

Mr. Speaker: Proposed Resolution No. 9, Emergency Personnel, standing in the name of the honourable Member for St. James.

Ms. Bonnie Korzeniowski (St. James): I move, seconded by the Member for The Maples (Mr. Aglugub),

WHEREAS emergency personnel risk their lives regularly to help others in their dangerous, at times lethal, line of work; and

WHEREAS in Canada, the numerous natural disasters such as the Québec ice storm and Manitoba's flood of 1997 have required great

efforts on the part of emergency personnel, who aptly demonstrated their capabilities; and

WHEREAS emergency personnel in many areas of Manitoba are volunteers, performing dangerous tasks without financial remuneration; and

WHEREAS the events of New York have made us, as a society, more grateful and proud of our emergency personnel.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba commend the actions of emergency personnel everywhere for their commitment and sacrifice.

Mr. Speaker: It has been moved by the honourable Member for St. James (Ms. Korzeniowski), seconded by the honourable Member for The Maples (Mr. Aglugub),

WHEREAS emergency—

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Ms. Korzeniowski: Mr. Speaker, events like September 11, the pipeline explosion near Brandon and the train derailment near Firdale remind us all of the importance of emergency personnel. The significant role they play in our society was often taken for granted before that date. These are reminders of skills, courage and sensitivity that emergency personnel bring to their jobs.

I just like to share some personal thoughts and experiences in this vein. I think, in large part, the taking for granted of our emergency personnel back in years ago was probably due to a lot of the lack of media profile. I can recall the first emergency. It was actually a derailment of the Korean troops at the Canoe River train wreck. It was on their way to Korea. It happened in Alberta. I do remember that, even though my father was in that derailment, it never really made as much of an impact on me until I saw it in a movie clip when I was watching a Superman movie or whatever, but it shows that those kinds of memories are the ones that really stick. Until we had the TV showing, I think we were able to not really take it in quite as much.

The 1950 flood, I am sure some of us might remember, was also another. I think it was more the polio shot that I got that made the impact on me.

The next and first real experience with who we all know as heroes now happened 35 years ago. When my toddler was choking, 911 brought the firefighters to my door only minutes later. I heard the sirens as I hung up. They arrived just as I managed to remove the offending object. I tried to intercept them to save them the trouble, but they all ignored me, and they did not stop until they actually found my child and checked for themselves. I think that is the first time that I was able to see, recognize such focus and intense dedication as I never had before. As I said, that was 35 years ago. It still sticks with me very vividly. They became my heroes then.

To carry on in the face of adversity and danger despite all normal survival reflexes and childhood training in self-preservation is a phenomena we must greatly admire and respect.

A more recent event I experienced which helps me appreciate this kind of heroism was during the ice storm in Ontario and Québec. I traveled to Kingston in response to a family emergency and had to drive from Toronto after being diverted from Ottawa. I arrived at night, and I can still feel the eeriness of the sight of a city with no lights. No street lights, traffic lights, homes were in darkness. There were no lights anywhere. It was like a war zone. I thought this is what it must be like to be in the middle of a war zone. Trees were still scattered, and streets were blocked. Hydro lines were down. In the light of day, winding my way through town, it impressed me the activity and the number of people in uniforms of all disciplines and volunteers working on clean-up, and I could only imagine what ground zero was like, which brings me to September 11.

It was a great impact on my constituency. I have the base of 17 Wing and its permanent married quarters, Winnipeg Airport and several aerospace industries housed in St. James. There is also the largest Royal Canadian Legion Branch No. 4 there. Many, if not most, of the families of these personnel live in St. James, and security measures have affected them in ways

maybe the rest of the city would not realize quite so much, much like people living near the rivers were more impacted by the flood.

* (17:10)

I would like to step back for a moment to the time I heard about the September 11 tragedy. I was just leaving the house to drive my 18-year-old to school when I heard about the first hit. It was in the car that we heard and began to digest the reality of the situation with the second hit. I turned up the radio and said you are listening to history. Ironically, she was on the way to her first class on terrorism. We went home and turned on the TV, and she wrote frantically while watching the events unfold. This will undoubtedly be the most traumatic moment in her life, as it will be to most of her peers.

This reminded me of when our Minister of Labour (Ms. Barrett) commented on remembering where we are when tragedies or crises occur. She spoke of the Berlin crisis, which I remember, and being so young only put in the context of it interrupting my trip to Europe. To further date myself, I also recall vividly when President Kennedy was killed. I was in Germany in a small town, and the locals who knew me were standing in front of a pub. They were crying. They appeared distraught, and they were trying to tell me something that my limited understanding of the language made it very difficult to comprehend. Kennedy, that was all I could make out, and dead. I found it quite strange that they would be so upset about the death of an American. There were tears and obvious deep grief.

That was certainly a profound lesson for me which has since been reinforced by Princess Diana's, John Kennedy's, Pierre Trudeau's, the Queen Mum's and several other respected figures' deaths. Respect and grief know no culture, language or nationality. Neither does heroism. Whether by trained professionals, paid or unpaid, or by volunteers spontaneously responding to a crisis in whatever way they can, the events of September 11 showed the world what heroism is all about.

Bringing it back to home and this tragedy, I must tell you that it was only weeks before that I had been at an anniversary and had just been

contemplating the importance of remembering things. I do not know why, but it suddenly became very clear to me that I was at the end of a generation that was going to actually remember directly the effects of war, the impact on people and how important it is that we pass on these things to our children. I actually did say that my children will never have the memories that I do.

These words came back to haunt me only 16 days later. September 11 resoundingly pointed out my own complacency and presumptuousness. It is indeed sad that it took an event such as this to remind us all of the commitment and sacrifice emergency personnel everywhere everyday give to keep our freedom and our security.

It is with these thoughts in mind that I am very proud to talk about the many changes and new initiatives in recent years to improve the reliability of emergency services in Manitoba that our Government has instigated.

I would like to congratulate our new executive director of the Manitoba Emergency Measures Organization, Chuck Sanderson. He is very capable and experienced. This position is new and was created to meet one significant recommendation of an independent review of the EMO. The role of the Emergency Measures Organization is being enhanced by defining and clarifying accountability and authority and by adopting a new human resources strategy including employee cross-training where staff learn the jobs of co-workers to enable them to supplement each other's work. Further, there is now a minister directly responsible for Emergency Measures.

In addition to continuing its co-ordinating function between provincial departments in the event of an emergency, the EMO also provides primary support and information to the all-party task force on security issues, emergency planning and response. EMO is a critical function of government, and the professionalism of these employees has been seen time after time. These valued employees give Manitobans an even greater level of confidence in their security. The work of volunteer emergency personnel in rural Manitoba is absolutely invaluable.

Those of us who live outside the boundaries of cities are fortunate to have the volunteer staff that we do. They sacrifice time with family to help those in need, and even risk their lives for little or no remuneration. Again, I can empathize when I recall my nephew living in Lundar, and many of his friends and family fighting a fire a few years ago, I am not exactly sure, but it was between Winnipeg and Lundar. I can recall the concern of him going out and the stories when he came back of near encounters and exhaustion.

There were volunteers from over 30 community fire departments who responded to the pipe explosion in Firdale, when a truck collided with a train. Twenty-one of the seventy cars on the CN train derailed, and fourteen of them ignited in a serious fire involving benzene and hexane. The many who responded were volunteers who worked in co-operation with several other emergency agencies to fight the massive fire, a truly outstanding effort.

The Firdale team is truly a group effort between the three levels of government. It has included the Manitoba Emergency Measures Organization, the Office of the Fire Commissioner, the Canadian Armed Forces, Environment Canada, the Transportation Safety Board, CN Rail, elected officials from surrounding communities, the Brandon airport, volunteers from amateur radio emergency service, and the RCMP.

It is a little known fact that the primary responsibility for dealing with emergencies falls to the local level of government. Mayors, reeves and councillors across the province have demonstrated an understanding of this responsibility by developing emergency plans and ensuring the residents they represent will be protected in the event of an emergency. Fortunately, we rarely see these plans activated. When local governments have been called to respond to events like fires and floods, they have proven the importance of this planning.

A crucial part of emergency services is equipment. To assist paramedics, there are 80 new ambulances in the province, 70 of which are outside Winnipeg. Increased support for the RCMP means more police officers, which will help in their ongoing efforts to ensure greater

public safety throughout the province. The city of Winnipeg and other cities have commendable teams of emergency service personnel right from the police chief to the paramedics, who all work hard on our behalf.

Brandon, Thompson and The Pas have full- and part-time EMS personnel. This province owes much to its emergency medical personnel. They regularly risk life and limb to protect our lives and our property, a courageousness that occasionally ends in tragedy. I cannot repeat often enough that it is so unfortunate it takes these tragedies for us to remember how much we owe to so many.

I again encourage that the Legislative Assembly of Manitoba commend the actions of emergency personnel everywhere for their commitment and sacrifice every day. Thank you.

* (17:20)

Mr. Leonard Derkach (Russell): Mr. Speaker, as I rise to speak to this resolution, at first glance, I would have to say that this is motherhood-and-apple-pie kind of resolution, where one would tend to support it in its intent, at least. Probably this resolution would have been supported by the entire membership in this House had we not had the recent events of the bill which the Minister responsible for the Workers Compensation Board (Ms. Barrett) brought forward, where it actually set two separate classes of emergency personnel and firefighters in the province of Manitoba. Although the member who puts this resolution forward used some very flowery and eloquent language in her presentation.

She actually made the case for this side of the House when we presented the amendments to the minister's bill for the inclusion of volunteer firefighters in the bill that was presented to this House. I guess I would have wished that this member would have talked to her minister before the bill was presented and during the amendment stage, so that her minister could have been as well-informed as this member is who presented the resolution today. Further to that, if this member really believes in the words that she put on the record today, then why did she not stand and vote with the

amendments that were presented in this House for the bill that was presented on the compensation of firefighters? Words ring hollow when the actions do not follow what those words say.

We have seen some disastrous events, not only in the province of Manitoba, but throughout the world. Of course, the member, in her resolution, talks about the events of New York and I am presuming those are the events of September 11. Indeed, those did exemplify what firefighters have to put up with on a day-to-day basis in their work. When people are leaving a scene of disaster, it is emergency personnel who go into those disasters and try to save the remaining living souls, or, perhaps, those who have been injured, or those who are trapped, or those who are in fear of losing their lives.

On September 11, firefighters were on their way up to save anyone who could be saved when the buildings collapsed, and hundreds of them were lost as a result of that. Whether those firefighters were volunteer or full time did not matter; they were fighting shoulder to shoulder. They were fighting arm in arm to save whatever life they could. That is typical of emergency personnel.

I have to tell you of a story closer to home. When, at the closure of last year, we saw a disaster in my community where an RCMP officer was gunned down and emergency personnel were summoned to the scene, it did not matter whether they were paid full time or whether they were volunteers. They worked night and day to try to secure the area to ensure that no one else was injured, to make sure that the community was safe. Whether or not people are paid on a full-time basis does not matter. Their dedication to their work, to their career, to their vocation cannot be disputed.

It was a sad day in Manitoba when the Minister of Labour (Ms. Barrett) presented a bill to this House, and, of course, the Government, having the majority, could muscle it through, and so they did. This, once again, is a poorly-worded bill, a poorly-intended bill, because it sets up two classes of emergency personnel, two classes of firefighters.

I regret to say that, today, we cannot stand here and accept this resolution in the way it has

been presented, because this resolution leaves out the major intent of what we should be doing here in this House and that is, including all volunteer and full-time firefighters as emergency personnel who are treated equitably, who are treated in like manner and who, indeed, are treated fairly in the province of Manitoba.

I am hoping that the Minister of Labour stands up to talk about this resolution, because I know what she will put on record. She will talk about the science. What hypocrisy, what hypocrisy, in case she did not hear. The hypocrisy is in this, Mr. Speaker. She said in the House that volunteer firefighters could use the science if they had a claim against Workers Compensation Board. They could use the science to prove their case. If they can use the science to prove their case, then why would they not be included in the science? Why would they not be included by the coverage? What she has decided to do is split hairs for her own convenience sake, because her Government believes in unions. As long as union firefighters can get benefits, nobody really cares about the volunteers on that side of the House.

An Honourable Member: That is the only time she cares.

Mr. Derkach: So this is about discrimination, Mr. Speaker. This minister and her government have chosen to discriminate against those people who put their lives on the line every day of the week in fighting fires and entering dangerous situations.

Today we have firefighters who are left out. The paper speaks to it very eloquently. It says: Volunteers not satisfied by firefighters study. Then it says that the member from Brandon West defends the position taken by the Government. Well, I guess he has been told to toe the line if he wants to keep his portfolio and not really listen to the people who he fights side by side with in fires who are some of his colleagues in his profession. He has abandoned them for the sake of his political career.

It also says here that volunteer firefighters should be given a fair shake, and they are not being given a fair shake in this resolution. There is no way that I can support this resolution, and I

would have loved to support it because I think in its purest intent it is a good resolution except that the Minister of Labour has caused this resolution to ring hollow.

An Honourable Member: This is debasement.

Mr. Derkach: As my colleague from Lakeside says, she has debased it. Well, Mr. Speaker, I think we could probably improve on this resolution somewhat.

I would just like to know how much time I have left in this debate. I have seven minutes left.

Well, I have a few more minutes to put some comments on the record before I present to this House what is a more sensible approach to this resolution.

Let me say to the Minister of Labour, that this is the second time she has made a mistake, a major mistake with legislation. The first mistake was Bill 44, and I think events since Bill 44 have shown how wrong she has been. We told her when she presented Bill 44 that she was wrong. We told her that Bill 44 was going to give this province a black eye in the business world, and it did. Now we have the legislation with respect to firefighters, Bill 5 I believe it is, that is going to do the same. It is not going to speak to what is justice, to what is fairness, to treating people equitably.

This minister has chosen to treat one group of people differently than another group even though they basically do the same work. What is the difference? *[interjection]*

Now she says they do not do the same work. I hope she stands in her place. Rather than chirping from her seat, that she will stand in her place and talk about what the differences are because the firefighters at Firdale, who were volunteer firefighters, alongside with the full-time firefighters fought the disaster shoulder to shoulder. The volunteer firefighters did not say, oh, well, I cannot go near this fire because I am just part-time. I am not going near this situation because I am a volunteer. They went in there shoulder to shoulder and fought that.

In St. Lazare, Mr. Speaker, when we had a chemical spill where the entire town was

evacuated, firefighters, both volunteer and full-time, went in there wholeheartedly to clean up the mess to make sure that the situation was made safe again. They did not question whether or not they were volunteer or full-time. So I want the minister to tell me what the differences are. Those volunteer firefighters are on duty day after day. They are called to every fire. They do not have shifts in rural Manitoba. They are not put on shifts in rural Manitoba. They go to every fire. So I daresay that they are exposed to as many carcinogens and toxins as are the full-time firefighters. But this minister has chosen to discriminate against them. She has chosen to put them in a separate class.

Why? Because she is unfamiliar with what goes on in rural Manitoba. She does not know. She never leaves the Perimeter. So how would she know? Have you ever seen her in rural Manitoba? Nobody has. She might fly over.

An Honourable Member: She was in Lac du Bonnet during the by-elections.

Mr. Derkach: Oh, yes. She was in Lac du Bonnet during the by-elections. She did find her way there. She probably needed a van to drive her there. Somebody drove her there.

Mr. Speaker, it is unfair to the volunteer firefighters who keep our community safe, who go out to every fire, who do not question whether there are heavy toxins or not when they go to a fire. Mr. Speaker, we have highway spills. We have derailments. We have chemical spills. In rural Manitoba, where you have high densities of highway traffic, you will have those kinds of issues, and you have them probably more numerous than you do in an urban centre. It is natural because of the railways and the highways that we have, but those volunteers who are committed to their duty will go out there and do what they can.

So, Mr. Speaker, when that firefighter 10 years down the road contracts cancer, there is no way that he is going to be recognized under this legislation, because there has not been a single case that has been satisfied to the side of the individual who is the claimant, not one case in history where a firefighter has gone before the Workers Compensation Board and has claimed

for cancer that has been caused from his duties. Not one.

* (17:30)

Mr. Speaker, now the minister says: Well, they can use the science. Well, if they can use the science, why does not the science apply to them as well? So, therefore, I would like to, today, move an amendment to the resolution that has been put forward this afternoon.

I would like to move, seconded by the Member from Lakeside (Mr. Enns),

THAT Resolution 9 be amended by deleting all the words following the third paragraph and replacing them with the following:

WHEREAS the events of September 11, 2001 made us, as a society, more grateful and proud of our professional and volunteer emergency personnel; and

WHEREAS volunteer firefighters put their lives on the line on a daily basis and many times stand side by side with full-time firefighters to protect life and limb; and

WHEREAS volunteer firefighters are many times subject to the same dangers and exposed to the same toxins as are full-time firefighters; and

WHEREAS the provincial government recently passed legislation that treats volunteer and part-time firefighters as second class citizens; and

WHEREAS every government member of the Legislative Assembly voted against amendments that would have seen volunteer and part-time firefighters treated equally with full-time firefighters in this province.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba condemn the provincial government for ignoring the principles of equality, justice, and fairness by excluding volunteer and part-time firefighters from recent amendments to The Workers Compensation Act; and

BE IT FURTHER RESOLVED that this Assembly urge the provincial government to

further amend The Workers Compensation Act to ensure that volunteer, part-time and full-time firefighters are treated equally.

Mr. Speaker: On the amendment that has been moved, I will follow Manitoba practice and I will take the amendment under advisement.

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a pleasure to stand and speak to this resolution that the member has brought forward. She has mentioned previously that, certainly, the firefighters and response personnel and emergency services personnel in Manitoba are to be commended. I can tell you we have an emergency services college here in Manitoba that is second to none across the nation; in fact, well-respected right across the entire United States. The personnel that we have there and the personnel that we have doing the training within the emergency services here in Manitoba, train volunteer firefighters. They train police officers; they train some of the military response personnel; they retrain a lot of people from the community, a lot of people from Manitoba Hydro and other corporate organizations, and, certainly, do a fantastic job.

The resolution that was brought forward, and some of the amendments that were brought in from the member opposite, certainly, take me back to the dark, dark days of the 1990s, when members opposite did the ostrich syndrome and buried their heads in the sand and tried to make the firefighters and the emergency response personnel just go away. It was through the efforts of folks like Alex Forrest and Terry Parlow from Brandon and a lot of other folks around the community. I know certainly from the Thompson area and the Portage area and members from the Russell area and Minnedosa area and many of the firefighters and response personnel out there that tried to get the members opposite to pay attention to emergency personnel and response personnel in this province, as they sat in this House and in this Legislature there was nary a peep, Mr. Speaker, nary a peep from these members opposite here regarding the importance of response personnel in Manitoba.

You know, Mr. Speaker, many of the volunteer firefighters and many of the volunteer

response personnel that I have worked with are very good people. Certainly the full-time firefighters, and I know the member opposite mentions *[interjection]* Yes, they are, certainly they are, as are the full-time firefighters.

You know, Mr. Speaker, the members in the seats opposite here that were from Winnipeg and some of the areas where we had full-time firefighters could have spoken up through the nineties. They had, I guess, if it was not the ostrich syndrome, maybe they had the glue in the back pocket syndrome that stuck them to their seat and did not allow them to get up when it came to the issues of emergency responders in the province of Manitoba.

I can tell you, Mr. Speaker, firefighters both on the part-time basis and speakers on the volunteer fire departments and the urban firefighters know full well what members opposite did here for response personnel through the nineties, which was in fact, on this issue, absolutely nothing.

I can tell you the minister that introduced them, the member opposite from Russell, spoke on Bill 5 that the minister had introduced, and certainly it was a long time coming. I know, speaking with many of the firefighters in the rural communities and many of the firefighters in the urban centres that are full-time firefighters, they are exceeding the benefits on the bill that was introduced by this minister, who finally paid attention to scientifically evaluated proof that was presented to the members opposite some decade ago, in the dark nineties of the firefighters' era, trying to deal with the members here opposite.

I can tell you when the response personnel, both volunteer and urban, get their training at the Manitoba Fire College, members opposite continue to talk about fires, and you know, it is a lot broader and a lot more general than that, Mr. Speaker. The chemical emergencies that firefighters in the province of Manitoba respond to now are growing and are increasing, obviously since the deregulation of the trucking industry. The member opposite did mention that there is more freight being carried by the trucking industry throughout every road and provincial municipality within our province, probably on a larger scale than has ever been done before.

* (17:40)

The hydro lines that are down in the province, usually the first responders are the firefighters in the local community, and the training is substantially higher than it was even a couple of decades ago.

The members opposite had mentioned that certainly bringing in some resolutions to include volunteer firefighters is important, and that is exactly why this minister for the first time brought in a report that would be helpful for volunteer firefighters, something that the members opposite did absolutely nothing about to help the volunteer firefighters in this province of Manitoba. They actually had the Workers Compensation Board do a study and do due diligence to assist the volunteers in all the communities that we all do respect.

Certainly, when the minister has asked for this information and tried to bring along some information that may help and shed light to something that is similar to what has been done for the urban firefighters and full-time firefighters throughout the province on the presumptive legislation and the five cancers, certainly that have been included in the bill that the minister introduced in Bill 5.

I can tell you, Mr. Speaker, for the first time in Manitoba the emergency response personnel throughout the province are actually getting an advocate in a government to pay heed and pay respect to the important service they do in all our communities. The Minister of Labour, in introducing Bill 5, recognized that firefighters, both full-time, part-time and volunteer, certainly recognize that, and I know they recognize it in Portage. I have had conversations with many of the members, in both the surrounding area and the Portage area, that the volunteers have recognized the work that this Government has done and certainly the full-time firefighters in Portage.

I spoke with members of the Minnedosa area and members in the Russell area who certainly are recognizing for the first time some substantial work being done on behalf of firefighters in the province of Manitoba and taking the information and scientific fact and

proof and putting it into legislation, and I can tell you, it has been a long time coming. It is not only beneficial for the firefighters, but it is certainly beneficial for the families of the firefighters. The diligence that emergency responders and personnel in our province do for communities is ever-increasing, and certainly when we look in terms of chemical response that we have talked about, airport emergencies, it is always the local jurisdiction, the firefighters, the municipalities that are called first to respond.

In farming incidents and farming accidents constantly it is the volunteer firefighters going with a lot of equipment, a lot of expertise on welding, on the jaws of life, the cutting tools and some of the proprietary tools that they use to extricate people from accidents. It is always the volunteers in the volunteer areas and the firefighters in those areas. The exposure certainly is there, and I think that is why the documentation now that is in many areas, and being used in many areas through the Fire Commissioner's office is extremely beneficial to both the volunteer firefighters, part-time firefighters and certainly the urban firefighters that fill out incident report forms every incident that they go to. But the Fire Commissioner, with the forms that they have now identify people who respond to areas.

Certainly local jurisdiction municipalities should be well aware of that, and I know many of the fire departments and fire chiefs, certainly the Fire Chiefs' Association knows the significance and the importance of filling out forms and certainly, if any member of the volunteer department is exposed to a chemical any time in any area should certainly document, fill out information, and if problems do arise and result from contact with a certain carcinogen or chemical that they are exposed to, obviously that should be brought to the Workers Compensation Board and something submitted to them.

The industrial accidents, the automobile accidents, obviously many of the rural areas, and I have seen over and over again responding, as the member from Russell likes to mention, shoulder to shoulder with my colleagues to automobile accidents over the years when I was a firefighter, and they respond to many of the automobile accidents as well. They respond with the emergency medical response personnel from

their jurisdictions, and normally the first responders are the folks that are from the fire departments.

The confined-space rescue is also an area that many of the response personnel are actively involved in. They train in expertise that is taught here in the Manitoba Fire College, and then local people in jurisdictions in the mutual aid districts certainly assist each other in advancing the training and obviously in every area throughout the entire province. Not only in the urban areas but obviously in the rural areas and the northern areas of Manitoba, the confined-space rescue is extremely important. As well, many of the response personnel in the fire departments, the men and women in all our jurisdictions throughout the province are on scuba response teams that we see in water rescue combined with the RCMP, combined with the local fire jurisdiction, combined with the emergency medical jurisdiction within the area, and that is another field of expertise that they have advanced into.

We see the high-angle rescue, not only for the members in the urban areas and urban jurisdictions but certainly we see it, obviously with the grain elevators and one of the other high-angle spaces that we have in rural Manitoba. We see the high-angle expertise that we see with members from many, many rural municipalities coming into play.

I will tell you the members opposite would like to bring this in and the member opposite from Russell mentioned something to do with unions in this bill and that absolutely has zero to do with it. He is trying to put something out there that is certainly false. He is trying to put something out there that is certainly not part of the truth, and we see many of the people that would benefit from the bill, but I will tell you I have got to give credit to the member from St. James for bringing this forth.

Certainly we on this side of the House, through our actions, have spoken a lot louder than no words from the members opposite through the nineties when this was a non-issue. It was a non-issue for them as the firefighters tried to bring this forward, as firefighters tried to get some recognition from a provincial

government that just never seemed to pay them heed, and this resolution I think, Mr. Speaker, speaks highly of what this side of the House understands and recognizes, that response personnel in the province of Manitoba are extremely important. They do a job that we all very, very much appreciate. They do a job that, when many of the other folks in a municipality, regardless of whether it is in an urban centre or in a rural community, do not take for granted. They appreciate it. They respect it. We, on this side of the House, respect it in a huge way, the sacrifice that many of the people in this service put forth for their municipalities, for their communities, and taking time away from their busy schedules, be it in their place of employment, in their business, or certainly allowing personnel that work for many of the businesses to take the time off and put the service into their community on a volunteer basis, in many cases, in the rural areas, certainly.

* (17:50)

In the urban areas in Manitoba, certainly where there are paid firefighters, we see Brandon, certainly. We see Winnipeg. We obviously know Portage and Thompson and, to a smaller extent, in The Pas, where there are full-time employees. They certainly know that this side of the House, this Government, has been working with them not only through the last couple of years to make things happen to advance betterment for them and their families in Manitoba, but certainly they know through the nineties the struggle that they had trying to get anything done for response personnel to be heard from a government that, quite frankly, turned the other way every time they tried to bring information forward.

Mr. Speaker, I can tell you the members opposite had mentioned some of the toxic chemicals that travelled by train, certainly through each and every community throughout the entire province of Manitoba, and it is on a daily basis. It is 24 hours a day. It is seven days a week. These people are prepared. They are prepared to respond. The municipal co-ordination that we have working together, the different municipalities that have expertise and shared expertise from municipality to municipality is one of the best that we have seen

throughout the entire Canadian jurisdiction. In Manitoba, we can be very proud of our response personnel. We can be proud of the work that they can do. We can be proud of the skills that they have. We can be proud of what they put and commit on the line every single day, and we are.

This resolution that was brought forward exemplifies that. It tells the response personnel in Manitoba that we do care, that we are there to support them and be part of their lives and their family's lives in support. I know, up in Dauphin, the members up in that area spoke with the MLA in appreciation. It has been passed back to me. I know, in the northern communities, we have heard it, and this side of the House certainly does stand to support this resolution brought forth by our member from St. James.

With those few words, Mr. Speaker, I would just like to again reiterate that it is a pleasure to support the original bill, the resolution as brought forward and not those brought forth by the member from Russell, which is short-sighted and obviously does not take consideration, something that should have been taken in all through the nineties. So, with those few words, thank you very much for the time to put a few words on.

Mr. Jack Penner (Emerson): Mr. Speaker, I want to thank my colleagues for giving me a bit of time to speak on this important issue. I, for the life of me, could not understand when the legislation was brought forward to deal with urban firefighters. I was one of the people, I suppose, that supported it wholeheartedly because I believe that we should pay full compensation and take compensatory measures to ensure that families and firefighters, and especially those in the public service that serve in times of need and disaster, are taken care of.

I believe that those that suffer because of being exposed to hazardous waste should receive full and proper compensation, and there should be no question as to whether society, in general, recognizes the amount of pressure that is put on families when their beloved ones are put in dangerous positions and when their loved ones are exposed to hazardous materials and toxic materials that can, from time to time, cause illness and diseases, but I found it absolutely

astounding when I was told that this would not apply to rural firefighters. I honestly could not understand how a government that was supposed to represent all the people of Manitoba could take it upon themselves to bring legislation to cover one part of society's risk takers but not another part of society's risk takers.

I would like anybody in this Chamber to stand and tell me what the difference is between a volunteer firefighter or even a paid rural firefighter to be exposed to a chemical fire, to be exposed to toxic materials when they enter a house fire, to be exposed to toxic fumes and chemicals when there is an industrial fire such as we experience often in rural Manitoba. What is the difference between providing coverage to those that suffer because of those kinds of exposures in the city of Winnipeg or rural Manitoba?

I would like the minister to do a tour with us in rural Manitoba, to go visit the firefighters in rural Manitoba and explain to them personally, sit down with them and explain to them why they are different, why they are so much different than those in urban centers. I think they will tell her a story that she will be surprised at. They will tell her how they attended the large fire in southwestern Manitoba. They will tell her how they deal with toxic material spills when a train wreck occurs in their area. They will tell her how they deal with toxic materials when a big truck accident occurs and a fire starts. They will tell her when a gasoline tanker explodes under a main power line, such as happened a few years ago just off 75 Highway, how they deal with those kinds of toxic fires, and how they are affected by being exposed to those fumes the same, exactly the same, as urban firefighters are exposed, from time to time, to those kinds of fumes.

To one group we are saying, yes, you are going to be taken care of through Workers Comp when you develop cancer, but to the other group we are saying, no, you are on your own. We are not society. We are not a provincial government. We are a territorial government. This minister is a territorial minister, looking only after those that provide fire services and fire protection to the people within the Perimeter. How can she, how can the Premier of this province (Mr. Doer), condone legislation being brought forward to

protect those that are giving society protection in the city of Winnipeg but not just outside of the Perimeter?

I would like the minister to explain to this House what the difference is between a toxic chemical fire when there is a train wreck in the city of Winnipeg or when that toxic fire occurs just outside of the city of Winnipeg or, for that matter, 100 miles outside of the city of Winnipeg, such as occurred not too many weeks ago. What is the difference? There were 200-and-some-odd firefighters that were exposed to the fumes and the acids and all the materials that come from those fires, were exposed, but they were told, no, your exposure is—you are on your own. If you get sick from this, you are entirely on your own.

This is quite exemplary of the kind of legislation that we have seen time and time again come out of this Government. It reminds me somewhat of the legislation that the Minister of Agriculture (Ms. Wowchuk) introduced a few days ago, Bill 23, which is being touted in rural Manitoba as the "manure bill." Similarly, she has no understanding of the difference between a natural product that farmers deal with every day of the week and/or chemical materials or toxic materials, such as spray chemicals, pesticides, herbicides, fungicides, those kinds of things. There is a huge difference, and yet she wants to treat it exactly the same, treat manure exactly the same as she does chemicals that kill bugs and chemicals that kill, oh, even mosquitoes.

Yet here we are asking for the same kind of treatment for our voluntary firefighters, whether they are in Piney, Manitoba—the fire chief from Piney is a volunteer person, who works at customs and when the alarm goes off in his customs building he takes off. He takes off time; he heads for the fire department and goes. Whether it is a house fire or whether it is a chemical fire or whether it is indeed a grass fire out in the prairies, these people give of their time and give voluntarily of their time to be trained. They attend fire schools in Brandon; they attend fire college courses and do much of the training on their own time. They are not fully compensated; they are not fully paid.

A firefighter out of Altona coming to Canamera Foods when the person died in the

railway car, those firefighters went in and put their own life in jeopardy to save the second person in that tank. Was that toxic? Was that hazardous? You bet it was hazardous.

These people put their life on the line for their neighbours, and to ensure that they perform as they have been trained to perform. Yet what do we say to them when they are confronted by those kinds of situations? They give freely of their life, of their family time, of their time at work to be trained. Yet what do we say to them when they ask for the same compensation that firemen in the city of Winnipeg have asked for, and are being granted by legislation, of this NDP government? They say what are we, second-class citizens? Just because we live outside of the Perimeter, are we second-class citizens? Does this NDP government not understand that we are also people, that we also have families, that our families also love us?

The honourable Minister of Industry and Trade (Ms. Mihychuk) should certainly understand what this means because she was born and raised not too far from Vita, and Vita has a very, very good fire brigade, a volunteer fire brigade. The fire chief at Vita is a very good friend of mine, a very close friend of mine. He was down the other day, and he said, Jack, if this meeting would have been tomorrow, I would not have been able to be here because tomorrow I am at fire school training.

He takes off freely of his time. He was very, very upset about the fact that this NDP government was not going to give him and his crew, his firefighters, the same coverage under legislation that this NDP government is extending to the firefighters of the city of Winnipeg.

So, Mr. Speaker, I would truly beg the Premier (Mr. Doer) of this province, I would truly beg the Minister of Labour (Ms. Barrett) of this province, to have a change of heart. Look into your hearts, and if you truly think that rural Manitobans are not as deserving, that rural firefighters are not as deserving as firefighters in our urban centre are, and if you really do think they are as deserving, then take it to heart. Make the changes in the legislation. Include them. Make this bill all inclusive. Make this legislation all inclusive. I truly implore you. I truly beg you

to give consideration equally to all citizens of Manitoba.

When you do legislation, take into consideration the drafting of the legislation; that it will be all inclusive, not separate, not separate us out as being second-class citizens in rural Manitoba. I believe the minister owes it to the firefighters of this province, owes it to those volunteers that give freely of their time, of their family life, and commit to their community their lives, and commit to the safety of the people of rural Manitoba. I believe they are as deserving as anybody is, and I believe that they truly, truly should be considered equal citizens in the province of Manitoba, Mr. Speaker. Thank you very much.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Point of Order

Mr. Speaker: The honorable Member for Emerson, on a point of order.

Mr. Jack Penner: I wonder, Mr. Speaker, whether the minister might in fact take a minute or so to inform this House why she would not have included the firefighters of rural Manitoba in this bill. I truly believe this is a point of order, and I think it is really a matter of principle that needs to be addressed here.

Hon. Steve Ashton (Deputy Government House Leader): That was not a point of order. I think it is pretty sad that the member would get up on a point of order and prevent this very important resolution and indeed the amendment which we can vote on from going to a vote. But it is most definitely not a point of order.

Mr. Speaker: On the point of order raised by the honourable Member for Emerson, he does not have a point of order.

* * *

Mr. Speaker: The hour being 6 p.m., when the bill matter is again before the House, it will remain open.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 3, 2002

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