



Third Session - Thirty-Seventh Legislature

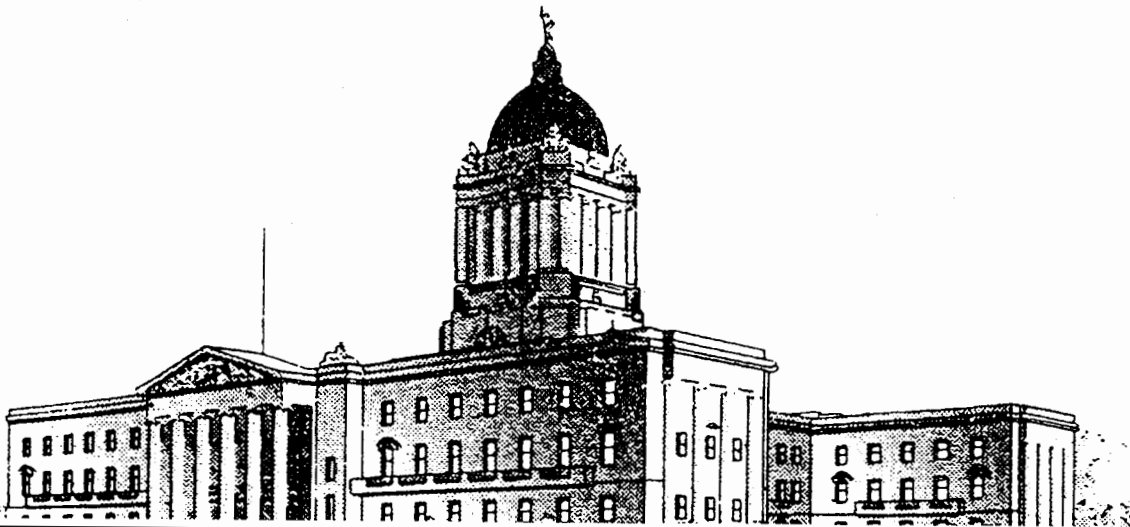
of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
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DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
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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.
JENNISSEN, 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.
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REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupert's Island	N.D.P.
ROCAN, Denis	Carman	P.C.
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SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
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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

Wednesday, August 7, 2002

The House met at 1:30 p.m.

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

#### Transcona-Springfield School Division

**Mr. Ron Schuler (Springfield):** Mr. Speaker, I beg to present the petition of Dean Magura, L. Orchard, R. Semmler and others praying that the Legislative Assembly of Manitoba request the Minister of Education (Mr. Caldwell) to reverse the decision to split the Transcona-Springfield School Division and allow it to remain as a whole or to consider immediately convening the Board of Reference to decide the matter.

#### Trans-Canada Highway—Twinning (Virden)

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, I beg to present the petition of Gerald Lund, Leona Joseph, Fred Hey and others praying that the Legislative Assembly of Manitoba request that the Minister of Transportation and Government Services (Mr. Ashton) consider making the completion of the twinning of the Trans-Canada Highway between Virden and the Saskatchewan border an immediate fiscal priority for his Government and to consider taking whatever steps are necessary to ensure that work begins in the 2002 construction year.

### READING AND RECEIVING PETITIONS

#### Transcona-Springfield School Division

**Mr. Speaker:** The honourable Member for Springfield (Mr. Schuler), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**An Honourable Member:** Yes.

**Mr. Speaker:** Clerk, please read.

**Madam Clerk (Patricia Chaychuk):** The petition of the undersigned citizens of the province of Manitoba humbly sheweth

THAT on November 8, 2001, the Minister of Education (Mr. Caldwell) announced a split in the Transcona-Springfield School Division but despite repeated requests has been unable to identify any benefits of this decision to the students and taxpayers of said school division; and

THAT this decision was not preceded by adequate public consultation as outlined in section 7 of The Public Schools Act; and

THAT this decision would result in significant hardships for the students in both Transcona and Springfield that would affect the quality of their education; and

THAT the proposal by the Minister of Education on February 12, 2002, neither alleviates nor remedies these hardships; and

THAT this decision results in an increased financial burden on the taxpayers of both the Transcona-Springfield School Division and the province of Manitoba; and

THAT on March 13, 2002, the number of resident electors required by The Public Schools Act requested the Minister of Education to convene a Board of Reference to decide the matter.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly request the Minister of Education to reverse the decision to split the Transcona-Springfield School Division and allow it to remain as a whole or to consider immediately convening the Board of Reference to decide the matter.

**Trans-Canada Highway—Twinning (Virден)**

**Mr. Speaker:** The honourable Member for Arthur-Virден (Mr. Maguire), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**An Honourable Member:** Yes.

**Mr. Speaker:** Clerk, please read.

**Madam Clerk (Patricia Chaychuk):** These are the reasons for this petition:

Over the years, the Trans-Canada Highway between Virден and the Saskatchewan border has been the site of numerous accidents, a number of which have involved fatalities.

The safety of the motoring public on the Trans-Canada Highway between Virден and the Saskatchewan border would be improved if the twinning of the highway were to be completed.

We petition the Legislative Assembly of Manitoba as follows:

To request that the Minister of Transportation and Government Services (Mr. Ashton) consider making the completion of the twinning of the Trans-Canada Highway between Virден and the Saskatchewan border an immediate fiscal priority for his Government;

To request that the Minister of Transportation and Government Services consider taking whatever steps are necessary to ensure that work toward the completion of the twinning of the Trans-Canada Highway between Virден and the Saskatchewan border begins in the 2002 construction year.

**TABLING OF REPORTS**

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Mr. Speaker, I would like to table the Manitoba Law Foundation Sixteenth Annual Report 2001-2002.

**Hon. Greg Selinger (Minister of Finance):** I would like to table the following reports: the Supplementary Information for Legislative

Review '02-03 Revenue Estimates and the Manitoba Hospital Capital Financing Authority Management Report.

\* (13:35)

**ORAL QUESTION PERIOD****Cardiac Surgery  
Report Recommendations**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I would like to take a moment at the onset of my question to commend the Premier and the Health Minister on their handling of the West Nile virus issue to date. There have been some alarming developments in the United States with five deaths in Louisiana and it clearly demonstrates that indeed the West Nile virus issue is a serious one.

I know it was probably a difficult decision for him but I commend the Premier for ensuring that all areas of the city of Winnipeg were sprayed, even though it went against some of the residents. The Premier and the Health Minister are clearly receiving solid information advice from public health officials with regard to the West Nile virus and I applaud them for heeding the advice they are receiving.

Mr. Speaker, one area where I think the Premier and the Health Minister could learn from their own example and listen to the recommendations of health officials is in the area of cardiac surgery. Can the Premier indicate what action was taken after his Government received a report on December 6, 2001 entitled: Summary of Concerns from Members of Departments of Pediatrics, Medicine, Surgery at the WRHA?

**Hon. Gary Doer (Premier):** I know in terms of cardiac surgery, Mr. Speaker, we have maintained the position we took during the election period. The recommendation to close the cardiac surgical program at St. Boniface we have rejected. We have worked to have pediatric surgeries co-ordinated with other western provinces, including the province of Alberta, for other cardiac surgeries.

We are concerned about the shortage of nurses, operating room and intensive care

nurses. As I understand it, for this August 2002 the enrolment has almost doubled from a year ago for needed nurses in that training program. We know there have been elective surgeries that have been delayed which we know caused tremendous pressure on families and individuals who are due to have surgeries. We think that with the extra increase in nurses being trained, some of the standby fees that have been implemented that were not comparable between different health centres and having more nurses trained for that intensive work will improve our ability to have cardiac surgery throughout Manitoba.

### Physicians' Concerns

**Mr. Stuart Murray (Leader of the Official Opposition):** My question to the Premier was about the report that was received on December 6, 2001. Mr. Speaker, I understand that members of these departments voiced their concerns about the shortage of cardiac surgeons in Manitoba and the negative impact this shortage is having on patient care. Indeed, they noticed that some actions taken were not in the best interests of patient care.

Can the Premier indicate if he or the Minister of Health (Mr. Chomiak) met with any of the surgeons or physicians regarding their concerns about Manitoba's cardiac surgery program and what action they have taken to address those concerns?

**Hon. Gary Doer (Premier):** Mr. Speaker, we were advised pursuant to the Wade-Bell report, and after the former government rejected the Wade-Bell recommendation to have one administration and two sites. We were strongly advised that our ability to retain cardiac surgeons and ultimately recruit cardiac surgeons would be jeopardized with the recommendation to have just the one site. So we went with the Wade-Bell recommendation as I recall it. We believe, over time, especially when maintaining the cardiac surgical centre at St. Boniface Hospital that was slated for closure in 2001 and maintaining and enhancing the operating theatres in the Health Sciences Centre, we think will strengthen our position.

One of the weaknesses we have had in cardiac surgery has been a shortage of nurses

with different—*[interjection]* Well, a lot of surgeries, with the greatest of respect, when you fire 1000 nurses it does sometimes have an effect on the number of operations that are conducted. We are working very hard to rebuild our nursing capacity in health care.

### Physician Resources

**Mr. Stuart Murray (Leader of the Official Opposition):** Well, again, Mr. Speaker, my question to the Premier (Mr. Doer) was with respect to the December 6, 2001 report entitled: Summary of Concerns from Members of the Departments of Pediatrics, Medicine, Surgery at the WRHA. That is what this issue is about.

The waiting list for cardiac surgery for some Manitobans under the Doer government is months, not weeks, but, yes, months. There are also far fewer surgeries being done than there were just three years ago. Along with the wait for surgery, some patients have had to deal with the added stress of being bumped in favour of more important and urgent surgeries.

Mr. Speaker, it is unacceptable or should be unacceptable for the Doer government that some members and one in particular was bumped five times. His surgery was bumped because of their incompetence with health care.

My question to the Premier: Is he satisfied that having only five cardiac surgeons working between two hospitals is enough for the WRHA to run a safe, effective and efficient cardiac program, considering there were nine surgeons just last year?

\* (13:40)

**Hon. Dave Chomiak (Minister of Health):** As the member knows, we have canvassed this issue extensively during the hours of Estimates debate that we have been engaged in with the Department of Health.

I remind the member that the waiting list for cardiac surgery is less than it was in December of 1999. It is less for cardiac surgery.

I might also indicate to the member that recently a surgeon did resign, a cardiac surgeon

from the Health Sciences Centre, which had become a subject of concern in this Chamber on numerous occasions, was raised over and over again. Rather than me making a decision on who should be hired and who should be fired, which is not the appropriate role of the Health Minister, we asked for an independent third-party review of the resignation of that particular surgeon, which confirmed the decision that that surgeon should resign.

### **Dakota Tipi First Nation Gaming—Government Action**

**Mr. Leonard Derkach (Russell):** Mr. Speaker, for days in this Legislature we have watched the Minister responsible for Gaming flip-flop in his answers to the House. Had we taken the Minister of Gaming at his word when we first raised the issue in the House, Manitobans would have been left to believe that all gaming on the Dakota Tipi was in full compliance and that the money was being used for the proper purposes, and today we have a Mr. David Doer who would have been getting rich off VLT revenues, money that was supposed to be used for the betterment of the community of Dakota Tipi.

My question to the Premier (Mr. Doer) is this: Why has his Government, knowing full well what was taking place at Dakota Tipi and involving his brother, waited until we pressed the issue in this House to take any action whatsoever?

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, I am glad that the member opposite used the phrase "at his word," because yesterday and today no fewer than five times on open-line radio this member alleged that there was a contract between either the Province and the Gaming Commission and Soaring Eagle.

I would like to table a letter, Mr. Speaker, from the Manitoba Gaming Commission which states very clearly that the Gaming Commission is aware an allegation has been made. The commission entered into an agreement with Soaring Eagle to provide audits related to the Dakota Tipi Gaming Commission. Be advised that this is not correct. The MGC has never

entered into any contractual arrangement with Soaring Eagle.

I would like to ask that member to withdraw that statement, do what the Member for Fort Whyte (Mr. Loewen) did when he made similar accusations that were incorrect, and apologize, Mr. Speaker.

**Mr. Derkach:** Well, Mr. Speaker, every time this Government gets into trouble, it runs out to someone to write a letter for them. We have seen this time and again.

\* (13:45)

**Mr. Speaker:** Order.

### **Point of Order**

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

**Hon. Gord Mackintosh (Government House Leader):** A point of order, Mr. Speaker.

If the honourable member has a question, we would like to hear a question.

Would you please remind him that *Beauchesne* says: Supplementary questions require no preamble.

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, I would like to remind all honourable members that *Beauchesne* 409(2): A supplementary question requires no preamble.

\* \* \*

**Mr. Speaker:** I would ask the honourable member to put his question, please.

**Mr. Derkach:** I would like to ask the Minister responsible for the Gaming Commission how it is that he and his Premier (Mr. Doer) could say that they knew nothing about the deal with David Doer, when, in fact, the Minister of Gaming acknowledged in this House that he had met with the Dakota Tipi Gaming Commission, that he had met with David Doer. Then how can

he explain the affidavit that was filed by Mr. Arden Pashe?

**Mr. Ashton:** Mr. Speaker, I would like to know how this member five times on open-line radio can say in response to a question: Did Doer hire Doer? Yes, he did. We later found out that David Doer was hired by the commission to do an audit for the gaming revenues of Dakota Tipi. On the other hand, he is hired by the Province to conduct an audit. This individual was asked by the Province to do an audit of where the gaming revenues are going. Then Mr. Pashe states very clearly that David Doer was hired by the Gaming Commission to do the audit.

I tabled the document that stated very clearly there was no contract. When is that member going to withdraw the fraudulent accusation and apologize to members of this House?

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

**Mr. Speaker:** Order. I would like to take this opportunity to remind all honourable members that decorum is very important to the viewing public. We have guests in the galleries, and we have members that are viewing it on TV. It is very, very important that we all maintain decorum in this House.

### Gaming—Judicial Inquiry

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I would like to ask the Premier (Mr. Doer) of the Province of Manitoba whether he would do the honourable thing and call an independent judicial inquiry into this matter, seeing that we have seen his minister flip-flop in the House when questions are asked.

We tabled an affidavit that clearly says there is an agreement between the Province and David Doer. If, in fact, these are such issues that are not correct, then I ask the Premier, call the inquiry, bring in people under oath and get this matter cleared up once and for all.

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

**Mr. Speaker:** Order. I would like to take a moment to ask each and every member to look up into the gallery, the guests we have and the

viewing public. Decorum is very important. I ask the co-operation of all honourable members, please.

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** You cannot get up and repeatedly put a fraudulent accusation on the record when you have confirmation it is not true and then demand an inquiry. Into what, the fact that that member cannot put a statement on the record that is accurate in this case, and he does not have the decency to apologize to members of this House for clearly putting a fraudulent accusation on the record? There was no contract.

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

\* (13:50)

**Mr. Speaker:** Order. I would like to, once again, remind all honourable members the clock is running and decorum is very important to the guests we have in the galleries and to the viewing public. I once again ask the co-operation of all honourable members, please.

### Dakota Tipi First Nation Soaring Eagle Agreement

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, this morning the Premier (Mr. Doer) stated on radio that the provincial government has never hired David Doer and Soaring Eagle. Yet the affidavit that we tabled yesterday clearly states that David Doer was hired by the Manitoba Gaming Control Commission to do the audits.

My question to the Premier is: Who is telling the truth?

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** We know it is not the opposition critic, Mr. Speaker, because, in fact, he still refused to apologize for putting fraudulent information on the record. Members opposite, this is what they have been doing the last couple of weeks. They are so desperate to cry and point to some connection that does not exist.

If I agree to have supper with my wife later on today, that is an agreement. What they

alleged was that there was a contract, in fact on open-line radio the Member for Russell (Mr. Derkach) stated that Soaring Eagle was hired by the Premier. That is factually incorrect. It is a fraudulent statement. I call on the members opposite to withdraw that and apologize.

**Mr. Tweed:** Mr. Speaker, I would like to point out the affidavit we tabled yesterday was given under oath.

I would like to ask the Premier why his Minister responsible for the Gaming Commission told reporters on July 24, and I quote: We have not hired them, nor would we when the affidavit, under oath, clearly shows that David Doer had been hired by the Manitoba Gaming Commission.

**Mr. Ashton:** I do not know what part of this affidavit members opposite do not understand. I do not know what part of the document I tabled from the Gaming Commission which indicated very clearly the MGC has never entered into any contractual agreement with Soaring Eagle.

They get up, they take the word "agreement" in terms of a deadline for providing reports and try and turn it into a contract. There is no contract. I do not know how much more paranoid members opposite can get, but the more they keep putting this kind of fraudulent information on the record shows how little of an issue they actually really have. I ask them to clear the record, withdraw that fraudulent comment and apologize to this House.

#### **Gaming–Judicial Inquiry**

**Mr. Mervin Tweed (Turtle Mountain):** Perhaps, Mr. Speaker, Manitobans are concerned about who is putting fraudulent information on the record. We have heard day after day from this minister a change of story from time to time, and I would like to ask the Premier (Mr. Doer) now: Will he do the honourable thing and call an independent judicial inquiry into this issue?

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** Once again, you cannot get up and put on the record a fraudulent statement. One of the problems here is I know members do not understand terms like compliance. There was no

compliance for five years while they were in government. They do not understand the meaning of the term "auditor," but I think anybody, a grade school kid, could understand the meaning of the word "agreement," the difference between an agreement and a contract. There was no contract, Mr. Speaker. There was no contract. They should withdraw that statement.

\* (13:55)

#### **Dakota Tipi First Nation Gaming–Judicial Inquiry**

**Mr. Leonard Derkach (Russell):** Well, Mr. Speaker, any kid except for him.

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

**Mr. Speaker:** Order.

**An Honourable Member:** Is this not something?

**Mr. Speaker:** Order. Once again, I would like to ask the co-operation of all honourable members. We have the viewing public in the galleries, the visitors, we have the viewing audiences on television and decorum is very, very important. I ask the co-operation of all honourable members, please.

**Mr. Derkach:** Mr. Speaker, this is absolutely unbelievable. Outside the House—

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

#### **Point of Order**

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

**Hon. Gord Mackintosh (Government House Leader):** Well, Mr. Speaker, I understand this is a supplementary question. Would you please remind the member about the long-standing practice? Is this a new question? I did not hear him ask for attention to a new question.

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, he does not have a point of order.

\* \* \*



**Mr. Speaker:** I recognize the honourable Member for Russell on a new question.

**Mr. Derkach:** Mr. Speaker, outside the House, the Minister responsible for Gaming said, and I quote: They put an affidavit which talks about an agreement, an agreement, not a contract. Now, the Government is into splitting hairs.

Yesterday, we tabled in this House an affidavit sworn by a council member from Dakota Tipi who said, and I will quote for the benefit of the minister: An audit was previously provided to the Manitoba Gaming Commission for the years 2000-2001. However, the said audit did not meet the specific requirements of the Manitoba Gaming Commission. As such, I am advised by David Doer, employee of Soaring Eagle, and do verily believe that the Manitoba Gaming Commission entered into an agreement with Soaring Eagle to provide the said audit on or before August 31, 2002, together with an audit for year 2001-2002.

Mr. Speaker, my question to the minister: Will he do the honourable thing today and be open with Manitobans and ask his Premier (Mr. Doer) to call for an independent inquiry to get to the bottom of this, once and for all?

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** Well, Mr. Speaker, it is interesting to see the member already begin to distance himself from the comments he makes outside of the House. What he stated on the public record when the question was asked: Did Doer hire Doer? He said, yes, he did, hire. I want to reference that.

We later found out that David Doer was hired by the commission to do an audit. He went on to state: On the other hand, he is hired by the Province to conduct an audit and repeated this two other times.

I just tabled a letter that stated very clearly the MGCC has never entered into any contractual arranged agreement with Soaring Eagle—no hiring, no contract. The member is dead wrong. He should apologize.

**Mr. Derkach:** Mr. Speaker, why is the Premier (Mr. Doer) and his Minister of Gaming covering up the issue? Who is he protecting more? Is his responsibility to protect Manitobans or to protect his little brother?

**Mr. Ashton:** Mr. Speaker, every day I wonder how low the Tories can go, and I think we have just seen the fact there is virtually no limit on how low they can go. They know, it is proven on the record that there is no contract, no hiring. The member opposite is dead wrong.

I would appreciate and I think all Manitobans would appreciate if he would put on the record that he was dead wrong five times earlier, was dead wrong in this Question Period. It is about time he said he was wrong and apologize. There was no contract with Soaring Eagle.

**Mr. Speaker:** The honourable Member for Russell.

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

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

**Mr. Derkach:** Mr. Speaker, it is clear—

**An Honourable Member:** Question.

**Mr. Derkach:** Well, okay, the question. Mr. Speaker, I would like to ask the Premier whether or not he is prepared today to stand in this House and order an independent inquiry into this matter, as a result of the misinformation that has been put on the record by his minister, the Minister responsible for the Gaming Commission and the fact that we have tabled documents which the Government today is refuting.

**Hon. Gary Doer (Premier):** The Manitoba Gaming Control Commission is aware that an allegation—that would be you—has been made that the commission entered into an agreement with Soaring Eagle to provide audits related to the Dakota Tipi Gaming Commission. Please be advised that this is not correct. The MGCC has never entered into any contractual arrangement

with Soaring Eagle, signed Mr. Josephson, executive director.

You owe me an apology.

### **Dakota Tipi First Nation Gaming—Judicial Inquiry**

**Mr. Mervin Tweed (Turtle Mountain):** I guess now we have confirmation from the Government that they did enter into an agreement with David Doer that would afford him 15 percent of the take on the Dakota Tipi Gaming Commission.

My question is to the Premier. Again, will he stand in his place, do the right thing, protect all Manitobans' interests and call an inquiry to get to the truth of the matter?

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, once again, I do not know what it is going to take for members opposite to understand that they were dead wrong.

The Member for Russell (Mr. Derkach) has been in this House for a considerable period of time. Sometimes you make mistakes, but when you make a mistake you admit it, like the Member for Fort Whyte (Mr. Loewen) did. When he made fraudulent accusations about Crocus he apologized and withdrew.

I would suggest the Member for Russell and the Member for Turtle Mountain do that, because there was no contract between the Province and Soaring Eagle, period.

**Mr. Tweed:** Then I would ask the Minister of Gaming: Is he saying the affidavit provided and tabled here yesterday that suggests and states David Doer was hired by the Manitoba Gaming Control Commission is lying?

**Mr. Ashton:** I do not want to get into dealing with who is lying on this. I do not know what it takes for members opposite. I do not quite understand what part of "has never entered into any contractual agreement with Soaring Eagle" they do not understand, but I suspect having all Manitobans understand what this is really all about. Right from day one the only thing that

members opposite have been trying to do is establish a connection that did not exist. There is no contractual arrangement involving Soaring Eagle, or there is no contractual arrangement, period.

I would suggest to members opposite they stick to the facts and deal with what we try to deal with which is a very difficult situation in Dakota Tipi. Unlike the members opposite who did nothing for five years, we have acted on real issues. I mentioned it earlier, last week in Question Period, I would suggest they start all their questions with once upon a time, because that would give some indication of how much fact is involved.

**Mr. Tweed:** Clearly the minister is confusing a contract with an agreement. We see it as the same on this side of the House.

I would ask the Premier again, and I ask him on behalf of all Manitobans who are starting to question the Government on their ability to tell the truth in this House: Will he call a judicial inquiry and get to the bottom of this issue so all Manitobans can know the truth?

**Mr. Ashton:** Once again, you cannot keep putting fraudulent statements on the record like members opposite, right from day one, and then call for a public inquiry. I read back when the Member for Lakeside (Mr. Enns) first raised this issue in the House. You know what he talked about being an untendered contract. He never once mentioned the fact that Soaring Eagle was hired by two parties, by Dakota Tipi and the federal government. It was never hired by the provincial government or the gaming commission. That was confirmed in answers in this House, was confirmed in a letter I responded to earlier.

The members opposite simply do not have an issue. The only thing they are trying to do is smear family members of this Government side with no foundation. Their claims are fraudulent. I would suggest they stick to the facts.

### **Hecla Marina Details of Sale**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, the sale or other disposal of

government assets must be done fairly and wisely. One of the assets sold by the Minister of Conservation was the marina at Hecla. I ask the Minister of Conservation to tell this Legislature the process he used to sell the Hecla marina and the results. Who bought the property and for what price?

**Hon. Oscar Lathlin (Minister of Conservation):** I thank the member for the question. The marina that he is referring to had been tendered out. Proposals came in and after a thorough review of the proposals the offer was made and a sale was finalized to a fellow, I do not recall his name exactly right now, but I am aware of the sale that the member is referring to.

**Mr. Gerrard:** I ask the minister: Can the minister confirm that the Government subsequently paid about \$30,000 to put a sewage line into the marina?

**Mr. Lathlin:** Mr. Speaker, I can confirm that, over the course of several years, members of the public using the restaurant washrooms, campers from the campground nearby were also using the flush-type marina washroom. They preferred that to the privies that were available in the camping area. As a result of the flow of people coming into the restaurant, the marina, an agreement was reached between the Government and the marina operator that the sewage be connected, with the understanding that the marina would accommodate the public from the nearby campground as well as any of the tourists that may be coming to the marina.

\* (14:10)

**Mr. Gerrard:** Mr. Speaker, my supplementary to the Minister of Conservation. I ask the Minister of Conservation whether there was a formal appraisal of the value of the marina done before it was sold and whether the price received approached the appraised value of the property.

**Mr. Lathlin:** Mr. Speaker, again, I can confirm that the proposal call was put out, the tender call was put out, the proposals came in. There were quite a variety of proposals. In the end a decision was made and the best proposal was given to the individual who got the contract.

### Canadian Military Welcome Home Ceremony

**Ms. Bonnie Korzeniowski (St. James):** My question is for the First Minister. In recognition of the contribution of military families, our Government has passed legislation preserving their voting rights and driving privileges. Our soldiers have recently returned from Afghanistan. Will the Premier please inform us of any plans to thank these dedicated men and women?

**Hon. Gary Doer (Premier):** First of all, I would like to thank all members of the House for passing Bill 9 that for the first time in Canada allows the members of the military, when they are transferred from other provinces in Canada, to have their merits appreciated for purposes of lower public insurance rates. I would like to thank members of this House for passing the ability of drivers licences to be maintained for military families and military personnel when they are in theatres of conflict and theatres of peace.

Mr. Speaker, I would also like to thank the members for ensuring that people who are fighting for our democracy are not denied their voting rights through absence from this province for over six months.

So I will be passing on, on behalf of all members of the Legislature, a small thanks on our behalf for their courage and their dedication to the war against terrorism. I will reiterate our thanks to the soldiers and families for their peacekeeping efforts a year and a half ago in Bosnia. Further, I will thank the members of the Family Resource Centre who members opposite met as well as ourselves during the committee hearings. I thank them for continuing to keep good ideas about how to make our province more military friendly for the people who serve.

### Highway Traffic Act Case Review

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, I recently met with Mr. and Mrs. Choy, whose young daughter was killed in a motor vehicle accident last August on Highway 16. Mr. Ridd, one of the minister's Crown attorneys, was fined \$600 under The Highway Traffic Act as a result of this motor vehicle accident. The Choy

expressed to me a great deal of frustration and sadness with Manitoba's justice system when the death of their daughter results in a \$600 fine.

Mr. Speaker, I understand the minister brought in a prosecutor from outside the province for this case. Will the minister agree to send the court transcripts to another outside prosecutor for review to ensure that the full extent of the law was brought to bear in this case?

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Well, Mr. Speaker, I will apprise myself of the situation. If an independent prosecutor was called in, it was done on a professional basis with the professional judgment of the department. So I will look into the situation and report back.

#### **Dakota Tipi First Nation Soaring Eagle Agreement**

**Mr. Leonard Derkach (Russell):** The Minister of Gaming dares to attack us for trying to smear members of the Doer family, but, Mr. Speaker, let us remember that if we did not press this issue in the House, today David Doer would be taking 15 percent of all revenues that are coming from VLTs in Manitoba. I want to ask the minister—

**An Honourable Member:** VLTs in Manitoba.

**Mr. Derkach:** Dakota Tipi.

**Mr. Speaker:** Order.

**Mr. Derkach:** Mr. Speaker, I wish to correct that, 15 percent of all revenues coming from the Dakota Tipi VLTs.

I want to ask the minister if he can explain what is meant by the sworn affidavit statement of Mr. Arden Pashe when Mr. Pashe says: As such I am advised by David Doer, employee of Soaring Eagle and do verily believe that the Manitoba Gaming Commission entered into an agreement with Soaring Eagle to provide the said audit.

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, earlier today the member opposite made accusations, five times, fraudulent

accusations it was a contract. After he has continued to repeat that in the House, after he continues to refuse to withdraw that fraudulent statement, he now asks me to explain what is happening. The only person who needs to explain is that member because the statements he made earlier were fraudulent. That is proven by the documentation from MGCC. I ask the member to withdraw the fraudulent statement. There is no contract.

**Mr. Speaker:** Order. Time for Oral Questions has expired.

#### **Introduction of Guests**

**Mr. Speaker:** I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us Honourable Ed Picco who is the Minister of Health and Social Services for the Government of Nunavut. Also, we have Mr. Abraham Tagalik, Assistant Deputy Minister of Health; Ms. Joanne Bezzubetz, the executive director of Kivalliq Health and Social Services; and also Marianne Demmer, assistant to the Minister of Health.

#### ***Inuktitut spoken***

What I said in Inuktitut was that we are very pleased that you were able to join us today.

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

#### **MEMBERS' STATEMENTS**

##### **Livestock Industry—Tuberculosis**

**Mr. Jack Penner (Emerson):** I should say that the Canadian Cattle Producers are meeting in Winnipeg today, tomorrow and the balance of the week. I want to say, Mr. Speaker, that I believe the Canadian Cattle Producers have done an absolutely admirable job of building an industry that is second to none in the province of Manitoba. They have built this industry to about a \$1.5-billion industry, and I believe that in itself is an achievement to be proud of.

This industry is being threatened today by an outbreak of tuberculosis in the Riding Mountain National Park, which the minister and

her Government refuse to deal with in an adequate way. It is our belief that this industry is being put in jeopardy. The breeding cattle that were normally exported into the United States without impediments are now being threatened by sanctions being put on by the American government and testing that will be required indicating a severe and increased cost in the production and marketing of cattle in this province.

We believe that it behooves this Government to take their own Bill 11 and use the authority they have given themselves in drafting this bill which gives them the power to isolate that herd in Riding Mountain National Park and, when the isolation is complete, then to take action and eradicate TB in the Riding Mountain National Park or, by legislation, force the federal government to take action to eliminate tuberculosis in our wildlife herd, thereby protecting our \$1.5-billion domestic industry.

\* (14:20)

We believe the employment these people, these farmers create for the province of Manitoba, the industries that have been built around it need that kind of support, and they need the sincerity of government.

### **John Fletcher Spirit Award**

**Mr. Gerard Jennissen (Flin Flon):** Mr. Speaker, one of the major awards presented at the 2002 North American Indigenous Games in Winnipeg was the John Fletcher Spirit Award. This award was presented to the contingent or team that best exemplified the spirit of teamwork, fair play, respect and integrity throughout the North American games competition week.

The relatively small contingent from New Mexico won the John Fletcher Award, which consisted of a powerful piece of art, a massive bluish-grey buffalo carved out of Brazilian sandstone. The sculptor was the very talented Mr. Irvin Head from Cranberry Portage. This beautiful piece of art was entitled *The Embrace* and symbolized, not only the friendliness, inclusiveness and unity of the games, but also

the artist's own embrace of his culture, art and life.

I am very proud of Mr. Irvin Head's achievement, and I know that I speak on behalf of all members of this Legislature when I thank him for his inspirational artwork and wish him continued success.

The degree of sophisticated creativity that emerges out of northern Manitoba is truly amazing. Therefore, it was most fitting indeed that a major northern Manitoba artist, Mr. Irvin Head, was selected to create a masterpiece that was so uniquely symbolic of the spirit of the 2002 North American Indigenous Games.

### **Simplot Plant (Portage la Prairie)**

**Mr. David Faursehou (Portage la Prairie):** Mr. Speaker, I rise today to update members of the Chamber on the progress of the largest construction project underway in the province of Manitoba this year. Just west of Portage la Prairie, the Simplot Canada's new multimillion-dollar potato processing plant is taking shape.

According to the company vice-president, Rick Fisch, construction of the \$120-million facility in the Poplar Bluff industrial park, and I quote, is really coming along nicely. The plant is expected to be in full operation by the fall of 2003.

Currently, some 200 people are working on the construction site at the facility. In fact, construction of the \$120-million plant on Simplot Road will provide 1040 person years of employment.

Economic benefits for this project will not stop once construction is completed. The plant will create huge economic benefits as potato acreages rise substantially across the province. Each acre of potatoes planted means increased sales of farm supplies, as well as the construction of storage facilities and purchases of equipment. Hundreds of Manitobans will be employed on and off the farm in order to supply Manitoba's growing potato industry, all in addition to the hundreds of jobs within the Simplot plant itself.

It must be recognized that these benefits will never be realized without the dedication and

hard work of the former Minister of Agriculture, the MLA for Lakeside, Mr. Harry Enns. Years ago, he began discussions regarding this plant which is coming into reality now.

Mr. Speaker, on behalf of the members of the Chamber, I would like to thank the honourable member of the Manitoba Legislative Assembly for the constituency of Lakeside for his vision, his dedication towards the development of this province's agricultural industry and for his significant contribution toward the Simplot processing plant in Portage la Prairie.

### **Poplarfield Reunion 2002**

**Mr. Tom Nevakshonoff (Interlake):** It is with great pleasure that I rise today to tell of a very special event which occurred in my home town of Poplarfield last weekend. I am referring to the Poplarfield Reunion 2002, which was the third reunion to be held over the last 10 years, the other two being held in 1992 and 1997.

The two-day event began in Winnipeg on August 3 with a fine dinner reception held at the Garden City Inn owned by the Ledohowski family, formerly of Poplarfield themselves. Well over 400 people were in attendance, indicating that the expatriate community in Winnipeg is flourishing and is still well attached to its roots in the country.

The next day, festivities moved out to the community itself where a picnic and ball tournament were held to entertain the people. The main event of the day was the unveiling of a commemorative plaque at the King Buck Park acknowledging the seven school districts which existed in the pioneer days when all children had to walk to school. The districts were Dehova No. 1 and No. 2, Leeland, New Star, High Plains, Sharpewood and Reynolds. In the near future, metal signs at each of the old school sites will be erected. The project was made possible thanks to financial contributions from the provincial Department of Culture, Heritage and Tourism, the Poplarfield Ladies Aid Society, the Poplarfield Development Corporation and the R.M. of Fisher.

Special thanks to Bill Grywinski, Ed Ledohowski and others for the time and effort they contributed in successfully implementing this project.

In conclusion, I want to acknowledge the good works of the reunion committees, both in Winnipeg and Poplarfield, who worked so hard over the past decade on the three reunions. Thanks to them, we who attended are now blessed with memories which will be cherished for the remainder of our lives.

### **Gimli Rail Line**

**Hon. Jon Gerrard (River Heights):** I rise to talk briefly about the future of the rail lines in Selkirk and Gimli. For some time now the future of this rail line has been in doubt and the current rail owners have announced that they are going to abandon or decommission this in February if nothing further happens. It is casting a pall over the future of Selkirk and Gimli as these communities and major businesses in these communities rely on the rail line. When the Minister of Industry, Trade and Mines (Ms. Mihychuk) has responded to the questions in the Legislature, she has been vague, has missed the mark and clearly has not been on top of this file.

Repeatedly, the NDP government has been delinquent, tardy and irresponsible in dealing with the future of Selkirk and Gimli and the rail line. Mr. Speaker, there are major problems here and the Government, instead of trying to address the problems, is fast-tracking other business in the Legislature, while slow-tracking in delaying and impeding any progress on Bill 203 which would have provided one solution. Bill 203 should have gone to committee, but the NDP stood up and blocked the normal democratic process. They blocked public hearings on this bill. This was not the appropriate thing. We are a democracy here and this should have gone to committee.

There is another bill as well, one on decreasing smoking, that has been brought forward and once again the NDP has stood up to block this bill going to committee, blocked public participation, blocked public input and blocked democracy. Too bad.

## **ORDERS OF THE DAY**

### **GOVERNMENT BUSINESS**

#### **House Business**

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, would you please

canvass the House to see if there is leave to waive private members' hour today?

**Mr. Speaker:** Is there unanimous consent to waive private members' hour for today?

**An Honourable Member:** No.

**Mr. Speaker:** No. It has been denied.

**Mr. Mackintosh:** Mr. Speaker, would you canvass the House to see if there is leave to sit until midnight in the Chamber this evening instead of 10 p.m., as previously agreed? I think that is the basis.

**Mr. Speaker:** Is there agreement for the House to sit until midnight this evening instead of 10 p.m., as previously agreed?

**Some Honourable Members:** No.

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

**Mr. Mackintosh:** I move, seconded by the Minister of Health (Mr. Chomiak), that the House resolve into Committee of Supply.

Mr. Speaker, just on a matter of House business on that motion, there are two standing committees meeting tonight outside the House, of course, with the Estimates continuing in the Chamber.

**Mr. Speaker:** The understanding for this evening is that the two committee rooms will be used for committees and in the Chamber will be Committee of Supply, and, as previously agreed to this morning, we will continue with Committee of Supply.

### COMMITTEE OF SUPPLY (Concurrent Sections)

\* (14:50)

#### HEALTH

**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 be considering the Estimates of the Department of Health.

It has previously been agreed to have a global discussion in all areas and then proceed to line-by-line consideration, with the proviso that if a line has been passed, leave will be granted to members of the Opposition to ask questions in passed areas. The floor is now open for questions.

**Mr. Glen Cummings (Ste. Rose):** I understand that our critic and the minister had some discussion about RHA deficits, and it is an important concern in the rural RHAs. First of all, I am sure the minister is concerned when he see deficits, period. But, over the years, I would suggest in some of the larger hospitals than in the current situation, deficits rise, and boards and governments have to deal with them.

Does the minister stand by what I understand was the position early in the year, that no deficits would be funded?

**Hon. Dave Chomiak (Minister of Health):** As we discussed previously, Mr. Chairperson, we advised the RHAs this year that we did not want to fund deficits.

**Mr. Cummings:** While I was well aware that I thought that was what the minister's position was, I understand that he is prepared to cover the deficit for the Marquette RHA if they, in fact, would willingly and happily amalgamate. Is that the case?

**Mr. Chomiak:** Mr. Chairperson, the two regions that merged, South Westman and Marquette, one had a deficit, the other had a surplus. We thought in following the tradition that had been previously undertaken under the previous government with respect to the establishment of the RHAs that it would not be appropriate to commence the operations of a new RHA in a deficit position.

**Mr. Cummings:** I am a little slow on the uptake here. Did the minister just say that he thought it would be inappropriate to start the newly merged RHA in a deficit position?

**Mr. Chomiak:** Yes.

**Mr. Cummings:** There has been a number of the funding announcements that have occurred, and this is why I want to make sure I have the

minister very clearly on the record. The funding announcements seemed to be quite substantial, but, in fact, it appeared, on closer examination, that the deficit of the previous year was going to have to be paid out of the current year funding.

Is that how the minister is dealing with the deficits in the other RHAs?

**Mr. Chomiak:** I do not know if the member is aware, but we have managed to reduce the deficits from the vicinity of, when we came into office, in the seventies of millions of dollars down to somewhere in the range of \$13 million which is—*[interjection]* Well, Mr. Chairperson, if the Member for Russell (Mr. Derkach) would allow me to complete my answer.

We have managed to reduce it by working with the regions and are continuing. Clearly, we indicated to the regions that we did not want to directly pick up the deficits that they incurred as a result of funding for the last year, Mr. Chairperson, and we are working with the individual regions with respect to their financial circumstances.

**Mr. Cummings:** Well, the usual way that the public and current Government, when it was in opposition, would refer to that type of situation is that there is, in fact, a clawback then. The previous year's deficit is going to be clawed out of the current year's funding, and it leads to an interesting presentation of funding until you realize that there is deficit recovery included in the funding announcement.

**Mr. Chomiak:** No, Mr. Chairperson, that is, in fact, not the case, as I illustrated this morning. We outlined in the funding announcement this year to the regions that there were a variety of factors and considerations that we were looking at, and we advised them that we required them to maintain core programming and major programming and that the areas of any reductions that they were going to be involved in should be in areas of administration or other areas that are non-essential.

**Mr. Cummings:** It would not come as any surprise to the minister that from time to time I have had discussions with the administration of the RHAs, particularly to the west of the city,

and when they are told that they must maintain core programming, and those guidelines are somewhat loose, I would suggest, that what it amounts to is that they are being invited to run a deficit if they believe that they cannot operate within the funding that they have received.

Would that be a correct assumption?

**Mr. Chomiak:** What we have found from our experience over three budgets has been that we have significantly lowered the deficits, both in total and in individual regions, and we work with the regions in order to accomplish that goal.

We are not completely inflexible. We have indicated that we do not want to tolerate deficits. We are working with the regions, and as I said last year and the year before, we continue to work with the regions, and it has served our purposes well, insofar as we have managed to decrease significantly—significantly—the deficit situation. We will continue to work to that end.

**Mr. Cummings:** Well, as my colleague from Russell points out, the minister has had a significant number of dollars to work with, and there are a hundred different ways of balancing budgets.

But I want to ask the minister about whether he believes that devolved versus non-devolved facilities should be treated differently in funding them for delivery of services. When the Parkland RHA has money delivered to it for therapy services, occupational therapy being an example, and yet they have not delivered occupational therapy services in the town of Ste. Rose, to the best of my knowledge, for three years, is that how they are balancing their budget?

I mean, that is the very same way that individual hospitals, when they were run by local boards, used to either build surpluses or stay within their budget, that they would be funded but then would not actually spend the money on areas that they were being funded for. Is that an acceptable practice?

**Mr. Chomiak:** I am not trying to be evasive. One of the difficulties that I am having in terms of dealing with specific questions, because we are dealing with general, is that I do not have our



regional ADM here who could deal with the specific point that the member is making, and that is dealing with occupational therapy as it applies to Parkland. So that example I cannot deal with.

On the general policy point, what we are trying to do is to distribute as fairly as possible, and there was a whole series of criteria that both the regions talked to us about in terms of funding and which we provided to the regions with respect to the funding for the regions, which included increases for estimated wage settlements, identification of significant issues facing each region and funding allocated for that, allocation for funding increases, balanced allocation proportionately based on previous years' funding and adjustments for out-of-globe items, Mr. Chairperson.

So all of these factors were taken into consideration on individual RHAs with respect to the provision of funding.

\* (15:00)

**Mr. Cummings:** I quite appreciate that the minister might not be able to, nor would I expect him to be able to, deal with individual examples such as I just gave, but, as a matter of principle, I believe that he may be finding a difference between those who have deficits and those who do not, that there may well be considerable conflict over the level of services that are being provided. The example I gave, in my mind, supports that concept of perhaps a large disagreement about whether or not they have been able to maintain services or no.

To follow that line of reasoning, the local facilities have been able to, on a part-time basis, hire, on a per-day basis, a therapist to deliver services. They are being told, because it is not a service that is being provided by the RHA, that it will not be funded. So I point that out, No. 1, to raise the minister's awareness that those sorts of things may be occurring out there, but, also, to raise the issue with the minister in terms of deficits. I made the observation to some of the people in the RHAs that I was talking to that, given the circumstances they found themselves in from time to time, they had very little choice but to end up with a deficit.

I am pleased to hear the minister say that he is not inflexible. Can I take that to mean that he is open to discussions at each year-end about the level of funding and deficit that RHAs may incur?

Certainly, at the end of the year, when a deficit has been built up, all of a sudden there is only one authority left that can deal with that. There are only two ways that that can be solved: either there is a funding comes to pay for it, or it has to be clawed back from current-year funding. Then the minister has a dilemma of whether or not he is announcing current-year funding that includes provisions for a clawback, which means that the growth of the revenue, if you will, or the funding to the RHAs is not growing at the same rate as others because they are, as any business would be, finding themselves covering the cost or the clawback of their deficit.

So can I assume the minister is on record as saying that he is prepared to discuss deficits at the end of the year and that continues to be his policy?

**Mr. Chomiak:** The dilemma of indicating that deficits will not be picked up and then subsequently picking up deficits at the end of the year is a vicious circle that can, and will, repeat itself. I think we have managed, through a firm policy on deficits, but a collaborative process with the RHAs, to reduce the deficits significantly, and I see no reason why that will not continue.

**Mr. Cummings:** Then, in the disagreement between service providers within the RHA and the RHA itself, that is strictly in their purview whether or not they want to fund that service within the facility, even though the assumption is that they would have received funding for, in this case, an occupational therapist.

Can I assume that they have the ability to not fund it, even though they have been provided money from the Province?

**Mr. Chomiak:** Mr. Chairperson, is the member talking about a non-devolved facility? As I understand it, in a non-devolved facility there generally is a purchase agreement that is entered into between the RHA and the non-devolved

facility that covers off all of the issues relating to the provision of services.

**Mr. Cummings:** Well, we all know that there is a shortage of therapists out there, so that compounds the problem. My understanding is that therapy services is something that would have been provided centrally, and, therefore, devolved or not, even though I certainly do not want to mislead the minister, I am talking about a non-devolved facility that devolved or not, somewhere in the system in the Parkland Region and in the monies that flowed to the Central Region, you would have thought that there would be an allowance for this type of service. If there was, then the money is being redirected. If there was not, then that is entirely a different matter.

I am sure the minister may not be able to answer that off the top of his head, but it is an interesting problem, and it is related to budget balancing, and, of course, in a non-devolved facility, that is exactly the same problem that they are dealing with, trying to balance their budget as it is provided.

**Mr. Chomiak:** I thank the member for that advice. It truly is a problem to deal with.

**Mr. Cummings:** I have another issue, and as so many of these things, there is a specific aspect to it, but I will avoid names. I want to get the minister on record in terms of how he views the responsibility that he has and his appointees have on the boards of RHAs. I have acquired a copy, and I had no trouble getting it, by the way. I asked for a copy of the conflict of interest guidelines for the RHA that I was inquiring about.

It has come to my attention that a board member wrote directly to a manager of a facility demanding disciplinary action against an employee, and, in my view in the beginning, that alone was inappropriate, writing directly to a manager of a facility.

Then, secondly, there was a direct conflict between the business that the appointee was involved in and the service that the employee of the RHA was providing in terms of a third-party benefit.

Without putting the precise names on the record, it reduces the minister's capacity to answer the question, so I want to phrase the question this way: Is it appropriate for an appointee to the RHA boards to write directly to a second-level manager asking for disciplinary action?

\* (15:10)

**Mr. Chomiak:** Generally, during my tenure as minister with respect to matters of this kind, I found it has been prudent for the board in question to resolve the issue with respect to its interpretation of the guidelines and with respect to the particular action or actions that have taken place.

That has been, generally, my experience. There have been instances of issues brought to my attention that I have felt are more appropriately within the purview of the board and have been dealt with by the board, in my experience and recollection, generally satisfactorily.

**Mr. Cummings:** Well, I am in somewhat of a dilemma in this respect as well, but I think the minister might as well share my dilemma because this was seen as a direct attack on the individual. When the manager responded to the board member, saying that I hope you are satisfied that I have appropriately reviewed this and I am satisfied that no action is required, the response of the board member was then I will go over your head, or I may go over your head, pardon me. I may go over your head. In other words, there was no satisfaction given after the review by the management.

I am being very careful to as accurately reflect this as I possibly can because, as the minister knows, in small communities, small fights become bloodbaths, unnecessarily.

But I am quite incensed by this action, and I take it the minister is saying he has never had to remove a board member. Does that mean that his advice to me would be to take this to the local board?

**Mr. Chomiak:** It is difficult to deal with these issues in the abstract. Generally, there have been

matters that have come to my attention with respect to board and board members. Generally, the most appropriate action has been to have the board itself, as the entity involved, resolve the issue within its own authority. That has been the pattern that has been followed during my tenure as minister. I think, with regard to this issue, generally if this matter were to come to my attention and the member were to give specifics, I think I would probably direct the concerns to the board with respect to them reviewing their policy on conflict and their rules and regulations in regard to this.

But, of course, it is very difficult in the abstract and this is where my legal training comes into ground. There is a variety of issues that arise from it being a non-issue and just a misunderstanding to it perhaps being a far more serious issue.

So it is difficult to really deal with the abstract. The general modus operandi we have followed has been to refer these matters to the board for the board to deal internally with its own members, as is appropriate.

**Mr. Cummings:** I appreciate the difficulty that the minister finds himself in. If this were hypothetical, I would probably very easily have to let him off this line of questioning.

This is not hypothetical. The problem is that we have a line employee who was investigated by their superior, and the superior was satisfied there was not a problem, but the board member who made the inquiry said he was not necessarily satisfied with the answer that he got.

I guess I will ask the question which leads me to put it in a hypothetical, unfortunately, and that is if conflict of interest was proven, then it is the minister's appointment. I am suggesting that I have to prove conflict of interest if I intend to pursue this, or the person who was offended by this action. But if conflict of interest were the issue, then the minister would find himself in a position, and I see an affirmative look on his face, that he would have to suspend his appointment. He does accept the responsibility of the appointment of these board members. I see the minister responding in the affirmative.

**Mr. Chomiak:** Now, there could be a variety of responses to the issue. There could be instances where, for example, if something were proved and it was appropriate, an individual would resign voluntarily from the board with respect to concerns. It is also possible the board could have a resolution to the minister recommending that this board member be removed. But, in the final analysis, the minister does have the authority to remove, to a point, and to remove board members.

**Mr. Cummings:** It struck me, when I first was confronted with this issue, that the very fact that a board member would write directly to a second-level administrator, seeking disciplinary action, was inappropriate. I make no bones about the fact that is where the letter went. It did not go to the CEO. It did not go to the board. It went to a second-level manager, seeking an investigation and disciplinary action. I am asking the minister, on that aspect, he should be concerned.

I would like to know if the minister believes that would be appropriate action, and I will state on the record where I am coming from. I had responsibility for a Crown corporation, which is not a lot different than what we are talking about here, except there is a different field of representation. But if one of the board members went directly after an employee of that Crown, we would crucify him. I suggest that the RHA boards, while they come from local communities, that it is equally inappropriate for them to go after a line worker directly to their immediate superior.

I would ask the minister if he would be prepared to comment on that aspect.

**Mr. Chomiak:** In any corporate entity, a non-profit or profit corporate entity, the board has certain responsibilities and functions, management has certain responsibilities and functions. It is the purview of management to manage, and it is under the authority of the board to set overall direction and policy guidelines, et cetera.

Generally, it is not accepted practice for board members to interfere with the day-to-day operations and management of that corporate entity.

**Mr. Cummings:** I have one last question that I want to put to the minister in this respect. That is

that, unfortunately, this has left a bit of a bad taste in the community because it was one of his recently appointed board members who took this action against someone who comes about as close to sainthood as anybody we have in our community.

I would like to share the balance of my concerns with the minister privately because this has the potential to give all of us a black eye if it becomes any more public than I have already made it, but it certainly is on the streets in the local community, and the minister will end up with some onus on his shoulders to deal with it. I am quite prepared to drop it there until we have a private discussion.

\* (15:20)

**Mr. Chomiak:** I appreciate the member pointing that out, and I do look forward to discussing the matter individually with the member. We have had experience with matters of that kind, related matters, that we have had to deal with, Mr. Chairperson.

**Mr. Cummings:** Mr. Chairman, I thank the minister for that, and I guess I will put the minister on notice that I believe there is a strong enough case here that, when I bring it to him with the names involved, he will take strong and appropriate action to deal with the situation because it does no justice to the management process. I remind the minister that he was an advocate of elected boards when he was in my position, so I guess the appointment versus election probably does not look any more attractive today than it would have three or four years ago, but it does mean that there is a direct line to the minister for which he is going to have to be accountable.

I did not quite feel satisfied with the question about whether or not Gladstone qualifies as a hospital that can have 24-hour emergency response, especially when the board of the Central RHA has gone on record as being supportive. I am certainly well aware that services were reduced under our administration. It was always my understanding that they were reduced because of the availability of doctors. That availability is being tested again because they are now currently on a doctor search, but I

am told that doctors were prepared to provide service on a rota basis where they would end up where they might have had a couple of hours in the middle of the night when they would not have had somebody actually on call or available.

Is that one of the criteria that stops them from being funded for providing emergency response at Gladstone?

Even today people going in doctors' offices located adjacent to the operating room, frankly, it is not advertised as being available for emergency response outside of regular hours, and there is some question about during regular hours. The community has reached a point where they are seeking some guidance as to how they can best respond to the public demand, which is that the community will deteriorate rapidly if they are unable to put themselves forward as having a doctor on call 24 hours a day.

**Mr. Chomiak:** Mr. Chairperson, these are always difficult issues concerning rural communities, and in our attempt to maintain and keep services in rural communities, we have worked hard with a number of rural centres to keep facilities open and running.

With respect to the Gladstone situation, as I recall there was a question in terms of the volume provided, the number of visits to that particular centre based on the criteria that had been in place for some time. There are a number of factors that are associated with the situation. I know that we had a temporary arrangement that we had worked out with the community in order to maintain the doctors in that community, and I will have to check with our particular people in that area to find out what the update is in that regard.

**Mr. Cummings:** Well, the minister is on record as saying he does not intend to close facilities. Our administration was on record that we did not intend to close facilities. Distance starts to become an issue in delivery of rural emergency services.

In this case, there probably is an on-call cost, and, Mr. Chair, that is why I made the uncomplimentary remark earlier. I understand the figure is about \$250,000 annually to provide

on-call costs. Is that money that there would have to be an approval, that would have to be funded directly from Manitoba Health, or is that money that would be funded in addition to, or would it have to come out of the existing envelope of funding that the RHA has?

**Mr. Chomiak:** I can answer in general again. I am just determining whether or not the appropriate official from the department can be in attendance in order to answer the specifics of that question. I can answer in general, but I do not want to provide any inaccurate information with respect to this issue.

So pending the arrival of staff with this specific issue—and I will tell the member why. It is because it is complicated by the fact that we have entered a new agreement with respect to the MMA, and there is a whole series of other issues that are being dealt with. So I do not want to go on record giving any inaccurate information.

**Mr. Cummings:** I appreciate that, and, frankly, as the minister probably realizes, one of us has to get something on the record as to what conditions they need to meet or whether they can ever meet the conditions there.

So I would be more than willing to turn the questioning over to another line to our critic and await the arrival of someone who could supply the answer. Thank you.

**Mrs. Myrna Driedger (Charleswood):** I think it was yesterday the minister asked me whether or not, Mr. Chairperson, I would want to receive the physician profiles of the five cardiac surgeons in Winnipeg. At that point, my thought was I would be happy if at least the minister was the one checking into them so that he was satisfied.

I would like to ask the minister, if that offer is still open, then I would like to take him up on it and have those physician profiles provided to me.

**Mr. Chomiak:** I will ask the WRHA to provide us with information concerning the profiles of the five qualified cardiac surgeons who perform cardiac surgery within the cardiac program here in Manitoba.

**Mrs. Driedger:** Thank you. I appreciate the minister undertaking to do that.

I would like to ask the minister what his understanding of this particular sentence is when I read it to him. The sentence is: There was a preference for locating the cardiac services at one site for improved patient care, research and teaching capabilities.

How does the minister interpret that sentence?

**Mr. Chomiak:** That seems to be an opinion.

**Mrs. Driedger:** That certainly was an opinion. It is on page 29 of the Wade-Bell report where they indicated there was a preference for locating the cardiac services at one site for improved patient care, research and teaching capabilities.

I note that the Premier (Mr. Doer) again in his answer today, I felt, was somewhat misleading, because within the Wade-Bell report there was a preference. They indicate why it maybe was not that able to occur, but there was a preference for one site. Their reasons behind it are that one site provided for better patient care, better research and better teaching capabilities, which really goes along with all of the experts in the country who are talking about one site for cardiac care. So I just wanted to share that with the minister, and it is on page 29 if he chooses to want to read that page for himself.

I would like to ask the minister in view of talking about our RHA boards, what happened to his election promise to have elected boards?

\* (15:30)

**Mr. Chomiak:** I thank the member for pointing out Wade-Bell. We have had this discussion over and over and over again, and, as I indicated, the members opposite decided to nix the program at St. Boniface Hospital and to proceed with a one-site program at Health Sciences Centre. We went along with the recommendation of one program, two sites, and that is the recommendation we are working on. I note the member has now changed her position and I think is now advocating one site at St. Boniface, but it changes.

Nonetheless, Mr. Chairperson, with respect to the issue of election of board members, there have been significant developments in that area

in other jurisdictions. Saskatchewan is moving away from their elected board members. Alberta had an experience with elected boards. It was fairly expensive and it did not have a lot of turnout with respect to their boards.

Generally, the early recognition and recommendations in the system to have elected board members has turned around. The general consensus now is not to have elected boards, from the data and the literature generally across the country.

**Mrs. Driedger:** Well, Mr. Chairperson, that data was available prior to the election. In fact, the Premier of Saskatchewan at that time had even indicated to us when we were in government not to go that route and had a number of recommendations. So that information was certainly well known in Saskatchewan at the time, in fact in a number of provinces. Knowing that that information was out there prior to the election, why did the minister make that promise in the election?

**Mr. Chomiak:** Mr. Chairperson, as I indicated to the member, the government of Saskatchewan has in terms of policy, I believe, now moved away from elections as a result of their most recent review. They have decided to move away from elected boards in Saskatchewan. The Premier that the member is referring to of Saskatchewan is now heading up a federal commission dealing with the review of health care across the country, a commission that I had the honour and pleasure to make a presentation at. I think we are the only political party in the province to make a presentation to that committee and that commission. I was honoured that we as a government were able to do that. We made recommendations with respect to medicare in general.

The member, who in her opening statement kept saying that I refer back too often to the nineties, almost invariably in all of her questions goes back to refight the election. I am prepared to do that and discuss that, but it does run contrary to the comments of the member, who accused me of referring back to the nineties too frequently. I see now in every single question the member going back and back and back and refighting the election and refighting the election.

**Mrs. Driedger:** Certainly as it is this current Government that made all of those promises in the most recent election and this is their mandate in order to achieve those particular promises, it is a matter of expecting accountability from the Government. It is very timely and very appropriate to be visiting those election promises during this particular mandate, in which they said they were going to fulfil those promises.

So, in effect, then, regarding the elected boards, the minister has flip-flopped on another issue. Is he prepared to admit that?

**Mr. Chomiak:** Mr. Chairperson, I do not think I said that.

**Mrs. Driedger:** Well, the minister certainly did promise elected boards. There is no doubt about that. I will be the one that comments that he has done another flip-flop, but we expected this one to be coming because we did do our homework. We knew that the minister was going to end up flip-flopping on this particular issue.

Can the minister indicate whether he has asked for management salaries to be frozen across all of the RHAs, the non-union, senior management salaries? Has he asked those to be frozen?

**Mr. Chomiak:** If I were the member, I would be cautious in terms of running out and making pronouncements with respect to our election commitments as it concerns boards, just a word of advice to the member with respect to some of her comments.

We did ask for a freeze on all senior staff in the RHAs for this year.

**Mrs. Driedger:** I understand also that through correspondence, in particular, the reference I have is in correspondence to the Central Region, the Minister of Health indicated that the covering of RHA shortfalls on a yearly basis will not continue into the 2001-2002 fiscal year. That particular correspondence was from April 29, 2002. Also in that correspondence to Central Region, the 2002-2003 anticipated shortfalls or year-end deficits will be the RHA's responsibility.

The minutes of the board meeting of May 22 of Central Region does indicate: "With the

receipt of \$2.5 million this year, we will once again be heading for a substantial deficit. If no other factors changed, and we had the same costs and activity as last year, the region would possibly have enough money to operate. However, this is not the case. The reality is that we do have increased spending needs due to operational costs associated with new programs such as telehealth, volume increases in home care, inflation, additional dialysis costs and others. In the area of chemotherapy alone, we are facing an operating increase of \$200,000 that will impact our bottom line."

Further on, in this same area of the minutes for the Central Region Health Authority, they indicate: "The CEO inquired with Manitoba Health whether the plan was for regions to use their equity to fund their deficits or not. This is not viable in the long run. We have to have some serious debates with government to look at options. One of the major determinants to building a foundation for sound decision making is to investigate whether the major obstacle is not enough resources in the system or lack of authority to determine the use of those resources. It was suggested that if a campaign to lobby MLAs is undertaken, it should be founded on the need to reconfigure services appropriately."

Then a couple of paragraphs down, it says: "It was raised that, when the region presented a deficit budget to Manitoba Health last year, the Government did not take action at that time to say that the deficit would be disallowed."

\* (15:40)

It certainly appears that the Central Region RHA is having some fairly serious concerns about their deficits, and they are trying to find ways to address them. It looks like they have some valid reasons for seeing costs increase. It is interesting that they are feeling that they need to lobby MLAs in order to be able to have their issue dealt with. It looks like they also want some investigation into whether the major obstacle is not enough resources in the system or lack of authority to determine the use of those resources.

It certainly seems that the RHAs are struggling. It seems a shame that they are feeling

that they are not able to be heard by the Government and that they have to take the issue further and set up a campaign to lobby MLAs. Could the minister tell us why they feel the need to go that route and why they obviously feel the Government maybe is not listening to them?

**Mr. Chomiak:** As I pointed out to the member earlier, there is not a single RHA that does not want more resources in the province of Manitoba. There is not a single RHA or institution that feels they have adequate resources to meet all of the needs across the province. That notwithstanding that we significantly increased the funding to the RHAs from when the member was the assistant to the Minister of Health. When the member was working for the government, we significantly increased resources. Notwithstanding that, there are demands every day and continue to be. We work with the RHAs. I remind the member that the member recently or last year ran around with a release talking about deficit for one region and going to the media and then being corrected and found out at the year end, in fact, there was no deficit for that particular region.

The member reads minutes. The member has read numerous minutes from public board meetings that are held by regional health authorities. We have ongoing discussions with those health authorities. That is one of the reasons we have been able to reduce the deficits from the \$70-million range to the \$13-million range, I would suggest an incredible decrease in terms of deficits over a period of time. At the same time, we have been able to expand services and provide additional services.

There is no doubt that there are individual regions that feel, for example, we should do per capita funding. There are some regions that feel we should not do per capita funding. There are some regions that feel that historically they have not been funded their base. There are some regions that feel that they have grown demographically and so we should fund their base.

As I pointed out earlier both this morning and this afternoon in terms of criteria with the funding, we have provided significant increases to the regions, Mr. Chair, and we expect and ask

that the regions are able to operate within the allocations that are provided to them.

**Mrs. Driedger:** Can the minister comment on this particular statement from one of the RHA board minutes: While we went through the process of discussing ideas where operational changes could be made to reduce costs, this is one area where the government does not appear to be prepared to make some hard choices.

Why would they feel that way?

**Mr. Chomiak:** That seems to be an opinion that has been cited by that individual. It has been quoted by the member.

**Mrs. Driedger:** Well, that was a bizarre statement. I did not even understand what the minister meant. These are from the minutes of the board meeting of April 24, 2002, from Central Region RHA. It was in relationship to the 2003-2004 health plan. A presentation, I guess, was made to Manitoba Health. They said: While we went through the process of discussing ideas where operational changes could be made to reduce costs, this is one area where the Government does not appear to be prepared to make some hard choices. What do they mean?

**Mr. Chomiak:** We make hard decisions every day. When we make hard decisions, the Member for Charleswood (Mrs. Driedger) is the first one to jump up and criticize us for making any kind of decisions.

**Mrs. Driedger:** Well, this really gets at some of the overview that one would look at when we look at what this Government is doing in terms of looking for efficiencies and cost savings. So far really the biggest thing they have done in health care is just spend a lot of money, \$650 million to date, putting us at the highest spenders per capita in the country according to CIHI. This almost validates what a lot of us are seeing too. The Government does not appear to be prepared to make some hard choices, interesting coming from a board of directors in one of the regions also recognizing the same thing that we are recognizing. We are not seeing this Government move in the direction of trying to bring some efficiencies into the system. What we are seeing is the Government continuing to dump more and

more money into health care. We have not seen the innovation.

You know, the Premier (Mr. Doer) runs around and makes all these comments all over Canada saying, well, the status quo is not good enough. Yet he has entrenched the status quo here in Manitoba, and we have not moved beyond the status quo with this Government. We seem to be stuck in the status quo here. There are no innovations. There are no effective means of controlling costs here.

Rather, we are seeing the costs continue to escalate. It would be one thing if you continue to put money in the system and you saw improvements, but a 22% increase in funding and we are sure not seeing a 22% increase in improvement in patient outcomes. If that was the case, that would be a whole lot easier to justify what was happening, but we are not seeing those improvements. You still have hallway medicine, you still have all these waiting lists, you have cardiac surgery patients being bumped.

So money is obviously not the solution. More things need to be done. We do not see this Government moving in any direction to put in those innovations and to try to deal with these escalating costs, costs which are eventually going to hit the wall with our increases in Pharmacare costs, technology costs, the costs that will be incurred on the system as we all age and the big baby-boomer cohort reaches that certain age where we are going to cost the system a considerable amount of money at some point. The minister does not seem to be preparing for this.

The trends in incidents of cancer are certainly going up. If one looks over the next decade or two we are going to have some huge impacts on our health care system. There do not seem to be any rays of hope in this province in terms of trying to reign in the spending. I have to ask the minister: Does he really feel that the health care system needs more money?

**Mr. Chomiak:** Well, I have heard that speech before by the member, contradictory as it is among a number of factors. I think it was only two weeks ago or a week ago when a report came out dealing with long stays in the hospital. The member provided some pages from that



report of an overhead and said, oh, they are cutting nurses. They are cutting nurses. They are firing nurses. She went around saying that, Mr. Chairperson, when the report dealt with inordinately long stays in our hospital system.

I do not know what the member's position is. I assume she is opposed to the Cervical Cancer Screening Program. It is a significant preventative measure that has been put in place. I assume the member is opposed to all of our health initiatives to increase training across the field, be it nurses, be it doctors.

\* (15:50)

### Point of Order

**Mr. Chairperson:** A point of order, the Member for Charleswood.

**Mrs. Driedger:** The minister is truly out of line in putting assumptions like that forward. He has absolutely no proof to substantiate any of that. He thinks he is going to get a good sound bite here, a 10-second sound bite that maybe he can use somewhere, but that really is irresponsible commenting by a Minister of Health.

Unless he can provide the facts to back those statements, I would really recommend he not put those on the record.

**Mr. Chairperson:** The point of order is no point of order. It is a dispute of the facts. Let us not use the point of order for debate. I will recognize you, and then you can debate. Thank you.

\* \* \*

**Mr. Chomiak:** I was only pointing out to the member all of the innovations, and I could go on and on and on with the innovations that have been put in place under this Government that the member does not even acknowledge, Mr. Chairperson, and does not seem to recognize. So how can we prove to the member the changes that exist, or the changes that are in place when the member refuses to even listen to the issues that we raise, and to the innovations that have been put in place with respect to the health care system.

But we have been down this road before, Mr. Chairperson, and what the member went through was similar to her opening address. She just repeated those particular facts. Rather than my countering all of those facts, which I can, and which I have throughout the course of these Estimates, I will just await the next question.

**Mrs. Driedger:** Well, I have to go back to my previous question because the minister did not answer it. Does he feel that the health care system needs more funding in it?

**Mr. Chomiak:** We have provided significant funding to the health care system, Mr. Chairperson, and all of the projections with respect to all of the prognosticators and all of the indications are that health care spending will increase in the future. The key, of course, is putting in place programs and services that will capture the needs of the population at the least expense to the public treasury.

**Mrs. Driedger:** I certainly agree with the minister with what is coming down the pike. We probably will see a health care system that is going to need some more funding. But, rather than just always pouring in new money and increasing the base line, is the minister not looking for innovations within the system where they can actually save money?

**Mr. Chomiak:** One of the examples of that is our asthma program that is being rolled out around the regions. Another example of that, Mr. Chairperson, is our palliative care program that is being offered. Another example of that is our mental health program, the co-addictions, the comorbidity program; the program that deals with first episode psychotic; the PACT program and the myriad of mental health programs; the education program that is put in place; the Mental Health Resource Centre that is a preventative program; the Cervical Cancer Screening that is a preventative program; the mammography province-wide program and the additional services provided in the North; the fact that we are doing more surgeries and expanding the type and approach to day surgeries across the system; the fact that we are moving surgeries around the system; the fact that we are providing surgeries in rural jurisdictions, rather than making individuals always having to

come in to the city of Winnipeg; the fact that we are putting in place expanded residency programs for physicians outside of Winnipeg; the fact that we put in place a program that allows international medical graduates to have an opportunity to practise as doctors; the fact that we put in place a bursary program for medical students with a return-of-service provision in an underserved or other area with respect to the program; the fact that the LPN program is supported in centres outside of Winnipeg; the fact that we have expanded training in all of the professions. These are all innovations and all developments that are changing the way health care is approached, the community-based approach in a whole variety of areas, and there is more coming.

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

**Mrs. Driedger:** I certainly acknowledge that prevention programs are important and that there does need to be good focus in the area of prevention. But while these particular programs are rolling out under this Government, there continues to be almost \$700 million more pumped into health care. So, obviously, something is just not quite fitting here in terms of the kinds of efficiencies, maybe, that need to really be looked at in a much more serious way or reforms to the health care system to, in fact, make it more sustainable.

The minister mentioned one item, which I would like some clarification on, and that is more day surgeries. Where does he intend to do those day surgeries?

**Mr. Chomiak:** In a variety of locations.

**Mrs. Driedger:** Can the minister tell me where?

**Mr. Chomiak:** Additional day surgeries are being done in the Pan Am and in several of the community hospitals. That is the planning for this year.

**Mrs. Driedger:** Certainly we know that the tertiary care hospitals have the most expensive care. Community hospitals would then be the next and less expensive than tertiary cares, and, certainly, day surgeries right outside of the

hospitals would be the most cost-effective at all. Yet there is very little activity by this Government to move in that direction, other than to—what he says—do more surgeries at the Pan Am Clinic.

Does the minister have in front of him the numbers of surgeries done on a monthly basis at the Pan Am Clinic? I am not talking plastic surgeries or surgeries people might pay for themselves, such as the plastic surgeries but insured service surgeries? How many of those are done on a monthly basis at the Pan Am Clinic?

**Mr. Chomiak:** The last time that I checked with those stats, we were on track to double the number of surgeries by year-end with respect to the surgeries we were providing at Pan Am.

**Mrs. Driedger:** It is interesting hearing the minister say that, because I have been tracking the numbers of surgeries at Pan Am, and while the minister was saying that this past winter, in fact, that is not accurate at all.

The Pan Am Clinic is, as of February anyway, not on track unless things have dramatically changed in March, April, May, June. Things were definitely not on track. In fact, if we are looking at insurance services, the average that they were doing from the time they made their announcement in September of last year until February, they were only doing an average of 130 surgeries a month at the Pan Am Clinic. That only amounts to 1560 surgeries a year, well below the 3000 that they said they were doing.

Does the minister have in front of him the number of surgeries per month for March, April, May, June?

**Mr. Chomiak:** The numbers have increased substantially on a monthly basis; substantially from the February figures the members has, and, as I indicated, we are on track, on a monthly basis, to do the doubling of surgeries by year-end.

**Mrs. Driedger:** Well, I will certainly be watching to see what happens, because in September the announcement was made that surgeries were going to be doubled, and, in fact,

for six months after that, there really was not any activity to substantiate that. So they are really, really going to have to do a lot of surgeries in the next while to even catch up and be anywhere near the 3000 that they promised to Manitobans. The other thing they promised with the Pan Am Clinic is they said that it was going to keep doctors in Manitoba. Was the minister aware that the Pan Am Clinic has lost one doctor and has not attracted any new ones?

**Mr. Chomiak:** Yes.

\* (16:00)

**Mrs. Driedger:** Well, then can the minister tell me what happened to his statements that the Pan Am Clinic was going to be this wonderful centre, and it is going to keep doctors in Manitoba, and it is going to attract doctors. In fact, it has attracted no doctors and it has lost one. How does he justify what he said to what is actually happening in reality?

**Mr. Chomiak:** We have attracted back a first-class orthopedic surgeon to Pan Am, Mr. Chairperson.

**Mrs. Driedger:** Would the minister tell me who that would be and when that position arrived at Pan Am?

**Mr. Chomiak:** I believe it is Doctor Dubberley, if memory serves me correctly, and he is due to start working shortly or has already started working at Pan Am.

**Mrs. Driedger:** Can the minister tell us, as his statement said when they purchased the Pan Am Clinic, that they were going to add new and exciting innovations, can he indicate to me what new an exciting innovations have been added, because last I heard there were no new treatments added?

**Mr. Chomiak:** Mr. Chairperson, I know the member is in a hurry to have all this done, as am I. The member just has to wait and we will see those developments.

Dr. Jamie Dubberley, who is an orthopedic upper-extremities surgeon, as I understand it, was scheduled to start this month.

**Mrs. Driedger:** The minister, a number of times, has indicated that by purchasing the Pan Am Clinic he has saved a lot of money. Yet, when asked by a newspaper reporter for proof of that, the minister was not able to provide any proof that, in fact, what he claimed would happen was actually happening.

Can the minister actually provide proof that his purchase of the Pan Am Clinic has saved the health care system money?

**Mr. Chomiak:** I believe the Premier (Mr. Doer) provided that information at a federal ministers' conference, and I believe the member also has that information and has had access to that information.

**Mrs. Driedger:** Well the Premier did not take me on his conference, so I do not know what he presented there to have proof of this. I am certainly not aware of any proof here, because the minister has not been able to provide, in writing, although it has been asked for in the past, the minister has not been able to provide for, on paper, his savings that he claims to have made.

So here again we have another situation just like amalgamating the two RHAs. He says he saved \$2.5 million, but he cannot substantiate that. The Pan Am Clinic, he says he saved all this money, but he cannot substantiate that. Where is the proof?

**Mr. Chomiak:** Mr. Chairperson, the member has information with respect to the cost of surgeries. What we did was we were able to negotiate for the surgical services that were provided at another surgical centre, and we were able to lower the cost of the procedures, surgeries, and that excess cost that we lowered for the surgeries we were able to put back into additional surgical programs at Pan Am.

**Mrs. Driedger:** Well, certainly, the contract ran out at the Western clinic, and the Western clinic felt that they needed more funding to cover 15 extra minutes of what they were actually putting in to do surgery. So, if they were doing cataract surgery, they felt they needed an extra 15 minutes, and the Government was not willing to offer that to them. So, basically, Western lost the contract.

You know, when the minister is out talking that he has made things cheaper at Pan Am, what happened at Western does not seem to have much bearing on what happened at Pan Am. It was just a matter of whether or not they were going to agree with the price the minister was going to pay, and if the minister did not want to pay it, you know, they have enough business that they can carry on doing whatever.

Where is the minister's proof? I mean, he is going around saying that he saved all of this money. How much money has he actually saved and where is the proof, and why is it only in cataracts? If he, in fact, is saying that he is saving money by doing surgeries at the Pan Am Clinic, his claim to fame on saving money rests only with cataracts. If the Pan Am Clinic was so good and so efficient to save him money, why is it only in cataract surgeries? That does not even make sense. If the Pan Am Clinic was doing what it should be doing, it should be doing that across the board on all the insured service surgeries that it is doing, not just cataracts.

So why can the minister not provide proof of his savings which he claims that Pan Am can provide? Why can he not provide proof that he is actually saving money at Pan Am, and why is it only with cataracts that he seems to be focussed?

**Mr. Chomiak:** Mr. Chairperson, I love the way the member rationalizes. The member says, well, Western surgical did not want to do it anyway and so that is really not a saving.

Let me just try to make it simple: a thousand dollars for cataract surgery at one location and \$700 or \$750 at another location. The member can do the math. Each procedure costs less. Ergo, if you put the same amount of money in, you can do more procedures. A thousand dollars at one location, a negotiation down to provide, if memory serves me, \$700 or \$750 per procedure, that is a saving any way you cut it, no pun intended. That money has allowed us to do additional surgeries. I do not know what further proof the member requires.

The member says, well, they did not want to do it anyway; they are going to make money doing something else. Mr. Chairperson, we were able to negotiate a cheaper rate for a procedure. The member says that nothing new happens, that

we are not reforming, that we are not innovative. So we negotiate a cheaper rate, and the member says: Well, that is not sufficient proof. I do not know what more we have to do to outline that factor for the member: \$1,000 a procedure, \$700 or \$750 a procedure, negotiated downward, cheaper to do. It is cheaper to do it at \$700, \$750 than at \$1,000 a procedure.

**Mrs. Driedger:** Can the minister tell us why he can only quote savings related to doing cataracts and he cannot quote savings related to orthopedics, which is really what the Pan Am Clinic is focussing more on?

I understand they are moving away from doing cataracts. I understand that those numbers are decreasing. So, if the Pan Am is so efficient, why can the minister not quote savings related to orthopedics or urology, for instance?

**Mr. Chomiak:** Mr. Chairperson, the member made the point two questions ago. She said it cost more money to do procedures in tertiary care facilities versus community facilities versus day hospitals. Our plan is to do more day surgeries not in tertiary care facilities, which the member herself said were more expensive, but to do more surgeries, more day surgeries, more orthopedic surgeries in non-tertiary facilities, i.e., community hospitals and day surgical centres. That is what we are doing. That is what we are in the process of doing at this very moment. I suspect that the member will criticize us for moving surgeries from a tertiary care facility to a community hospital, but that is what we are doing.

\* (16:10)

**Mrs. Driedger:** The minister probably needs to be just a little bit careful about making assumptions. I have never complained about the moving of, say, orthopedics out of a tertiary centre and into a community hospital. So I think he is grasping a little bit and getting a little carried away with his rhetoric, because certainly if that is going to make the program work better and it is more efficient and it can meet the needs of the orthopedic program, for instance, then I do not see anything wrong with it. So the minister's rhetoric is a bit out of line on that one.

If he is saying that the Pan Am Clinic is so efficient, and we have created this clinic that is

so efficient and able to save money, why can he only quote savings around cataracts and not around orthopedics when orthopedics is the bulk of the surgery that is done at Pam Am? Are there no savings then that he can quote and table for us, in fact, around orthopedic surgery?

**Mr. Chomiak:** Mr. Acting Chairperson, I know the member would like us to do all of this tomorrow. We are in the process now of moving orthopedics around the system.

**Mrs. Driedger:** The minister is avoiding answering my question on Pan Am. You know, certainly the minister has said that he would like to move some procedures out of tertiary hospitals. That makes sense to me. It makes good sense because the overhead costs in a tertiary care centre are certainly much higher than in a community hospital, and the costs in a community hospital are higher than in a clinic. So it would make sense certainly to look at efficiencies in the system by having more clinics doing some of these surgeries, but the minister can only quote one clinic. That is the Pan Am Clinic, and that is all he can quote. So when he is saying that he is doing more day surgeries, it seems he is still doing them in the more expensive areas.

He is indicating that more orthopedics hopefully will be done at Pan Am. I will be watching that very carefully because so far, as of February, the average that they were able to accomplish from September, where they only did 69 surgeries that month, February they did get up to 158, but all of that averaged out to 130, which if you extrapolate that over a year, it is just going to be slightly over 1500 surgeries and nowhere near the 3000 that they promised Manitobans.

In fact, the Premier (Mr. Doer) was talking about in his franking piece that he sent out to his constituents saying that they were already doing 3000 a year. So far, those numbers are not adding up, and, certainly, the minister has all of this rhetoric that we are saving money, but he cannot provide the proof that he is saving money.

He has indicated that he has been able to save all this money from cataract surgeries. Why

can he not provide the proof, and why are there, then, not those same efficiencies achieved in orthopedics if the Pan Am Clinic was so wonderful at doing what it is supposed to do?

**Mr. Chomiak:** Mr. Chairperson, the member referenced the savings with respect to the Regional Health Authority previously, and I pointed out to the member that the member had misinterpreted the financial data with respect to the annual report.

Let me read from the audited financial statement of the Winnipeg Regional Health Authority: The Health Authority produced an excess of revenue over expenses for the year ended March 31, 2000, of 663,000, leaving an accumulated surplus of 4.8 million. Total revenue for the year was 1.93 million. Expenses were 1.92. Of these expenses, 201 related to programs managed directly by the Health Authority, while the balance was flowed through to acute community and long-term care agencies. The direct service program expenses including home care operations, primary health, public health and mental health along with medical numeration, the Health Authority has fully assumed these programs which in large part accounts for the increase in expenditures. For example, the former City of Winnipeg public health program and acute care medical numeration were assumed in January of '99. In addition, the Health Authority was fully operational during the year as opposed to 1999 which was a ramp-up year. This caused an increase in costs in absolute terms. RHA administrative costs remain comparatively low as a percentage of direct operations management at 4.9 percent. Further to this, the Winnipeg health care system as a whole incurred \$40.2 million in administrative and support service costs in 2000 compared to 41.7 in 1999 which represents 5.5 and 6.5 percent of direct program costs respectively.

The audited financial statements of the Winnipeg Regional Health Authority speak to the point that the member has misinterpreted over and over again, Mr. Chairperson. So I just put that on the record for clarification for the member with respect to an issue that she continues to deal with.

I also have indicated to the member that the number of monthly surgeries at Pan Am has

risen significantly, and we are on track to increase and to achieve the levels that we are predicting, Mr. Chairperson. I have also indicated that we have had significant savings with respect to programs.

I know the member wants us to provide programs and privatize certain surgical programs. I know the member has advocated strongly for private surgical facilities, but we have been through that debate last year, and I am not sure if we should revisit that debate over and over and over again.

**Mrs. Driedger:** Can the minister indicate again which audited statements he was referring to?

**Mr. Chomiak:** I think they were the ones that were provided in the House by the member when the member raised the issue a while ago. I simply read from the audited statements that the member provided in the House.

**Mrs. Driedger:** Which year is the minister reading from?

**Mr. Chomiak:** The reports that we are reading from are from the annual report of the Winnipeg Regional Health Authority.

**Mrs. Driedger:** The minister seems to be having difficulty understanding my question. What year of audited statements is he reading from?

**Mr. Chomiak:** '99-2000.

**Mrs. Driedger:** What year did the minister purchase the Pan Am Clinic?

**Mr. Chomiak:** September 2001.

**Mrs. Driedger:** Can the minister then indicate, he was reading something from the audited statement that was prior to the purchase of the Pan Am Clinic, so can he tie the two together as to why he would be reading something from statements that were well in advance of when he purchased the Pan Am Clinic?

**Mr. Chomiak:** No, Mr. Chairperson, what I was outlining for the member is the member is indicating that there had not been savings at the Winnipeg Regional Health Authority. I was

simply reading the audited statements to the member in reply to a previous question raised this morning.

**Mrs. Driedger:** Mr. Chairperson, there has to be a name for this kind of skating around accountability related to the questions.

I know that the minister does have not the proof that the Pan Am Clinic is saving money.

In fact, if one were to look at the cost of cataract surgery at the Misericordia Health Centre, for instance, and the cost of a cataract procedure at the Pan Am Clinic, it is virtually impossible to be able to put a price tag on what it would cost at the Misericordia Health Centre.

In fact, an FOI that I received asking for a comparison of cost to do cataract surgery at the Mis and the cost of doing cataract surgery at the Pan Am Clinic said they were unable to cost out a cataract procedure at the Misericordia Health Centre. It was not possible within our existing financial systems. So, therefore, how can the minister tell us he is saving money by doing cataract surgery at the Pan Am, when his own FOI tells me that there is no way to do a true cost comparison between what it actually costs at the Misericordia Health Centre, because overhead costs are not able to be figured at the Misericordia Health Centre? So there is no true way of being actually able to distinguish costs.

That is a problem in our health care system, and the minister well knows that until we have an information technology system and the kind of database we need, it is very difficult to compare costs. You can compare fee-for-service of what it costs a physician. A clinic can tell you what their overhead costs are because a clinic can much more readily do it. The hospitals cannot do that because we do not have a way of putting price tags on procedures in hospitals. So, in fact, his own FOI indicated to me that they were unable to, well, in fact, it was probably from the WRHA, that they were unable to cost out a cataract procedure at the Misericordia Health Centre, that it was not possible within our existing financial systems.

So how can the minister claim but not provide proof that it is cheaper?

\* (16:20)

**Mr. Chomiak:** Two points, Mr. Chairperson. First off, the contract entered into with the private facility was a couple of hundred dollars more than the cost at Pan Am, point one.

Point two, Mr. Chairperson, the member in her own statement said, and I quote, it is cheaper to do services at community hospitals and day surgeries than at tertiary care facilities. The member made that point herself.

It is well acknowledged that the overhead costs associated with a stay in a tertiary care facility versus care in a community hospital versus care in a day surgery centre is substantially less, Mr. Chairperson. That goes without saying.

**Mrs. Driedger:** Well, the minister has to admit that within the way we fund our tertiary, our hospitals, really, with global funding, there is no real way to put actual price tags on that.

We do have a sense that everything is cheaper. In fact, the minister acknowledged it in his own news release that the efficiencies that the Pan Am had achieved as a private clinic and the cost-effectiveness of the Pan Am as a private clinic were the reasons that attracted him to wanting to buy it. So the minister has certainly acknowledged that there was merit to what private clinics could provide in the system.

While the minister indicates that I advocate for private clinics, we did debate on his bill, and the minister neglected to mention that it was publicly funded private clinics, where the private clinic would bear the cost of the overhead, and the Government would pay for the cost of the service so that no patients had to pay for anything.

So, if the minister wants to run around saying that I advocate for private clinics, he might want to throw in there that I advocate for publicly funded private clinics, which is quite different. But it is his fearmongering that takes him down that road and his ideology that takes him down that road, trying to stir up public fear around the area. But, certainly, if he wants to be factual with what he puts out there, he certainly might want to indicate that I am in favour of medicare and I am in favour of publicly funded but private clinics.

Why would we not be, when the minister himself acknowledged how well run Pan Am was as a private clinic, how cost-effective it was? I mean, I could pull out his news release and if the minister wants me to, I can read off all of his accolades about the Pan Am Clinic and why he bought it. He certainly had wonderful things to say about what they were like when it was a private clinic. That was the reason he said he chose to buy it.

So there is certainly merit, obviously in his mind, with private clinics and that they can do some good, and certainly there is an appearance, and a very likely probability, that they are more cost-effective than hospitals because they are able to actually track their costs, whereas under global budgets, hospitals cannot do that. But it is obvious, from what we know so far, and what we can determine with the dollar signs attached to everything out there, that there are efficiencies that you can achieve with private clinics, but it is very difficult to say what that same procedure might cost in a hospital because we do not have the systems in place to be able to tell us that.

But the minister is indicating that certainly, with his purchase of the bricks and mortar of the clinic, he has been able to achieve some savings in the system and yet, when a reporter asks him to prove it, he cannot prove it. When I ask him to prove it, he cannot prove it. In fact, it will be interesting to watch what happens with the Pan Am Clinic and to see if the minister, down the road, will come clean and provide us with the savings that he is proclaiming that the clinic can actually provide, and if they will actually be able to do what he is saying they can do, and that is 3000 surgeries a year, because they certainly, up until February of this year, have not been heading in that direction. I do know that the minister has sunk more money into buying equipment there. In fact, the last time we checked, they have put another \$40,000 into buying new equipment. So, in fact, the transition costs themselves were \$76,000. So the purchase of the bricks and mortar has now become more than the \$4 million with the addition of more equipment that needed to be put into the Pan Am Clinic.

We certainly will be watching, as I said, Mr. Chairperson, on this area because it is important

that we look at doing more day surgeries, and while the minister has indicated that he is going to be doing more, he still has not chosen the most cost-effective place to be doing them. He is still keeping them in the hospitals, and according to the Manitoba Centre for Health Policy and Evaluation, we are only going to have enough beds in the system in the future if we continue with the trend started in the nineties to do more day surgeries and move those surgeries out of the hospitals. So what is the minister's plan? Is it just to have the Pan Am Clinic and then do more day surgeries in community hospitals? Are the community hospitals not already maxed out in terms of the number of day surgeries that they are doing?

**Mr. Chomiak:** I do not understand what part the member did not get. Additional surgeries in Steinbach, surgeries in Ste. Anne, surgeries in Thompson, moving obstetrical surgeries from St. Boniface Hospital to Concordia Hospital, over 200 surgeries in July at Pan Am, Mr. Chairperson. I do not know how many more times I have to go through that data. I will go through it again. Additional surgeries in Steinbach, surgeries in Ste. Anne, surgeries in Thompson, additional surgeries at Pan Am, moving of surgery from St. Boniface tertiary care facility to Concordia community facility. I do not know how many more times I have to indicate that.

Now I am going to jump to another issue because I—

**Mrs. Driedger:** Just clarification, the minister talks about Thompson, Steinbach, Ste. Anne—I am talking about day surgeries. Is he talking about day surgeries when he says he is moving surgeries and doing more surgeries in Thompson, Steinbach and Ste. Anne? My question was around day surgeries and is his response about those hospitals related to day surgeries?

**Mr. Chomiak:** The member is asking about day surgeries then. More day surgeries at Pan Am, Mr. Chairperson, more obstetrical day surgeries at Concordia I understand, and I believe some of the surgeries with respect to the Ste. Anne and Steinbach are day surgeries, but I will confirm that. In fact, I am almost certain of that.

**Mrs. Driedger:** Well, I am asking the minister then because, while there may be some day surgeries going on in those facilities, according to the Manitoba Centre for Health Policy and Evaluation they have indicated that we need to continue with the trend to do more day surgeries. I would think a lot of the hospitals are already maxed out at doing day surgeries. If we are going to have to do more in the future, where is the capacity within the existing system to do more? Is he looking at setting up contracts with some private clinics to do some?

**Mr. Chomiak:** Therein was one of the reasons for the purchase of the Pan Am Clinic, because it has demonstrated a track record of effective day surgery. It offered us an off-site, off-tertiary, off-community hospital site to do day surgeries, a day surgery specialty area. Therein was one of the reasons for dealing with Pan Am.

I know that we are going to be adjourning in a few minutes. I wondered if I could just turn to the Member for Ste. Rose (Mr. Cummings) for a minute or two with respect to the situation in Gladstone. I just can confirm that, in fact, it is an issue in terms of volume with respect to the number of patients visiting.

There is also an issue that we are now involved with negotiations with the rural ERs as part of the new MMA agreement in terms of remuneration for our rural ERs. We are involved in that process at this point. I do not have anything more specific for the member. I will ascertain if I can get more specific information for the member.

**Mr. Cummings:** I will wait to get the additional information from the minister. I would just have to respond on the aspect that it always seems to work this way. It is a bit like a dog chasing his tail. Volumes go down when service may not be available or when there is a shortage. I have experienced it often enough. I have seen it in other hospitals, the small hospitals. There are studies that show that first of all people leapfrog and hop service areas to go to a doctor. Their choices are somewhat unpredictable.

Secondly, when there is an uncertain supply of doctors, uncertain continuity in doctors, then it becomes a self-fulfilling prophecy. I ap-



preciate the minister being interested in this. We will discuss it further tomorrow.

**Mr. Chomiak:** I also want to table for the Member for Charleswood (Mrs. Driedger) copies of the memorandum of understanding regarding the provincial joint committee on full-time, part-time nursing staff ratios.

I would also like to table copies of the Winnipeg Regional Health Authority external review of the WRHA and review of the Women's Health program, July 2002. This is a report by Deloitte & Touche to the WRHA. I believe the Member for Charleswood (Mrs. Driedger) saw overhead projections of an interim report dealing with this issue. This is the final report that was made to the WRHA. The member asked for it. I said I would table it and provide members with copies.

**Mrs. Driedger:** I thank the minister for providing those in such timely fashion. I do appreciate that. I do just want to go back to the question around the need for a broader plan to increase day surgeries, because, as the Manitoba Centre for Health Policy and Evaluation indicated, if we do not do more day surgeries, as we have been doing through the nineties, we are going to be in more trouble because we are not going to have enough beds in the system.

So I am asking the minister if he has got a broader plan other than, you know, just the Pan Am Clinic, because that can only do so much. That is one answer to the system, but I also want to ask the minister if he is looking at contracting out with any other private clinics that might be out there as they indicated before in their news release, which I have found, where he has recognized the Pan Am Clinic as being—and this was when it was a private clinic—responsive, cost-effective in providing high-quality care.

Why would the minister not look then at having his broader plan include doing more day surgeries in publicly funded private clinics, which would then improve access to care for Manitoba patients?

**Mr. Chomiak:** I think one thing the member overlooks is that we have capacity outside of Winnipeg, and I want the Member for Ste. Rose (Mr. Cummings) to note, as well, that we have

reintroduced expanded surgical slates outside of Winnipeg as a further commitment to rural Manitoba.

There is capacity in rural Manitoba, Mr. Chairperson, and why would we not utilize it? Why would we not utilize our facilities where we can? We put in place additional surgeries, and I want the Member for Charleswood (Mrs. Driedger) to recognize that we should not just be focussed only on Winnipeg in this regard, because a lot of people come from rural Manitoba to Winnipeg to get surgeries and should not have to. For example, the hundreds of children and their families that have to come to Winnipeg for dental surgery that is now being done in Thompson, the families that are going to have the surgery done at Ste. Anne and Steinbach.

This is the beginning, I hope, of a move along with all of our other initiatives in rural Manitoba, including the \$55-million reinvestment, the largest investment in rural Manitoba history, I believe, for the Brandon redevelopment project, the opening of Boundary Trails which we had the honour and the pleasure to open.

It is all part of a recognition of the needs of rural Manitoba. So I do not want the member to overlook the fact that we should not just focus on Winnipeg when it comes to this issue, that one of the initiatives we have taken is to take surgeries to rural Manitoba and enhance and expand surgeries outside of Winnipeg. I think that is an important component of the plan that I would not want the member to overlook.

**Mrs. Driedger:** Well, let me guarantee to the minister that as a country girl, somebody raised in the country and with their heart in the country, believe me, I do not forget the country when I look at issues. I do not just focus on the city. I certainly do focus outside of it.

While I appreciate that surgeries can be expanded in rural Manitoba, they may not quite have the same capacity for day surgeries. Day surgeries seem to be the trend, and the minister is not quite grasping my question. That is around his broader plan to increase day surgeries, or, as the Manitoba Centre for Health Policy and Evaluation stated, we will not have the beds in the system down the road unless we continue

with this trend of doing more day surgeries. So the minister does not seem to want to spend too much time answering that one.

But I would ask him, because the Manitoba Centre for Health Policy and Evaluation also made another statement, and that is that there is enough money in the system already. Would he agree or disagree with their statements on that?

**Mr. Chomiak:** I am glad the member cited the Manitoba Centre for Health Policy and Evaluation, for they are the ones that did a review of doing surgery in private, for-profit clinics versus public clinics and found that the waiting lists grow longer when you do it in a private, for-profit system beside a public system.

I am glad that the member has acknowledged that report because every time I have cited that report, I do not seem to get a response. But I want the member to know that since she is citing the Manitoba Centre for Health Policy and Evaluation, I think that that report and that finding, which confirms all of the other reports and findings about running a private, for-profit system beside a public system, makes eminent sense.

The Centre for Health Policy and Evaluation, of course, recognized the trend in its projection of the needs for the next 20, 25 years in terms of its trend analysis and recently put out a report with respect to the needs and requirements of the system and looked into a couple of scenarios in that regard.

\* (16:40)

It reflected, as well, the report of CIHI that came out in the year 2000, Mr. Chairperson, the CIHI report that said all jurisdictions must—and that was the same report, by the way, that indicated we had done the best job of hallway medicine in the country. But that aside, that report indicated that all jurisdictions must proceed to do more day surgeries, must endeavour to do that, which is why we undertook an aggressive program with respect to day surgeries.

I can indicate to the member that there are further significant announcements that will be made in due course with respect to provision of

surgery and expansion of surgical capacity and types of surgery. I know the member will be as excited as I am about those announcements that will be coming.

I want the member to recognize the across-the-spectrum development that we have done. Let us analyze it. Surgery has moved from tertiary care facilities to community hospitals. That is what all the studies say we should do. They say you can do more and you can do it cheaper in those facilities; also, more surgeries done and freestanding day surgery clinics like Pan Am.

The evidence speaks for itself where we reduced the cost of cataract surgery from a thousand-dollar procedure to around a \$700, \$750 procedure and reinvested that money back. More surgeries done in rural Manitoba, more surgeries done in northern Manitoba, all cognizant of the changes, Mr. Chairperson, plus further developments that will be announced in due course regarding surgical and surgical services.

I am very pleased that the last report of the Canadian Orthopedic Association said we had the second-shortest waiting list with respect to surgeries in the country. While we are not No. 1, I am very pleased that we are developing because quite clearly, and the member has made mention of the demographic shift and the need for different types of surgery. The new surgeon that has been hired by us to do work at Pan Am does upper body extremities and that type of surgery, a growing trend of surgery that is required. So we are very pleased to have a specialist doing surgical procedures in that area. So there is, not talk, but specific programs that have been put in place that deal with the trend lines, that deal with the expanded need for services, and we are continuing to develop and work in that regard.

**Mrs. Driedger:** Can the minister tell me—he is certainly indicating some successes he has had, and there have been some in health care. I will certainly give him credit for those things that have been successful.

Why then did he turn around and say that Manitobans should expect less from their health care system?

**Mr. Chomiak:** Can the member indicate where she is referencing that quote?

**Mrs. Driedger:** Well, I would have to dig it out. I believe it was in a newspaper article.

**An Honourable Member:** Hanging on the wall in my office actually.

**An Honourable Member:** Is it, Glen?

**An Honourable Member:** Yes.

**Mrs. Driedger:** It is hanging on a few walls. The minister said that people should expect less from their health care system. He has just pumped almost three-quarters of a billion dollars into Manitoba's health care system. How in the world can he then turn around and tell people to expect less?

**Mr. Chomiak:** In fact, Mr. Chairperson, we are delivering more services in a different variety of settings than at any other time in the history of the province of Manitoba to all the citizens of Manitoba. At the same time, demands on the health care system, and the member should acknowledge this, have grown significantly, partially as a result of the cutbacks in the 1990s. Because of the cutbacks in the 1990s and the significant scaling back, the significant closures, the significant slashing of programs, we have had to do significant catch up with respect to our budgets the last several years.

As I was indicating, it is very clear and I am glad the member has given me an opportunity to explain that situation to the member, and I look forward to continued discussions in regard to this particular matter.

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** I would suggest that, according to the agreement by House leaders, we see the clock at five o'clock.

**Mr. Chairperson:** Is it the will of the committee to rise? *[Agreed]* Committee rise.

## TRANSPORTATION AND GOVERNMENT SERVICES

\*(14:50)

**The Acting Chairperson (Mr. Tom Nevakshonoff):** 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 Transportation and Government Services. The committee had previously agreed to have a global discussion on this department. The floor is now open for questions.

**Mr. David Faurshou (Portage la Prairie):** I appreciate the opportunity, once again, to discuss the issues pertaining to the Department of Transportation. I would like to begin by asking perhaps of the minister, I believe I know just about everybody, but to make note who is with us this afternoon from the department if you would not mind, please.

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Yes, I introduced everybody this morning with the exception of Marlene Zyluk from DVL, the registrar of motor vehicles. We are rotating around here, the questioning shifted around, so, basically, everybody else has been introduced. We have Transportation, Government Services and Emergency Measures represented here.

**Mr. Faurshou:** I thank the minister. The Department of Transportation, could you update as to the number of full-time employees we have or full-time equivalents we have within the department and, also, what is the percent of vacancy within the Department of Transportation at this time?

**Mr. Ashton:** Mr. Chairperson, I can give the member the total FTEs for the department. Of course, we are one department. The approved FTEs as of June is 2952.54, and I can get information on the vacancy rate, as well. We will get the updated figures, approximately 7 percent. If the member wants a more accurate, any more detail on that, but 7 percent is the approximate vacancy rate. It is about approximately two-thirds with Transportation and one-third is Government Services. Once again, we keep track now of records as one amalgamated department, but that is the rough approximation that was in place before the amalgamation of the two departments.

**Mr. Faurshou:** A 7% vacancy rate, I presume the department is attempting to fill some of these

vacancies; 7 percent is over the traditional level of 3-4 percent on the basis of transfers in, transfers out, persons leaving, persons being hired, which is a normal course for any government department, but that is, I would say, almost twice what a normal vacancy would be. Is the minister's department actively recruiting at this time to lower that vacancy rate?

**Mr. Ashton:** Well, we as a government, recognizing the fiscal situation, have been very careful in terms of hiring. We have had a process in place that does require significant scrutiny of potential hirings. We do have a managed vacancy rate that allows us obviously to manage across the department and at the same time meet our fiscal objectives. I think that is appropriate.

The member indicates there is always going to be some sort of a vacancy rate traditionally. It is certainly somewhat higher now, but, quite frankly, when you look at the alternatives, cutting programs, other kinds of options in a budget sense, we have been able to I think do our best here to manage the vacancy rate and to do it without cutting services, but I do acknowledge on the record it is certainly a significant challenge for the department.

I want to give credit to our senior managers, our front line supervisors in particular, for having to work with that restriction requirement and also, of course, to our staff, who obviously are really making a real difference in maintaining the services.

So I appreciate the comments that it is somewhat higher. It is higher across government. That is a target that we adopted as part of our Budget. Given the alternative, I think this is far better than cutting programs or, dare I say, elimination of positions or layoffs. So given all the alternatives, this one is the most reasonable.

**Mr. Faurshou:** I would say, though, that when you increase your level of vacancy, as you have indicated today, perhaps there may be areas within the Department of Transportation that may not be able to carry out the requirements on a timely basis. Is this going to infringe upon the earlier announcement by the minister that he would be trying to see tenders let in the fall prior to the spring commencement of construction

season the following year, as he had promised the Manitoba Heavy Construction Association?

**Mr. Ashton:** Well, first of all, indeed we are going to, as part of our move to a five-year plan, be able to give far greater notice on the general plan of government for highways. We are also going to be in a position quite frankly to do what the member has said, which is get the tenders out earlier. We are in a transition towards that right now. We certainly made an effort this year to get the tenders out earlier than they had been out previously. That is still our commitment.

The staffing vacancy can impact usually on development of projects, but can have some effect on the tendering side. The development of projects, it is important to note that obviously before you go to tender any projects, you have various stages you go through. You go through the design stage, survey and design, environmental design, you then go through the next step, which is the actual construction. In some cases projects are phased in over a period of time. Oh, and of course, land acquisition, which Land Management Services does as well.

Basically you have got to plan it and you have got to do basic design, you have got to acquire the land, you have got to then go through survey and design, and then you go to the project list. So we do have a significant number of projects that are ready to go in that sense, have been moved along in various stages.

So it will not necessarily impact on our overall capital programming, but obviously the more resources we have, the more we could facilitate that, but again there is a cost. In this budget, we have put, I think, the emphasis very clearly on the Transportation side and on increasing the highway capital budget. I know the member has acknowledged this, and I think it is quite significant that we had a 16% increase in the construction budget compared to the budget last year. We believe we will be able to meet that target. Obviously, you will get some shift. I do not mind sharing with the member that federal-provincial programs are difficult in many cases because we have another step to go through. We often perhaps have a tighter deadline on our construction side than the process would have as well.

So that is an ongoing challenge for us, but at the same time I acknowledge we were able to make a very significant announcement under the SHIP program: two very significant projects, one on the Trans-Canada, one on the Trans-Canada Yellowhead. So I think we are in a position to meet that, but obviously I do not want to stress this again, our intention is to move to a much longer-term plan, not just internally but with the public and also with the industry, and we are clearly in transition to that this year.

Our goal is still to get the tenders out much earlier than we have in the past, but I think it will be phased in. I think there may be earlier deadlines we can achieve in the future once we have reoriented some of our internal practices, but the intervention by the Heavy Construction Association, quite frankly, was a positive one, and we will move to a much more timely system. I thank the member for raising that issue. I think it is one we share.

**Mr. Faurshou:** Mr. Chairperson, I appreciate the minister's comments. I know that there has been an increase, but nowhere near where we had to be in order to address the deficit, which is still continuing to mount in their transportation infrastructure, recognizing that, as we mentioned in opening comments, the department had two years ago estimated the deficit of \$40 million per year. Now we are going to have to get \$140 million just to not lose any further ground to the depreciation or wear and tear of our roadways here in the province. So, until we get to that number, we are still falling further behind.

To reiterate Manitoba Heavy Construction Association's figures, they believe that it will have to see an investment of \$240 million. That is up from 120 expended annually for the next 20 years just to bring us modestly towards an improved situation in addressing the past wear and tear. So we have a long way to go, but I do appreciate the minister's initiative of putting together a developing plan, the strategic nature for the transportation sector here, infrastructure in the province involving Manitobans. I compliment the minister for taking that step.

I do want to ask the minister, as I had mentioned last night, we basically cannot go to the public with a blank page. We have to have

some type of framework, otherwise most of our time will be lost just identifying what topics we want to talk about. Mind you, they still should have the latitude to consider some maybe offbeat ideas, but some may not be all that offbeat.

\* (15:00)

I have been challenged over the years as being a little bit offbeat for my promotion of the lighter-than-air cargo ships. I have been intrigued by those since a young age. So I want to ask the minister: During this process, is the minister considerate of the persons with ideas towards, say, high-speed train travel from maybe across the southern part of the province, Regina, Winnipeg perhaps, or through to Kenora and Dryden, something like that, or light rail transit within the city of Winnipeg for instance?

Also, getting back to lighter-than-air cargo ships. Are all these certain elements part of, perhaps, the minister's ideas towards his strategic plan for the province? I know this could be an opening from this side of the House for the minister to talk all afternoon, but I really would like, perhaps, to remain fairly short with his response, please. We have a lot for him to cover.

**Mr. Ashton:** Mr. Chairperson, that was a pretty open-ended question, but what I will do is I will first of all indicate the prime focus of the Vision 2020 is going to be to add to the work that was already done by the City of Winnipeg. They had a very extensive process, planning process, vision process within the city of Winnipeg which dealt with a lot of the urban transit issues. We are not trying to repeat that. I think we are trying to extend the work that was done by the City of Winnipeg to reflect the transportation aids for the province as a whole and also for outside of the city of Winnipeg.

In terms of the public meetings, my experience at public meetings and I am sure the member's experience has been that the best public meetings are where they are somewhat structured but where you do not reject anything, no matter how out of the box it might be, and I welcome that. What I often find is some of the suggestions are often a process of trying to re-invent the wheel.

In a lot of cases, we often have proposals in terms of hovercraft, there were problems in

terms of previous technology, maintenance—it is not as simple as it appears, but you also have to be aware that there may be new technology in that area as well. So we are certainly open to ideas and whether it be lighter-than-air, I have heard that proposed. Quite frankly, in the nearly three years I have been minister I have heard pretty well everything you can imagine.

Someone always has a better idea and I think part of any planning process should be to look at that, even it is just a matter of putting it on the agenda. I look at the City of Winnipeg in terms of the rail corridor. That has been talked about for years, for example. I know it is a priority for the City and that is an example. Obviously, if they are able to obtain federal funding, if they are able to re-orient some of their funding, if there is basically some ability to deliver it as a practical project, it is something that has been on the record for a number of years. I tend to think we need that out-of-the-box experience.

Even with more traditional approaches and I will give—just to finish off on this—the member a bit of a quick sense of remote access. Thirty-seven communities do not have all-weather road access. Every community does have a winter road now. I mentioned earlier that we are extending our road network basically bit by bit by recognizing that these will become permanent roots for all-weather roads down the line but, obviously, to construct an all-weather road, it is a rather expensive prospect.

We have moved on the first stage in terms of the southeast side of Lake Winnipeg with what is called the Rice River Road. That is fairly significant, but I think we need to look at whether there are some innovative ways of doing it, perhaps some government-to-government partnerships with First Nations and the federal government.

Perhaps focus on training as a key component of the construction, as well, because I see a huge opportunity here if we can, at the same time we construct approved infrastructure, train people for the maximum shortage of labour that I see ahead in a lot of trades, a lot of professions as well, for the next four or five years as boomers retire. So there is a combination of things that could be applied there.

So we are open to out-of-the-box thinking in terms of ideas, in terms of different approaches, but even when we are dealing with traditional approaches such as building roads, maybe we need to look at innovative ways of financing those initiatives, recognizing that traditionally, and this is the case with the current books, that while we do for capital equipment breakout the requirement that it be amortized, be capital when it comes to highway construction, as the member can tell just by looking at the budget. Highways capital is not treated as capital for accounting purposes. That creates difficulty when you are dealing with long-term investments. We are open to ideas.

**Mr. Faurchou:** Just to clarify one point, partnering, could that involve the private sector, as was shown by the city building the Moray bridge. Is the minister open to considerations in that respect?

**Mr. Ashton:** We would not to exclude anything from discussion. The member is, I assume, referring to public-private partnerships. The reality for Manitoba, public-private partnerships, there is some controversy on the degree to which they are a good investment for the provinces involved, but generally where they have been applied would be, for example, the 407. We are not in a position of looking in Manitoba at toll roads, I believe, in the sense of a 407, where people willingly pay additional money to travel on what is a significantly enhanced convenience for them.

I had these discussions with my colleagues in British Columbia. They have a different situation in British Columbia. Same as Saskatchewan, they are in a very similar circumstance. Our real challenge is remote access and rural roads, to be quite frank. I am not excluding anything from discussion, but certainly if you look at the possibility for remote access, there may be a form of that that might apply more directly. That is one possible model that we deal with. One advantage of that approach is that you can, if you have a revenue source, then finance over a period of time so that you have the ability to construct the road and pay it back over time.

We are not going to go into the meetings across the province and say you cannot talk

about this. At the same time, I just wanted to caution that realistically our challenge is not the 407s. Our challenge is 1, 16, 75 on the national system. I could run down the list, you know, 59, highways 10, 9, 8, 7, 6, 5. Well, 68 we are dealing with. The member knows the ongoing challenge. He put accurately on the record that one of the key challenges for us in terms of infrastructure is going to be the renewal or existing infrastructure in addition to any enhancement. People say, well, are you going to four-lane this or are you going to pave this gravel road or are you going to do this, that and the other? There are times where that is appropriate, but that is in addition to the system. It is not dealing with the existing system.

One thing we went through with the national highways program, by the way, is the issue of whether, quite frankly, we would be able to rehabilitate highways. Yes, I have seen the article the member has there in terms of the Trans-Canada. One of the things I want to make clear is that four-laning the Trans-Canada is certainly something that is a national priority. There is federal money involved. I think it has some real prospects, but so does what we have done on Highway 16, a major, major project which is going to rehabilitate.

This is not maintenance. There was some issue back and forth initially in some of the discussions. Rehabilitation is when you have a road that is 25 to 30 years old and it is, to use the accounting term, totally depreciated. You have to reconstruct it. That is what we have to do on 16. We also have to do that on sections of 1 as well. It is very easy to talk about four-laning, as the federal Liberals, nine years after they have been in government, but the reality is at the same time we can look at four-laning we have to look at the condition of Highway 1 in some sections.

\* (15:10)

In some other cases, as we are doing on highway 16, on the Trans-Canada Yellowhead, we are also looking at passing lanes. I find passing lanes, first of all, they are very cost effective, but they work. I know the Minister of Labour is a big fan of passing lanes. She anxiously awaits them, I am sure. Highway 10 is probably the best example where it has significant traffic flows, but Highway 16, part of

what we have in place. When I read the discussions about four-laning the Trans-Canada, it could be a significant national priority, but it would be a mistake, I believe, to have that and not deal with the fundamental issue. That is, how do we sustain the system that we have got, and how to bring in other improvements that are badly needed. I would hate to see us get into a process of trying to leave a legacy for the Prime Minister at the expense of having a transportation strategy.

Now, do not get me wrong. I mean, I have said on the record, maybe we can sell naming rights. If there is enough money involved here, we could have the Chrétien super highway, the Collette thoroughfare, but I think in all seriousness we know that there has got to be a lot more discussion before that comes to fruition. I would assume, because I know the member has joined with myself as minister in terms of actually, very clearly, publicly stating that we have a common position with the federal government. I appreciate that because there are really no differences when it comes to the federal government, and I note that the member has a copy of, I assume, the U.S. transportation initiatives that are in place. You know, we have got a better health care system than the United States. They could learn from us. When it comes to transportation, we could learn from them.

**Mr. Faurichou:** Well, I thank the minister for his yes or no answer. He had only five minutes on an open-ended question, and then I asked whether he would consider private sector money, yes or no and 15 minutes later, here we are.

Just in regard to the lighter-than-air travel, I think that that method of conveying cargo is one that I think we could be, as a province, on the leading edge. I believe it is something that will come in the not too distant future. Perhaps if we are the first, we can qualify for those special incentives by either companies looking to put in their prototypes or their models for which the others in the world can view. I think Manitoba is a perfect test case for one to see through these 37 remote communities being serviced on a regular basis, just like the Greyhound pulls in to Portage la Prairie every few hours, regular scheduled drop-in on these 37 communities for personal and cargo conveyance. I think, with his consider-

ation, that someone within his department could perhaps at least go down and take a look at it. This honourable member is available for going to Sacramento to take a look at the prototypes that are right now flying.

**An Honourable Member:** In January?

**Mr. Faurschou:** January maybe I would be available as well. But I encourage the minister to look at this favourably before we put a heck of a lot of money into extending the winter road or permanent road infrastructure here in the province. I really say with all sincerity that potentially this can provide more than even an all-weather road system can to a community because there would be, not only the consistency of an all-weather service through this type of technology, but also too, it would be a bit of a novelty for the tourism trade and that to visit remote communities in Manitoba via an airship. There are other selling features to this technology, and I think Manitoba could certainly benefit and parts north into the Nunavut territory and northwestern territory as well.

I do want to ask the minister's consideration of different levels within the provincial road structure, provincial highway structure, levels of improvement, I might describe it in that fashion. In a lot of cases right now, and I will cite provincial road 227 in my own constituency, a road that I have traveled almost daily over my years of farming west of Portage and north of Portage. We are trying to take an old beater of a road and upgrade it to virtually a Porsche type of road, if not a Porsche, a Cadillac, where even a modest improvement, even a grade elevation of two feet, not six or eight as is now called for, would be a significant improvement and satisfy 85, 90, 95 percent of the people who are travelling on that road.

So I ask the minister his consideration of levels of improvement within the provincial road structure. You have a provincial road that is of an A grade, a B grade, a C grade, and within that are designated improvements based upon level of travel or expectancy. Maybe an A grade provincial road is non-restricted year-round, maybe a B grade is 90% restricted, maybe a C grade is 65% restricted, and one has paved shoulders one does not; speed limit, one is 90, one is 100, and one is 110, just examples.

The same goes for the provincial trunk highway. You may have the Trans-Canada Highway as your A highway that effectively is separated lanes of travel, limited access, that sort of thing for your A. Your B may have your passing lanes on a designated sequence or distance intervals, and then C is perhaps just a normal trunk highway, 14-foot surfacing, where the other B may be paved shoulders all the time.

Effectively, we are taking, currently, roads to a far higher standard than anyone's expectations. I know the minister smiles at that, but for the most part—[interjection] Well, let us go to 227. It is a below grade, of low-land level, prairie grade I think is the term, low prairie grade, subject to frost spoils and ruts, and when the school bus and the milk truck and even department trucks get stuck in the middle of the road, it is not much of a road to be salvaged. So, even a modest improvement would satisfy a great deal of people. Maybe we look at levels of frequency for travel, whether it is 400 vehicles a day, 800 vehicles a day, whatever. So, anyway, that is my preach and whether the minister wants to respond or not, I should get on to some questioning.

**Mr. Ashton:** I think the member was making up for my long answer before with a long question, so I got the message.

Actually, quite frankly, the system we have in place is essentially the system the member is talking about. We have various categories of roads. I can provide detailed information if the member would like, on that. We have various thresholds, particularly when you get into what level we would pave, what level we would dustproof. So we have that system in place.

Believe you me, maybe I am getting different letters than the member is, but I have a lot of letters that want four-laning and hard top, not a lot of letters that say we want you to slightly fix up the highway or add patches.

\* (15:20)

What does happen is you get sort of an upward ramp in terms of people's expectations. Also I find that it goes by region. What is considered a good road in the North or some



parts of rural Manitoba would be considered not a good road—something, too, about the closer you get to the city of Winnipeg, perception of what is a good or a bad road seems to shift.

I think it is the people's expectations, and I find that people in the urban areas who are not used to gravel road travel think that all gravel roads are bad. I guess my view, coming from an area where we have a lot of gravel roads, a good gravel road is a good road. I have seen some not good pavement. I personally find that a good gravel road is better than not good pavement. You know, for example, the stretch from Limestone to Gillam looks like a roller coaster which is paved, versus 280, which is a properly engineered highway. It needs some improvement. I am not arguing that. We put dust-proofing on all of 280, but there is a kind of a classic case.

I appreciate what the member is saying. I do not like to use the term "beaters." I think we may have some Chevys out there and we may even have some Volvos, maybe some Cadillacs. If there are any beaters, we are restoring them to their glory, because, you know, one person's beater, given the right amount of work, could be the next person's collector's car. I have seen a few in that category.

**Mr. Faurschou:** Well, I thank the minister for his response. I do not want to take additional time going back and forth with what is necessary and what is not necessary. We will ask a hundred people those questions and receive a hundred different responses.

When you say that there is already a certain standard, I say, sir, when you get to a designated RTAC road and you restrict it to 65 percent of loading, we do not have a set standard in this province for roads. When it is given an RTAC standard there is an expectation across Canada of what is expected from that road. This year, absolutely unprecedented, whether one can shout at the moon as to the reason why it happened, but 41 percent of the roads, the hard-surfaced roads in the province, this year were restricted, absolutely unprecedented. At no time in this province's history have we had that type of restrictive nature.

I think we need to be very strategic. If we have a certain grid that is designated RTAC,

then we make absolutely sure. I almost had a four-letter work escape there. But it is imperative to our economy. People that build along these roadways expect that they can convey their produce to and from market every day of the year and not be told that they cannot because of some unknown factor or that the province is falling down or behind on its maintenance and renovation of roads.

There is an expectation out there that when you designate an RTAC road that that is a year-round heavy loading type of roadway. Any and all efforts should be done by the department in order to maintain that status, because it is an expectation for persons in the Interlake, persons in the Southwest, persons in the Southeast that they have that type of service from the Province, because the province benefits from that economic activity.

**Mr. Ashton:** In dealing with spring restrictions, I want to make clear that spring restrictions have been part of the management of our highway system for quite some time. I appreciate we extended some of the restrictions this year. I have met with people in communities affected by the restrictions. I have said the choice in many cases is between having a road in the short run which will be pounded into nothing or putting restrictions on that RCs know, which is a standard part of what we do, including on our RTAC system.

I think that having a road with some restrictions is better than having no road at all. We also have tried to work in terms of permits. I think that was something that in fact the member has raised issues on.

I want also to indicate in addition to that we have also made a significant commitment through the capital program in dealing with some of the specific challenges of the RTAC system. The largest project we announced as part of our additional capital projects because of the five-year, \$600-million plan was the road into Rivers, \$7 million, which will allow us to maintain year-round RTAC access. Some communities are more vulnerable than others, quite frankly, when it comes to access issues. What we have done in that case, I think, was make a very clear commitment to that community that we are making the same priority. This is the largest project in the province.

I certainly acknowledge that is part of the challenge and that gets back to the previous discussion we had, that it is fine to talk about enhancements to the system. We are making some enhancements as well, but you also have to talk about maintaining the entire existing system.

**Mr. Faurichou:** I think that for the most part the minister and I are on the same page for most of the discussion, but I think that we do have to recognize the economic activity of the province and the necessity of that now. What is the population of the 37 communities that you refer to as far as not yet having all-weather roads? How many persons are we speaking of?

**Mr. Ashton:** I cannot give you an exact figure, but it varies in size. You have communities that will have a few hundred people, but we have some very significant sized communities as part of that as well, particularly in the Island Lake area. To give you sort of a sense of the scale of this, the third-busiest airport in Manitoba, by far, is the Island Lake airport. So that gives you some idea of the movement currently by air.

What is important to note in terms of the remote access again is that, quite apart from the population that it served, my argument would be that surely in the 21st century we can provide all-weather road access to our communities in this province. We found through the scoping study on the southeast side of Lake Winnipeg that we actually saved money on transportation. In fact, much of the southeast side of Lake Winnipeg were able to capture that saving which will primarily accrue to the federal government. We could build a road at no cost.

So there are some common-sense arguments here. I do not think it is an either or. It is not an either we have remote access or we have work on our rural roads. One of the advantages when you have got \$120 million, five years, when you have got a 16% increase in the capital side, I think that allows you to do more.

I want to stress again, and I know that the member knows that I have said this on the record, that we view the money that is in place as a minimum. We have not given up hope with the federal government. In fact if I could, I know I got a pretty detailed answer before in terms of the Trans-Canada, but the fact that we have a

federal-provincial ship agreement and they are even talking about anything involving spending money on highways whether it is a trial balloon or not, that is what we are going to need to rehabilitate the system.

**Mr. Faurichou:** I appreciate the minister's response but I am bringing the minister back to the RTAC network here within the province and the need for that network to be year-round. It is important to have a reliable link for all persons to get out, whether it be on an emergency basis or on a regular basis and to have that a reliable service, but I do want to emphasize the importance of economic activity here in the province.

\* (15:30)

We are not going to be able to extend the winter road system or an all-weather road system in the province if we do not take care of business and the economic activity of our province. On the Trans-Canada Highway I would venture to guess—it is always a hazard to guess—but the number of individuals that you refer to in the 37 communities here does not add up to the number of persons that travel the Trans-Canada Highway within a 24-hour period in the summertime. Right now department estimates I believe are 36 000 to 38 000 people travel by any given point on the Trans-Canada Highway within a 24-hour period between the months of June and September. That is having vehicle movements of approximately 18 000, two persons per vehicle.

We have got to take care of business, because that is our economic lifeline. Not that I want to appear to be cold-hearted or uncaring. That is why I look to the new technologies in lighter-than-air ships providing all-weather service to those communities as a possible consideration. But I do want to stress the importance of taking care of our major arteries, which I understand from the department statistics, 4 percent of our hard-surfaced roadways here in the province of Manitoba are responsible for more than 30 percent of this province's economic activity as relate to movements of goods and services throughout the province—4 percent, 30 percent. We better take good care, top priority of those 4 percent, because that pays the taxes. It may appear to some members that I am self-serving, because a good portion of our

roadways in my constituency are within that 4 percent, being the Yellowhead Route and the Trans-Canada Highway as well, but I cannot stress that enough, if the minister wants to respond before we get to another question.

**Mr. Ashton:** Mr. Chairperson, there is a matter I need to take care of in my office, I wonder if we could get some agreement to just adjourn for a couple of minutes, in a few minutes, 15, yes, okay. I just need about 2 minutes to take care of this before 4:30. I appreciate the member's agreement on that.

The reality is, and I look at remote access, for example, there are a lot of economic opportunities that come from extending the road system. I will give you an example of where you put a transportation link in for a completely different purpose, in this case where it was critical and one of the most significant economic development opportunities for Manitoba. It is called the Hudson Bay Rail Line, which was built to transport grain to Churchill. When nickel was discovered in the Thompson area, what happened is they were able to put a spur line off the Hudson Bay Rail Line and develop the mine. If they had to build a brand-new railway, recognizing at the time there was no road, or even if they had to build a road at the time, I am not sure that Inco would have happened in Thompson, because there are dozens of Incos throughout the world where there is not adequate infrastructure access. I believe that remote access can and will provide significant economic benefit.

I also think, by the way, it is important to put on the record that there are various elements of our transportation system that are involved in this, but you will find many northern communities which are significant contributors in terms of their resources, forestry, mining, hydro. The actual population in the North may be somewhat less than some other areas of the province. The member talked about his constituency. I can talk about Thompson as well. There has been a lot of money that has come out of Thompson over the years, mining royalties, income taxes. A lot of money has come out of The Pas, forestry and all the spinoffs from that. I do not even want to get into hydroelectric, because the vast majority, I think 98 percent of our hydroelectric generating capacity currently is where? It is in northern Manitoba.

My view, by the way, and I think this is important with transportation. The real issue here is not so often so much convincing rural and northern Manitobans the importance of the links. We may argue about the emphasis back and forth, but I mean we realize that. One of the challenges, and I look forward to this as part of Vision 2020 as well, by the way, is to make sure the people living in the city of Winnipeg are cognizant of the importance of those links. It is not just city streets that are important. It is the links to rural and northern Manitoba.

I always say this, and this may be shifting with Voisey's Bay, but for years, the actual average industrial wage in St. John's, Newfoundland, has been higher than Winnipeg. One of the reasons we have had greater wealth in this province is because of our resource industries: agriculture, mining, forestry, hydro-electric, so we all benefit. We all benefit, and the key element to having those benefits is basically having basic infrastructure in place, including transportation.

By the way, I find there is a fair amount of sympathy in urban areas as well, but it is important I think for us to remind people that as much as people's experience may be going to the lake on a certain highway, and that is important, I respect that and we are trying to work on that, there is also, day-in, day-out transportation infrastructure that serves trade and creates value added, creates wealth to the province of Manitoba. The member's area, the Interlake, when I looked at the Chair, of some of the I think very significant work we are doing in that area, 68 for example, the Prairie Grain Roads Program. So I think those links are important, and I really do not believe it is an either/or. I think we can continue to expand remote access. We can work on rehabilitating our rural highway network, upgrading our national system.

Quite frankly, and this is outside of the scope here but also have some innovative approaches to urban transport issues as well because my view of Winnipeg, and this is not jurisdictional here, because obviously these are not issues that highways has much control over, is we are on the cusp in the city of Winnipeg of some encouraging signs, cusp of some real development. You can see what is happening with the housing market. If the population of

Winnipeg was to increase by 30 000, 40 000, 50 000, it would put a lot of pressure on the existing road system, the internal road system in the city of Winnipeg. So that is why I think the discussions that the City has had in terms of rail corridors, transit corridors, those are important issues to deal with.

My view is that it makes sense to have a transprovincial view of transportation as well. There may be some different nuances back and forth, but I think we can significantly improve our transportation system. That is why we brought in the five-year plan. That is why we made some initiatives in airports, winter roads, et cetera. I am very excited about this 20-20 process as well because I am really looking forward to seeing the kind of response we get from the public when we actually go to them and ask them the critical question what kind of system, well, not so much what system do you want, but what system do we need? You know, everybody wants a four-lane superhighway that goes right to their back door. We know that is not going to happen. What I want to do is really get a real discussion about what kind of system do we need now, five years, ten years, and that other question, which always comes along with any public service, how do you pay for it?

**Mr. Faurschou:** Mr. Chairperson, that is something that I appreciate the minister's understanding on is the economic activity and the importance thereof.

We attended, and I do appreciate going with the minister to Minneapolis for a renewed signing involving the Northern Great Plains initiative that involves, and I will correct the minister. He, in his opening remarks last night, stated that there were two provinces and four states. In fact, Mr. Minister, there are five states and two provinces and, for the record, Minnesota, Nebraska, North Dakota, South Dakota and Iowa are part of the agreement with Manitoba and Saskatchewan.

It is a significant area those states encompass, but it was recognized at the presentation of the support that had been received from the Manitoba Transportation and Government Services Department, along with Manitoba Industry, Trade and Mines, Western Economic Diversification Canada, Minnesota

Department of Transportation, and the U.S. DOT federal highway administration.

I wonder, there was no mention of Saskatchewan as their sponsorship, but it is certainly nice to see Manitoba recognized as a participant and a sponsor of, I think, a very valued meeting that took place. Also, too, I think it bears out to recognize the increase, as I alluded to last night, the phenomenal increase, in the amount of value to the goods and services that go across this area in tonnes, increase from 1992 to 1997, that flowed through this area, went from 619 million tonnes on an annual basis to effectively 1.496 billion. It is just in tonnes, like 619, more than doubled in that five-year period on an annual basis.

\* (15:40)

As far as an increase in dollar value, went from \$923-billion worth of goods and services to 3.826 trillion, a phenomenal figure, far greater than I can imagine on that same flow-through. So you can see what kind of importance our network has on an international and national basis because the goods and services are flowing through our area.

It was also interesting, the trend lines, to see how our trade with California had significantly diminished, and yet our trade with Florida had significantly increased. These are the changes in routing. Obviously, I will say that the French fry industry that has been developing over the last few years here in the province is all dedicated to eastern marketplace, and so that is our direction of travel.

When one looks at the 2020 projection of travel, the huge deep red line that is coming from Winnipeg through Grand Forks, Fargo to Minneapolis and on into Chicago and points east is, without a doubt, one, if not first, probably second in all of North America, when you look at the width and darkness of the colour that the computer has generated here on the diagram. It is something that I also recognize for those persons that are wanting to look at themselves as available on the Net at [www.ngplains.org](http://www.ngplains.org).

I think we have to bear significant attention to the way the traffic flow is shown here, where the northern, above the international boundary

between Canada and the U.S., to travel from southern Ontario through to Winnipeg is very, very slight. Unless there is significant improvement, as I mentioned last night, that is a very dangerous stretch of highway, that without significant improvement, that is going to be a corridor that is going to see very, very little traffic or increased traffic. It is all going to come down through southern Ontario across the United States and back up into Canada and then points west and east from there, from Winnipeg. So Highway 75 is going to play a significant role in that. So those are the emphases I would like to place with the minister.

I also want to say the minister hit the nail right on the head last night with his comment regarding nation building, the feeling of unity, national, of pride that one feels with an infrastructure, road network. Regardless of where one looks, any very successful country came to be known for their road network, whether it be in Roman times or more recently the country of Germany with its Autobahn and now the United States putting significant dollars into the improvements to their General Eisenhower way, their interstate.

If the minister has a couple of comments, I would appreciate it, on those two topics.

**Mr. Ashton:** I suggest if we could just adjourn for now. When I come back I will be more than glad to do it. It just takes about five minutes. I have to sign a document.

**Mr. Faurchou:** I appreciate the minister's request and I would concur that we take a short recess. Let us establish four o'clock to reconvene, that giving 15 minutes as ample time for everyone to take a break.

**The Acting Chairperson (Mr. Tom Nevakshonoff):** Is it the will of the committee to recess for 15 minutes, until 4 p.m.?

**Mr. Ashton:** Actually, from my side, five minutes. I just need to get documents dealt with. So I was going to suggest five minutes. If it runs a little bit later, obviously we do not start until the critic and the minister are here anyway. So you might want to have five minutes of Legislature time.

**Mr. Faurchou:** We will definitely be back at four o'clock, but earlier if we are both here.

**The Acting Chairperson (Mr. Tom Nevakshonoff):** The committee is recessed.

*The committee recessed at 3:47 p.m.*

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*The committee resumed at 4:00 p.m.*

**The Acting Chairperson (Mr. Tom Nevakshonoff):** Will the committee please come to order? The honourable minister has the floor.

**Mr. Ashton:** I was just going to put on the record, I know I gave a fairly lengthy series of answers before, but the comments the member put on the record are on another area where we agree. I will perhaps leave it at that because I am sure that the member has many other questions. Rather than focussing in on his comments, which I thought were very well put, I am prepared to move on from our side.

**Mr. Faurchou:** Very good. I would like to look at Estimates, the opportunity to convey strategic thoughts and, although it is important also to get into the line by line of the Expenditures of the department, I want also to turn and go through the minister's opening remarks and some of the items.

The minister also mentioned the legislative component. We have seen numerous amendments to The Highway Traffic Act over the years, is there an undertaking within the department to review totally The Highway Traffic Act so we can have a comprehensive study and a revamp of the legislation so it is current, rather than considering all of the amendments? I mean, we have got two coming to committee tonight and tomorrow.

**Mr. Ashton:** I think we have been de facto doing that, graduated drivers' licensing. If you want the initiatives we have got this session, we are doing that and as we have gone through the process of bringing in bills we have also tried to, in all the cases, update the language, clear up difficulties there.

I think, over the last number of years, it has probably been the most comprehensive rewrite of The Highway Traffic Act, not for that purpose itself, but we will continue to do that as well.

I will not get into specifics of some of the bills we have got in but, for example, just one specific perhaps, the penalty clauses which were seriously out of date and out of whack, if I can use that expression, just not appropriate to some of the offences that were in there. But I appreciate the member's point. It is a large and cumbersome act, but I think we are making some progress.

**Mr. Faurshou:** In review of that and the graduated drivers' licensing which the minister mentioned, I would ask: Is there consideration by his department of expanding that legislation to be considerate of re-testing at junctures either by age or by potential infraction for persons that have driver's licence privileges in the province? May I suggest that, or are you considering that at age 55, or age 65, or age 75 that we look to re-testing or evaluation of skills?

**Mr. Ashton:** The member should be careful when he puts ages on the record because I remember, I think it was an open-line show where the discussion came up on older drivers and compulsory retesting. The person who phoned in said I believe in that. The host asked when do you think it should start? I think they said 40. So I guess it is all in the eye of the beholder, and I think I know which side the member and I are on in terms of that age definition.

What I can tell the member is that there are two things that happen with age. One is drivers get more experience, and the second is there can be medical circumstances that can impair driving activity. The experience is quite clear. The senior drivers are much safer drivers on average than other drivers because the experience generally is the dominant factor. That has been consistently the case. I have heard this argument that it can be people not driving during rush hour, not driving at certain times, but that is an important choice. I find in terms of safety, if you are able, because you are retired, to pick and choose when you travel, I think that is part of safety as well. So, the reality is that is not the case.

What we have, I think, is a fairly effective system currently. There are some changes that we have been bringing in which will further improve that. The current system does result in

certain illnesses and conditions being reportable. It is a very efficient system in that sense. We have, basically, a whole process put in place and where that occurs, where there is cause, we will retest, but it is not triggered by an artificial age distinction.

The other element with what happens is we have been moving increasingly in terms of driver improvement and control to a system that will identify not just the overall history that a driver has but the recent history. You may have been a safe driver for 10 or 20 years, but if you have a medical condition or something that changes in your life and you start having a series of accidents or start committing a series of offences, that is the relevant situation. It is how good a driver you are currently, not what you were 20 or 30 years ago.

I strongly believe in not having arbitrary age limits. I can tell you our current system is effective. We have many seniors, many other Manitobans that do lose their licences because of medical reasons, in some cases, voluntary surrender of their licences. I think that is a very important element. I know I have gone through this, and I just want to repeat this on the record. What we have found from GDL is quite clear evidence there that one of the elements with GDL is not age related. Graduated driver licensing applies to anybody regardless of age because the clear and evident fact is that, as you have people in the system as they develop experience, they become better drivers, period. As we do not have an arbitrary age distinction for graduated driver licensing, we do not have an arbitrary age limit at the other end. I think our current system does pick up quite effectively, particularly with our shift in terms of driver improvement and control will pick up people of all ages because the issue here is if you have a medical condition or some other factor that leads you not to be a safe driver, not age.

I know my parents drive. They have got a very good driving record. My dad is in his seventies. It is really critical for them. If you have ever talked to people who have unfortunately lost their licence, I know the member will know this from cases, it can be very difficult on people. We are absolutely not going to bring in arbitrary age limits. It will be based on

medical condition or some other trigger such as driving offences. I think to a certain extent what the member is headed to without the arbitrary age limit is essentially what we have.

**Mr. Faurschou:** I would like to ask the minister is there consideration by the department for retest versus a ticket. If highway patrol officers observe driving habits that are potentially dangerous, yet no particular infraction does take place but a potential of accidents or infraction by observed driving habit, is there opportunity for the highway patrol officer to issue a retest requirement?

\* (16:10)

**Mr. Ashton:** That currently cannot happen. It can be reported to DDVL and that can take place. We have various triggers that are put in place. Also, by the way, not just in terms of directly from the police but also certain types of offences. We have a situation in place in terms of that, obviously some offences or repeat offences, speeding is the classic, will often trigger a suspension or possibly a retest. There are various triggers that are in place. We take very seriously, and I take from the member's question he takes very seriously as well, the bottom line here is driving is not a right, it is a privilege. I am always amazed at the number of people that have a differing view when they run into difficulty. I can indicate when I get contact with the Licence Suspension Appeal Board, I do not intervene as minister.

But I find it amazing sometimes some of the letters that are sent where it is amazing how people have done nothing wrong. They may have speeding offences, dangerous driving offences, careless driving offences, drinking and driving offences, but they have done nothing wrong. They were unfairly treated, they lost their licence.

Quite frankly, I have no sympathy. It is not that people do not make mistakes, we are all human. I am not one that suggests that if someone gets an isolated speeding ticket, they are somehow an unsafe driver. I usually look at that really as a bit of a wake-up call for people. I think that is the case. We have seen all sorts of people who have gone through even drinking and driving and have straightened their lives out.

So I am a great believer in the human capacity to improve oneself.

But believe you me, and perhaps if this critic, this member gets some of the letters that I get, I think we really have to send a clear message here that it is a privilege. I am sorry. I have a lot more sympathy, obviously, if people have medical conditions because it can be very difficult for people when it is something beyond your control. But, when you have control over your actions as a driver, and you have significant offences on your record, and you get called in for show-cause hearing where you are required to do a retest or your licence is suspended, I am sorry if it impacts on your employment but you made that choice. Before you should be allowed to drive again, quite frankly, you should be required to go through some process, whether it is suspension or a retest.

I am sure the member agrees with this. I know from his other life he has probably seen every side of it. I am amazed even the number of police officers I talk to who tell me just how ignorant people can be when they get speeding offences. We are no angels here, but to my mind I always thought the approach that people would take is to say oops, I made a mistake. Maybe the member has heard them all in way of excuses, but I already have a tough time when people berate the police officer for stopping them for speeding. I think that in itself shows real lack of any sense of what driving is all about. I will leave it to the member. He has probably heard every excuse out of the book and probably met some rather ignorant people in the process over the years.

**Mr. Faurschou:** I am surprised there has not been a book written by a police officer of all the excuses that one can come across. Anyway, a couple jumped into my mind. Excuse me for chuckling.

I think this is true about retest. I believe it is in the best interests of everyone that that be conveyed to highway patrol officers, that a retest, an ordered retest versus an issuance of citation is just as powerful as paying a nominal fine to getting persons back into thinking safety conscious and how proper driving techniques have to be honed up in order to pass that drivers

test. I think it is very, very effective and encourage the minister and the registrar to make that known, that not only driving habits that may not offer infraction, but even in the case of infractions maybe a retest is an option.

Speaking of having the resources to the registrar, I would like to ask the minister, a little more than a year ago the Government tried to raid the treasury of MPIC—

**An Honourable Member:** Raid? Can I stop you for just one second while you are on that topic of raiding. At quarter to five, call it five o'clock. So at quarter to shut it down, okay? Thank you, Dave. Now continue on your raiding.

**Mr. Faurshou:** —resources to finance the updating of the technology used by the registrar's office. Where is that in this budget? I do not see it. It was a very necessary expenditure consideration by the Government a year and a half ago, and yet I do not detect it in this year's Budget.

**Mr. Ashton:** I think the relationship between MPI and DDVL is a very complex relationship. Other jurisdictions have virtually amalgamated the functions. We have a separation. I mean, there are arguments both ways. Essentially DDVL provides significant customer service just so very efficiently. It also has a regulatory role and I think does a very good job of that as well, but certainly ongoing discussions between MPI and DDVL, partly because, quite frankly, the roles do intersect at various different times.

I look at graduated drivers' licensing. I look at some of the joint advertising that has been on to promote awareness of graduated drivers' licensing. My view has always been that this is something that is going to benefit obviously the public. That is the most important element. It is going to benefit in terms of lives saved, particularly young and novice drivers, the deaths that have taken place. I think it also affects Autopac rates. I mean, the more we can reduce accidents, the more we can reduce Autopac rates.

It is what I like to refer to as probably the best combination in public life and politics. It is called enlightened self-interest. I always like to think that we can be enlightened, but usually if

you get enlightened self-interest you have a powerful combination. So we have ongoing discussions. I can tell the member in terms of some of the issues obviously that we have been dealing with, for example, our drivers' licensing system itself, we are certainly open to discussion on how we can better serve the public generally. In terms of MPI, I think the member sees in this budget there is a continuing separation in the roles between MPI and DDVL.

I would certainly appreciate the member's views on this, because I know the previous government had discussions about what that role should be finally. It is open for discussion, but there are still very separate roles for MPI and DDVL, regardless of those who might say it has to change, I can say, and I realize I am biased as the minister, but I think part of the best example for what a good job we do on the DDVL side is I think we had a customer satisfaction percentage of 96 percent. We are still working on the other 4.

**Mr. Faurshou:** I appreciate the minister's response, but he did not really get to the bottom of it. I was asking the minister specifically, are there adequate resources placed at the registrar's disposal to make certain that the technology is there to enforce the changes that the minister had made mention of in regard to the legislation?

**Mr. Ashton:** What I should have indicated as the No. 1 focus really for DDVL outside of ongoing activities has been graduated drivers' licensing this part year, year and a half. So other issues, to be quite frank, we have had to put aside. We can look at those in terms of the future. I do not want to underestimate the amount of work that was involved with GDL. We are talking about the most significant overhaul in a considerable period of time to our licensing system. Virtually everything we touch with GDL gets right into the licensing system itself.

The direct answer is, in terms of some of the issues that the member has raised, one in particular, we are essentially, basically where we were a year, a year and a half ago, largely because of GDL. It is an issue that has to be dealt with eventually.

\* (16:20)



In terms of resources, the member raised a question in terms of DDVL. I can tell you our DDVL staff does a tremendous job with fairly limited resources. It is a very, very efficient system. I cannot stress that strongly enough. I mentioned the customer satisfaction because when you can get a 96% rating, I tell you, I wish we as politicians could get anywhere close to that. I want to put on the record that despite the pressures on the resource side DDVL has done a terrific job in maintaining customer service and customer satisfaction.

**Mr. Faurichou:** Thank you for the minister's comments in that regard. I do though appreciate being in business and also enforcement, knowing the importance of doing it efficiently with as current a technology as one can afford, if it is more efficiently done through increase in expenditure or it can be recaptured through time that would be wasted otherwise with older technology. I am even looking farther down the road when law enforcement agencies effectively have at their disposal on-board computers and printers that effectively generate TONs without the judges or administrators trying to figure out what really the police officer wrote on it, because handwriting skills are taught, I will say, but sometimes not always adhered to.

Admittedly, sometimes in the heat of the moment one does the paperwork in haste and consequently it is difficult to read someone's writing, even if one is responsible for that writing.

I want to ask, on moving to administrative considerations, in review of the Estimates and expenditures for different regional administrative and managerial responsibilities, percentage-wise I see an increase, if it is related to the overall departmental expenditures.

Can the minister maybe enlighten me on the continued increase as a percent of expenditure towards administration and management?

**Mr. Ashton:** I am wondering which line the member is referring to. Certainly, I think you have to recognize that salaries have increased and with a general salary increase for the civil service along with increments that would be reflected, I suspect that may be part of it, too, but if the member could refer me to the specific line

he is referring to I would be more than happy to answer it now. If he wants historic information, some of it is provided, but we can also provide additional information, as well.

**Mr. Faurichou:** It was not a specific line I was referring to. It was more a general observation that an increase in level of expenditure is now identified for managerial, administrative support, employee benefits throughout the department as it pertains to the departmental expenditure, that maybe perhaps wages are a big component of it, but we are seeing additional dollars allocated to elsewhere as we see the overall expenditures for the Transportation department remain rather flat. If we are going to keep up with contractual agreements and inflation then we should really be seeing a greater increase in Transportation in overall expenditures. So if the minister wants to comment in that respect.

**Mr. Ashton:** Well, indeed I do. I know the member is not probably making this the complete version of that argument that a particular organization may, but I want to put on the record a couple of things. First of all, the most significant increase in the entire budget is in the highway construction budget, 16 percent. The member has the Estimates book, the Detailed Estimates book. That is the most significant increase that is in place.

Quite frankly, I think that shows, if you comb through this budget, you find that is the No. 1 signal. This, by the way, is in a budget year when very few departments were even close to that type of increase. Even Health, which has been a major priority for us in the Government, certainly is not 16 percent up. In other words, other parts of the department are not in that situation. Bottom line here is, as well, and I really want to stress this, I remember there was an article or the suggestion had been made that there were all these salaries that were being spent on transportation. When you build roads, when you repair roads, when you maintain them in the winter, it takes people. It takes engineers to design the road. It takes people to do the land acquisition, the surveying, the route selection. When you have an existing road and you need to repair it, it takes a repair crew to do it. When you have highways equipment, you not only need operators, you need people to maintain it, as well.

I know the member is not making this argument, but I have seen this made. You take out the salary component, you are not going to get any of those roads fixed. You are not going to get any of those roads built. In this case, if you look at the numbers, essentially, we have been fairly stable in terms of FTEs in most areas of the department. We have increased the capital. In the previous year, we increased the maintenance to deal with some of the costs that were out there. If we have to pay additional salaries, when it comes to nurses, if we want nurses, we have to pay them. Police officers, you want police officers, you have to pay them. It is no different for the Department of Transportation.

I realize I am probably going a bit beyond the member's question, but I really want to say that, if the member will go through, essentially, what is here is pretty stable in terms of FTEs, and the real increase would be salary increases, the 2.3 percent. There would also be an increase probably, in some cases, a fairly significant number of cases, of increments as we have staff at a more senior. There is an increment process, so bottom line here is our emphasis here is on highway construction, for sure, but it is also on people.

**Mr. Faurschou:** I appreciate the minister's remarks. I would like to be very, very specific. As a percent of the overall transportation budget, what percent is expended on managerial, technical and professional administrative support, employee benefits, that is, as a percent of the overall budget last year versus this year in the transportation? You may have to go to government services and transportation as a whole but as a percent for the department.

**Mr. Ashton:** It would probably require some detailed calculations, but I could provide that information to the member. If we are unable to complete it prior to the completion of Estimates, I will undertake to provide it to him in writing.

**Mr. Faurschou:** I appreciate the minister's commitment on that.

\* (16:30)

I would like to ask the minister, in regard to programming, just alluded to the cost-

effectiveness of sharing and partnering with other levels of government, other interested parties. One program, the grant-in-aid program that sees dollars flow through to municipal and local government districts, unorganized territories, this line in the budget, Grant Assistance to Local Governments, was cut from \$2 million to \$1.6 million. Why, when you are working with 50-cent dollars, if I may, would the department consider cutting this program?

**Mr. Ashton:** Well, first of all, the program has not been cut. I first want to deal with the grant-in-aid program. The grant-in-aid program continues at the same level. We have actually had a drop in the actual number of applications the last number of years, but that is because of the infrastructure program, where municipalities have limited capital resources, they are focussing on that. It has also, quite frankly, probably to do with the Prairie Grain Roads pressure in some cases, but mostly the infrastructure program, because those are one-third, one-third, one-third dollars instead of 50-50.

What the member is referring to is the municipal bridge program, which is continuing as part of the capital budget. Some of the criteria are being reworked. We ran into some difficulties I think in terms of not having clear criteria. I will give an example to the member. One municipality we were requested to cost-share quite significantly a bridge that would access one residence on another side of a river. I appreciate there is a program there, and I appreciate the program is to provide municipal bridge access, but I do not think that would withstand the scrutiny of the test of the taxpayers of Manitoba, you know, let alone with the provincial auditor. So what we have done is we have now reconstituted the municipal bridge program where I think it should be, which is in the capital program.

We are reworking the criteria, but we are still maintaining that program in place. It also gives us more flexibility, quite frankly, too in dealing with some of the potential applications that are in place, but that is where that difference does come from. I know I have advised certainly municipalities that that is the case. The grant program is continuing and the municipal bridge program is being reconstituted under the capital

program, which I think is where it should have been right from day one.

We are talking about major structures. I can provide the member with some details on the program. It might be useful to give some indication of it, but really it puts it under the kind of scrutiny it should, which is essentially if we are talking about this program, it should be treated with the same degree of scrutiny we do with our major/minor capital projects. So the support continues under the capital project. In fact we have basically included a similar amount for the municipal bridge program, although the criteria will be adjusted. I will not mention the name of the municipality, because it is not a shot at the municipality, but I can tell you we cannot support several-hundred-thousand-dollar investments in bridges that provide service to one house. Ironically, my understanding of the background of the house is that it was put in without the knowledge of the municipality, but, quite frankly, when we have so many needs in our highway system, so many needs in our municipalities, that is going to take priority.

**Mr. Faurshou:** Well, I would like to ask the minister for clarification now. I am familiar with the bridge program. Yes, the line has been removed from this year's Estimates, but the program, on a 50-50, cost-shared basis with local governments, specifically municipalities, cities and towns was on a 50-50 basis. Is that not the line (d) on page 144 of the Estimates under section 15.6 that has been reduced from \$2 million to \$1.6 million?

**Mr. Ashton:** Part of that is \$1.3 million out of the \$2 million, and it is \$1.3 out of the \$1.6 million. So what has happened there is the difference, that \$400,000 is what is now constituted in the capital program. So the grant-in-aid program which the member is referring to which many communities in his area, particularly the City of Portage, anxiously await, I know there was a significant announcement in Portage again this year, that program is in, unchanged, \$1.3 million. So that \$400,000 difference is \$400,000 that has been re-constituted in the capital program. So there is no reduction on either one of those programs, but there is a repositioning of it, and we have reviewed some of the criteria as well.

Quite frankly, my concern as minister and I think our concern as government was the previous criteria were fairly loose. That is not a criticism of the government, by the way, the previous government or staff, but I think we have seen over time there are some cases to be made where municipalities do face some real challenges in terms of bridges. By redoing the criteria we think we can actually meet more of the legitimate needs. That is the entire difference between the 2 million and 1.6.

**Mr. Faurshou:** I appreciate the minister's remark, being that \$400,000, I believe, was to the bridge program and that is the difference between 2 million and 1.6. So that has been rolled ahead and we still remain with a flat level of funding to local governments.

I would like to ask the minister: This year what was the percentage of applications that were satisfied by this \$1.6 million? What percentage of projects were unavailable for funding with this level of support?

**Mr. Ashton:** I can get you the numbers. The key thing I want to stress again is we actually had a reduction, the previous year now. I can try and get the numbers for this year in terms of applications. I think the previous year we were down approximately \$2 million for the money that was available. I will check on what the number of applications were this year.

Now, notwithstanding that, I should mention even that could be a bit of a misleading figure. We had one community that has some other issues it is dealing with that submitted I think several hundred thousand dollars' worth of applications. What we do in this program is unchanged essentially from what the previous government did. It is a program that is weighted toward the smaller communities. So you will see some of the smaller communities, perhaps of a population of 1000, receiving \$20,000 or \$25,000. You will see some of the larger communities receiving a proportionally smaller amount, but that reflects the fact that if you are in a community of a thousand you often just do not have the requisite financial resources.

It is important to stress this is a program that deals with designated roads within communities.

It usually deals with access to hospital facilities, schools, other important facilities. We have continued that emphasis, in fact, probably enhanced it, which is an emphasis on smaller, rural communities, smaller northern affairs communities. I think that is appropriate.

There is often a bit of a misunderstanding with some of the municipalities as well. This is not an entitlement. Some years obviously we have had major projects in certain communities. Usually what will happen is we will try and make sure there is some balance, so if a community may have received a grant one year it might not receive as high a grant the following year. I know sometimes when communities do well under the program we do not hear too much about it, but then the next year if they do not get what they were hoping to get we hear about it. Generally the numbers have been fluctuating back and forth.

In fact, this year, to give you an idea of what we have, this is the 2001-2002 year we are dealing with, the actual figure is 2.073 million. The amount approved was 1.348 million. I could get you the previous year's numbers but I think we have been as high as \$3 million in previous years. So there has been a significant drop in the number of applications and we still maintain that.

Actually the odds, if you do not know—I guess I am Gaming Minister; I do not want to use terms like that—the chance, no, chances, yes, that is not a gaming analogy, the chances of getting money this year—oh, and we have the Lotteries Minister here too. I have this difficulty. I have been trying to swear off gaming analogies but it is impossible. It snuck into our way of speaking here. Your chances, and I do not mean this in a gaming sense, are much better. Even with an existing level of funding that has not changed we are getting a greater percentage of applications approved.

**Mr. Faurshou:** I ask the minister: Has criteria for acceptance changed? I believe it is still limited to the surfacing. There is no curbing, no storm sewers, no sidewalks.

**Mr. Ashton:** The criteria are unchanged.

**Mr. Faurshou:** I suggest the minister's consideration towards sidewalks. I do not suggest this lightly. There are individuals with mobility problems and the technology in design of personal scooters, if I might say, mobility devices that are available to persons wanting to be more willing to give up operating a motor vehicle, if that opportunity was there for, I am thinking, a person with some health problems to go from his or her residence to pick up a prescription or groceries or something to that effect down a sidewalk, rather than getting the car out of the garage and entering onto a busy roadway and potential injury and safety concerns as being the premise for my request as to whether it is a consideration.

\* (16:40)

**Mr. Ashton:** Well, what I can tell the member is with limited resources, obviously you always have a difficult decision how far you go, but I can tell you we certainly have, even with our overall capital Budget, tried to reflect some of those concerns. We have some significant improvements taking place throughout rural Manitoba in terms of access, traffic signals, et cetera, which reflect the particular needs of many of our citizens. I can also indicate we have worked with communities where we have highway projects going through the community and certainly work co-operatively with them in dealing with situations.

I think of Riverton, for example, where we were able to do a major upgrade to the main street which is part of the highway system which also was accompanied by significant work on the sidewalks which was a municipal contribution. In other areas, I have mentioned in Dauphin when we put the major upgrade to Highway 5 to the 10 junction, paved shoulders were part of that. We worked with the community at the request of the community. This was required for the highway. Then also provided access to people using those shoulders. Now this is not a standard situation. Obviously, we have other areas where paved shoulders would not be required, but we are aware of that, where we do have anything that involves going through an urban area, we essentially deal with the road portion of it. We also work very co-operatively with the local community. I am not sure if we can necessarily expand the grant in a program

because of the limits, but I think we are, where we can, trying to recognize it. I appreciate the member's concerns. They are legitimate ones.

**Mr. Faurschou:** I thank the minister for his remarks. I know time is short here, but perhaps it is something the minister could research in our time away from the table, that we are facing in many areas within the province the availability of quality aggregate for construction materials. Is the department considerate of the actual long-term savings to the department for hard surfacing versus continued graveling of roads year in and year out? A lot of the aggregate ends up in the ditch, into the air and pulverized away and needs replacement. I am wondering whether the minister has done that research.

**Mr. Ashton:** First of all, you need aggregate for paved roads as well, for the base. We are aware of some of the pressures on aggregate supplies. That is something that is a priority for the Government.

The reality is the cost of paving. I can give the member current levels. The cost of paving is significantly higher than the cost of the proper maintenance of an existing gravel road. To be realistic, we are always going to have a gravel component to our system. With the challenges to maintain our existing system, we are increasingly going to see some upgrading of existing gravel roads, but in many cases a lot of what we are going to be doing will be actually rebuilding existing paved roads.

**Mr. Chairperson:** The hour being 4:45 p.m., what is the will of the committee? Is it the will of the committee to call it five o'clock? *[Agreed]*

Committee rise.

## INTERGOVERNMENTAL AFFAIRS

\* (14:50)

**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 Intergovernmental Affairs. Would the minister's staff please enter the Chamber now?

We are on page 108 of the Estimates book, Resolution 13.1. Administration and Finance (b) Executive Support. The committee had agreed to consider the Estimates in a global manner.

**Mrs. Joy Smith (Fort Garry):** Just to continue on from this morning and to go back over a couple of points, as a result of the Winnipeg Wards Boundaries Commission final report, which, as we know, was released in November 2001, the ward of Fort Garry no longer exists. The new ward boundaries take effect September 2002, prior to the upcoming civic elections in October 2002.

Our community has been divided and split into two wards, Fort Rouge and River Heights. Now, to review, in December of 1999, the Winnipeg Wards Boundaries Commission presented a number of recommendations to the present Minister of Intergovernmental Affairs. Included in these recommendations is something that is very critical here. The commission requested greater flexibility in determining the number of wards in Winnipeg. That was a direct recommendation from the commission.

In July of 2001, the present Government amended The City of Winnipeg Act to allow Winnipeg Wards Boundaries Commission to change ward boundaries in Winnipeg and to make ward boundaries established by the commission final and binding. As I said this morning, it is very unfortunate that the present minister and the present Government failed to provide the commission the flexibility they had asked for in their December 1999 report.

This flexibility was critical to ensure that the Fort Garry ward stayed intact. East and west Fort Garry have been known for years as communities. They have shared schools. They have shared community centres. They have shared the local Safeway store. There are friends on both sides of Pembina Highway. It is a community, a community which the Fort Garry people have a great deal of pride in. Fort Garry is a very historic community. Initially, we were very gratified to see that the commission clearly outlined that, for dividing ward boundaries, what had to be considered was the neighbourhoods themselves, the commonality between the two neighbourhoods. Clearly, it was quite evident to

people who lived in Fort Garry that the communities on the east and west and north and south sides were communities that had been established over a number of years.

I want to quote from the commission's final report. The commission stated, and I quote directly: Notably the commission recognized that, had it had the luxury of determining the number of wards, as recommended in the 1999 study, the addition of an additional ward would provide a solution to the Fort Garry problem. So this is not a question of whether we need more councillors or we do not need more councillors. It is a question of a community, Mr. Chair, that works together, plays together, lives together and wants to be together, a community that has been established. It is a question of keeping the communities together with the same councillor.

So it is not acceptable to Fort Garry people to have the community sliced and diced. As was pointed out this morning, we should be reassured in Fort Garry because we might get more councillors. Over noon hour, I was on the phone to some Fort Garry people asking them, is this acceptable? They just could not believe what was said this morning in Estimates. It is not a question. It is not a question of more councillors. How can we appease Fort Garry now?

Well, the only way that Fort Garry can be put at ease about this whole situation is to have this corrected, where Fort Garry is put back into its community boundaries. There are variations, as there were if we look in the December 1999 report. The boundaries there changed, but the community still remained intact. Notably, since it is part of what the commission stated, that there has to be a commonality of interests and community, we in Fort Garry firmly believe that these decisions were made for political reasons, certainly, not for the good of the community. It is very regrettable that this Government and this Minister of Intergovernmental Affairs did not fully respect the original recommendations of the Winnipeg Ward Boundaries Commission. If she had, our community would have been saved.

The decision that was made by this Government has resulted in the elimination of our very, very historic area as a community in

the city of Winnipeg. I have to state here I am here today because the citizens of Fort Garry will not accept any political rhetoric. The citizens of Fort Garry will accept nothing except putting Fort Garry back together again. East, west, north and south. There is nothing else that is acceptable.

So, here today, I am asking that the Minister of Intergovernmental Affairs, and I daresay the Premier (Mr. Doer), I ask them if they will come out to Fort Garry. I will set the meeting up, have a town hall, because Fort Garry people feel very strongly that this was done in the dark of night. People did not know about it. We looked and looked and found some little ads in the paper, in remote areas of the paper, but for such a huge initiative to be taking place.

I find it regrettable that the Member for Fort Rouge (Mr. Sale), at one point in his political career, when Fort Garry's name was thought to be changed to Montcalm, this particular member went around door to door and he stuck up for Fort Garry and said, we do not want Fort Garry to be called Montcalm. We want Fort Garry to remain Fort Garry. Now, all of a sudden, members on the other side have a very disrespectful attitude toward this wonderful community, a community which is loved by many people.

So we feel very strongly. I am here today because we feel betrayed. Our community is sliced and diced. We want the Minister of Intergovernmental Affairs to come out. Here in Estimates we are in a quiet room where there are four staff members beside her, giving her lots of answers to the questions. The fact of the matter is, as MLA and a resident, a long-time resident of Fort Garry, quite frankly, this is not good enough. We want some solutions to this terrible problem. Our community is cut up and we do not like it.

I would request that the Minister of Intergovernmental Affairs come out to a town hall and listen to what the Fort Garry people have to say about this decision. She herself can give all the political rhetoric about why this is a good decision and explain to the people in this wonderful community why they should be happy with this Government's decision of slicing and dicing the community.

Mr. Chair, I would ask the Minister of Intergovernmental Affairs if she would agree to my setting up a meeting in Fort Garry and inviting her out to come and speak with the residents, and anybody else who would like to join her.

**Hon. Jean Friesen (Minister of Intergovernmental Affairs):** I am really quite puzzled by the member's line of argument this afternoon that one councillor does not make a difference, and that the suggestion that the City of Winnipeg, if the bill passes—I do not want to presume anything—will be able to add to the number of councillors in the way the boundary commission had asked.

This morning, the member was arguing exactly for that and was essentially basing her argument upon the fact that we had only responded to the boundary commission request for flexibility in one element, that is, the percentages, and that we had not responded to the other element that they had requested which was an additional councillor.

So this afternoon, the argument begins with that one councillor more or less does not make any difference. In fact, the whole basis of her argument this morning was that it did and the Government had erred in not responding to the second part of it. So I am really puzzled as to where the argument is going. The bottom line here is what the member is concerned about, and I accept her concerns for community; it is a wonderful community. I think it is very unfortunate that she chooses to put other kinds of words into my mouth. That is not the issue.

The issue is how the Winnipeg Ward Boundaries Commission was responded to. She is quite right. We responded to only a portion of it, but what we have done in the subsequent proposals for The City of Winnipeg Act, which, I hope, are being discussed with her constituency and constituents in the same way that MLAs normally do, to see if this does provide an opportunity for them for the additional flexibility that the member was arguing for this morning.

\* (15:00)

The City of Winnipeg Act provides for an independent Ward Boundaries Commission. It is

an independent Ward Boundaries Commission. It is almost done in parallel to the provincial Ward Boundaries Commission. It fixes the boundaries and the names of the 15 city wards for election purposes, and the commission's determination on the wards is final. That has always been the case. This legislation precedes my presence in this Legislature as it does hers. This is a statutory body to determine ward boundaries whose decision is final.

The act provides that the wards must be reasonably similar in size within 25 percent of the population quotient, and this is arrived at by dividing the total city population, as determined by the latest official census, and then dividing it by 15.

The 25% variance, plus or minus, was introduced in July 2001 by Bill 39, The City of Winnipeg Amendment Act, and this increased the variable allowance from plus or minus 10 percent which the boundary commission had laid before us. This was on a recommendation and a request from the 1999 Winnipeg Ward Boundaries Commission, and also at the request of the City.

The 25% variance is consistent with practice to establish electoral wards and divisions in several other Canadian municipal jurisdictions, not all, but several, and in Manitoba's provincial election legislation.

The Winnipeg Ward Boundaries Commission, the independent commission established by an act that precedes probably many of us in this House, consists of the Honourable Benjamin Hewak, Chief Justice of the Court of Queen's Bench; Dr. Patrick Deane, the Vice-President, Academic, of the University of Winnipeg; and Mr. Richard Kachur, the Returning Officer for the City of Winnipeg. So these are the people who made the decision. They asked for greater flexibility. The member is right. We accorded it in one area, and we have moved on the other area in the bill that is now before us.

In fixing the boundaries, the commission is to consider community or diversity of interests of the population, the means of communication, the physical features, the similar and relevant

facts and the extent possible must include the whole area of the historic community or neighborhood in the same ward. This last requirement was also introduced in Bill 39. So that is something additional, recognizing the same principles that the member is talking about. It is an independent commission. The Province, as it always has, sets the guidelines for that, and we did add in a bill which the member might remember, the whole area of a historic community or neighborhood in the same ward.

Now, having said that, I think the member agrees with those principles. I think she will have a chance, obviously, to respond to this, but I think we are talking about the same principles and we are talking about an independent commission trying to deal with those within the constraints provided. They made decisions which do not satisfy everyone, and I think that happens every time there is a ward boundaries or a provincial or a federal boundaries commission review.

Not everyone can always be satisfied; they do the best they can. In this case, the member is making and she has made it in the appropriate places to the Ward Boundaries Commission when they held hearings, the same issues.

There were two opportunities for public representations. So the argument that this was done in the dead of night and nobody knew, I think, does not hold. It is quite possible, as we all know, that many of our constituents do not know, but, nevertheless, I wanted to assure the member that the procedures were followed.

The commission held public hearings to hear representations by any persons. It made public two proposals for new ward boundaries on August 25, 2001. These were advertised on two occasions in daily newspapers. The member would have liked to have seen larger advertisements placed more prominently. I think we all would. We would all like to see the information that we want to see very boldly presented. Nevertheless, this was not a departure from—[interjection]—oh, well, if only you would get the right information, John. You know. Read to the end of the paragraph. We will get to that. I hope so. I hope so. Mr. Chairman, we digress.

So what I am assuring the honourable member is that there were, as far as I know, not

any digressions from proper procedure or procedures which were followed in other times, in other places by this commission. The people were invited to submit written or oral submissions on the boundaries as well as their comments on the proposals. Simultaneous translation was provided.

Five public hearings were held: on September 17, in the community committee chamber at 2000 Portage Avenue; on September 25, the community committee chamber at 300 Assiniboine Avenue; on September 26, at 1760 Main Street; October 1, at 755 Henderson Highway; and October 2, at 604 St. Mary's Road. All meetings were held at seven o'clock. A total of 20 representations were made.

On the basis of these hearings, on October 8, the commission submitted its interim report to the returning officer. The commission held a final public hearing to hear representations on the interim report at 7 p.m., October 30, 2001, at City Hall. That was to allow the public to respond to the proposals in the interim report. Written and oral submissions were invited and simultaneous translation was available. A total of 10 representations were made. Then, on October 23, 2001, a copy of the notice of the final public hearing was published in the *Winnipeg Free Press*.

That is the process of the independent commission. I certainly cannot agree with the member that this is (a) political rhetoric, (b) done in the middle of the night, (c) that one councillor does not make a difference, as she was arguing earlier today, or, indeed, that this is political interference.

**Mrs. Smith:** Well, clearly the honourable minister chooses not to get the point. The point has nothing to do with numbers of councillors. The point has to do with a wonderful community being cut up, sliced and diced and disappearing. That is what this has to do with.

There are a number of digressions. What the honourable minister forgets to include in this presentation today, that in the commission's final report the commission stated, and I quote: Notably the commission recognized that had it had the luxury of determining the number of



wards, as recommended in the 1999 study, the addition of an additional ward would provide a solution to the Fort Garry problem.

The fact of the matter is, as I go door to door in Fort Garry, and now I am once again going door to door, I have not yet met a person, and I have been to a lot of doors, who knew this was coming. So I would respectfully disagree with the honourable minister. People in Fort Garry did not know about this at all. This very important initiative that impacted on the community should have had much more rigorous notice for the residents. There should have been letters going door to door. There should have been public notices in the local Safeway, places where people go to shop, in Vic's Fruit Market. There are many places people go every day in older Fort Garry. There needed to be notification at the community centres because this is a community that was in danger of being cut up. That is exactly what happened.

It is not only the responsibility of the City, because it was this Government and this Minister of Intergovernmental Affairs who did not give the commission the flexibility it had requested. Therefore, Fort Garry was sliced and diced.

So I guess, Mr. Chair, definitely, we beg to disagree. Regrettably and with all due respect, this Minister of Intergovernmental Affairs has not only missed the main point, but is using political rhetoric to get around the fact that we have a community that has been sliced and diced and no longer exists.

\* (15:10)

As I said in my question to the minister, if the minister feels I am overstating this or I do not understand, I can clearly reassure the minister I fully understand and have read everything that has gone on, have copies of the commission's report and have done my homework. But no matter how much homework I have done, when I read the fact that communities are supposed to have commonalities and communities are supposed to stick together when they are a recognized community, clearly, that has not happened. I have a very big concern about this.

If the honourable minister feels I do not understand what the Fort Garry people are feeling, or if she believes that, as MLA in the area, I do not understand the whole situation, I would very gladly recommend that she come out to a town hall meeting and explain the whole situation to the people of Fort Garry and see the extent of the dismay and the shock people in Fort Garry have about being sliced and diced in this manner. Quite frankly, they do not like it. That is an understatement.

In this day and age, the foundation of our whole society is to have your roots, have your community. I see the Member for Fort Rouge (Mr. Sale) smiling about this, and it is regrettable because he is a member who actually lives in Fort Garry, represents Fort Rouge, but actually lives in Fort Garry. So here we have the Minister of Intergovernmental Affairs and the Member for Fort Rouge being very condescending about my coming here today and explaining the concern I have about Fort Garry. To be quite frank, I do not care what members opposite think unless they care enough to come out and put it back together again.

Will the Minister of Intergovernmental Affairs and the honourable Member for Fort Rouge care to come out to a town hall meeting and meet with the residents of Fort Garry and hear what they have to say?

**Ms. Friesen:** I wanted to say in response that I think I began this discussion early on by saying the member was doing exactly what an MLA should be doing. I do not think there was any hint of condescension in that. I said I had listened to her member's statements on this issue, that I had followed the fact that she had presented on this issue, that she was doing all the things to represent her community and obviously representing her community in great detail. So I do not know why the personal note was introduced because that is exactly where we started from.

The member has also suggested that nobody knew in her community. I think I made two responses to that. One was to say, I think we all would like to see larger public information available. Often, although procedures are followed, it is quite true that many people are

not aware of all the issues they would like to have been aware of. So I think I said that this morning. I think that covers some of the things that the member was suggesting.

Members made a number of suggestions for greater public notice, and I will certainly take those under advisement. I do not know where I would forward those to at this exact moment, but, certainly, I think any citizen would have the opportunity to do that for any civic committee or, indeed, for an independent commission to suggest that there be broader ways and a more local way, which I think is what the member is suggesting, of making available the information on matters of public interest.

I know that City Hall, not the commission, but City Hall itself, and many of the councillors have gone a lot farther than I have in Internet communication and Web sites and that sort of thing. So it may be that there is, throughout City Hall, some opportunities to expand those greater opportunities for public notice. The same issues apply to the Legislature, too. I do not particularly just want to be talking about City Hall, although we are talking about a city issue here. I mean, there are many times I think people would like to have known of a particular piece of legislation that was in the Legislature last week. Although we all make all the efforts we can to keep our own community involved and to keep particular interest in a certain area involved, maybe you can never do enough public notice and notification.

So I certainly take those points and thank the member for them and see where we can go from there.

**Mrs. Smith:** Well, I feel very dismayed about what has happened to the ward of Fort Garry. I came here today hoping that there is something that could be done. I have presented to the commission, and I have done what I can. It is very regrettable what has happened to our wonderful community. I think that I would hate to see any other community have to go through this. I appreciate the fact that this Government is going to look at greater local notification, because Fort Garry is in shock and very angry. I can say that very honestly and very clearly

because I have talked to literally hundreds of people.

I feel as if, after listening to the answers, that there is nothing much more that we can do. This Government has made the decision. This minister has made the decision and been supported by the member from Fort Rouge, and I think it is very regrettable because, unfortunately, you have sliced and diced a wonderful community. It is regrettable this happened. I thank you for the time this afternoon.

**Mr. John Loewen (Fort Whyte):** I just want to pick up a little bit on the issue that has been raised by the Member for Fort Garry because we have the same issue in Fort Whyte with a number of communities. Just to go back to June 4, 2001, for a minute, in the minister's comments in introducing Bill 32 for second reading, she indicated that, and I will quote from Hansard: "Another amendment gives the Ward Boundaries Commission more flexibility in determining your electoral awards for their municipal election. The proposed amendment addresses concerns expressed by Winnipeg and the Winnipeg Ward Boundaries Commission, that the Act was restrictive, resulting in communities and neighbourhoods being split by ward boundaries. This amendment will enable, in the next general municipal election 2002, wards in the city of Winnipeg to best reflect all community interests."

Could the minister give us a little better indication and a little stronger definition of community interest?

**Ms. Friesen:** Mr. Chairman, what the act says, and, remember, it is an independent commission that does determine these boundaries, but within the construct of considering community or diversity of interests of the population, the means of communication, physical features and other and the quotation is: similar and relevant factors, and to the extent possible must include the whole area of a historic community or neighbourhood in the same ward.

It was the historic community and neighbourhood which was added, again anticipating greater flexibility.

**Mr. Loewen:** So I take it that the purpose of the minister introducing this bill was, partially and particularly with regard toward boundaries, to give some assurance to communities and traditional historic neighbourhoods in the city of Winnipeg that they would be part of the same ward and be represented at City Hall by a councillor who represented the interests of historic communities. Is that accurate?

**Ms. Friesen:** Mr. Chairman, that is the general intent within that. Obviously, somebody has to apply those principles. Within this act, as in the provincial act and as in, I think, the federal act, the principles are applied, put into practice by an independent commission. In this case, it is a Chief Justice; it is the president of the University of Winnipeg or their designate; and the City Clerk of the City of Winnipeg. They have to take the criteria that they are given, the ones that we have just read out and talked about in terms of historic and communities of interest and transport routes and all that sort of thing. They have to take those, and they have to apply them within the flexible levels that they are given.

Originally, or previously, they had only had 10 percent. I am not sure of the sequencing of this, but it may be that 10 percent was a remaining criteria from the time when there were 26 councillors so that, when it came down in the next 10-year review, and I am not sure about this, I would certainly have to check out the sequencing of this, but I am just trying to figure out in my own mind why that was there, the 10 percent obviously becomes much more restrictive when you only have 15 members.

\* (15:20)

So the commission, at that point, asked for greater flexibility, and they did ask for two elements of flexibility. The Member for Fort Whyte (Mr. Loewen) is quite right. We said yes to one, no to the other, but we did move in The City of Winnipeg Act, in a general move, to give the City greater powers, that they have a power that is comparable to The Municipal Act so that they are able to have additional councillors. So I am not as pessimistic as the Member for Fort Garry. I do think there are some opportunities there, but, obviously, it would be in the vanguard, and it is hard to know what the timing

on that would be. Again, obviously, I do not want to presume that The City of Winnipeg Act is passed.

That is the general answer, and I am sure that the member is aware of it. The general principles are set out both in the act and the sort of criteria is set out in the act, and then the commission has to do its best to apply it. Whether you are setting a boundary for health authorities, for a neighbourhood, for a community, for a federal ward or a provincial ward, these are difficult things to do, and the results are not always satisfactory to everybody.

**Mr. Loewen:** Well, I am just doing some quick math as I sit here, and I have used an approximate population for the city of Winnipeg of 600 000, which, I think, roughly reflects the population in the city of Winnipeg. Prior to the act, the ward boundaries would have been restricted to populations of between 36 000 and 44 000, given the 10% leeway. I have arrived at that by saying, if you have 600 000 and 15 councillors, dividing that, you get 40 000, if everything was equal. Now, with the act, with Bill 32 passing, the flexibility has gone from a range of 36 000 to 44 000 to a range of 30 000 to 50 000.

So, under the act that was brought forward by this minister, Bill 32, I am just wondering if she could clarify that, in fact, we could have a ward as small as 30 000 and another ward as large as 50 000 under that act.

**Ms. Friesen:** I cannot confirm those precise numbers, but I think the general principle is there, yes. The range is larger, just as it is provincially. These are the ones that exist provincially.

**Mr. Loewen:** Would the minister consider that, if one ward was represented by a councillor with 30 000 voters and was adjoining a ward that had representation by one councillor that had 50 000 voters, that would be fair and equal?

**Ms. Friesen:** That is exactly the situation we have in the province. I must say I do not know how the federal government approaches this, but there are areas where different members represent different numbers of people.

I always remember the Member for Seine River (Mrs. Dacquay) talking about the size of her ward. Again, it is the difficulties of setting boundaries. Her constituency has a much greater population than mine does. Partly, you are caught up in 10-year issues where there is an expansion into a certain part of a community and other areas where there is a loss of population, when you see those kinds of shifts of population which this tries to take into account.

So, yes, there will be differences, but they are on the same principle as the ones we represent in this House. Are they always equal? No, they are not always equal, but those are the principles. The Government, in this case, in the act, sets the principle, and the independent commission, whether it is the Manitoba Boundaries Commission for the province, or whether it is the City for the city, does its best within the constraints of the principles and the numbers it is given to set boundaries which are fair. These are reviewed, I think, in both cases, it is every 10 years, to take account of shifting populations, changing demographics and other such changes.

**Mr. Loewen:** I feel the minister's argument is very weak. I certainly understand when she indicates there can be substantial difference in numbers of voters in a constituency on a provincial level or on a federal level, because, obviously, geography plays a big part in that. It would be unreal to have as many voters in a northern riding as there was possibly in an urban riding, so the best is done under the circumstances, but, surely, in a confined geographic area such as the city of Winnipeg, the difficulty of geography is not as great or as large.

Would the minister expect, with the ability to have a range of 20 000 voters, that the boundaries commission would be able to—going by her comments it seemed to be her hope that historic communities would be able to be kept together, given that a city ward could range in size from 30 000 voters to 50 000.

**Ms. Friesen:** All I can state is that boundaries do not please everyone. I think the principles are the right ones. I trust the commission did the best it could. It certainly listened. It had hearings. People made their concerns known in a number of ways. In the end, when you do

establish an independent boundary commission you do have to abide by their results.

I take the point the member was making this morning, the Member for Fort Garry (Mrs. Smith), on the additional flexibility the commission had asked for. Do not forget the commission asked for this flexibility. We were responding to that, as well as to its confirmation by the City of Winnipeg. We are enabling, or at least proposing to enable the City of Winnipeg to increase the number of councillors, which I think could go a way to meeting the kinds of issues that both members are talking about.

**Mr. Loewen:** Is the minister aware of the catchment area, Lindenwoods, in terms of the public school system?

**Ms. Friesen:** Mr. Chairman, only in general terms. I am sure the honourable member is much more familiar with it than I am.

**Mr. Loewen:** Well, just for clarification, the catchment area for Lindenwoods is along the boundaries of what was the Assiniboine South School Division. In other words, most of the high school students in the area would go to the available high schools in Charleswood, which up until the boundary change was represented by the same councillor. What I am getting at here is there was some sense of community and community networking between Lindenwoods and the community of Charleswood, which made sense with regard to representation by the same councillor.

Would the minister be aware of the catchment area for most of the sports programs that children participate in, in Lindenwoods?

**Ms. Friesen:** Mr. Chairman, I think where the member is going with these questions I do not know how helpful it is because it is not the minister who made these decisions. What the minister does is establish the criteria, establish the principles in the act, and then within that the relationship between the commission, the independent commission Chief Justice Ben Hewak, who chairs it, and the people who make the representations, I am sure, just as the member is making here.

Those points were made about those communities of interest. Yes, obviously, those

are the kinds of things one would expect the commission to look into, as to where are the patterns of transport, where are the education patterns, where are the sports patterns, where are the patterns for market. Those are the kinds of things that we look at in rural areas. What are the basic travel patterns and transportation issues. All of those are in the guidelines for the commission to consider to give them that range of flexibility to determine how to draw those boundaries.

\* (15:30)

So the member may have a number of examples on the way in which the commission was not, in the view of members across the way, able to meet those criteria. I assume that is where the questioning is going. But I do have to remind the member that the decisions were not made by the minister. The decisions are made by the independent commission.

I do offer the prospect of additional members, if honourable members think that would help. That was certainly the argument this morning, that had we responded to the commission's request for the two areas of flexibility, then that would have helped the commission, that was what they asked for. That would have helped them to have determined greater, would have given them some greater flexibility. That was the case they made.

The member is quite right. We responded to one and not to the other, but what we did do was to address the other in the bill that is currently before the House. I am not really sure what else I can add to that. The commission's determination on wards is final and has always been that way. That is not something new that we instituted. That is every 10 years. I do not know how the City of Winnipeg will choose to address this, how they will look at the prospect of creating new councillors, or what kinds of times and issues they will place around that.

I think we are proposing that it will be done by by-law. I am just checking on that for a minute. We think that it would be done by a by-law. In any case, it will be part of a public process so that those opportunities could prospectively be there.

**Mr. Loewen:** Mr. Chair, I appreciate that the minister has expressed an understanding of what a community is all about in transportation patterns, schooling, where children gather in terms of playing on sports teams and other community activities, plays a big role, and certainly was the intent of this bill, as I understood it from the minister's comments, to ensure that those communities were part of a single ward and represented as such.

Just to be clear on where I am going, I hope she is aware that in terms of the neighbourhoods of Lindenwoods and River Heights, in fact, it is just the opposite. In fact, other than schools of choice, none of the children school together, none of the children participate. I should not say none. There are a few exceptions where team participation is between families from River Heights and Lindenwoods, but most of the natural community is built up within the community of Fort Garry. So, in fact, what she has attempted to do has proved to be fruitless and, in fact, the exact opposite has happened.

Those families in Lindenwoods that are used to gathering as a community with other families, whether it is in White Ridge or whether it is in Fort Garry where the hockey catchment areas are, now are in a ward in which, basically, they have nothing in common other than the fact that Winnipeg is a fairly small community and we all have some commonalities. But, certainly, our children do not school together, our teams compete as opposed to our children participating with children from that area, and, in fact, the concern that is raised over and over again with me is that as a result of this boundaries commission that once again the community of Lindenwoods is kind of put out to sea, is losing a sense of belonging as opposed to gaining one. In fact, we will get into it in a minute, but in terms of travel, there is a pretty big wall between Lindenwoods and River Heights, as the minister is well aware. That also rankles some of the citizens. I just wanted this reflected on the record.

I guess I will ask the question: Did the minister or any of her Government, when they saw the way the boundaries commission had drawn the map, make any representation at the hearings urging the boundaries commission to

review and revise their proposals in order to do a better job of keeping communities together and represented by the same councillor? Was there any presentation to that effect made by either the Government or any of its members?

**Ms. Friesen:** I was just checking with staff, and, certainly, at these hearings, there was no provincial government presentation. I was just asking staff whether previous governments had that, because I would have been very surprised if they had. The purpose is to be a public process between citizens and presumably MLAs and councillors and their representatives at that level rather than a government presentation.

This is something that obviously affects every member of the House, and I am wondering if the criteria that we have established, and I am looking to the future, are they clear enough? Is there some way that the House in general should be looking at that? Are the kinds of sports in children's and family activities that the member is particularly talking about covered in the kinds of criteria? I mean, those are the kinds of questions we need to ask ourselves. Are all the criteria specifically spelled out?

Perhaps as we get closer to the next boundary revision, or whatever may come of whatever the City Council may choose to do with the bill should it be passed, if I have got all the conditionals in there, are we clear enough on the nature of community? I had added, as you know, in Bill 32, a historic community or neighbourhood as an additional consideration. What similar and relevant factors—I do not know how the commission approached that, but community or diversity of interests of the population—I mean, it may be that that needs to be spelled out more specifically, for instance, and including.

Means of communication, I think, is probably fairly general and fairly clear. Most commissions would be used to dealing with that. Physical features, as you know, in Winnipeg there are, I suppose, traditions, conventions of not crossing rivers and boundaries and not crossing railroad tracks. Many times communities have moved beyond that, but still those, I guess, traditions, in a way, remain in the consideration of setting boundaries. I do not

know that they are always adhered to because I think commissions do recognize that situations have changed. In any case, I will certainly make sure that all of these comments are taken into account. Obviously, we are a way from the next one, but, if I can find some way of ensuring that those things are brought to consideration next time there is a discussion of this.

**Mr. Loewen:** I appreciate that response from the minister. We did disagree at the time the bill was introduced over how big the variance should be. I am sure she will remember that, and I guess what particularly struck me was when the minister spoke to the bill and when she introduced the bill, her emphasis was on providing this type of flexibility to the City of Winnipeg in order to keep communities whole, basically, to keep communities and neighbourhoods from being split by ward boundaries.

I just want to emphasize to her that, from the perspective of the citizens I represent, that mission has not only not been accomplished, it has failed the community miserably. While there are all kinds of criteria and while the boundaries are flexible in terms of where people deal in transportation and all the rest of it, I do agree wholeheartedly with her original premise going in that it is in the best interest of communities to be kept together. I would urge, in the next go-around, that perhaps further definition be given to the boundaries commission in terms of the role of historic communities, the role of catchment areas in terms of how citizens participate in various activities together, where the gathering points are for various communities because, in our particular corner of the city, in particular with new communities in White Ridge and Lindenwoods and now Linden Ridge sprouting up, I think it is unfortunate that those communities which have a tremendous amount in common and have the same types of struggles and goals and ambitions when it comes to building their community, building community clubs, building confidence in the schools and all the other activities, the churches, that make a community—the minister is, I am sure, fully understanding of this, given the community where she has chosen to live and what a tight-knit community it is.

\* (15:40)

Sometimes it works to their advantage, sometimes not, maybe, but it is a community, and that is, I think, what the people in southwest Winnipeg, particularly those new communities, are looking for. They are new communities. They are looking for a place to belong. They are looking for a feeling of belonging. The families are looking for a feeling of belonging. I think, whatever can be done to have them represented, both at the city level and provincial level, and federal level, makes sense in the long run as those communities try to integrate themselves with more established parts of Winnipeg that surround them.

Having said that, I will leave that section, but I would like to move on and have a bit of a discussion about infrastructure. Surprise. Surprise.

**Ms. Friesen:** Yes. We can move to infrastructure, but can we have a couple of minutes while we bring the appropriate staffperson down?

**Mr. Loewen:** With regard to the infrastructure program, I have some information that I took off the Canada-Manitoba Infrastructure Program Web site which indicates that there is a project that has been approved. Well, it indicates that there has been a large number of projects approved, totalling roughly \$127 million when I took it off. There may have been a few more added.

Roughly \$78 million of that has been dedicated to projects within the city of Winnipeg. One specifically has my attention, and that is a project identified as Downtown Waterfront Renewal and, in the descriptor area, it describes it as Main Street revitalization, pedestrian bridge and Waterfront Drive, and allocates a total of \$29,490,000 to that particular project.

I am wondering if the minister could give me a breakdown of the costs of each of the three that are identified: the Main Street revitalization, the pedestrian bridge and the Waterfront Drive projects as they stand to date.

**Ms. Friesen:** Yes. This is a federal-provincial Web site, as the member is aware. We have a

joint provincial-federal secretariat which is similar to the kind of joint federal-provincial—Mr. Chairman, what I am trying to say is that we have a joint secretariat with the federal government, so that this is a joint Web site which indicates the joint and collective nature of the projects.

I was actually just going to say that the joint secretariat is new to this agreement. There was not such a joint secretariat before. I would say that both federal and provincial governments are very pleased with the way it is working. That sort of collaboration of efforts seems to make sense. I just wanted to make that point. I gather it has been copied by some of the provinces as well.

So what we have is the Downtown Waterfront project, federal, provincial and city shares, \$29.5 million; the Waterfront Drive portion is \$8.6 million; the Provencher pedestrian bridge, which, as the member knows, is Winnipeg and Canada but not the Province, is \$14.1 million; and Main Street renewal, which is basically streets renewal, is \$6.8 million.

As the member and I have had this discussion before, the overall cost of these downtown projects are funded equally by the three levels of government. Canada, Manitoba and Winnipeg cost-share Waterfront Drive and Main Street components while Winnipeg and Canada cost-share the pedestrian bridge component.

**Mr. Loewen:** As I understand the background to the infrastructure program, and I appreciate the minister's comment that from the Government's perspective they feel the system is working well, I can assure her from the people who live in my constituency's perspective it is not working very well at all, but that is just a different perspective on the same issue, I guess.

In particular with regard to this program, my understanding is that projects are funded a third-a third-a third, and that in all cases, there are three equal partners involved in projects. Could the minister clarify that my understanding is accurate?

**Ms. Friesen:** I just wanted to clarify my comments on the secretariat. The member says

the infrastructure program is not working from his constituents' point of view and I know he has made that clear on many occasions. What I was referring to was the actual secretariat itself. It was the administrative component, the communications part, that was the area that certainly I have received comments on from right across the province, that is a very effective way of administering the program. I certainly accept that there are different political viewpoints on this.

\* (15:50)

Overall, in each of these federal-provincial agreements, whether it is EDPA or whether it is the Canada-Manitoba Infrastructure Program, either in this incarnation or in the previous incarnation, or whether to some extent the WDA, although, I think, perhaps, to a lesser extent, overall it is one-third, one-third, one-third, but that is not always the case on individual programs.

For example, in some cases on individual projects, there are different priorities. There are a number, for example, under the EDPA program where there have been ones which have been of primary interest to the federal government where they have pursued a majority of the funding. Those are 50-50 programs, federal-provincial, normally. Staff are reminding me that, in some cases, you have four partners as you are leveraging additional money, so that the actual on an individual project may not always be one-third, one-third, one-third. The EDPA program, which was largely administered by the previous government and the previous infrastructure program, I am sure the member would find similar kinds of differences.

But overall and at the end of the day, as we say, it is one-third, one-third, one-third, but on particular projects, there are different priorities, as there were under the previous infrastructure program and as there were under EDPA.

**Mr. Loewen:** Could the minister identify the connection, because I am at a loss to understand what Main Street revitalization, what fixing a street, doing road repairs on Main Street has to do with waterfront renewal?

**Ms. Friesen:** Mr. Chairman, I suspect the member is thinking of the distance between the

waterfront and Main Street. Is that the gist of the question?

The case is made, obviously, and it is the point that we have made about the priorities in the infrastructure program, and that is downtown. It is the renewal of Main Street. It is a reconstruction. I think I said earlier that it was street renewal, street repairs, and what it is, is a reconstruction between Alexander and Lombard Avenue, which is not a large amount, but it is certainly at that sort of Portage and Main intersection. It is the area that people do use as they go to the ballpark, as they go to some elements of The Forks, as they go across the vehicle bridge, and it is, sort of, I will not necessarily call it a flagship for downtown, but it is one of the significant crossroads that is known across the country. It obviously also has an impact upon the Exchange District and access to the Exchange District.

This project will renew the existing roadway, curbs, median and sidewalk. It will upgrade traffic lights, renew and upgrade water and sewer mains and adjust the MTS manholes and improve landscaping. Some of that is underway. I do not know if it is all complete yet.

**Mr. Loewen:** The minister's response has sparked my interest because I drove a number of times down Main Street last year while this project was under way and I do not recall any work being done on the intersection of Portage and Main. In fact, if there had been work done on the intersection I might have a little better understanding that maybe it is part of waterfront revitalization, but my recollection was that the road construction started to the north of the intersection, did not involve the intersection at all, and ran to, I think, up to City Hall. Did I miss something, or was there, in fact, work done at the intersection of Portage and Main that I simply did not see as I drove by? It is hard to miss construction in the summer.

*Mr. Gregory Dewar, Acting Chairperson, in the Chair*

**Ms. Friesen:** No. What I was indicating was it was close to Portage and Main. It was close to that infrastructure area and I did give the streets. It is between Alexander and Lombard. So it is a



bit past City Hall, but Lombard, obviously, is one of those access routes to the ballpark and The Forks.

**Mr. Loewen:** Well, in the same gist then, does the minister consider that the \$9 million committed to the library project is part of downtown renewal?

**Ms. Friesen:** Yes, very much so. I do view the importance of having a modern library, for want of a better word, but one that is able to accommodate more books, more computers, more patrons is one that is a very important part of how we see the renewal of downtown. Educational, with expansions of both University of Winnipeg and Red River College in the Exchange District, I see the library as part of that. The funding that the Province has provided and continues to provide, EDPA, for example, gave a large grant to the Museum of Man and Nature, I see that as part of downtown renewal.

What we are doing is one step at a time trying to renew, support and maintain as sustainable, Winnipeg's educational, cultural, entertainment, and, in the case of the library and of the Exchange District, the information technology advances that can be accommodated in a relatively small area. So, yes, very much so. I see it as part of downtown renewal.

**Mr. Loewen:** I find it interesting that in her description, and I agree that the library project can be classified as downtown renewal—she failed to mention the largest project on the book which is the True North Centre, for a combined total of \$34 million. Would she consider that as part of downtown renewal funding?

**Ms. Friesen:** Yes, indeed, very much so. An arena attached to a library, I do not know if that is a first or not, but the downtown walkway system and the maintenance of that—the renewal that we are seeing through the private sector and the MEC, as well as some of the changes in Portage Place, I think people are very hopeful for. The community use committee that has been established for the prospective arena is something that also gives it a different characteristic, a different user characteristic. Yes, it will be for hockey. Yes, it will be for entertainment, but it will also be for community use as well.

That sense of being able to come downtown, not just to be entertained but to actively participate, whether it is in a course at Red River, whether it is at the library with the new facilities that they will be able to offer, or whether it is at the Art Gallery or the Ukrainian Museum, or whether it is at the Museum of Man and Nature or the Concert Hall, or the new project in the Crocus Building where the opera and contemporary dancers and others have their facilities. I do think there is a theme, if you want to put it that way, but there is, certainly, a sense of a vision of renewal for downtown which brings in the private sector, brings in the public sector, which brings together education, cultural and entertainment and retail opportunities.

\* (16:00)

**Mr. Loewen:** Just to comment on the minister's answer. I do not know whether it is the first arena in North America to be connected to a library or not, but I do know that outside of Las Vegas, it is the first arena to be connected to a casino. She might want to give that some thought.

We are not really here to talk about that project at this point, other than to raise an issue which I find particularly curious. That is, in all cases, as one goes through the Web site and the list of programs and projects that have been approved, they are all listed individually with the exception of one project identified in the city of Winnipeg; in which case, three projects have been grouped together in an effort to treat them as one fund. I am wondering what the logic is. Particularly when, in previous examples, the city of Brandon has a couple of projects and they are listed separately. The Rural Municipality of Edward has a couple of projects and they are listed separately, and so on through a number of cases. Yet, in this one instance, we have three projects with a total of \$29.5 million listed together. Can the minister explain the reasoning for that? Why are they not listed as individual projects?

**Ms. Friesen:** The member made reference to a casino earlier. I think he probably strictly speaking meant VLTs rather than a casino.

Why are they listed collectively? Part of it is timing. The library was approved at a different

time, as was the St. James Pool expansion and then the group of Main Street, Waterfront Drive and the pedestrian bridge were looked at at about the same time. I think that is why that sense of together.

**Mr. Loewen:** I must admit to the minister that sitting on this side of the House has brought out the cynic in me. I sure take, as do many of my constituents, a somewhat cynical view of what has gone on behind the scenes in trying to understand why these three projects were grouped together. Of the total of \$29.5 million, how much is being contributed by the Province?

**Ms. Friesen:** Of the overall 29, I will just get the precise number, 9.8 is being contributed by the Province.

**Mr. Loewen:** I would assume from that that the City has contributed 9.8 and the Province has contributed 9.8, roughly, to arrive at the \$29.5 million. Is that accurate?

**Ms. Friesen:** As we have made clear earlier, that is the overall contribution, but it is separated out in the Web site and in the press releases so that Canada, Manitoba and Winnipeg cost-share Waterfront Drive and Main Street components, while Winnipeg and Canada cost-share the pedestrian bridge component. Those numbers are laid out, I think, in the briefing note and the press release that are on the Web site. It is not called a briefing note, is it? What is it called, background?

**Mr. Loewen:** Well, I hope the minister can appreciate where my constituents come from when they look at this project and see that, in fact, while the provincial government is funding a third of what they have agreed to list as downtown and Waterfront renewal, which includes these three projects, they are going at great lengths to distance themselves from any funding of the pedestrian footbridge. Certainly, one can understand, again putting on my cynic cap, from a political perspective why the minister would want to distance herself from funding this footbridge, given the proximity to the Minister of Finance's (Mr. Selinger) constituency and her close association with The Forks development, but I want to assure her that, as far as the everyday citizen in Winnipeg is

concerned, looking at this project, it is clear that the three levels of government got together and negotiated these three projects and made a decision to fund the three of them on an equal basis and then basically concocted some story to try and give some political justification to what they are doing.

I am wondering if the minister can arm me with some type of information or statement that I could take back to my constituents and perhaps explain better the Government's position on why they would fund this project to the tune of \$9.8 million on their portion, \$29.5 million in total, when, obviously, they have no interest or must claim they have no interest because they have refused to fund the pedestrian footbridge. The logic, quite frankly, defies me. I am wondering if the minister can help me out in this case.

**Ms. Friesen:** The member is concerned about the funding for the pedestrian bridge. As I have indicated on a number of occasions, the Province has not funded the pedestrian bridge. The Province has funded Waterfront Drive and Main Street renewal.

It seems to me that the real concern, or perhaps the next concern or the additional concern of the member is not the pedestrian bridge which we did not fund, but it is the whole issue that is very important to his constituents of the Kenaston Underpass. The Kenaston Underpass, as the member knows, is one of the proposals on the City's list. The City essentially is an advisory committee for the money to be spent in the city of Winnipeg.

On that list was, the member may remember, the Waterfront Drive; Provencher pedestrian bridge; street system renewals, seven major renewals they proposed and that was one package; the St. James pool expansion, which I think that was the smallest on the list, for \$3 million; a rapid transit corridor metro bus phase 1 at \$28 million; Assiniboine Park improvements, \$15 million; and the Kenaston underpass at 33.

So that was the City's initial list. It added up to \$134.1 million. Within that, what we had to do was to select, given the priorities that we and

priorities, as the priorities of the infrastructure agreement are, which were downtown renewal and cultural and entertainment recreational projects.

We have not completed the City's allocation yet, but what we have done is announced a number of elements of it: Waterfront Drive, the Provencher pedestrian bridge that the City and the federal government have as a priority and the St. James pool expansion. So Assiniboine Park, Kenaston Underpass, street system renewals, or the full package of \$31 million of street-system renewals, we have not funded. They are still on the list. I believe the City is still looking at some of these.

*Mr. Chairperson in the Chair.*

When the City provided us with a longer list than the money available, and they did it knowing how much money would nominally be available, they were looking for further discussion, looking for the kind of discussion or for the priorities of each of the three partners.

At the end of the day, those are the kinds of things that you have to do in federal-provincial-municipal agreements, just as the previous government did in the previous infrastructure program, and just as both the previous government and we have done in the EDPA program. These are matters for discussion. They are matters for determining priorities. In some cases, they are one-third, one-third, one-third. We have some examples within the EDPA program, but there are certainly ones there which are primarily federal and some which are primarily provincial but, at the end of the day, the partners agree that, overall, one-third, one-third, one-third will have been distributed. We recognize that within each of these areas there will be different priorities for different levels of government. What we are trying to do is to find a solution in each of these cases that will work for all of the partners to it.

**Mr. Loewen:** Can the minister confirm reports that have been put on the public record that the all-in cost of the bridge is now close to \$19 million, perhaps even approaching \$20 million, specifically for the pedestrian footbridge; that, in

fact, the costs have gone up from the original \$14.1 to over \$19 million?

**Ms. Friesen:** I do not have any specific, additional information, other than what we both read in the press on the costs of the pedestrian bridge. The City, in those reports in the newspaper, has indicated that it will be paying for what is suggested are additional costs out of other funds, that it is not coming for additional money to the infrastructure program. From an infrastructure program perspective, that is the important issue. There are a number of programs or a number of grants where we have not been able to deal with all of the costs that a proponent is asking for.

What the infrastructure program does is allocate the money. It does not pay for an entire project necessarily, so it is not unusual or unexpected that they would not be coming back to the infrastructure program for additional money. What infrastructure does is a grant for, a grant towards. It is not a grant to complete this project. What the member has read in the press, I have no reason to believe that those accounts are not the case, but from the infrastructure perspective, additional monies are not in the cards.

\* (16:10)

**Mr. Loewen:** Has the minister or her department been approached in any form to raise the amount of funds contributed by the infrastructure program to cover any cost overruns for any of these three projects?

**Ms. Friesen:** No.

**Mr. Loewen:** Can the minister identify the list that was approved by unanimous motion passed by City Council? My understanding is that council passed that list but did not prioritize any of the projects with regard to vis-à-vis what they wanted done one ahead of the other. Obviously, now the projects have been prioritized. They have been prioritized simply because some have been funded and some have not. Obviously, the underpass at Kenaston and Wilkes has been given a very low priority, as been indicated by the Premier (Mr. Doer), as well as, one presumes, the southwest transit corridor, which has also failed to receive any funding.

Can the minister indicate, with regard to the discussions that she and her department has had with the City of Winnipeg and the federal government, what priority has been placed on the projects identified by the City that have not been funded, what order they have been prioritized in for possible next sources of funds?

**Ms. Friesen:** Mr. Chair, I am just trying to keep the record straight. What I read out earlier was the initial city list, and the member has made reference to an additional city list.

**An Honourable Member:** No, I am on the same list.

**Ms. Friesen:** Same listing. The answer is, no, they have not been prioritized, but I think it has to be recognized that the City put these on the list; that they obviously all have significance in different areas of the city, but as far as the tri-level three governments, there have not been any further priorities on that list.

**Mr. Loewen:** Well, would the minister concur with what is the opinion been formed by virtually all of my constituents that she places a higher, and her Government and, in fact, the Premier has placed a higher priority on completion of a pedestrian footbridge over an underpass at Kenaston and Wilkes?

**Ms. Friesen:** Mr. Chair, well, all I can repeat is that the Province has not funded the pedestrian bridge, contrary to some billboards that appear to be around town, but quite a lot of bridges we have not funded either. We can do a long list, and one of them is the pedestrian bridge. So we have not funded the pedestrian bridge. There is a wide range. I would say that, as you look at this list, there is a wide range in amounts. You are looking at things that range from \$3 million to \$33 million to \$15 million to \$28 million, and you are trying to encompass that all in one allocation for the city of Winnipeg. So some of those issues have to be brought into account too.

I know the member has a long list of petitions there, and I know that he is representing his constituents on this, and, no, the Kenaston Underpass is not something that has been prioritized, amongst the other things. None of them have been, nor has the rapid transit

metro bus phase 1, nor the Assiniboine Park, nor many of the street system renewals that were proposed, or, indeed, some of the additional things that the City has subsequently proposed.

**Mr. Loewen:** Well, I would ask the minister again if maybe she could clarify the situation and help me, not only in my understanding, but in my ability to explain to citizens who ask me on a daily basis why the Infrastructure Program has chosen to fund a pedestrian footbridge instead of an underpass at Kenaston and Wilkes. The Government is obviously interested in disassociating themselves with anything to do with the pedestrian bridge, but, obviously, by the fact that they have contributed one-third of the total funding for these three projects, some negotiations did take place with regard to priorities.

Perhaps I could ask the minister to put herself in my shoes, if she would, for a minute. What would she suggest I tell people in my constituency as to why the Government has chosen to fund 33 percent of a project that includes the pedestrian bridge and not chosen to fund an underpass at Kenaston and Wilkes, which is not only the busiest unseparated crossing in all of Canada, but poses a considerable safety risk both in terms of regular traffic, as well as the problems it causes for fire trucks, ambulances, school buses and other forms of public communication? What can I say to my constituents that will give them some feeling of comfort with this Government's decision-making process?

\* (16:20)

**Ms. Friesen:** Mr. Chair, well, let me repeat that the Province has not funded the pedestrian bridge, that the Province has funded Waterfront Drive. The member may want to ask that question, why Main Street and not Kenaston, you know, look at the ones that we have funded and compare them to Kenaston Underpass. So that might be perhaps a fairer question.

The Province has said that downtown renewal and recreation projects are the priorities that we have had, and we have tried to follow that in the allocation of monies. These still remain on the City's list, and I understand, and I do not know if

the member is involved with it. I am sure he may well be very close to this—that the City has been talking to the railways and that there are a number of issues that I cannot say may be possible, because I am not part of those discussions, and I do not know the level that they are being conducted at, but there certainly seems to be some interest at the city level and possibly at the railway level at looking at some of the issues surrounding this.

**Mr. Loewen:** Well, Mr. Chairman, the obvious answer is that for some reason, the Province does not want to fund the underpass at Kenaston and Wilkes. The proof is in the statements that have been made, and as recently as 10 days ago, the mayor of Winnipeg on CBC Radio identified that the Kenaston Underpass was a top priority of his, but the Province had no interest. Certainly, one would expect that the federal government would have had a significant interest in the Kenaston Underpass, particularly since one of their members made it an election commitment during the last federal election. My constituents and myself can only conclude that the only holdup to building the underpass at Kenaston and Wilkes is the political efforts of the provincial government.

Again, I would like to be in a position to explain the logic, if there is some logic, to my constituents as to why they are going to have to wait possibly for 20 minutes in order to drive to The Forks, to walk to St. Boniface, or to drive to St. Boniface to walk to The Forks. What do I tell them? Why has this Government decided to fund a footbridge, which may be a wonderful project in terms of aesthetics and something the City can brag about, but surely this provincial government sees the need to meet the basic infrastructure needs of its citizens first before it embarks on projects such as the footbridge. Again, can she help me with an explanation?

**Ms. Friesen:** Well, the basic explanation is that the Province has not funded a pedestrian bridge to St. Boniface. What the Province has funded is Waterfront Drive, a street system renewal, that is in the downtown area, and a St. James pool expansion which is largely for seniors for walking purposes and for people in the distant western part of the city to have a community centre for seniors. So those are the things that have been funded.

There are things on the list which have not been funded. I am interested by the member's reference to what the mayor said on CBC because I was not aware of that. It is not something I have heard from the mayor. What we have from the City, of course, is a list which had no priorities on it and which, essentially, brought the list as one before both the Province and the federal government. Formally from the City and, indeed, formally from the mayor, I have had no indication of priorities within that. That is news to me.

Again, as all these issues are, these are issues where different levels of government have sometimes the same priorities and sometimes different ones. At the end of the day it is a one third-one third-one third.

As I said, the Province indicated that its concerns—I think we have done this pretty consistently throughout a number of projects—are the revitalization of downtown, the rebuilding of inner city neighbourhoods and the Building Communities program we share with the City. The themes in each of those are reconstruction, community development, a downtown which serves the whole city with cultural, entertainment and educational infrastructure. It seems to me there is a consistency and a vision for the city there that the Province has applied through a number of programs. It should not come as a surprise.

In addition, I think, as we look at the list the City has offered and the absence of priorities within that, we should be aware that, in fact, what the City has recently done, as I am sure the member is aware, is they have added more projects to their list. The member made reference to, I think, an EPC discussion or council discussion where these were passed, so we actually have a longer list. A portion of the money has been spent. We have now to look with our partners at allocation amongst a wider range of projects. This is all very recent, so there has not been discussion amongst ministers on the final list here.

**Mr. Loewen:** Just to finish this subject off because it is clear we are not really getting anywhere, unfortunately, and, unfortunately, for those constituents of mine in southwest Winnipeg. I will indicate to the minister, though,

that I will be happy to provide her with a copy of the interview on CBC radio, a taped copy of it, so she can hear for herself. This is not the place to question the mayor's motives but we do know that in terms of civic politics, there are a lot of votes out in southwest Winnipeg which are going to play a role in some elections this fall.

I would ask the minister if she would, given the pedestrian footbridge is closing in on \$20 million and given that a pure underpass, without all the fancy road work the City has talked about, would likely be in the neighbourhood of \$15 million or a little bit less, and that is just taken from examples of other underpasses that have been built in other parts of the country for roughly that \$13-million to \$15-million range.

If, in fact, as indicated in the mayor's interview, he has put a high priority on the construction of that underpass, and given that the federal government made it a commitment in the last election, I would ask if she would be willing to convene a meeting of the tripartite group and have a discussion again about whether or not the city would be better served by building an underpass at Kenaston and Wilkes than by building a footbridge from Provencher to The Forks at this particular time in our history. Would she be willing to make that commitment?

**Ms. Friesen:** Mr. Chairman, while I look forward to receiving the CBC transcript and perhaps discussing that with the mayor at some point, as I said, all I have from the City is the list plus the additional list of projects for their allocations. So I have to take within the concept of the partnership that that is the list that they want us to discuss and that we have begun that process with the allocations that are already there.

I will repeat that the Province is not funding the pedestrian bridge and, if I may, on behalf of the other partners in the infrastructure program, I will say that the allocation for the pedestrian bridge is not the 19 that the member is talking about. It is the 14, 14.1. That, I believe, is in the backgrounder.

\* (16.30)

The Kenaston Underpass which the member was equating in dollar terms is actually listed by

the City, as I am sure he knows, at 33.2. So we do have some differences in numbers and differences in themes here; so maybe something we would both want to confirm.

As for the federal promise on this, does the member recall whether this—I know that there is a particular federal member who made this a part of his campaign. Does the Member for Fort Whyte (Mr. Loewen)—and I know I am reversing the question here, and, obviously, you do not have to answer it, but does the member recall whether this was in the red book or not and what level of federal promise are we talking about? *[interjection]* Well, I am not necessarily taking from the red book that it will happen, but there are different levels of federal commitment. So what are we actually talking about here?

**Mr. Loewen:** Well, I must confess I have not read the red book for a while. All I can say for sure is that it was not on the same page as removing the GST. So I am not fair to comment on that without knowing more of the details.

But I would again just remind the minister that typically, because she did mention the fact that the City is, I think it is around \$33 million that was proposed for the cost of the project, but if all the ancillary road work is stripped out of that project and if we are talking about just pure construction of an underpass, similar projects in Canada indicate that the cost of that underpass would be roughly \$13 million to \$15 million. I would hope she would keep that in mind when she is in negotiations with the other two governments because, certainly, there is road work included in that that is far less necessary than the building of some type of throughway past that bottleneck in traffic.

You know, again, I hope the minister understands from my perspective and the perspective of my constituents how weak her argument is in saying that the provincial government is not funding the footbridge. It is a total package. The governments knew what the three projects were. They committed to funding it on an equal basis, so for them to say that their money is going somewhere and that they do not have any money going to this I think is a very, very weak argument.

I would hope the minister would kind of get by the politics of it and take a really hard look

with her federal and city counterparts at what the solution will be. I am not talking about a long-term solution for Kenaston and Wilkes. We all understand that there are different things that could or might or, in a perfect world, would happen. It would be nice if the intermodal terminal was not there. It would be nice if Kenaston was expanded right through to the St. James Bridge. In the meantime, people are waiting. Ambulances are waiting. Fire trucks are waiting. School buses are crossing. Young children who are driving to high school from Linden Woods out to Charleswood, to Oak Park and Shaftesbury have to cross those tracks. Having three teenagers myself, I must admit that they are not always punctual. There is more than one occasion those cars are racing trains to get to school because they have to cross those tracks to get to their school.

There have been deaths along that stretch. There have been train-car accidents that have resulted in deaths. This not just a matter of convenience. This is a matter of public safety. There have been near-deaths at Kenaston and McGillivray as recently as three and a half years ago when the school bus accident happened. That thoroughfare, that major thoroughfare is one that has to be taken very seriously. I would hope that it would rise above politics.

I want to assure the minister, she may not approve of my process, but when I put up billboards and put up signs, I am trying to put pressure to fight for my constituents because it is a very serious issue in that part of the city. I hope the minister and her Government can appreciate the seriousness of the matter. I would urge them, regardless of how this next infrastructure program unfolds, to do whatever they can to see that something is done before we are faced with a death or multiple deaths as a result of the conflict between trains and traffic at that particular intersection. I will leave that with a request that the minister do whatever she can see in her power to see if there is not a way to look at how that project can be brought to fruition, even if it is in a staged approach where the underpass is done as phase one and the roads are left to the City or done somewhere else.

Again, I would reiterate that, in my opinion and the opinion of many constituents, the idea

that the three levels of government would, in their program, fund a footbridge as opposed to funding an underpass is completely contradictory to good government. The minister can shake her head and say, again, for the record that there is no provincial funding in the footbridge but the fact of the matter is, you have a project there, close to \$30 million which is funded a third, a third, a third and the negotiations certainly must have gone down the track that these three projects are going to form the bulk of this funding and then the funding was cut up separately.

I will just leave her with that and thank her for her time and attention. I will take my 10 000 petitions back to my office at the end of session and keep them until we are able to bring this project to fruition.

**Mr. Chairperson:** 13.1.(b)(1).

**Mr. Larry Maguire (Arthur-Virden):** Just along the same lines, the member has asked a number of questions in regard to the Kenaston Underpass potentially being built, as well as the footbridge on Provencher. The minister has indicated that the only money that is in that footbridge at this time is the \$14.1 million. Can she just clarify her answer for me? I think there was an answer in regard to her impression not that there was an overexpenditure at this time, that it was not going to cost over \$19 million to do the footbridge.

**Ms. Friesen:** Again, let me start by saying there is no provincial money in the pedestrian footbridge. There is city—[interjection] I know. I just like to repeat. I am beginning to learn that repetition never hurts in politics. I used to think that I was repeating myself. I thought that was redundant. After 10 years, I have realized that you can never repeat things often enough, apparently.

The Province is not funding, Mr. Chairman, the pedestrian bridge. However, the pedestrian bridge is listed in the infrastructure information sheets at \$14.1 million. There are newspaper reports that it will cost more than that and that the City will be paying for the cost overruns, I think, is what was indicated in the newspaper reports.

What I was saying about the infrastructure program was that, in general, the infrastructure program pays an allocation of money. It does not say we are going to complete this project necessarily, and the member may be aware of a number of rural projects, for example, where people have not received the amount of money that they had applied for. The advisory committee, in the rural areas, has tried to deal as best it can with the wide range of projects that it has got before us. So, in general, and I am saying in general because, obviously, there are always exceptions, but, in general, it is a grant towards a project. In some cases, and in the best of all possible worlds, it is something which does pay for the whole project, but it is not something where normally proponents come back to the infrastructure project, and, in this case, to the best of my knowledge, there has not been any application from the City or from anyone, in fact, to the infrastructure program on this particular city-federal government project.

\* (16:40)

**Mr. Maguire:** I appreciate the minister has indicated that there is no provincial money in the foot bridge. I got that clear. However, she has indicated that, according to the news article, any overexpenditure would be paid for by the City. Would it be fair to expect—first, maybe I should ask, I believe that would leave the bridge being paid for by the federal government and the City, 50-50.

**Ms. Friesen:** Mr. Chair, the City and the federal government, through the infrastructure program, are providing in equal shares the \$14.1 million.

**Ms. Friesen:** Mr. Chairman, as we have said before, the City and the federal government are cost-sharing the pedestrian bridge component, and, to the best of my knowledge, there has been no application by the City for any cost overruns. Normally, that would not be the case in any case in the infrastructure program.

**Mr. Maguire:** Mr. Chairman, I think the infrastructure projects on funds that have been coming from Ottawa, can the minister indicate to me the promptness with which they have been getting the funds delivered to Manitoba from the federal government, have federal funds for

projects, not just like the footbridge, which she is not involved in, but other projects as well that they are paying shares in, has that money been delivered on time?

**Ms. Friesen:** Mr. Chairman, within the context of the Manitoba-Canada Infrastructure Program, which is the six-year federal-provincial program, yes, federal monies as provincial and City monies and private proponent monies, all of those are flowing smoothly, to the best of my knowledge.

There are other infrastructure programs that are talked about in the press. There is strategic infrastructure, there is a border infrastructure, and there are demonstration transport infrastructure programs. Those are separate from the Canada-Manitoba Infrastructure Program. They are ones that I would say really have not been fleshed out by the federal government yet. So there have been no agreements entered into, to my knowledge, in any of those areas across the country. Certainly, the criteria, I do not think, are clear in those, yet. They may be certainly clear—and their applications, yes, that is not quite true.

If you talk about the transport infrastructure one, urban transportation showcase, there are certainly criteria that have been established there. There are, I think, applications from across the country for that one. The Federation of Canadian Municipalities is very much involved in those kinds of demonstration projects as well, the green infrastructure program that they have in addition in some Manitoba communities I have been encouraging all of them to apply to that as well.

**Mr. Maguire:** Mr. Chair, it is my understanding that we wanted a break at a quarter to five here, that the Government needs to caucus for a short time at that point. We could do that. The reason I asked that question, of course, is because the minister is responsible in Cabinet as the Deputy Premier and there are a number of infrastructure projects out there that she could very well influence and that are broad brushed in Intergovernmental Affairs, certainly in relation to those areas.

Today, it is expected that the Prime Minister was going to make a change in some of the



ministers in Ottawa and shift these responsibilities from Mr. Manley over to Mr. Rock. There is \$2 billion in other infrastructure projects that are there that may not be directly responsible for her department, but I guess my question was: Does she foresee any Grit-lock, I guess, in that whole project that has been there, if you want to put it that way? I will just give her a second to answer that.

**Mr. Chairperson:** The committee will recess from now until five, which is private members' hour. Then we will resume at 6:30 p.m.

### PRIVATE MEMBERS' BUSINESS

\* (17:00)

**Mr. Speaker:** Order. The time being 5 p.m. we will now move to Private Members' Business and the Proposed Resolution No. 24, Casino Advertising.

### PROPOSED RESOLUTIONS

#### Res. 24—Casino Advertising

**Mr. Jack Reimer (Southdale):** Mr. Speaker, I move, seconded by the Member for Turtle Mountain (Mr. Tweed),

WHEREAS on November 23, 1994 the Member for Concordia stated: "Manitobans don't want more public relations ads from the Lotteries Corporation . . ."; and

WHEREAS on October 29, 1996, the Member for Thompson stated: "Not a day goes by where I have not had the opportunity to talk to people in my own community and other communities across the province where people have outlined the very specific personal costs of gambling"; and

WHEREAS the Member for Burrows on June 23, 1998, advised the citizens of Manitoba that any future government of which he participated would commit itself to, ". . . reducing gambling advertising . . ."; and

WHEREAS the Minister responsible for the Manitoba Lotteries on June 12, 2000, advised the citizens of Manitoba that "we of course, do

not advertise within the province of Manitoba"; and

WHEREAS the Government of Manitoba and the Manitoba Lotteries Corporation have spent approximately \$500,000 on an advertising campaign for the privately-run Royal Palms Restaurant and Michele's Restaurant; and

WHEREAS the Government of Manitoba and the Manitoba Lotteries Corporation, in direct contradiction of the minister's June 12, 2000 statement, have spent millions of dollars directly advertising within the province of Manitoba in an attempt to lure more Manitobans into McPhillips Street Station and Club Regent; and

WHEREAS the Government of Manitoba and the Manitoba Lotteries Corporation have placed their "Go for the Fun of It" casino ads during family-oriented Sunday prime-time television at 15-minute intervals; and

WHEREAS "Go for the Fun of It" billboards have been placed on the east side of Winnipeg, across from Tinkertown Amusements, Fun Mountain Waterslide and the Kampgrounds of America family campground; and

WHEREAS the Minister of Finance in his 2001 Estimates of Revenue has demanded from the Minister responsible for Lotteries additional revenue of \$20 million; and

WHEREAS \$1,385,121 was spent by the Manitoba Lotteries Corporation in the 2000 fiscal year on advertising; and

WHEREAS \$1,838,000 is allocated by the Manitoba Lotteries Corporation for advertising in the 2001 fiscal year; and

WHEREAS the Government of Manitoba and the Manitoba Lotteries Corporation have revealed that casino advertising directed at Manitobans will continue indefinitely.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to reconsider its decision to spend millions of dollars actively encouraging

Manitobans to attend Club Regent and McPhillips Street Station.

***Motion presented.***

**Mr. Reimer:** Mr. Speaker, this, indeed, is a very interesting resolution brought forth by myself in a sense that we have a government there, as much as I agree with myself on this, we have a government over there that has totally become addicted to gambling and gambling revenue. As I pointed out in my resolution, there are many members, when they were in opposition that were railing against the Conservative government of the day, in regard to gambling and how much there was spent on gambling, and how they kept calling for the stop of gambling, the halt of casinos, the halt of VLTs.

But what has happened since this Government takeover? Full bore ahead. More casinos, additional hours, additional revenue coming out of the VLTs, higher demand rate from the VLTs. The Minister of Lotteries has to perform or get more money out of the corporation to satisfy the Minister of Finance (Mr. Selinger).

It is something that has become a real addiction. The people of Manitoba are recognizing this because it has been pointed out now that Manitoba is the gambling capital of Canada on a per capita basis. Manitobans spend more money on gambling than any other person per capita in any other part of Canada. Incredible how Manitoba has this great distinction. This Government here, now, likes to portray itself as No. 1. They are No. 1 in gambling and they are No. 1 in crime in Canada.

Is there a correlation? Well, we do not know. The Minister for Lotteries says there may be a problem there. There may be a problem. I am quoting from back just a little while ago, July 23, where the Minister responsible for Lotteries is stating: I guess it is not totally surprising, as people become addicted, then there is a possibility that in order to satisfy their addiction, they will do something they normally would not do.

Now, Mr. Speaker, there is a problem there. They recognize it as a problem there, but the

requirements and the dictate that has come out of the Finance Department from Treasury Board is there should be more money brought in by casinos. How do you do that, but you advertise more, you advertise within the city of Winnipeg, you advertise on radio, you advertise on TV, you go full bore on trying to get the people lured into the casinos, lured into the casinos at the machines, dropping their loonies, playing the slot machines, or toonies; they may take toonies. This Government, here, will find a way they could even take the paper dollar. They increased the threshold limit—[interjection]

Then the minister says, well, we are advertising the amenities. My friend, I notice one of my advocates for not gambling has joined me here. I am glad. I should point out a few quotes from some of my colleagues from the NDP party over there. One in particular, the Member for Burrows (Mr. Martindale), a very honourable gentleman, an honourable member, and I do give him credit. He is a man of his word. He was very, very concerned about gambling when he was in opposition.

I will just quote from one of his statements. This, again, is from the Member for Burrows: I think there is already evidence that there is a considerable social cost to gambling and that in the future, I think, there may be evidence that the social costs are greater than the revenue.

I agree with him, Mr. Speaker. I think a lot of times this Government goes down a road and until the problem is recognized, it is very, very hard to correct. The addiction toward gambling here in Manitoba is growing. We have heard that from the AFM. They have told us there is a correlation between gambling and possibly the increase in crime. The member and the ministers like to split hairs on this and say, well, maybe not, maybe so, but we have heard of a lot of incidents.

Even as the Member for Thompson (Mr. Ashton) has pointed out, I refer to his statement that: "Not a day goes by when I have not had the opportunity to talk to people in my community and other communities across the province where people have outlined the very specific personal costs of gambling."

I would just wonder, today being Wednesday, when the person came to see him

today that he was mentioning it to because he says one comes every day. So I imagine the person has either met with him today or is going to meet with him a little later on to discuss it.

\* (17:10)

I would like to point out another quote from the Member for St. James, I believe it is, no, not St. James, Minto (Ms. Mihychuk). That is right, I am sorry. I forgot the new riding she is in. She is quoted as saying: We all know there are serious consequences to gambling. At the time, unfortunately, it revolved around the unfortunate incidence of suicide in Manitoba. At that time, the Member for Minto was saying, we have recently had the sixth suicide related to gambling. The Government has promoted gambling in this province to the point of ridiculousness. Gambling is a much more difficult addiction to treat than smoking, drugs or alcohol. The Member for Minto goes on to say: There is nothing worse than gambling.

Now when they sit on that side of the House, it is totally different. They like it. They come for the fun of it. Fill her up. Come for the fun of it. Have the people come in and spend their money, get addicted to gambling. Hopefully, they do not, but, unfortunately, it does happen and then the unfortunate social costs that are associated with it, which the Member for Burrows has rightly pointed out, that gambling is based on greed. He is of the right opinion. I believe that there are a lot of members on that side of the House that share the same opinion and are very, very concerned about the increase in gambling advertising that is going on, because it seems to be a pure contradiction to what the minister, herself, has said at times.

When we go back, and we do not go back too far, when we look at what the minister was mentioning, she says, we advertise entertainment, we do not advertise gambling. Mr. Speaker, it is a very, very fine line between what they put on the billboard, what we see on TV or hear on the radio in regard to getting out and having fun just for the fun of it and the direct correlation which is to come down, spend money, increase the coffers of the Government and bolster up the amount of money that is going into the revenue stream for the Treasury Board.

I believe the figure, I am not exactly sure how much it is this year, but I believe the increase that is requested by the Minister of Lotteries to the Treasury is \$256 million, an incredible amount of money that has gone up and up and up.

I would just like to point out that when we were in government, there was criticism of gaming and gambling and the advertising that was going on. I will just refer back to the advertising spending, and I will refer back to when we were in government. In the '98-99 year, when advertising the amenities, our Government spent \$285,438. In the 2001-2002 budget year, advertising on amenities is up to \$1,588,000—from \$285,000 to \$1.588 million, incredible. *[interjection]* I do not know the percentage. The percentage is just astronomical, just astronomical. It is incredible because it goes up and up. Then if you look at the total, and I am going back to 2001-2002, we are looking at about \$1.8 million totally that they have advertised.

So the advertisement to lure people into the casinos is something that this Government seems very proud of, very addicted to, and addiction is something that I think is unfortunate, that this is the way that this Government looks at gaming and gambling, that they have to keep going at it in that way.

But, if you look at the social costs, the cost of what is happening in regard to advertising and the casinos that are advertising, they go on their merry way. I know we had to bring it to the minister's attention, an advertisement that was advertising one of the Aboriginal casinos up at The Pas, that they were supposed to comply with the advertising guidelines that the Manitoba Lotteries Commission puts down, but the advertisement went out, and people saw the advertisement that showed direct gambling in the advertisement.

It was wrong. The minister admitted it was wrong. It had to be pulled. But if it had not been brought to their attention by us, I imagine the advertisement would have just kept going on its way. It would have reached out to various communities, various people, to have them come into the casinos for gambling.

I remember the minister, in fact, saying at one time, and this was shortly after she was made minister, and we were asking questions about Lotteries and advertising, and the minister said, we, of course, do not advertise Lotteries within the province of Manitoba, and that is exactly what, when we were in government, we did. We figured that we would put down advertising to bring people into Manitoba. That is the whole idea of creating a destination location with the Lotteries' two casinos, specifically the Regent and McPhillips. They are destination places. So you try to bring people in from the United States or from other provinces to spend their money here in Manitoba, so that it not only goes into the Lotteries coffers, but there is a spin-off effect of people staying in hotels, people buying, people going shopping, people sightseeing here in Manitoba, and you get the total benefit of what the tourist dollar means.

The way this Government is going now, they are more concerned about bringing the people from the various streets in Winnipeg down the street into the Club Regent or people into McPhillips, and that is just rechurning their own dollars. There are no new dollars being generated that way, other than the rake-off that the Manitoba Lotteries gets on every dollar that falls into those machines. So, when you look at the emphasis as to why they are advertising, they are advertising for self-serving purposes, just to get more money out of the people of Manitoba. It is not to bring in tourists. It is not bring in people of different areas from around Minnesota or Saskatchewan or Ontario or down into the northern states of the United States to bring them here into Canada where they can spend some money on other amenities. It is to keep the Winnipeg people, particularly with the advertisements for the two casinos, here in Winnipeg. I mean, it is totally out of line of what the advertising purpose is for it.

The minister did mention that the advertising is not for gambling. Oh, no, it is not for gambling. It is for the amenities. It is for the amenities of advertising for the restaurants in the two casinos and giving them the ability to compete with other restaurants in the area and be advertised or supported by the Manitoba Lotteries commission. So these are some of the things that, I think, that we have to be very, very careful, you know, when we try to look at—

**An Honourable Member:** And the minister is going to try and defend the record.

**Mr. Reimer:** Yes, with the advertising that is spent in the area.

So, Mr. Speaker, I know that a lot of the members on the other side are ready to vote in favour of this resolution, and I commend them for voting for this because I feel that they recognize that, just for the fun of it, can also apply to voting for this resolution. I commend them for being in favour of this resolution. I look forward to a speedy passage of this resolution, with very, very little input in regard to what the members feel is appropriate, on the other side, and I would think that I could congratulate them before they vote on this. So I will sit down with the understanding that this is going to pass. Thank you.

**Hon. Diane McGifford (Minister responsible for The Manitoba Lotteries Corporation):** Mr. Speaker, as that member sits down, I am pleased to stand up and to introduce a little bit of reason and a little bit of factual information in today's debate, but, perhaps before doing that, I could congratulate the member opposite on his grandiloquent presentation. I think he petered out a little in the end as he was reading his resolution, but, basically, he acquitted himself well and did so without pretzelizing. So congratulations to the member opposite.

\* (17:20)

Of course, his resolution is rife with inaccuracy. I am not going to go through all the inaccuracies, but I do want to point out something about this Tinkertown Amusement Fun Mountain Water Slide in the campgrounds of American family campgrounds, where it is reputed that there is a billboard across the street. Indeed, my colleague from Lorette measured the distance of this billboard, and it is on the opposite side of the street and at least a good kilometre down the highway. So this is typical of the inaccuracy that we hear from this member. I might also point out, the Minister of Finance (Mr. Selinger), of course, did not demand any additional revenue. The Minister of Finance does not demand things, but works co-operatively. The Minister of Finance is a very co-operative soul and works co-operatively with all of his

colleagues. I am really pleased to put that on the record.

You know, Mr. Speaker, perhaps, today, I could also put on the record some of the direct impacts of lotteries, because I think too often in our conversations about lotteries, we do forget that Manitoba Lotteries Corporation is very helpful for our province. For example, I think it is important to note that Manitoba Lotteries directly employs over 2000 people, about 1500 full-time workers plus 240 casuals and 330 part-time workers. Since there was an excellent Labour negotiation and good settlement, these people are paid fair wages. I think it is important to note that we do employ this number of people and they do contribute to our provincial economy, both through income tax and through their spending. In fact, over \$453 million has been spent in Manitoba as a result of Manitoba Lotteries operations. I think that is well worth mentioning. Gaming expenditures have generated, and I am speaking about the year 2001-2002, over \$300 million of labour income and 10 000 indirect as well as direct jobs.

I think it is also worth mentioning, Mr. Speaker, that Manitoba Lotteries Corporation was one of the major sponsors of the North American Indigenous Games. Now, as far as its contribution to tourism, group tours to the Manitoba Lotteries' casinos at the end of the fiscal year 2001-2002 included 1790 groups, which was an increase of over 450 since last year. So these tours are extremely important. Visitors expend something above \$21 million and certainly make a very valuable contribution.

Now, one of the other pieces of information that the member opposite put on the record was the information about amounts of money spent on advertising. Of course, this information was extremely selective. So I will give a little bit more information and run through the years: '90-91, \$400,000 spent on advertising; '91-92, nearly \$500,000; '92-93, over \$500,000; '93-94, over \$1 million; '94-95, and I think this might have been the year of the famous bus, I might add, a bus that was replete with very visible pictures. Probably, as this bus was driving around town, some children saw those pictures too, so I know the member opposite, who was responsible for this bus, must rue this, but anyway, it was done

in 1994-95, \$1.7 million was spent on advertising.

The only year that the member opposite mentioned, or maybe he mentioned two years, I cannot remember, was '95-96, just after the election, when it dipped to just over \$200,000. Then, '96-97, nearly \$400,000. Here is the whopper, '97-98 \$2.5 million, and not one cent of this money was put into responsible use.

Now, the member quoted our spending. What he neglected to say was in the year 2000-2001, \$500,000 in responsible use advertising; 2001-2002, over \$200,000 in responsible use; and in this year's Budget, we have over \$200,000 in responsible use and we are going even higher. So the member talks about advertising, but he does not talk about responsible use. He does not talk about the responsible use policies we have introduced into the casinos. He does not talk about any of these things. He does not mention the fact that we are the leader in the country.

Now, Mr. Speaker, I also wanted to talk a little bit about some of the reasons why we do advertise, although I think they are well-known because I have been up in this House with some frequency, talking about the reasons as to why we advertise. In fact, I spent two hours last December talking to my critic, two hours, and the only questions I think he asked were about advertising. What that critic and that member opposite know very well is if they had won the '99 election, if they had to run those huge casinos they built, they would know perfectly well that they intended to advertise. The CEO told me they intended to advertise. Of course, they would have advertised.

**An Honourable Member:** We do not have an appetite.

**Ms. McGifford:** The member says he does not have an appetite for advertising, so I wonder why in 1994-95, that is nearly 10 years ago, they spent nearly \$2 million on advertising. Quite clearly, there was an appetite for advertising.

I do want to say, Mr. Speaker, the amount of money we spend on advertising in Manitoba is either the least in the country or very nearly the least in the country. The members know that.

They know and the Member for Russell (Mr. Derkach) knows because I mentioned it time after time when we had our two-hour debate on advertising. The member knows perfectly well that Casino Regina, for example, just by itself spends \$3.6 million on advertising. That is just the one figure I have in my head, but I do know our expenditures on advertising, when we compare to other jurisdictions, are extremely low.

Why do we advertise? Well, Mr. Speaker, first of all, there are 40 casinos within an eight-hour drive of the city of Winnipeg, forty casinos. In 1989 and subsequent years when members opposite were advertising, there were three casinos within that distance. Today, there are 40, so they seem to think it was all right to advertise when there were three, but complain at our advertising when there are 40.

Clearly, this is all politically motivated. The members opposite know perfectly well that if they were in power today they would be advertising. I bet they would be advertising a lot more than we are. I also bet they would not be very concerned about responsible use. We would probably have those buses all over the city instead of a single one. As I said, in 1989 when members opposite were advertising, there were three casinos.

Members might also know, I am sure they do read the paper every weekend, that every weekend and throughout the week there are dozens of advertisements in our local papers. I am sure the same advertisements repeat themselves in the electronic media as well. One weekend, I counted through the *Free Press* in the travel section and the television guide. When I arrived at about 30 ads, I thought, this is ridiculous, I am not going to count any more.

\* (17:30)

There is advertisement after advertisement calling Manitobans to go to northern Minnesota, to North Dakota, to Regina. One of our reasons for advertising, in fact, the most important reason for advertising, members opposite know this, is the competitiveness of the market, simply the competitiveness of the market. They pride themselves on being great business people. I

thought they would understand market competition.

Some of the other reasons, and we have talked about these and members opposite are familiar with these too. Let us speak about casino extensions and renovations. Let us remember that the casino renovations and extensions incurred debts of \$145 million. You know, I would have assumed when members opposite made the decision to augment casinos, they probably did so because they thought it was necessary to bring more people in them. In order to bring more people into the casinos, members opposite were, of course, prepared to advertise. If they had been elected, they would have been advertising.

You know, one of the truths of the gaming industry, and members opposite know this perfectly well, is that after a while, the same old games do not work anymore. With the competitiveness of the market, these members decided to build this casino palace and try and, pardon me, lure people into them. Then they lost the election and we are left with the bill. We inherited these casinos and we have to handle the situation. We have to be competitive in this market. So we are doing a little bit of advertising, and we are doing a lot of responsible use advertising. I think members opposite should pay attention.

As well, studies and market analysis by MLC have shown that most Manitobans are not aware of the casinos' amenities. They are not aware of the dining rooms and they are not aware of the entertainment. So the things that we advertise are the amenities, the dining rooms and the entertainment, because they were built by members opposite. They built these classy restaurants, but no one wanted to go to them. No one knew about them. So we had a public responsibility in order to make these, if not profitable, at least break even and not drain the public purse.

So what we have chosen to do is to use advertising in the fight to promote responsible use. We have chosen to use advertising to apprise Manitobans of the amenities, of the restaurants and of the entertainment. As I have said several times during this particular debate,

if members opposite had been elected to government, they fully intended to advertise. They would have had to advertise because they built these huge casinos. In order to keep them afloat, it was necessary to apprise the public of the amenities, et cetera, and, I am sorry, but it was necessary to increase gambling revenues. They know it, and they would have advertised, and they probably would not have included the responsible use components that we have chosen to use.

I see that my time is out, so I just say one last word. They would have advertised. That is all there is to it.

**Mr. Leonard Derkach (Russell):** Mr. Speaker, I rise in support of this resolution because I think the evidence before us shows where this Government has gone awry with regard to Lotteries and with regard to their insatiable appetite for the revenues that come from Lotteries. They have even gone beyond that. Now they want to share their lust for the money that they are getting from Lotteries with some of their family members. So they try to include family members in a way in which some of these excess revenues can be shared.

Well, the Minister of Finance says it is terrible. He should be concerned. As Minister of Finance he should be concerned about where these revenues are going. It took women and children sitting in front of the Bingo Palace at Dakota Tipi to close down the casino or to close down the Bingo Palace.

Mr. Speaker, there were revenues coming in from the VLTs that were being spent in places where they cannot be accounted for. Those are provincial dollars. The Minister of Finance sits there in a smug way and does not take any concern about where that money is going.

Now he says that is nonsense. It is far more serious than nonsense, because anybody who realizes what is going on out there should be concerned. As the Minister of Finance, he has an obligation to ensure that provincial dollars are not being squandered and are not being wasted

Now, you tell me what kind of a Minister of Finance we have who supports that kind of

action, Mr. Speaker. But should we be concerned or should we be surprised because we see what he has done with Manitoba Hydro? This Minister of Finance has raided, has robbed the Hydro kitty, even though there was not any money in it. He has forced Manitoba Hydro to go out and borrow money. So this is the kind of attitude we have amongst the government of the day.

Mr. Speaker, my colleague has put forward a resolution which really talks about the hypocrisy that is present within this Government. First of all, when in opposition, the minister who is now responsible for the Gaming Commission said something to the effect that not a day goes by, not a single day goes by when he does not hear somebody talk about the fact that we should not be advertising and we should not be encouraging gambling in this province. If I wanted to quote it, he says: Not a day goes by where I have not had the opportunity to talk to people in my own community and other communities across the province where people have outlined the very specific personal cost of gambling.

Now, Mr. Speaker, how does this square with where this Government is going today? How does this square with the advertising that they are doing, luring young Manitobans and old Manitobans, vulnerable Manitobans into the gambling joints of this province? The minister who is responsible for lotteries herself did not approve or did not support any, any advertising of gaming when she was in opposition, but now that she has become the Minister responsible for Lotteries, she has been given an edict by the Minister of Finance to raise the amount of money that is coming in from gambling by millions of dollars.

So, Mr. Speaker, we have the Minister of Finance in a quandary. He is out there robbing Manitoba Hydro, except there does not seem to be enough to balance the books. So now he goes to the Minister of Lotteries and says, now I want you to raise more money from Lotteries because we have to have this money so that we can spend it. So we have the minister spending millions of dollars on advertising gambling.

Mr. Speaker, in a province where we have a problem with gambling, where people are

addicted to gambling, we have a minister who now is out there luring them into the casinos.

Now, Mr. Speaker, at one time she said, oh, yes, but we are not advertising gambling, you know, we are just advertising the amenities. We are just advertising hamburgers and cokes. Well, she has gone a little bit beyond that. She kind of slipped when she advertised that the jackpots in the casinos in Manitoba are this big.

Mr. Speaker, there you have the hypocrisy. It does not matter to this Government what you say. As long as you get the clip of the day, it is okay because you can go and do the opposite thing tomorrow, and you will hope that everybody forgets.

Well, Mr. Speaker, they got caught up in this gambling thing to the point where now they thought it was okay if we started to get managers to manage the gaming in some of the locations. One of those happens to be Dakota Tipi. Now, I remember the premier of the day once calling the former premier Bugsy. I think that was referring to the boss of the Mafia. When you start having individuals, corporations getting their hands on the money that is coming from Lotteries by putting up the management for these video lottery terminals and these gambling places and then taking a cut of the profits that are coming from gambling, we are on a slippery slope. So that is where we are today with gambling in this province.

\* (17:40)

Now, what was even more damaging, as far as I am concerned, is the fact that when we ask whether or not the particular Indian band gaming commission was in compliance, the minister stood up in the House very proudly on the first day and said I am proud to say they are in compliance, something they have not been in since 1994.

Well, the next day when we started tabling some information, he had to withdraw. So he started saying, well, you know, we are going to bring them into compliance. Yeah, they are coming into compliance. Well, about three or four days later after we tabled some more information, the minister had to finally

acknowledge they were not in compliance, never had been in compliance.

He said we are going to bring them into compliance because we have a sharp body that is going to bring them into compliance. That body goes under the name of Soaring Eagle. Well, okay. Sounds like a nice native name, Soaring Eagle. Must be a native accounting company, I thought. We started finding out who this Soaring Eagle is. Well, we find out it is Grant Hayton—I think the member will talk about Grant Hayton a little more later—and a fellow by the name of David Doer.

Does anybody remember that name from another scene? Mr. Speaker, let me say this, we find out that Soaring Eagle, whose principals are David Doer and Grant Hayton, have now become the managers of VLT revenues on Dakota Tipi. How are they being paid? They struck kind of a creative deal. It is very innovative. They are going to take 15 percent of all revenues, 15 percent of everything that is put into the machine. What could that be? We are not sure. We know that every machine carries with it a limit of \$299 in terms of the minimum that can be played in those machines. If you do not put in \$299, you yank the machine.

We are to assume that Mr. Doer is going to be receiving 15 percent of whatever minimum threshold there is on each machine. There are about 25 machines in Dakota Tipi. You do the math.

Then we find out this very same individual is not just going to manage those machines, but now he has been hired by the Government. The Minister of Gaming today said it is not a contract, it is an agreement.

We have an affidavit that was tabled in this House. If the minister says the affidavit is wrong, then I want him to prove that because there is only one way to prove that and that is to get an independent inquiry and to bring people forth under oath so they can make statements under oath, just as Mr. Arden Pashe did when he went before the court and swore the affidavit in which he said: I have been told by David Doer of Soaring Eagle and do verily believe that Soaring Eagle has an agreement with the



Manitoba Gaming Commission, not the Dakota Tipi gaming commission, the Manitoba Gaming Commission, to do an audit of the 2001 and 2002 financial statements.

The Minister of Gaming stood up in great disgust today. The cameras were on and he had to do his performance for the cameras because how else could he make that exclamation mark on the fact that we have a problem here, that the critic somehow has brought misinformation into the House. I did not. I brought an affidavit, a sworn affidavit. I brought the agreement, an agreement which he said he knew nothing about.

All of a sudden, the Minister responsible for the Gaming Commission is caught. He is caught defending somebody who he should not be defending in the first place. What is he defending? He is defending that we have a person who is now going to be managing a gaming institution in the province of Manitoba who is also going to be doing the auditing of that gaming institution. That is what he is supporting. That is what he is defending. Who is that individual? We know his name is David Doer and we know that he has a company called Soaring Eagle.

What we have not got to the bottom of yet, we have some time to do that, I guess, is how much is he being paid to do the audit. Has anybody asked that question? Not yet. This individual is being paid for doing the audit. He was going to be getting 15 percent of all revenues, but he got caught so that is not going to go anywhere. He is also getting paid as a third party to manage the health issues for the federal government.

Mr. Speaker, I am wondering, has the Minister responsible for the Gaming Commission picked up the phone and called to see whether or not Soaring Eagle, Mr. Hayton and Mr. Doer, are involved in any other Indian bands in the province of Manitoba? Has the Minister of Aboriginal and Northern Affairs (Mr. Robinson) picked up the phone and called to see whether or not this individual has also been involved in other Indian bands across Manitoba? That is his responsibility to find out. Has he done that? Information is starting to come. If he is not going to do it, I guess we will have to do it for

him, because, indeed, it is becoming very evident that this Government has lost control of the entire gaming issue.

This is the Government that said they would have five casinos up and running. That was an election promise, right? Five casinos up and running in two years. Well, have we five native casinos running? We have one and I hear it is in big trouble. The papers are writing about it. I do not know but it seems it is having great difficulty. I guess the Minister of Conservation (Mr. Lathlin) should be able to tell us about that. It is losing money.

Where are the other four? Where are the other four casinos this Government has promised? It is just like that health promise, you know, the \$15 million that were going to fix health care in six months. Wind and rabbit tracks is what all these promises are that this Government has put forward.

Mr. Speaker, the member who has put this resolution forward, my colleague, also makes the point that Manitoba Lotteries and the Minister of Lotteries, who has to take responsibility for it, has, indeed, spent money on advertising and she is actually out of control.

Therefore, he puts this resolution forward that says: "THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to reconsider its decision to spend millions of dollars actively encouraging Manitobans to attend Club Regent and McPhillips Street Station."

I, as well, appeal to this Minister of Lotteries to reconsider her approach in advertising gambling to vulnerable Manitobans who come in and lose those hard-earned dollars in the casinos and in the VLT machines in our province. These Manitobans work far too hard for their money to simply have it taken out of their pockets by the advertising and the enticement this minister has got herself into under this Government's umbrella to advertise and to bring people into our casinos.

Once again, I very much support the resolution of this member and I would encourage all people in this Assembly to vote for this resolution.

**Hon. Steve Ashton (Minister charged with the administration of The Gaming Control Act):** I am not sure where to begin after that rambling, disjointed—proof again that I think the member opposite will drop to virtually no bottom level in terms of with what we are dealing.

I thought the ultimate was earlier in Question Period, where the member, after five times on open-line radio talking about Soaring Eagle being paid for and contracted by the Government, when I came in and tabled from the Manitoba Gaming Commission, clearly, there was no contract, period, the member, at the end of Question Period, was getting up and asking me to explain it. Well, I can explain it and that is that the Member for Russell (Mr. Derkach) will do virtually anything possible, including putting fraudulent claims on the record and repeating them inside the House, outside of the House. He will stoop to virtually any level. The ultimate was when he talked about the Premier's (Mr. Doer) little brother before. I think that showed a lot about the depths to which this member opposite has sunk to.

I will put on the record again. I do not know which parts of this the member does not understand, because what I found most unfortunate is that the member opposite, I have to be careful with my words here, but I think he has been a stranger to the truth. I do not think he has any real interest in dealing with the issue. Repeatedly, he talked about a contract; there was no contract. I find his comments on compliance to be amazing. This is a member of a government that for five years, there was not a single audit from Dakota Tipi; there was not any concern about illegal gaming; there were illegal slots—I know compliance is in their dictionary—and we stopped that; we got submission of independent audits to stop the illegal gaming. Quite frankly, the member again is a stranger to the truth when he talks about non-compliance because what happened with Dakota Tipi, they did comply with the requirements for the independent audit in the years for '99-2000, but when the information that was provided was inadequate, it was sent back. So for the member opposite to talk about any of the issues involving Dakota Tipi, I do not know where that member was. Maybe he was asleep for five years, but he

has no credibility and he proved that in Question Period.

I can say in the 20 years I have been here, Mr. Speaker, I have never seen a member so stubborn in repeating clearly fraudulent claims. It was pretty desperate at the end where he asked me to explain it. I will explain it for the member opposite. The member does not care about the truth. He made a fraudulent claim. He does not have the courage to stand up like the Member for Fort Whyte (Mr. Loewen) did. I know the member thought I meant this as a shot at him, I actually thought the member, when he apologized for some of the comments he made about Crocus—we have all had to withdraw things we have said, we have said un-parliamentary things, I actually meant it—maybe the Member for Fort Whyte took it in a different way—as a model in this case.

\* (17:50)

The Member for Russell (Mr. Derkach) was clearly wrong. I am not going to go beyond the fact that there is no agreement. We hired Deloitte & Touche to conduct a special operating review. The VLTs have been turned off. The VLTs will remain turned off. All gaming agreements at Dakota Tipi have been suspended. The gaming agreement has been suspended pending the result of a special operating review.

We all recognize it is a very difficult time for the committee. I am very surprised that, on the record, the member, even in his speech, talks about some of the activities that happened. What we need is not to take sides but to deal with the very difficult situation in the community. Ten charges have been laid. I would hope members opposite would take that seriously. This is a community that is in crisis.

I do not think the Member for Russell cares. All he wants to do is stoop to about the lowest level I have seen in this House, when the member is clearly wrong. I give him credit for only one thing. He is pretty stubborn, because he repeatedly in Question Period got up and asked the same fraudulent questions. I wish the member opposite would have some concern for the truth.

Mr. Speaker, this does not surprise me. I find this whole debate to be quite amazing. I must admit the mover of the resolution, I understand he was the Lotteries critic at the time, is someone I have a great deal of respect for. I realize I can get members in trouble on the opposite side for saying that, but he was also a member of the Government that had the greatest expansion of gaming in Manitoba history. I do not know where the member was. Maybe he missed those Cabinet meetings. Maybe he missed those caucus meetings. I cannot say whether he missed sitting in the House, that would be unparliamentary, but I do not know where here was.

Where was he when the decision was made to dramatically expand into VLTs? Where was he when the decision was made to build the two casinos? Where was he? When the barn door was open and the horses were stampeding out the barn door, was the member saying, stop, let us think about this? No, in fact, the Member for River East (Mrs. Mitchelson), who, I know, has paid a special interest in this debate, I remember her getting up in the House talking about, what was the phrase at that time, lotteries really do make good things happen. So let us get out of any sense the members opposite can give anybody any lectures about gaming, whether it be overall gaming, whether it be advertising, whether it be Aboriginal gaming, and I can say we need no lectures from members opposite.

Let us look, Mr. Speaker, at what should have happened in the 1990s and what is happening now. I want to put this on the record because I am glad the member opposite quoted me in his resolution. I have always said, in opposition and in government, that there are social problems associated with gaming. Any study has shown that upwards of 2 to 3 percent, I believe the number in Manitoba is 2.3 percent, of Manitobans are problem gamblers. But let us not be hypocritical here.

When it comes to alcohol, I ask the member opposite to consider this for a moment. What does the member opposite think the incidence is in terms of problem use of alcohol? The statistics. I asked this from the AFM and they run upwards of 12 percent. Now, how have we dealt with that? How have we dealt with the fact

that alcohol can be at one time something—there are even health studies showing it can have health effects in moderate use? It is certainly a major part of our social culture. It is a major part of our economy. We have something that has a huge benefit on one hand but can lead to social problems. That is an obvious fact.

Well, let us look at how we have dealt with that alcohol. How we dealt with it? We tried. In fact, there was a very strong movement in this province, the early part of the last century. Actually, many of the suffragettes at the time, fighting for the right for women to vote, also fought for prohibition. We had prohibition. We had it in Manitoba, we had it in many other jurisdictions. Prohibition did not work.

Now, I respect those who argue we should have prohibition in terms of gaming, I disagree, but if members opposite are arguing for prohibition, let them do so. The Member for Fort Whyte (Mr. Loewen), who was a not a member of this Legislature at the time, I have heard him make comments on the record that led me to believe he would support prohibition of gaming.

You know what we did? We came up with a balanced approach in alcohol. I will give you an example, for all the talk in terms of the casino advertising, the guidelines that are in place for casino advertising now are virtually identical to the guidelines in place for alcohol.

Mr. Speaker, in terms of alcohol, we have had advertising. We have it now. The main restriction in terms of alcohol is the requirement, essentially, that you not have pictures of people drinking. What do we have in terms of gaming? A requirement that you not have pictures of people actually gambling. When an ad appeared for the casino in OCN which was inappropriate, the minister indicated that was clearly inappropriate.

That is how you find the balance. You can be in favour of prohibition. That is a legitimate argument. I do not think that would be something most Manitobans would support. Throughout the 1990s I did not support prohibition. I said: You cannot expand gaming and only look at the benefits. You have to look at the social side as well.

What have we done as a government, Mr. Speaker? I want to commend Manitoba Lotteries because they are not just advertising in terms of amenities at casinos; they are advertising in terms of responsible gaming.

They are trying to make a conscious decision to deal with it. We have, over time, and I give the previous government some credit here, they had started to move in getting more money going into research that looks at what the situation is and how we can deal with it. The research shows, by the way, there is a different profile between problem abusers of alcohol, problem substance abusers and problem gaming.

Mr. Speaker, this is not a question to my mind of anybody in this House being able to get up to be pure on this one because the members opposite were part of the greatest expansion in terms of gaming.

Members may recall that in the 1995 election, when it was the Liberals who argued reduction of gaming, we said at the time that was unrealistic and what we needed was a balance.

We have also brought in community say through the plebiscite process. We have had a committee follow that.

That is an exact parallel. It is an exact parallel to what happens with alcohol. We have communities in Manitoba that are dry communities.

We have communities throughout Manitoba, including First Nations communities, that are dry communities. What we have evolved to, I think, some of the initiatives that we taken by the previous government, some initiatives taken by this Government, is to where we have a balanced approach towards gaming.

We still have not found the exact nature of that balance. I want to put that on the record. I will be the first one to say I do not have an absolutely clear picture of where we will finally end up, but I do not think the debate anymore is really over the simplistic approach taken in this resolution.

We can get up and do the "he said, she said." We can point fingers back and forth about who said what and who did what throughout the 1990s. The reality is, the real question today is: are you going to reduce gaming? Are you in favour of prohibition?

I do not think the member opposite is. I do not think the members opposite are. If you are not, you are automatically saying, because I assume you do not also want wide-open gaming, you are automatically saying we need a balance. We may disagree on where the balance is, but the bottom line is we need to find that balance.

With all due respect, Mr. Speaker, I oppose this resolution because this does not deal with the fundamental issue, finding that balance.

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

**Mr. Marcel Laurendeau (Official Opposition House Leader):** Mr. Speaker, I wonder if you might seek leave of the House to sit until midnight.

**Mr. Speaker:** Is there leave of the House to sit until midnight? *[Agreed]*

The hour being 6 p.m., we will now recess and we will reconvene at 6:30 p.m.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, August 7, 2002

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>		Canadian Military Korzeniowski; Doer	4607
<b>Presenting Petitions</b>			
Transcona-Springfield School Division Schuler	4599	Highway Traffic Act J. Smith; Mackintosh	4607
Trans-Canada Highway–Twinning (Virden) Maguire	4599	<b>Members' Statements</b>	
		Livestock Industry–Tuberculosis Jack Penner	4608
<b>Reading and Receiving Petitions</b>			
Transcona-Springfield School Division Schuler	4599	John Fletcher Spirit Award Jennissen	4609
Trans-Canada Highway–Twinning (Virden) Maguire	4600	Simplot Plant (Portage la Prairie) Fauschou	4609
<b>Tabling of Reports</b>		Poplarfield Reunion 2002 Nevakshonoff	4610
Annual Report of The Manitoba Law Foundation for the fiscal year ending March 31, 2002 Mackintosh	4600	Gimli Rail Line Gerrard	4610
		<b>ORDERS OF THE DAY</b>	
		<b>GOVERNMENT BUSINESS</b>	
Supplementary Information for Legislative Review '02-03 Revenue Estimates Selinger	4600	<b>Committee of Supply</b> (Concurrent Sections)	
Manitoba Hospital Capital Financing Authority Management Report Selinger	4600	Health	4611
<b>Oral Questions</b>		Transportation and Government Services	4631
Cardiac Surgery Murray; Doer	4600	Intergovernmental Affairs	4649
Murray; Chomiak	4601	<b>PRIVATE MEMBERS' BUSINESS</b>	
Dakota Tipi First Nation Derkach; Ashton	4602, 4604, 4608	<b>Proposed Resolutions</b>	
Tweed; Ashton	4603, 4606	Res. 24–Casino Advertising	
Derkach; Doer	4605	Reimer	4669
Hecla Marina Gerrard; Lathlin	4606	McGifford	4672
		Derkach	4675
		Ashton	4678