

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

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Eighth Legislature**

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

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Tuesday, May 4, 2004**

**The House met at 1:30 p.m.**

*PRAYERS*

**ROUTINE PROCEEDINGS**

**PETITIONS**

**Minimum Sitting Days for Legislative Assembly**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Manitoba Legislature sat for only 37 days in 2003.

Manitobans expect their Government to be accountable, and the number of sitting days has a direct impact on the issue of public accountability.

Manitobans expect their elected officials to be provided the opportunity to be able to hold the Government accountable.

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the Government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

Establishing a minimum number of sitting days could prevent the government of the day from limiting the rights of opposition members from being able to ask questions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider recognizing the need to sit for a minimum of 80 days in any given calendar year.

Signed by Michael Bacal, Cindy Smith and Luke Misir.

**Mr. Speaker:** In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

**Highway 227**

**Mr. Ralph Eichler (Lakeside):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

It is unacceptable for the residents of Manitoba to travel the unsafe gravel roads of Highway 227 in the constituencies of Lakeside and Portage la Prairie.

Inclement weather can make Highway 227 treacherous to all drivers.

Allowing better access to Highway 227 would ease the flow of traffic on the Trans-Canada Highway.

Residences along Highway 227 are not as accessible to emergency services due to the nature of the current condition of the roadway.

The condition of these gravel roads can cause serious damage to all vehicles, which is unacceptable.

Residents of Manitoba deserve better rural highway infrastructure.

We petition the Manitoba Legislative Assembly as follows:

To request that the Minister of Transportation and Government Services to consider having Highway 227 paved from the junction of highways 248 and 227 all the way to Highway 16, the Yellowhead route.

To request the Premier of Manitoba to consider supporting said initiatives to ensure our safety for all Manitobans, all Canadians who travel along Manitoba highways.

Submitted on behalf of Greg MacMillan, Doug Tully, Judy Tully and others.

**Mr. Speaker:** In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

### **Proposed PLA—Floodway**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for the petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

\*(13:35)

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed J. St. Cyr, Kerry Dyck, Michael Krahn and others.

**Mr. Speaker:** In accordance with the Rule 132(6), when a petition is read it is deemed to be received by the House.

### **Alzheimer's Disease**

**Mrs. Myrna Driedger (Charleswood):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Alzheimer's is a debilitating disease

Cholinesterase inhibitors are known to slow or even prevent the progression of Alzheimer's.

The provincial government asked for the development of an Alzheimer's strategy in 2000 and was presented with nine recommendations in 2002, none of which have yet been implemented.

In the absence of a provincial Alzheimer's strategy, the Winnipeg Regional Health Authority put in place a policy in November 2003 whereby

Alzheimer's patients entering personal care homes are being weaned from certain Alzheimer medications in a move that the WRHA's vice-president of long-term care has referred to as a financial necessity.

The administrative costs of the Winnipeg Regional Health Authority have more than tripled since 1999, to a total of more than \$16 million a year.

In a move that amounts to two-tier medicine, the families of Alzheimer's sufferers in personal care homes may request that the drugs continue to be delivered at the family's expense.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Mr. Chomiak) to ensure that his attempts to balance his department's finances are not at the expense of the health and well-being of seniors and other vulnerable Manitobans suffering from this debilitating disease.

To urge the Minister of Health to consider reversing his decision to deny Alzheimer's patients in personal care homes access to certain medications.

To request the Minister of Health to consider implementing a provincial Alzheimer's strategy.

Signed by S. Manson, D. Minion, C. Dyer and others.

**Mr. Speaker:** In accordance with the Rule 132(6), when a petition is read it is deemed to be received by the House.

### **Proposed PLA—Floodway**

**Mr. Kelvin Goertzen (Steinbach):** I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of companies involved with the Red River Floodway plan.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

This is signed by Tom Bueckert, Bryan Kehler, Mark Loeppky and others.

**Mr. Speaker:** In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

### TABLING OF REPORTS

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Mr. Speaker, I am pleased to table the Annual Report of Manitoba Justice Criminal Justice Division (Victim Services) for 2002-2003.

\* (13:40)

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us from St. James International Education Program 15 Grades 9 to 12 students under the direction of Mr. Grant Ganczar. This school is located in the constituency of the honourable Minister of Healthy Living (Mr. Rondeau).

Also in the public gallery we have from Nelson McIntyre Collegiate 13 Grades 7 to 11 students under the direction of Ms. Faye Barsy. This school is located in the constituency of the honourable Minister of Finance (Mr. Selinger).

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

### ORAL QUESTIONS

#### Education System Funding

**Mr. Stuart Murray (Leader of the Official Opposition):** The Government's Working Group on Education Finance recommends that the Province assume anywhere between 70 percent to 100 percent of the cost of funding public education. This will require a large amount of additional funding from the Province, but it is doable.

I would like to ask the Premier if he will commit today to not increasing taxes in order to generate revenue to pay for this needed funding shift. Will he commit to that today?

**Hon. Gary Doer (Premier):** Mr. Speaker, the only tax increase I have noted in terms of education financing was the member from Emerson proposing that we increase sales tax by one point to make up an amount of money that is less than what is required for the full funding. So that is the only proposal that has been proposed, and it has been proposed by the member from Emerson.

#### Provincial Sales Tax Referendum

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, we know that, under this Premier, middle-income Manitobans are the highest taxed west of New Brunswick. We also know that this Premier has stood before Manitobans and said, "I was not elected to raise taxes." What did he do in the last budget? He raised them by some \$90 million. We do not believe that there is an appetite in the province of Manitoba to see higher taxes.

Mr. Speaker, I would ask that, if there is going to be a funding shift, will the Premier respect balanced budget legislation and ensure that he goes before the public in a referendum?

**Hon. Gary Doer (Premier):** The member should be talking to his seat mate two seats down. The only person in this House that has proposed an increase in the sales tax is the member from Emerson. Maybe he might want to talk about that in his own caucus tomorrow.

#### Education System Funding

**Mr. Stuart Murray (Leader of the Official Opposition):** The report from this Government's working group no doubt will have many models for the Government to consider. However, we believe that it is important that whatever model the Government adopts that it unfairly no way hits property owners, whether they be rural, residential or commercial. In particular, when you consider the crisis that we have seen in rural Manitoba over the past number of months and years and what some of the rural families are dealing with in this province of Manitoba, we know there are some rumblings of tax revolts in those jurisdictions because they are having difficulty paying their property taxes.

We believe that, whatever funding shift the Government might be looking at, it should no way impact any of those Manitobans, Mr. Speaker. I simply would ask the Premier: Will he ensure farmers and hardworking Manitobans in rural Manitoba that they will not be unfairly hit with an increase in tax in this funding model?

**Hon. Gary Doer (Premier):** Let me remind the member opposite of a couple of factors. Last year, last spring as a matter of fact, the member opposite was running around saying, "The sky is falling. The sky is falling. The Capital Region report will mean that the taxes are going to go up in the Capital Region." Of course, that proved not to be true. In November, he was running around saying, "The sky is falling. The sky is falling—" *[interjection]*

**Mr. Speaker:** Order.

**Mr. Doer:** "The sky is falling. The NDP is going to eliminate the balanced budget legislation that was brought in by the previous Filmon government." That, of course, was not true.

In terms of farmland taxation, members opposite when they were in government raised the portioning from 25 percent to 29 percent, increasing the burden on farmers. We lowered it from 29 percent to 26 percent, saving farmers \$7 million from what the Tories did. We have further promised to lower farmland taxation by 5 percent in this Budget for 2005 and a further 15 percent beyond that.

Thirdly, Mr. Speaker, for the first time ever, a government is slowly but surely reducing the ESL taxation portion. When we came into office it was \$96 million. We are taking another \$10 million off, which saves taxpayers \$35 on an average home. On top of that, we have put in some \$56 million to subtract from your property tax bills. The taxes went up 68 percent in education property tax under the Tories. Since we have been elected, the tax relief we put in has more than made up for the tax increases conducted by school divisions across Manitoba.

\* (13:45)

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

**Mr. Speaker:** Order.

### Education Financing Report Tabling Request

**Mrs. Heather Stefanson (Tuxedo):** Yesterday, I asked the Minister of Education questions regarding the education funding report, serious questions that resulted in the typical non-answers Manitobans have come to expect from this Government.

Manitobans have a right to know the contents of a report that will significantly alter funding in public education. Is the minister in receipt of or has he seen the report draft or otherwise, and is he prepared to table it today?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Mr. Speaker, I have not yet received the report.

### Recommendations

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, the minister may want to keep Manitobans in the dark as he prepares to fundamentally change the education funding landscape, but we on this side of the House believe taxpayers deserve to be engaged in the debate. On behalf of Manitobans—

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

**Mr. Speaker:** Order.

**Mrs. Stefanson:** On behalf of Manitobans, their children and on behalf of all Manitoba taxpayers, I am pleased to table today the draft of the minister's Working Group on Education Finance final report.

Does the minister support the report's recommendations that include hiking the provincial sales tax to 8 percent and circumventing balanced budget legislation to avoid a province-wide referendum?

**Hon. Gary Doer (Premier):** Mr. Speaker, we said—

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

**Mr. Speaker:** Order.

**Mr. Doer:** We said in November—

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

**Mr. Speaker:** Order. I would just remind the House that we have guests in the gallery. We have the viewing public and the clock is ticking, so we need to make sure that we maintain decorum in the House for Question Period. I ask the co-operation of all honourable members.

**Mr. Doer:** Mr. Speaker, when the members opposite were suggesting in November that we were not going to abide by the balanced budget legislation, they were wrong then, and they are wrong now. I would point out that there have been reports before that have been conducted.

In fact, the Filmon tax commission recommended that we would lower income taxes and raise the sales tax. In fact, we did lower income taxes by some \$301 million and we did not raise the sales tax. We have lowered taxes more in five budgets than any other government in the history of Manitoba. We need no lectures from members opposite.

**Mrs. Stefanson:** Mr. Speaker, the minister set up this working group two years ago. Does he honestly believe Manitobans believe he has not seen a copy and has no idea what is in this report? This is outrageous.

The provincial share of funding of our public schools has fallen to a historic low, approximately 56 percent. The minister's report recommends addressing the burden property owners face by hitting them with an increase in PST. Why does the minister fail to understand that robbing Peter to pay Paul, as his report suggests, is not a solution to Manitoba's outdated funding system?

\*(13:50)

**Mr. Doer:** I would point out to the members opposite that when we came into office, there was a report commissioned and chaired by Clayton Manness that recommended we would reduce income taxes, and one of the options to deal with it was to increase sales tax. We took the advice to move towards the decreased income taxes without raising sales tax. That is our record, and that is what we will stand on, Mr. Speaker.

#### **Education Financing Report Recommendations**

**Mr. John Loewen (Fort Whyte):** Last week we heard from Stats Canada that not only is Manitoba's

economic growth lagging behind Canada, it is behind nine other provinces. That just confirms the Business Council of Manitoba's pre-budget consultation in which they told the Government of Manitoba that Manitoba taxes are not competitive and new taxes are not warranted. Yet today we have a report which calls for an increase of 1 percent in the provincial sales tax which would further hamper the competitiveness of our industry.

I would simply ask the Minister of Finance (Mr. Selinger) to stand up today and advise the business community that under no circumstances will this Government raise the provincial sales tax by 1 percent.

**Hon. Tim Sale (Acting Minister of Finance):** Perhaps the member is confused. That is the plan of the member from Emerson, not the plan of this side of the House, Mr. Speaker.

Lowest overall unemployment rate in Canada; youth unemployment rate, second lowest in Canada; Winnipeg, lowest unemployment rate among Canada's 11 major cities. CEO of the Manitoba Business Council says recently that our job creation is strong, our unemployment figures are going down. We have the largest number of full time jobs in Manitoba's history, 464 100 in March of this year, Mr. Speaker, real GDP growth. Royal Bank of Canada April '04 forecasts "Manitoba will lead Canada in economic growth in '04." The economy is strong. Our unemployment figures are strong. We have the best job-creation record we have ever had, Mr. Speaker, including the previous government.

**Mr. Loewen:** If this minister believes that having our economy lower than nine other provinces in Canada indicates that it is strong, he is sadly mistaken.

Mr. Speaker, in the fall, without consulting with the City, without ever having a report from the City on its new deal—and this is frustrating for the mayor; he admitted he had not even had a chance to talk to the Province—yet what did we hear from the Premier? I quote, "The sales tax issue, raising that for us is not an option."

I am simply asking the minister a very straightforward question. Stand in the House, confirm the Premier's position that raising the sales tax is simply not an option.

**Hon. Gary Doer (Premier):** It is not an option.

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

**Mr. Speaker:** Order.

**Mr. Loewen:** Thank you, Mr. Speaker. I appreciate that answer from the Premier. If that was the situation, why did he not save the time that the committee spent on this report and tell them two years ago that raising the sales tax is not an option? Why did he waste their time?

I would ask the minister, if raising the sales tax is not an option, then I will ask the Premier to stick to his word on that. Are they going to take the recommendation that the homeowners' property tax credit program be eliminated in order to properly fund education? Is that the recommendation they are taking?

\* (13:55)

**Mr. Doer:** First of all, members opposite, when they were in government, reduced the amount of tax relief out of the property tax credit by \$75, so it meant all of us paid \$75 more. We then reinstated the \$75 that they had increased taxes and we increased a reduction again by \$75 for a reduction of \$400 off your taxes to \$150 more than when we came into government.

Mr. Speaker, the members opposite created a commission. It was the Manness commission. It had a similar recommendation to Mr. Penner, I am sorry, the Member for Emerson, to deal with income tax. They said, "We have to raise the sales tax to lower the middle income tax rate." We said, "No, we will try to do it with the growth in the economy," and we have lowered income taxes by \$301 million without raising the sales tax.

Surely to goodness, they were not wasting Clayton Manness' time; they were not wasting Norm Cameron's time; they were not wasting Evelyn Jacks' time. There are reports on the Capital Region, there are reports on financing. I just ask the members to look at our record. We lowered income taxes by \$301 million, more than any other government in the history of the province, without raising the sales tax. That is our record and we will stand on it.

### Education Financing Report Recommendations

**Mr. Leonard Derkach (Russell):** Mr. Speaker, although the Premier continually says that he was not elected to raise taxes, we see the opposite happening across this land and across this province.

What is somewhat disconcerting about the report is the disparity that is created in the recommendation between urban and rural residents and taxpayers. I want to ask the Premier, since he is doing all the answering for the Education Minister today, whether he will commit to ensure that there is equity and fairness and that rural Manitobans are not stuck with a disproportionate share of paying education taxes in this province.

**Hon. Gary Doer (Premier):** Mr. Speaker, with the measures we brought in with our \$92-million education tax relief reductions, Beautiful Plains School Division, 86.1% increase from 1990 to 1999. Since we have been in office from '99 to 2003, a 9.8% decrease.

Border Land School Division, 89.4% tax increase; when this minister was Minister of Education, a 6.2% decrease. Border Land, the St. Pierre area, 104% increase; when the Member for Emerson (Mr. Penner) was in Cabinet, 104% property tax increase; when he was in office, an 8% tax decrease.

We do not need any lectures from these "holier-than-thou" rural members who did nothing on education taxes except raise them for nine years in a row.

**Mr. Derkach:** Well, Mr. Speaker, regardless of how loudly the Premier shouts, the thing is he should get his facts straight because, to begin with, when I was Minister of Education, Border Land School Division did not exist. So I did not raise the taxes on Border Land School Division because there was no such entity.

But, Mr. Speaker, let us focus. Maybe we can get the Premier's attention focussed on the issues of the day. This issue is the draft report that has been tabled today. I want to ask the Premier whether he will commit to ensuring that rural Manitoba taxpayers are not paying a disproportionate amount of education costs as is recommended in Model G of

the report that was tabled in this House today, Mr. Speaker.

**Mr. Doer:** We have the model PC right here, Mr. Speaker, and it is not very good. Park West, Birdtail River School Division, Shoal Lake in the member's constituency, a 20.8% increase when he was minister; a 13% decrease since we have been elected. The Park West School Division, former Pelly Trail School Division when he was minister from Russell, Manitoba, a 51.5% increase; a 27% decrease. We have the model PC and it is tax increases. We have the new model. It is tax relief.

**Mr. Derkach:** Manitobans are not fools and, although this Premier would have them as such, they know that this Premier has just increased taxes to Manitobans by \$90 million. This Premier cannot be trusted because he told Manitobans that he would reduce by \$10 million the cost of education through amalgamation. I know what happened in amalgamation in Park West, Mr. Speaker, and the amount of costs that has increased as a result of that.

Mr. Speaker, I want to focus this Premier's attention on this draft document and ask him whether he will ensure that there is equitable distribution of costs and, in fact, that rural Manitobans will not pay a disproportionate amount of education costs, as is recommended by this report.

\* (14:00)

**Mr. Doer:** Picking up from a question from the Member for Fort Whyte (Mr. Loewen), we are moving in this Budget \$100 million of property tax credit, which, of course, we raised by \$56 million into direct financing of education.

I would point out to members opposite, the Member for Emerson (Mr. Penner) has put his proposal on the table. The fact that the numbers do not add up still does not change the fact that he proposed an increase of 1 percent in the sales tax, Mr. Speaker. If you have homes that are on average assessed at a lower amount for education tax purposes, and if you raise the property tax credit which is subtracted off an education tax bill from \$250 to \$400, that has an advantage for homes, rural and in the city, assessed at a lower value. If you lower the education farmland portioning from 29 percent to 26 percent, that has less burden in rural Manitoba.

Members opposite had a choice. They raised the portion for farmers. We decreased it.

### **Education Financing Report Recommendations**

**Mr. Mervin Tweed (Turtle Mountain):** I suspect the Premier is going to tell us sooner or later that he could not find that billion dollars that he searched for in every room in this building in the last election.

Mr. Speaker, the current government was elected to live within balanced budgets and also has made a commitment to the people of Manitoba that they would not raise their taxes. The report that was tabled today, not only does it make recommendations to the Government as to how to change the funding formula, but also they offered advice and, I suspect, advice that was sought by the Government. The report provides suggestions, information for the provincial government on avoiding calling a referendum should they impose a new sales tax of 1 percent.

I just want to ask the Premier, as he did earlier, I would like him to guarantee to Manitobans that he will not increase the PST either through the back door or through putting it up front to the people of Manitoba without a moratorium or a referendum on this.

**Hon. Tim Sale (Acting Minister of Finance):** Mr. Speaker, I am proud to be a member of a government whose Premier has kept his word on every issue that he ran on. All of the commitments we made on taxes, all of the commitments we made on education, the commitments we made on health care, the commitments to lower taxes to working Manitobans, \$311 million. While the previous government's record is clear, \$223-million increases in taxes and fees during their time in office, \$311-million reduction in taxes during our time in office. My Premier's word is good.

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

**Mr. Speaker:** Order.

**Mr. Tweed:** I would remind this minister that it was this Premier that promised Manitobans he would end hallway medicine in six months with \$15 million, so I need no lecture from him.

The intriguing part about this report, Mr. Speaker, is the suggestion by this committee of how

the Government can avoid balanced budget legislation, how to weasel their way around the act. In fact, one of the recommendations they make, and they state, "It might therefore be argued that the proposed substitution of sales tax revenues to replace property tax revenues would be consistent with the spirit and the intent of the act only if there were to be a referendum requirement applied to any proposed increases in special levy mill rates." They are playing switch.

I would ask the Premier: Will he guarantee Manitobans that he will not raise the taxes for school funding without a public referendum?

**Hon. Gary Doer (Premier):** We have committed ourselves to the balanced budget legislation. I know last year the sky was falling. There was a Capital Region report a couple of months ago. It is this report today. We inherited lots of reports that were conducted by members opposite. I do not think former Premier Filmon intended on raising the sales tax to lower income tax. In fact, we certainly lowered the income taxes by \$301 million. We are not getting around the balanced budget legislation. We are not changing that provision. I have already answered the questions of the Member for Fort Whyte (Mr. Loewen). These are redundant questions, but you can keep on asking them.

**Mr. Tweed:** I thank the Premier for his permission to ask a question. All the Government is doing and all the people in this report are suggesting is that the Government has asked them to shift the tax burdens so that they can avoid going to the public on a referendum to raise the taxes. They used a never-before-used clause to avoid going into a deficit in last year's Budget, otherwise penalizing themselves.

I will ask the Premier again. I will ask him very clearly: Will he guarantee to Manitobans that he will not raise sales taxes in this province to fund his education proposals without first going to a referendum to the people of Manitoba? Will he do that?

**Mr. Doer:** I have already answered that question to the Member for Fort Whyte.

We are not going to do it.

### **Education Financing Report Recommendations**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, the issue that this Premier

is trying to avoid is the fact that there has been a working group that he put together some two years ago to come up with a recommendation on how to fund education in Manitoba. That working group was a broad spectrum of Manitobans who have come up with a recommendation that they have put in front of this First Minister. We have heard the First Minister stand up in this House very quickly, when asked by the Member for Fort Whyte, "Is he going to increase the PST?" He jumped up and said, "The increase in the PST is not on."

The difficulty we have with the answer coming from the First Minister, he also stood before Manitobans before the last budget and said, "I was not elected to raise taxes." And what did he do in the Budget? He raised them up by some \$90 million. That is the record of that particular Premier.

We in this House want to know, on behalf of all Manitobans, the report and the recommendation talks about raising the PST by 1 percent. We want to ensure that this First Minister is going to stand in this House and ensure that he will not raise the PST, or if he is going to raise the PST, will he do the right thing and go before the public and have a referendum?

**Hon. Gary Doer (Premier):** Mr. Speaker, the only person who is recommending that this Chamber go from 7 to 8 percent is the Member for Emerson (Mr. Penner). Perhaps he might want to talk to the Member for Emerson in his caucus. That is the only person recommending that.

**Mr. Murray:** We are trying to find out. The minister's working group on funding education that was set up some two years ago, who came up with the recommendation for this Premier, I am asking this Premier today: When he set that group up, did he say to them, "I am not elected to raise taxes. Do not go down the road of increasing taxes in order to shift over on the funding of education"? Did he give them that kind of direction?

**Mr. Doer:** The Member for Fort Whyte raised one of the issues that is in part of the draft report that was prepared by people outside of government. Some of the representatives and some of the drafts are going to trustees and mayors and municipalities and the City of Winnipeg. One of the recommendations is to take the Education Property Tax Credit and move it directly into education. In this last budget, we have proposed—

**An Honourable Member:** Elimination of them.

\* (14:10)

**Mr. Doer:** You want to eliminate \$175 million in tax reductions? You really are draconian. The Member for Fort Whyte (Mr. Loewen) does not understand.

**Mr. Murray:** Mr. Speaker, I would remind the Premier, this is not the union hall. We are simply asking a very straight-ahead question on behalf of all of Manitobans on a report that his Government put together, asked the group to put together, and it is interesting that he talks about the fact that there were people outside of government.

It is interesting. Perhaps, for his information I should let him know that staff persons involved according to the report that was tabled: Laurie Davidson from Intergovernmental Affairs; Steve Power, Education, Citizenship and Youth; and Steve Watson from Finance. Those are the three people that were part of writing this particular piece.

Mr. Speaker, we simply want to ensure that this First Minister, whom we have heard many, many times say a lot of things to Manitobans, whether it was that forced amalgamation would not cost but it would save \$10 million—he was wrong on that. He has told his Cabinet members to go line by line through their department to save money in the Budget. Administration costs under this Premier have gone up.

Now the Premier is presented with a report that he asked people to work on and the recommendation in that report calls for a 1% increase in the PST, calls for a way to do that by not following balanced budget legislation. This Premier's record is one that a lot of Manitobans have concerns on, so we want to ensure today that he is going to stand in this House and basically say that this report that he has been given will absolutely not see the light of day because he does not believe in the committee that he put together.

**Mr. Doer:** Mr. Speaker, if I would have followed that advice, we would not have received the Manness report and would not have made it public. We even received a report from a former Finance Minister and Evelyn Jacks. I am surprised, the member opposite, we can agree or disagree with parts of any report, and obviously, we have disagreed with raising sales

tax when Mr. Manness recommended it, but that does not mean to say we were going to not let it see the light of day. This report is chaired by Mr. Buchanan who is the former head of AMM.

I have already stated that members opposite are talking about eliminating the property tax credit. Mr. Speaker, we have pledged that the income tax credits for seniors, which is \$475 on top of the \$400—*[interjection]*

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. The renters, other seniors that get income tax credits through the property tax credit, we are obviously going to keep our election promise in that regard. I assume that is the same promise the member opposite made. Secondly, we are not raising the sales tax.

#### **Education Financing Report Recommendations**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, we have before us today the report of the Minister's Working Group on Education Finance which was put together by many individuals who looked very carefully at this subject. The Premier is saying that he was not elected to raise taxes. The Premier is saying that he is not going to take this report seriously because he does not want to raise taxes.

What I would say to the Premier is this: Is he going to take this report seriously? It seems to me a lot of work was put into it. It should be seriously considered. We are very strongly opposed to his attempt to use a loophole in the balanced budget legislation that would allow the minister the ability to decide whether it was revenue neutral or not, and ask the Premier whether he is going to give—

**Mr. Speaker:** Order.

**Hon. Gary Doer (Premier):** The member is rambling all over the place. It is really hard to know which part of the ramble to answer, Mr. Speaker. The honourable members opposite have said, "Do not let it see the light of day," after they tabled it.

The Member for River Heights (Mr. Gerrard) said, "Take it seriously, but do not take parts of it seriously and go somewhere else to get an opinion."

Bottom line is, Mr. Speaker, we are concerned about the portion of property taxes people are paying. That is why in this Budget, a tough budget year, we are reducing the education portion of the ESL by an average of \$35 to \$40 a home. Last year it was an average of \$60 to \$65 a home. The year before that it was an average of \$35 a home again. The year before that it was \$75 a home. The year before that it was \$75 per home reductions in taxes.

This is a very serious issue. How do we keep Manitoba competitive? That is why we are lowering the corporate taxes for the first time since the Second World War. How do we lower the income taxes? That is why we have lowered the income taxes more than any other government in the history of this province. And how do we also keep the pressure on property taxes? How do we flatten out some of the 68% increases the members opposite implemented?

This is a tough balancing act. We are committed to doing it, Mr. Speaker.

#### **Provincial Sales Tax Referendum**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, one of the problems that we are dealing with is that the Premier and his Government are determined to shoot every possible hole in the intent of the balanced budget legislation. They are prepared to have ministerial discretion as to whether it is revenue neutral or not, and this is clearly wrong.

I ask the Premier once more whether he will get an independent review of whether the Budget that was recently tabled is revenue neutral, whether he will get an independent review of when he raises the sales tax on engineers and accountants, as he did in the recent Budget, and yet makes a judgment that it is revenue neutral when we have no independent confirmation? Will he now move to get independent confirmation of whether there is a need for a referendum?

**Hon. Tim Sale (Acting Minister of Finance):** Well, Mr. Speaker, this is a puzzling concept that the member puts forward. The member puts forward the view that somehow you can audit in advance the projected revenues of a jurisdiction. This is an interesting concept, that somehow we will forecast revenues and then we will audit them beforehand and assure people as to what they will be.

Now the member may be, sort of, trying out for the role of prophet, but let me tell you that he is failing, Mr. Speaker, on any role of accounting. This Budget is balanced. It meets the tests of the balanced budget legislation, as have all five of our Finance ministers and our Government's Budget.

The Auditor has attested to that. The business committee has attested to that. Our budgets are balanced, they are prudent, they are affordable, and they lower taxes more than any government in Manitoba's history.

#### **Red River Floodway Expansion Advertising Campaign**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, when you are as far out as this Government is on budgetary numbers, you do need that independent review. My question is in regard to the Premier. Yesterday, he said in Estimates that the Liberals opposed the floodway. Well, the Premier often makes bizarre statements, and this is another classic example of just that. What the Liberal Party is concerned about is that when you force Manitobans to have to be union members in order to work on the project, we are concerned about that, but so are Manitobans. When you force tax dollars being used to put forward propaganda for the floodway, we are concerned about that.

The question, put simply, Mr. Speaker, is: Why is this Government not telling Manitobans how much money it is spending using tax dollars on advertising the floodway? How much money are they spending?

\* (14:20)

**Hon. Gary Doer (Premier):** Well, Mr. Speaker, I did say the Liberals are opposed to the floodway in Selkirk, Manitoba, and they are in favour of the floodway in Winnipeg. Those are two different positions on the floodway. The history of this vote in the Legislature is the Liberals voted against the floodway. There is a voting record. You have a record. You have a record in Selkirk in the last election opposing the floodway, and you have a record in Winnipeg telling us to build the floodway faster. Those are two different positions on the same project.

Mr. Speaker, I am glad we are working with Mr. Alcock, the lead minister from Ottawa. He does not

have two different positions on the floodway. He is working with us to go forward and build the floodway. Certainly, Mr. Alcock, as a Liberal, is doing the right thing and is leading properly as opposed to what we see here.

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

### MEMBERS' STATEMENTS

**Mr. David Faurschou (Portage la Prairie):** Mr. Speaker—

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

**Mr. Speaker:** Order. The honourable members are getting up on members' statements, and I think they should have the opportunity to be heard. I ask the co-operation of all honourable members.

#### New Radio Station

**Mr. David Faurschou (Portage la Prairie):** Thank you, Mr. Speaker. It is my pleasure to rise today to draw the attention of all honourable members to the launch of a new radio station in the city of Portage la Prairie by Golden West Broadcasting.

On May 4, 2004, at 7:15 a.m., MIX 96.5 FM made its debut on the FM airwaves to much celebration and fanfare. The radio station will broadcast more than 100 kilometres from Portage la Prairie which includes the city of Winnipeg.

I had the privilege of speaking at the opening, along with the Member of Parliament for Portage-Lisgar, Mr. Brian Pallister, City of Portage la Prairie Mayor Ian MacKenzie and Reeve Jim Knight of the R.M. of Portage la Prairie, as well as Lyndon Friesen from Golden West Broadcasting.

At this time, I would like to also mention and thank the First Minister (Mr. Doer) for being the first celebrity to bring greetings as the station went on the air. As part of the station's opening event, a pair of Eric Clapton concert tickets was given away to the folks at Robin's Donuts.

I would like to take this opportunity to salute those from Golden West Broadcasting who attended the event, David Wiebe, Menno Friesen, Laverne

Siemens, Richard Kroeker and Warren Neufeld, the station's manager.

Mr. Speaker, Golden West began as CFAM Altona in 1957 and needless to say the following 47 years have seen tremendous growth and opportunity as the company has expanded beyond its provincial boundaries finding new markets in Saskatchewan and Alberta.

At the opening event, Warren Neufeld spoke briefly of the station's philosophy and goals of projecting a positive, professional image of themselves and the communities they serve. Golden West has been outstanding in offering opportunities to promote business and activities as well as affording experience in the broadcast industry in rural Manitoba.

I am certain all those that attended this morning as well as the staff are impressed with the new broadcast centre in Portage la Prairie that will also be home of Real Country Radio 920 AM, 93.1 FM as well as Manitoba's A-Channel technical team.

I would like to, on behalf of all honourable members, congratulate Golden West Broadcasting on the launch of Manitoba's newest radio station, MIX 96.5 FM, all hits, all the time.

#### Celebrating Biodiversity

**Mr. Rob Altemeyer (Wolseley):** With the recent celebrations of Earth Day and Arbour Day, I believe this is an appropriate time to reflect on the commitment of Manitobans and their governments to the protection and restoration of our environment.

The Minister of Conservation (Mr. Struthers), the Member for St. James (Ms. Korzeniowski) and I recently attended "Celebrating Biodiversity," an Earth Day event hosted by local environmental organizations at the Winnipeg Conservatory. They did a great job with over a dozen informational tables and displays, and a rousing game of Bio-Jeopardy.

Congratulations to Kristina Hunter from the University of Manitoba Faculty of the Environment, Lise Smith from Oak Hammock Marsh, Margaret Brook from Friends of Assiniboine Park, Laurie Nichols from Living Prairie Museum, Nicole Fleury from Canadian Parks and Wilderness Society

(CPAWS), and John Sopotiuik from the United Winnipeg Student Coalition.

Likewise, I want to recognize the fine work of the Coalition to Save the Elms for both their annual Arbour Day at Assiniboine Park and their ceaseless efforts to ensure the preservation of Winnipeg's elm population.

Mr. Speaker, I wish to also recognize the efforts and headway of this Government in making environmental stewardship a high priority. We have created the Department of Water Stewardship and have introduced The Water Protection Act, the strongest of its kind in the country. We have saved hundreds of acres of forest, tonnes of landfill waste, thousands of gallons of clean water, and considerable amounts of electricity by introducing government-wide mandatory use of post-consumer waste recycled paper.

We are pursuing similar results through programs such as the Climate Change Community Challenge, through ethanol legislation and by encouraging Manitoba Hydro to expand their energy mix with wind and geothermal power generation.

It gives me great pleasure to recognize the individuals and groups who worked so hard to organize these recent celebrations. Likewise, I am pleased to be part of a government that has made significant progress on so many fronts crucial to the health of our citizens, our province, and our planet. Thank you.

#### **Emergency Preparedness Week**

**Mr. Denis Rocan (Carman):** I am pleased to rise today to recognize the participation of all of Canada's provinces and territories in Emergency Preparedness Week. Each year, Manitobans face emergency situations that could change their lives forever. Emergency Preparedness Week has governments, citizens, first responders and organizations working together to identify risks and reduce potential consequences if disaster strikes.

By preparing a family emergency plan, Manitoba's families are doing their part to ensure that they and their loved ones evacuate a potentially hazardous location and are reunited as quickly and efficiently as possible. Posting important emergency numbers next to the phone or programming them

into a cell phone could make a big difference in a situation where seconds quickly become valuable.

Mr. Speaker, anyone who has had the power go out and not know where to locate candles or a flashlight will know that taking the time to assemble emergency kits for their home and their care are essential. Dedicating a Saturday to learning CPR and first aid from an organization such as St. John's Ambulance is an excellent way for Manitobans to prepare themselves for an emergency of any stature.

Emergency preparedness is a shared responsibility and it is up to each Manitoban to take the initiative to learn what to do before, during and after disaster strikes. I would like to take the opportunity to commend Manitobans for doing just that this week, and encourage them to continue this practice well into the future.

#### **Fred Douglas Society Humanitarian Award**

**Mr. Doug Martindale (Burrows):** I had the privilege on Sunday, May 2, of participating in the presentation of the Fred Douglas Society Humanitarian Awards. The purpose of the award is to honour individuals who have enriched our community through outstanding service, dedication, achievements to improve programs and services for seniors in the province of Manitoba.

One of two awards was presented to Evelyn Shapiro. Evelyn has dedicated much of her life to serving the broad health needs of the people of her province and country, particularly the elderly. Her service has taken many forms: teaching, writing, research, speaking, serving on committees and task forces and, perhaps most important of all, developing the programs that actually deliver the services which, if we live long enough, we may all need.

Evelyn served as the first director of the Office of Continuing Care. In that capacity she developed the innovative province-wide home care program that became a model for other programs across Canada. Some copied it exactly. Moreover, international health care experts often come to Manitoba to view this system.

In the field of research there is hardly an area within the scope of care for the elderly that Evelyn Shapiro has not investigated or influenced. She has shared her findings through her articles, reports,

speeches and presentations. The list alone fills 20 pages. Evelyn is a widely sought consultant and advisor to governments, universities and professional associations in Manitoba and beyond. Over the last 30 years or so, she has served in that capacity close to 50 times. The theme of her work has been Bridging the Academic Community in the Policy World.

Before taking up research, she was the Executive Director of the Age and Opportunity Centre where she always thought of the users of service. Her nominator said she is one of the wisest, most generous and most objective individuals she has ever known. A friend described her as a raging granny with a great personality, someone who loves to laugh and who sees the humour in any situation. Evelyn not only studies aging, she loves older people and her eyes light up when you tell her a story about an elder.

\* (14:30)

I am told she loves life, is outgoing, gregarious, is interested in the arts and travels extensively. Congratulations to Evelyn Shapiro, the mother of home care, one of the two recipients of the first annual Fred Douglas Society Humanitarian Award.

### Health Care Reform

**Mr. Kevin Lamoureux (Inkster):** I wanted to start off by actually quoting from the *Free Press* on March 25, 2004, where, "Former Saskatchewan Premier Roy Romanow said yesterday the provinces have to come up with a plan to reform their health care system before demanding more federal money."

I quote that for one simple reason and that is, over the summer there is anticipation that there is going to be a First Ministers' meeting which we hope we will see come out of that meeting some sort of a long-term plan on the future of health care in our country.

I guess after reflecting on some of my years in the past, I looked at issues like Charlottetown and the Wally Fox-Decent report that came out on the constitutional affairs and how political parties inside this Chamber came to an agreement and how Manitoba was, in essence, able to move forward with a general consensus on what to do with the constitution.

I think Manitobans, we would all agree that health care is the primary concern. What we would like to be able to see, or what I personally would like to see, is ideas like what the Member for Carman (Mr. Rocan) talked about when he made reference to possibly the GST being allocated out to health care, financing health care. I think it is an applaudable idea.

I think that there is an opportunity here, and I would request and ask for the Premier to get people involved inside this Chamber to talk about what sort of a plan, is there a consensus that we can bring and put together before going into the summer? I believe an all-party plan would go a long way in protecting what Manitobans value the most, and that is our health care system.

So that is the reason why I stand up, to follow the advice of Roy Romanow and say, "Let us get together, work together, come up with a plan and present it to Ottawa come summertime."

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

**Hon. Gord Mackintosh (Government House Leader):** Please call Supply, Mr. Speaker.

**Mr. Speaker:** In accordance with Rule 23(5), the House will now resolve into Committee of Supply.

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### AGRICULTURE, FOOD AND RURAL INITIATIVES

\* (14:40)

**Mr. Chairperson (Harry Schellenberg):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Agriculture, Food and Rural Initiatives.

As had been previously agreed, questions for this department will follow in a global manner. The floor is now open for questions.

**Mr. Jack Penner (Emerson):** Mr. Chairman, we have had, I guess, our share of bad news in the province of Manitoba and, indeed, all of Canada, in regard to the livestock industry in this province and specifically the bovine industry. I think it includes all sectors of the bovine industry in this province.

Secondly, the other issue that I think is as important as the BSE issue is the tuberculosis problem that we have in this province. It seems to be ongoing, and it periodically jumps out of the Riding Mountain area. So far I think we have been able to identify that the other TB cases that we have had in the province have stemmed from either sale or transfer of animals out of the Riding Mountain area and into other parts.

Can the minister tell this committee what the Government's plans are to eradicate the disease out of the wildlife herd, both the deer and the elk population and maybe even other species in this province? What meaningful action is her Government directing to ensure the elimination of this disease and therefore truly be able to declare this province as tuberculosis free?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Mr. Chairman, the issue of TB in domestic animals and wild animals is an issue that we have taken very seriously since we came into government. That is why we put in place the TB task force. I want to just put on the record that TB is a reportable disease. It is CFIA that has the lead responsibility, but our Government has worked very closely with them, and our Vet Services have worked very closely with them in the testing of animals. As well, there is the testing of domestic animals, but there is also the issue of the testing of animals in the wild herd.

Mr. Chairman, CFIA, Parks Canada, Manitoba Cattle Producers, Manitoba Wildlife Federation, departments of Conservation and Agriculture are all working jointly in this area. This is an ongoing issue, and in fact Doctor Calder of CFIA, who is the lead person on TB for the federal government, is here today working with the group. That individual, the name is Doctor Koller. I said Calder the first time. It is Doctor Koller. She is meeting with the group regarding the wild animals, and in fact tomorrow will be meeting with the TB task force. We will continue to work on this issue because it is significant and has an impact on our status as we trade.

**Mr. Penner:** It is very obvious that this Government has not been able to make decisions. Every time there is a problem of some kind or another, they appoint another task force. Never have we ever seen, I believe, a government that has appointed more task forces or committees or study groups than this Government when they faced difficult times.

I think the difficulty here is demonstrated again, very similar to what the Department of Education and the Premier did, appointing an educational task force which came with recommendations. Today, of course, we heard the Government deny the recommendations. Again, the minister has just pointed the finger at the lack of direction from the task force and is telling me that they are meeting tomorrow, or the day after. That has been constantly the kind of response that we have received from this Government continually on many other matters.

I would suspect that the minister might, in fact, want to play her role and call on government to take some meaningful action that would in fact eradicate the disease. I think it can be done. I truly believe it needs a government will to get the job done. This is within the province of Manitoba, within the boundaries of Manitoba, even though some of the animals are within the national park.

I clearly say to the minister that if there is political will to do it, if the masters were there to give direction, the job would get done. It is obvious that this minister has failed in her attempt to give clear direction, and the farmers of Manitoba are truly questioning whether this Government has the ability to govern in a manner that would protect our domestic livestock herd from diseases such as TB, and I think have every right to question that because of the inaction of this Government and the clear direction and putting the resources behind the words that the minister and others have spoken continually.

I clearly call on the minister and her Government to take meaningful action to eradicate the tuberculosis from the domestic herd and from the wildlife herd in the province of Manitoba.

**Ms. Wowchuk:** I find those comments really interesting, coming from a member who was part of government who knew that there was TB in the elk in Riding Mountain. That was reported. You know what their solution was? Their solution was capture those elk and disperse them amongst the cattle herds.

That was their solution. There are memos telling the government that they should not have captured the elk for domestic purposes because they had TB. The previous government, who the member was a part of, chose to ignore that recommendation and to capture elk.

I can tell you that our action has been different, and we have worked very hard on this issue. We put in place the TB task team to address issues. There is no doubt that this is a very complex issue. There are many stakeholders who are in this. It is not just an agriculture issue. The task force recommendations are indeed working. There have been no positive, new diagnoses in cattle in this area in this last year in the zone. There have been significant investments on the part of this Government; we have reduced the elk and cattle interaction; barrier fences have been put up. There have been control burns done in the Riding Mountain that bring the animals in, and the wild herd has been reduced from 4000 to 2500 animals. So there is significant work being done. Animals are being collared, wild animals, and there is tracing going on.

So I can say, Mr. Chairperson, that I will stand proudly by the record of this Government to address the TB issue which, in fact, is much different than what the previous administration did, which was, even though they were advised that there was TB in the elk in the wild, they chose to ignore that issue, not put in place a plan, not put money in. I can tell that he is implying that there is no money.

\* (14:50)

The plan now has a proposed budget of \$1.1865 million, an increase of a million dollars from the initial 2002-03 Budget. To say that this Government is not doing anything is completely inaccurate. To say that we are not working with producers is completely inaccurate. Cattle producers are definitely involved, and people are participating in the programs that allow them to put up barrier fences. Is there more work to do? Definitely. This is a serious issue, and we will continue to work on it.

**Mr. Penner:** Mr. Chairperson, interesting that the minister should call into question the health of the entire elk herd, domestic elk herd now because of comments that she made, indicating that there could be a possibility of tuberculosis in that domestic elk herd. I think the minister needs to reflect carefully on

the kinds of comments she puts on the record because this can call into question the saleability of any of those animals that are currently in captivity.

If she has, in fact, any doubt about the health of that herd, then she should clearly state that and take action to resolve that issue.

I want to indicate to the minister that my information is that the herd was tested when they were brought into captivity, and I believe all the animals were tested under the regime at the time for tuberculosis. Unless I have been misinformed, I would ask the minister to correct the record then. But, it was my information that all those animals were tested for tuberculosis.

If she is saying now that that is not so, then I would suggest clearly that she should take action immediately to give comfort to the livestock people of this province that there is no fear of tuberculosis in that domestic herd and/or danger to any other of our livestock herd.

**Ms. Wowchuk:** Mr. Chairperson, the member is saying that we should be addressing the TB issue in the wild herd in Riding Mountain. I am putting on the record what we have done to address the issue in comparison to what his government did. His government, despite the fact that they were told that there was TB in the wild, chose not to do the kind of program that we are doing where we are collaring and testing animals. They chose to capture the animals, when they were advised by departments that they should not do that.

That advice is there. His government chose not to follow the advice. Animals have been tested. Any animal that looked suspicious was destroyed. There were no positive tests, but there were suspicious animals, and many animals that had to be destroyed.

I can tell you that I take great pride that it was the staff from our department that made a presentation to the House of Commons Standing Committee on Agriculture. That presentation really brought the federal government to the table. Prior to that, we were having many discussions with the federal government. They were not taking the issue as seriously as they should have. That presentation has resulted in the federal government recognizing the issue and putting additional money forward, Mr. Chairperson.

It is a serious issue, and we will continue to work on it. Conservation and Agriculture are both involved in it. I hope some day we will see the eradication of the disease, but to this point, that has not happened. I think the results we have seen till now are worthwhile, and we have to continue to work on this issue.

**Mr. Penner:** Can the minister indicate to this committee the actions that her Government has taken in the Riding Mountain area in recent months and what the results of those initiatives have been?

**Ms. Wowchuk:** There have been several steps that have been taken that have reduced the contact between domestic and wild animals. I spoke earlier about the barrier fencing, and barrier fencing reduces the interaction between the wild and domestic animals.

We encourage, and have worked with, farmers to get their bales off the field because there has been at times, when farmers leave their bales on the field and then bring them in as they need them, this has caused the interaction between the wild and the domestic animals. We are working in that area.

There has been change in wildlife regulations, not in this department but in the Department of Conservation, that restricts baiting, a practice that draws animals out of the bush and results in domestic and wild animals sometimes sharing feed.

The controlled burn that I spoke about is an activity of Parks Canada, but I think that it is a very important activity. We have been involved in a survey with Conservation of the white-tailed deer in that very active, or what is called a hot zone, so there are more deer tested in that area.

The Department of Conservation has increased the number of licences and has put more tags out, extended the hunting season. This helps with the reduction of animals and the interaction and provides, in some cases, a sample that can also help with increasing the amount of testing, but I can also say, I spoke of the committees that are in place and our department is actively involved in those committees.

We work with CFIA in all aspects of the testing, locating farms and assisting where we can, but there is a significant commitment and there is a significant

budget that is available there and we will continue to work on this important issue.

**Mr. Penner:** We all know that this is a very important issue. What we wonder about is the sincerity of the Government in this manner. Can the minister tell us about how much is budgeted by the Province for all the work that the minister has indicated being done to eliminate the disease? What is the provincial budget in that regard?

\* (15:00)

**Ms. Wowchuk:** Mr. Chairperson, we are going into the fourth year of this program that was created by this Government. Under this department, the budget is \$98,500. Under Conservation, it is \$100,500, and then there is an additional \$35,000 that was used in the deer program. This is operating money. This does not include staff time, which is over and above these numbers. So, for me, that is a significant increase, when you think back to prior to this, there was zero.

**Mr. Penner:** It is interesting to note that this Government has been in power for five years and has not recognized the full effect of the disease problem in the Riding Mountain area, indeed, in the province of Manitoba. I would suspect that had they, they would have budgeted significantly more than about \$198,000 a year to eradicate this disease, because the net effect of the border closures in regard to TB would cause a much greater negative net impact to the agricultural and the livestock industry. I think the importance of that needs to be recognized by this minister, and I think she should have taken that to Cabinet and tried to elevate the concern of the general public about the disease problem in the Riding Mountain area.

Can the minister tell me what the amount of expenditures might have been by the federal government in regard to the in-park work that was done, the capture, and how many animals were captured, and what the result of the testing was of the animals that have been captured, both deer and elk, and how many cases of TB were reported in those test results?

**Ms. Wowchuk:** I am always amazed when this member puts some comments on the record. Where he says, you know, I am really disappointed that this minister has not taken any action, and taken a stronger position on TB. Well, when we took office, we put in place a program. When they were in office,

they did nothing. They ignored the fact that there was TB in the wild animals in the park and chose not to do any testing. They did not lobby the federal government whose responsibility this is to deal with TB. We have lobbied the federal government. We have worked very hard on this issue, and I can say to the member that since 1992, there have been a total of 24 elk testing positive and 2 white-tailed deer. Over the last two years there have been about 250 elk that have been collared and tested and about 240 white-tailed deer so there has been a significant amount of testing. Of those 250 in the spring of '03, there were 11 elk that were collared and tested positive in the park.

Again I remind the member that it was through our lobbying efforts, and it was Doctor Preston, who, in fact, went with cattle producers and made the presentation to the Standing Committee on Agriculture. It is an issue that I raised many times with the federal minister that we were able to convince the federal government to do additional work. They have, and we are getting results from that testing.

**Mr. Penner:** I thank the minister for that information. Mr. Chair, 11 positive cases in the Riding Mountain area certainly should give rise to very urgent action to be taken to eliminate that disease in that herd. I think it is unprecedented that we have seen that kind of test results in this province. I would beg the minister to request funding from her colleagues to take every action possible to eliminate that disease. I believe it is imperative that much greater action be taken.

I congratulate Doctor Preston and his staff for trying to raise this issue to the level within government to bring that matter to the attention of the minister and Cabinet. Yet it is the minister and Cabinet that clearly have not defined yet where they want to go with this and the importance of it, or else I think they might have budgeted just a wee bit more than \$198,000 for the eradication of the disease. The importance of that, I think, needs to be severely assessed, so I really do beg the minister that she ask her colleagues to play a much more significant role in that area.

My colleague wants to ask a few questions as well.

**Ms. Wowchuk:** I thank the member for that advice, but I will remind him that in the first case, an elk was

found in 1992 when his government was in power. No action was taken. We have taken significant steps. I would also remind him that TB is a reportable disease that falls under the jurisdiction of the federal government. I am very pleased that our Government has been able to make a firm commitment, both in the Department of Conservation and in the Department of Agriculture, a commitment that was not there under the previous administration, to take significant steps to reduce the number of elk that are in contact with domestic herds and convince the federal government to increase the testing.

**Mr. Penner:** Just one more question prior to the honourable Member for Lakeside (Mr. Eichler) asking a question. I just want to make this comment. Never before in my 16 years as being a member of the Legislature have I heard a minister blame another administration for either actions not taken or actions taken as this Government has constantly, of a previous administration. Five years after they have been in government still blaming another administration for the problems in this province, I would suggest that this minister should accept the fact that she has been the minister for those five years and that it is under her watch that the increase of the disease has elevated to a very substantive level. It is time that her Government recognizes that they are the governing body and that they must make the decision.

\* (15:10)

**Ms. Wowchuk:** Facts are facts, Mr. Chairperson. The previous administration knew there was TB in the wild animal herd. They did nothing. We came into office. We put a committee together and for the past four years, we have had a program where we are working very closely. If you consider the staff time, it is well over \$200,000 and we are addressing the issue. The administration previous to us ignored the issue. When we came into office, we had a program. We will continue to work with the federal government. It was our Government, not the previous administration, that raised the issue with Parks Canada to address the issue, and we will continue to work in this.

**Mr. Ralph Eichler (Lakeside):** Mr. Chairman, moving to Minor Capital, you have estimated expenditures of 102,600 up from 28,000, I believe, if they are right numbers. You are proposing to spend 92 million on capital for your new infectious disease prevention centre. Am I reading that correct?

**Ms. Wowchuk:** Mr. Chairman, yes, it is. We have an investment of 92,000 that will go into disease prevention and monitoring and control program. In addition to that, there is 350,000 from Transportation and Government Services that will be used in capital. The total within our department under the Capital Investment is 242,000.

**Mr. Eichler:** So we are basically going to have about a \$20,000 reduction in your Minor Capital. Is that going to erode the rest of the department's capital projects?

**Ms. Wowchuk:** Each year staff comes forward with recommendations of where investments have to be made in capital. Those fluctuate from year to year. In this particular year, we have decided that the priority will be in the disease prevention monitoring on all of those new infectious diseases. So that is where we have made our priority.

I just want to go back to page 60. If you look at it on Minor Capital, the 102.6 does not include the 92 that is at the bottom of the page. We will actually have an increase of 74,000. We will not be having a reduction.

**Mr. Eichler:** Then this 92,000 plus the 350,000, where is that money going to come from?

**Ms. Wowchuk:** Mr. Chairman, that 92 is part of the Estimates under Capital Investment on page 124.

**Mr. Eichler:** Based on the 92,000, is there an estimated number of head that is going to be tested at this facility?

**Ms. Wowchuk:** The goal for this year is we budgeted for 800 samples. We want to move forward in the next year to 3000 samples. We do not anticipate that we will be able to get to full capacity this year. It will depend where we are at, but we, hopefully, will be able to do in the 400 range. But the goal is definitely to be able to do more samples.

**Mr. Eichler:** Under the new proposed slaughter initiative, is this where the bulk of the samples are planned on being coming from or is this from outside the province?

**Ms. Wowchuk:** Mr. Chairman, it is our goal to get the samples from the downers and dead stock on the farms, because if they are downers those are the ones you really want to sample. Our dead stock program

that we put in place this year, we have 800 samples and those are being tested free of charge out of province in order that we can build our database in this province. So, even though we have not got the lab ready, it is an area that we are moving into. We have started the sampling for this year already. That is being done out of province because our lab is not ready.

**Mr. Eichler:** On those samples that have been, I guess they are in storage, this cost that is incurred, will it be passed on to the producer, or will it be paid totally by the Province?

**Ms. Wowchuk:** Those samples are in storage and will be shipped to Lethbridge very shortly. There is no cost to the producer on these and there will be no cost in the future.

**Mr. Eichler:** Do you have an estimated cost on those 800 samples that are in storage now? Where is that budgeted? Where is that shown?

\* (15:20)

**Ms. Wowchuk:** The 800 animals, there will not be cost. Those 800 samples are being paid by the feds.

**Mr. Eichler:** When do you expect this new infectious disease centre to be open, and where is it going to be located?

**Ms. Wowchuk:** This will be renovations to the Vet Services lab at the University of Manitoba, where it is now located. I hope it will be operational and we will have the renovations complete by fall.

**Mr. Eichler:** So this is on University of Manitoba property that we are making the renovations to. Is this going to be considered a one-time expenditure, or is it going to be treated as a capital item?

**Ms. Wowchuk:** Mr. Chair, these renovations will take place in the Agricultural Services building, which is a building that is owned by the Province. Those investment numbers referred to at the bottom of page 60 are funded under Capital. It will be a one-time expenditure for rent renovations.

**Mr. Eichler:** Going back to the \$350,000 for Transportation and Government Services, can the minister provide me with a breakdown on why we need the \$350,000? What is it going to go towards?

**Ms. Wowchuk:** To do this type of work, we have to move to a bio-security Level 2 lab plus we have to put in an approved waste disposal system. That is the estimated cost of the project that Government Services has put forward, and that is the amount we have budgeted for it.

**Mr. Eichler:** Is this process then tendered out, Mr. Chairman?

**Ms. Wowchuk:** Mr. Chairman, we just got estimates from Government Services. It has not gone to tender yet.

**Mr. Eichler:** It sounds like we have quite a ways to go on this project. Hopefully, it gets underway sooner than later.

I would like to go back to the minor capital then, moving from \$28,000 to the \$102,600, with your increase of \$74,000. You said the different districts send in wish lists. At this time of restraint, why are we having an increase of \$74,000?

**Ms. Wowchuk:** Mr. Chairman, I was combining looking at two areas, and the area where you have the grants to the Vet Services districts, that is where I said that different areas put forward their ideas or their wish lists, so to speak, and that comes under Grants and Transfer Payments for Capital. It is \$300,000 and it remains at \$300,000.

The minor capital is minor equipment that we need to make this lab functional, so there is a variety of equipment that we will need, and there was equipment needed in that lab. This is the increase that we will need, additional funds that we will need to make the lab functional. I know the member said he would like to see it move forward sooner rather than later, and so would I. It is our goal to have it in operation by the fall of this year.

**Mr. Eichler:** Okay, we have got a figure of \$92,000. We have got a figure of \$350,000, and out of the minor capital, am I led to believe, then, the equipment is going to cost \$74,000 and the remaining capital is going to stay at \$28,000?

**Ms. Wowchuk:** The normal expenditure under minor capital last year was \$28,000. That is the amount you see under 2003-2004. Under 2004-2005, it has increased to 102.6, and that is because we are setting up a new lab. We need equipment to operate

it, and that is what we anticipate. The costs will be to get some of those new, not all of them, but some of the equipment that is needed to have a lab function properly.

**Mr. Eichler:** So the total of this project, just for record-keeping purposes, then, Madam Minister, would be just over a half a million dollars, \$516,000 to be exact, of which only, if I understand the minister correctly, \$92,000 will only be capital. The rest will be a one-time expenditure.

**Ms. Wowchuk:** The capital investment is 92 plus 350, so that is the capital, that is the one-time spending. There are the costs, the increase in minor capital, which are to set the lab up, get it going for the amount of samples that we need this year. Then we will determine each year by the amount of activity whether we need additional material or equipment. That will be determined year-by-year. But the bottom two numbers that the member refers to are one-time spending, and the minor capital will be reviewed on an ongoing basis as we wrap up the amount of testing. Ultimately, this is the direction we are going in. We want to have more testing done in this province, and in order to have the testing done, we have to make the investment.

**Mr. Eichler:** Can the minister, for the committee, just tell us what the cost is for having these samples tested in Lethbridge, these 800 samples?

\* (15:30)

**Ms. Wowchuk:** Mr. Chairman, it is not costing us anything other than the shipping charges to get them there.

*Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair*

**Mr. Eichler:** The federal government is paying for it. I understood the minister to say that earlier. But do we have a cost then of what—if we wanted to have Lethbridge test our samples, what that cost would be to the Province if we were to send our samples there for testing?

**Ms. Wowchuk:** The kit is about \$30 per sample. That does not include the staff time or the other work that is done in order to keep in contact with the farmer. That is one of the issues. We also have to think about turnaround time and those kinds of

things plus all of the other things that we will be able to do at that lab besides a test. Right now we are dealing with one issue and that is BSE, but there are many other issues with infectious diseases. We want to have the type of services where we can serve our people of Manitoba.

**Mr. Eichler:** Moving on to Veterinary Services again, could the minister just state to the committee: Are there any initiatives to help rural Manitoba with their vet shortage that has gone along throughout the provinces? Are there any upgrades there or programs to try and entice new veterinarians to come into the province?

**Ms. Wowchuk:** The issue of getting vets to rural Manitoba is a real challenging one, one that we have talked about and looked at how we can address many times. Another issue is getting people to work in large animals. Many veterinary students want to practise in smaller animals and are not that interested in larger animals. We have put in place a couple of programs, the Veterinary Science Scholarship Loan Fund, which is available for students; in 2003-04, 24 of the total Manitoba enrolment, we have 48 enrolled, 24 of those students received an assistance in the amount of \$16,800. That is one of the things.

We have a summer student program that covers 18 students to get into rural practices. We just talked about the equipment that we invest in, the \$300,000. That is a very important program for attracting veterinarians to come to rural facilities, because these students practise when they are training, train with some of the best equipment, and they want to have similar equipment when they come out to the rural clinics. That program certainly helps upgrade the equipment for people who come to practise. As well, the vet district grants of approximately \$444,000 also help to get people and provide the kinds of facilities and the operating money for those facilities. So it is a challenge to get people to come out to the rural clinics and it is one that we continue to recognize and one that we continue to work on as well.

The Vet Services commission visits the college once a year to assist in recruiting. You meet with them, you wine and you dine them, and you try to encourage them. They met with 10 students in December, and eight clinics were represented at those meetings. So the clinics come along because they are the ones that want to attract them. The Vet Services staff visit the college twice a year to update

students and provide information on the jobs that are coming up, the scholarships that are available, and there is also a mentoring program to support them in building relationships between the clients. Our Vet Services board works fairly aggressively to try to get people to come into the clinics in rural Manitoba.

**Mr. Eichler:** That is definitely encouraging.

Is there any type of program, or do we have numbers that the minister can provide us with as far as the government sponsored vet clinics throughout the province? How many of those positions are sitting vacant now or are they all filled?

**Ms. Wowchuk:** There are 28 clinics in Manitoba. One is vacant right now.

**Mr. Eichler:** Whereabouts is that, Madam Minister?

**Ms. Wowchuk:** The one clinic that is vacant right now is in Hamiota, and I hope that that position will be able to be filled in the near future.

**Mr. Eichler:** What is the total budget for the eventual vet clinics?

**Ms. Wowchuk:** The Province contributes the \$444,100 for the operating, which is the annual budget plus the \$300,000 for equipment grants. That is the provincial contribution to the clinics.

\* (15:40)

**Mr. Eichler:** What percentage of that is cost-recovered through the fee for services?

**Ms. Wowchuk:** None of the money that I indicated, neither the \$444,100 nor the \$300,000, is recovered. If there are tests that are done in the lab, a portion of that is recovered, but those dollars that I outlined there are not recovered.

**Mr. Eichler:** Then, Mr. Chairman, the fees that are collected by the veterinarian on staff—is there a base salary for that veterinarian then?

**Ms. Wowchuk:** Mr. Chairman, the vets are private operators and they work on a service agreement with the board, so there is no base salary. It is based on the work that he or she has, and the dollars that I indicated that we contribute, go toward the operation of the clinic.

**Mr. Eichler:** So then is there a fee that the veterinarian pays for the use of the clinic?

**Ms. Wowchuk:** No, Mr. Chairman.

**Mr. Eichler:** Good, thank you. The next thing I would like to talk about is the avian flu that has, unfortunately, struck in the province of British Columbia which could have a large impact. Could the minister just state for the committee where she is at in her department with the avian flu within the province of Manitoba and what measures she has taken to address the issue?

**Ms. Wowchuk:** The member raises an important issue that has affected the feather industry in B.C. When that issue became public, our department immediately met with the people in the feather industry and reviewed bio-security measures and encouraged people to enforce those measures on their own farm. Certainly, we have been working to enhance the awareness of this issue. Of course, when you think about the world we live in, things move around the world very quickly.

A couple of things that are part of this discussion with producers is reminding them of how to prevent infection on their farm and certainly allowing only essential people into the barns, change footwear and clothing including hats before entering restricted areas in the barns, clean and disinfect all equipment before it is brought into a barn, patch all screens and gaps under the eaves to eliminate bird entry, do not allow common contact between equipment and the control access zone and restricted area, clean and disinfect your barns after each flock, enforce your pest control program, rodents can be a disease vector, keep all barn entrances locked to restrict access. That can go on and on.

With the issue of equipment, in B.C. when the disease started to spread they found that it was equipment that was not being properly cleaned as it went from one farm to the other. So it is a matter of working very closely with the people in the feather industry, asking them and encouraging them to enforce their own bio-security and take all the precautions. Certainly, the department has worked very closely with the industry, and we hope that whole situation in B.C. is under control very soon.

**Mr. Eichler:** Thank you for that. I do want to put on the record that I have met with some of the feather

industry people as well and they are taking a number of actions. I did write a letter to the federal minister and copied it to your department, Madam Minister.

The other concern that I have and I feel somewhat remiss in not doing it, but my understanding is that a lot of the disease is carried by the feed trucks. I was wondering if there were some initiatives taking place or meetings within the department with the feed industry to try and curtail this from farm to farm within the province.

**Ms. Wowchuk:** As I indicated in my previous answer, that was what they found in B.C., that it was the trucks and other equipment that were moving from one yard site to another. That was really the way that the disease was being spread. So, when we met with the poultry industry, the feather industry, the feed industry was also there. These contingency plans for avian influenza are part of our foreign animal disease preparedness plans in the general plan. We are looking at the Canadian Animal Health Emergency Management Strategy for all livestock sectors as we look at this. It is an emergency plan that is there for all sectors.

But, to answer the member's question, yes, the feed industry was involved. They were advised, as were the producers, to be very careful and look at proper precautions of movement from one farm to another.

**Mr. Eichler:** Mr. Chairman, with the avian flu, has there been anybody assigned to look after that project on its own, or has it just been absorbed in the department?

\* (15:50)

**Ms. Wowchuk:** Mr. Chairman, Terry Whiting, who is our epidemiologist, is the person that has been lead on this and has been working very closely with the industry.

**Mr. Eichler:** Before we leave the avian flu, Mr. Chairman, could the minister tell us how many hatcheries are HAZOP- or ISO-certified within the province?

**Ms. Wowchuk:** Mr. Chairman, there are 10 hatcheries in the province and I will have to get back to the member on the number that are ISO-certified.

**Mr. Eichler:** Thank you for that, Madam Minister. I guess the other question that I would ask is there a move by Mr. Whiting in his endeavours to work with the hatcheries to try and assist them in getting ISO-certified? I realize that it is not mandatory, and nor would I recommend it making it mandatory, but is it something that the Province is encouraging?

**Ms. Wowchuk:** Mr. Chairman, our staff has conducted many inspections. In fact, last year staff conducted 115 poultry farm inspections to facilitate and certify 63 hatchery stock flocks under the regulations. So, we are encouraging it, but we are not making it mandatory.

**Mr. Eichler:** We got an awful lot done without fighting, did we not? It is amazing what happens when you do not go about the past and the future.

Anyway, one last question, Madam Minister. On the proposed slaughter facility, is the Province going to be supplying a veterinarian to be on staff for that, or would that be borne by the co-op?

**Ms. Wowchuk:** I am assuming the member is talking about Rancher's Choice?

**Mr. Eichler:** Right.

**Ms. Wowchuk:** CFIA delivers the service, so it will be either a veterinarian or an inspector that CFIA will use to do the inspection of the site. It is not provincial inspectors that do the work.

**Mr. Eichler:** CFIA, that is federal?

**Ms. Wowchuk:** CFIA, yes, federal. Canadian Food Inspection Agency.

*Mr. Chairperson in the Chair*

**Mr. Eichler:** One last question, then. If that is the case, will that plant then be federally certified? Is that the plan?

**Ms. Wowchuk:** CFIA delivers the service in all of Manitoba, but the Rancher's Choice plant will be a federally inspected plant. That is very important, because if we want to export product out of this province it has to come from a federally inspected plant.

**Mr. Eichler:** I am well aware of that, Madam Minister, and thanks for reaffirming that. I guess the last question is, since we are back on the Rancher's Choice co-op, if the farmers do not succeed in raising their share of the contribution that is required, is the department prepared to forgo any alternatives to funding the project?

**Ms. Wowchuk:** Mr. Chairman, our Government has made a commitment. We have made a commitment of \$2.5 million, but for this plant to work properly, you need a producer commitment. You need a commitment that a certain number of animals are going to go through the plant and that is what the board of directors for Rancher's Choice is looking for now, to get a commitment from the producers that a certain number of their animals are going to go through the plant and then you will have a supply. The discussions that have been taking place at the meetings are that, depending on the commitment of the producers, that will be what will be the decision on the future of how the plant operates. Our Government has worked with them. We have worked with them right from the beginning of this process with their consultant and their feasibility studies, and we have made a commitment of funding and we will continue to work with them. When I talk to board members, they are working very hard to raise the \$3.5 million which is the producers' share.

You also have to know that we have talked about the banking institutes. The lenders are looking at what the commitment is from the producers as well before they become part of the investment. It is very important that the producers be part of it and I hope that there will be the commitment that will raise the producers' share of 3.5.

**Mr. Eichler:** The question was regarding if they do not raise enough money, if they do not raise the \$3.5 million, if they raise \$2.5 million, is the deal off?

**Ms. Wowchuk:** That is a hypothetical question, and I have had the discussions with the producers where they anticipate that they will be able to raise the money. I think it would be wrong to now say, well, if this does not happen, we will do something different. There has been a proposal that has been developed by Rancher's Choice and government, and I would encourage the member who represents a lot of cattle producers to be there encouraging them to participate in this program because we recognize, and everybody recognizes, that we are too closely tied to one

market and, in fact, that market, for animals over 30 months, is not likely to open for some time. Our Government is committed to this project, but there has to be producer commitment and then we will move forward. I anticipate that the producers will be very close to raising the amount of money that is needed for this project.

**Mr. Eichler:** Just one last comment then on the Rancher's Choice co-op. I think it is something the minister should definitely have a look at, and I am sure that she has. I have been talking to a number of producers and I certainly have been doing my part trying to encourage the Rancher's Choice co-op to move forward as quickly as possible, but with the BSE and the timing, farmers are very tight of cash. Sometimes it is just a little bit difficult for them to make those choices and as much as they believe in a project, sometimes it is just not going to be in the cards. My response to the minister would be that if they do not come up with this amount of money, it is a decision, of course, that the Government is going to have to decide upon, whether or not they want to fund it further. It is something that should be left on the table.

\*(16:00)

**Ms. Wowchuk:** I attended one of the meetings the other night and producers talked about the very issue, and there is no doubt that there is a difficulty out there. But producers talked about the money that they are getting from cull-cow programs, using some of those funds, and I think that producers are looking at ways to be creative. They want to be part of the solution. So we will continue to work with them. I am pleased to hear that the member is also supportive of the idea of a producer-owned co-op where we can have slaughter capacity in this province.

**Mr. Penner:** While we are still on this section, I would, first of all, commend the minister for increasing the staff support under the Veterinary Services section by three staff members. Could the minister indicate where those staff will be located?

**Ms. Wowchuk:** Those new staff will be employed in the lab. There will be one new veterinarian and two new technicians.

**Mr. Penner:** Is that the total staff contingency that is going to be there, or is this in addition to what is there now?

**Ms. Wowchuk:** This is in addition to what is there now.

**Mr. Penner:** How many staff people are employed there now?

**Ms. Wowchuk:** There are 40 staff employed in Vet Services. That would include the 3 additional that we are adding in.

**Mr. Penner:** Are these people all employed at the veterinary facility at the University of Manitoba?

**Ms. Wowchuk:** One is employed outside the Vet Services, and that person is located in Brandon.

**Mr. Penner:** That brings me to, I want to go back to the Department of Agriculture, Food and Rural Initiative's position and summary of appropriations on page 12, where the minister has indicated that there are 615.18 staff people employed in the department and last year there were 632.18. That would be, by the way, a reduction of 17 in the department. When I did the page-by-page count, I found that there were 33 less people that I found on a page-by-page count reduction. So I wonder if the minister could indicate why that discrepancy is there.

**Ms. Wowchuk:** The member should have been able to find a reduction of 20, with an offset of 3. Because we have a reduction of 3 positions that are vacant positions, we had an add-back of 3, so that give us a total reduction of 17 in this department.

**Mr. Penner:** I just had that question on staffing, but, as I said, when I did the counting on a page-by-page basis I found that there were 33 less identified on a page-by-page basis. If there is only 17 less, I accept that.

Because the Rural Initiatives and the Grow Bonds programs are now under her purview, I wonder whether the minister would indicate to us whether she has given any consideration to issuing a Grow Bond to ensure that there would be maybe a greater degree of receptiveness by the livestock cooperative that she is talking about that will buy the plant in Manitoba. Maybe the question is why did the minister not issue a Grow Bond to encourage the establishment of a new beef processing plant in the province.

**Ms. Wowchuk:** The structure that the producers have put in place and find will work for them is a co-op model. If you were doing a co-op model, then that is a different funding mechanism than a Grow Bond.

**Mr. Penner:** That is an interesting answer because the Grow Bond has really nothing to do with the structure, whether it is a co-operative or corporation or an individual owned by a partnership that the previous governments have funded or issued Grow Bonds to, because the Grow Bond really only becomes the investment vehicle and basically the guarantee from government to encourage producers to buy issues of Grow Bond which would help them finance the operation. It would give them a much greater degree of security and could be seen by other financial institutions as a performance bond.

I would wonder why the current government might not have looked at issuing a Grow Bond to encourage farmers to invest by giving them a guarantee of their initial capital investment through a Grow Bond.

**Ms. Wowchuk:** We worked very closely with the producers on this and tried to develop a model that would work for the producers. One of the models, the model that we came up with with the producers, that the producers would invest in a co-op, that is what it is. To invest in a co-op, you have to be a member.

\*(16:10)

What we are trying to do is put in place a model that would encourage the banks to invest in it, encourage the producers to invest in it. The Grow Bond model was considered, but it was not the model that we chose and the producers chose to go with. It was given that this is a co-op. We wanted a system that would be clean and not have complications with other investment in order that we would get the private sector to also invest in it. This is the model that we chose. The capacity of the Grow Bonds is not nearly large enough for what would be needed for this program.

**Mr. Penner:** I guess what the minister just said demonstrates the Government's will to see this come about, the Grow Bonds program. There are no restrictions under the Grow Bonds program as to what the investments could be. The Grow Bond is a guarantee to the individual investor, be they a

co-operative member, be they a corporate member or a partnership, that would allow the Government to guarantee to the individual investor an amount of money called a Grow Bond. It is simply a bond between the Government and the individual investor. We have many examples of how financial institutions, the Government through the Grow Bonds program and private investors, have formed a consortium to make a venture happen. I think the kitchen cabinet makers in Morden are a perfect example of that, a very significant Grow Bonds issue there.

So I think if government would have the will, they could develop a Grow Bond that could be a million dollars, could be \$2 million, could be \$10 million. There are no limitations on the Grow Bonds as far as a pool of investment money that could be issued by the Province as a guarantee which would encourage initial individuals to invest in the operation. But government might think that this is probably not secure enough for the Government to want to risk the Grow Bonds money into a venture like this.

That is why I ask the minister is the minister convinced that this is a long-term viable operation. Has she fear, or has her Government any fear, that they might not want to risk that amount of money under a Grow Bonds program? It would appear to me that this is an absolutely perfect opportunity for this Government to issue one of the few Grow Bonds that they have issued so far.

**Ms. Wowchuk:** Mr. Chairman, the member talks about whether I feel that this is a proper venture. I can tell him that a lot of thought and work has been done on this. There have been consultants in place who have put together business plans. There have been consultants who have figured out the way it should be financed, and they work together with government.

Do I have confidence in this program? Yes, I do have confidence in this program. That is why we have money on the table. That is why we have staff work as hard as they have on this particular project. That is why we will be there with the producers. In all of this, there has to be a significant amount of work done on marketing the product. I believe that that work has been done. I see real opportunities coming from this plant, not only for the slaughter capacity but looking at ways that we can add value

and using the product out of that plant for additional jobs. When you think about the amount of hamburger that is eaten on a daily basis in this province and in western Canada, if we can get the facility going, then look at other opportunities to add value, it will be a win-win situation for the producers and for other people in Manitoba.

**Mr. Penner:** Mr. Chairperson, again I encourage the minister to seriously give some consideration to initiating a Grow Bonds program. I truly believe that this is a great opportunity for her Government to demonstrate her sincerity in the significant investment opportunity and the success of a project like this to Manitobans. The Grow Bonds program would be, I believe, certainly an opportunity for this Government to demonstrate its confidence in the success of these programs by guaranteeing a major portion of the investment through a Grow Bonds program.

**Ms. Wowchuk:** I think that an investment in the project is a much stronger commitment than guaranteeing an investment, and that is why we have made the investment in the project.

**Mr. Penner:** Can the minister tell us then how much her Government has committed as the Government's portion to this investment?

**Ms. Wowchuk:** We have committed \$2.5 million to the project, plus there is staff time and there are other areas that we have been supportive with in regard to the consultant. We have supported the industry is helping them find and hire a project manager, so we are working very closely with the board, but we have \$2.5 million that is available for investment in this project.

**Mr. Penner:** Can the minister, then, tell this committee what her assessment is of the total investment that will be required before this venture actually goes into production?

**Ms. Wowchuk:** That is confidential information at this point. That is part of a business plan and that has not been made public.

**Mr. Penner:** Is it somewhere in the neighbourhood of \$12 million?

**Ms. Wowchuk:** Mr. Chairman, I have just indicated to the member that that is confidential information

and I am not prepared to put that number on the record.

**Mr. Penner:** Mr. Chairperson, if it should be in the neighbourhood of \$12 million, then one would wonder at the sincerity of the Government by investing 2.5. I recognize full well that that is risk capital that the Government is investing.

However, if the investment is secure and government would have the kind of confidence that it will be a secure venture, then I would think that she would not hesitate to recommend to her Cabinet that they would issue a Grow Bond to give that further security to the co-operative members and investors to ensure that this would, in fact, become a reality.

So, having said that, I want to move on to Soils and Crops. Can the minister indicate who the person is that will be replacing Mr. Todd as head of the Soils and Crops department?

**Ms. Wowchuk:** Mr. Chairman, Mr. Todd has not been at Soils and Crops for two years now, and he has been replaced by Don Dixon.

\* (16:20)

**Mr. Penner:** I appreciate that information. That just demonstrates how long I have not been there. It reminds me that I should go visit.

Does the Soils and Crops branch anticipate any involvement in the changes that seem to be happening in the potato industry? That is where I will leave the question. Is there any indication that there will have to be substantive changes made as far as quality product development is concerned?

**Ms. Wowchuk:** Mr. Chairman, I want to indicate to the member that the industry has been very complimentary for the support that they have had from staff on quality issues, but that is an area that we have to continue to focus on and there will be more activity in this area.

**Mr. Penner:** Could the minister indicate to the committee what sort of involvement her department has had in the development of, for instance, new varieties or better varieties of potatoes for the frying industry?

**Ms. Wowchuk:** We participate in the western Canada variety testing as a province. But the fact of

the matter is that the processors are focussing on two varieties. Those are the Russet Burbank and the Shepody. Those are the two French fry potatoes.

The issues for the processors are quality issues. Issues like sugar-ins, uniformity in size, specific gravity. Tied into all of those is the issue of the dry land corners and how farmers are going to have to address those dry land corners in order to maintain their quality in the plants. So those are the issues that our staff have been working on and will continue to work with the processors and with the growers. But it has to be a joint effort between the processors and the growers and our staff.

**Mr. Penner:** Is there any research being done on the sugar content and/or starch content relative to drought and/or dry-land crop development without irrigation, any of that kind of research being done in western Canada on potatoes or in Manitoba?

**Ms. Wowchuk:** There is quite a bit of research that has been done. There is a lot known about the issues that the member raised. What we are doing is working with the growers to manage their crops and get better results. For example, Manitoba potato producers do supplementary irrigation. Many times they do not irrigate early enough in the year. This results in an un-uniform setting of potatoes, and that affects the shapes of them.

We are working with doing a variety of workshops and working in the field with the producers on an ongoing basis to get their quality issues addressed. There are also issues of storage that we work on with them. As well as that, we do a potato diagnostic school. We are involved in a potato research co-ordination meeting. We develop a potato manual. So we work in a variety of areas, but the goal is to raise the quality of the potato so that the processor gets that uniformity and high quality that they are calling for to meet the needs of the French fry fast-food industry that we market to.

**Mr. Penner:** I wonder if the minister could give us a bit of an overview as to the kind of research that is being done on crops such as the soybean industry. That seems to be quite an emerging industry. I wonder if there is any research being done on developing shorter season varieties than we have now to allow for the expansion of the soybean crops in Manitoba into the cooler climates of the province.

**Ms. Wowchuk:** Mr. Chairman, this is certainly a growing crop in this province. If you look at the information, the number of acres continues to grow. We continue to hold test sites and those test sites for the varieties are done in a wide range. They are done in Carman, Morden, Morris, St. Norbert, Portage, Beausejour, Carberry, Brandon, Roblin, Laurier, Melita and Boissevain. So you can see that those tests are done as far north as Roblin and I know that the crops are grown in the Interlake area, so we are doing the variety testing in all of those areas and that is available through the field trials that are done on field dates where producers can see that.

Manitoba also has a good working relationship with the breeders in eastern Canada. That is where the breeding is done and they are quite prepared to provide their materials, their seeds, their varieties to be tested in this province. In 2003, our department co-ordinated testing on early-maturing varieties, resulting in additions to the crop insurance, approving varieties new to the variety lists. So we continue to work on this and try to do the testing of the different varieties so that we can then provide insurance on the varieties that prove to be worthy of it and have good results in the province.

\*(16:30)

**Mr. Penner:** In our area there has been, as the minister knows, almost an explosion of the soybean acres that are being grown, and it appears that this year there will be a significant increase in the acreage. I want to commend the department for having taken, when the initial production of soybeans started, a cautious approach to this, because I think it was justified to take a cautious approach. I still, some days, wonder, if we would have a mid-season frost as we have periodically had, what that would do to the industry, although some of the varieties that are being grown now yield well in this province and have offered a significantly better return to the farmers than many of the other crops have, such as wheat or some of the grain crops.

I wonder if the minister could tell us, Mr. Chairman, whether there are any other crop, or crop species, that are being researched within the department or by this Government that might offer even further development of diversification for the farmers of Manitoba.

**Ms. Wowchuk:** Mr. Chairman, the member talked about the growth in the soybean industry, and, if you look at the numbers, there is significant growth. We do anticipate that there will be further growth this year. You talk about the challenges that we see in these varieties and the risks that we have of frost in these areas, and that is why it is important that we do the testing.

We do continue to do trial testing in a variety of areas. There are new opportunities with new crops, nutraceutical crops or medicinal plants. We continue to do testing in oriental vegetables, and that seems to be a growing market, small fruit crops such as the Saskatoon, which is an important cash crop for many producers.

Hemp is one that is important as well and one that there is a great interest in, particularly in the Dauphin area, and we continue to work in those areas. The spice industry is strong, and there are opportunities for expansion into those, and many of these spices are important for medicinal purposes or aromatic or just for herbal use.

There is also the potential in a few other crops that can be processed for medicinal purposes and, as I say, there is interest and our department continues to work with producers in a wide variety, because sometimes it does not have to be what we grow traditionally.

I know that, for example, there were producers who used to grow dill seed in this province on a very large scale and press that oil right on their farms and had good markets for that, but there are many others.

Of course, there is echinacea, things like milk thistle or feverfew. Those are other opportunities for value-added, and we continue to work with producers on a wide variety of crops that could offer alternatives for Manitoba producers.

**Mr. Penner:** I appreciate the minister's comments. I wonder whether she could give this committee a bit of an overview as to what potential she sees in some of the so-called medicinal varieties that she speaks about. She talks about echinacea and others, but can she indicate whether there is a very significant potential and whether she would encourage farmers to diversify into these crops in a significant way, and how many thousands of acres does she think it would take to satisfy the needs of the marketplace?

**Ms. Wowchuk:** The member asked about whether I would encourage producers to diversify. I think what our job is is to provide people with the information and then farmers make their own decisions on whether they want to take on some of these crops.

Many of these crops are grown on a very small acreage. It is not the kind of crops that can be grown on large acreages, but it is a matter of marketing the product and certainly the nutraceutical centre here in Winnipeg is going to help in developing those new products, but really the industry is still relatively new, with many small plantings of various medicinal crops that are scattered throughout the province.

\* (16:40)

*Ms. Theresa Oswald, Acting Chairperson, in the Chair*

The market cost that is for the nutraceutical, pharmaceutical, medical and aromatic industry in Canada is estimated to be at \$1.5 billion to \$2 billion. In the United States, it is estimated to be \$35 billion to \$40 billion. That is significant money, and they anticipate that there will be a growth of about 5 percent a year.

The global industry in these areas is approaching \$70 billion U.S. and is expected to reach \$100 billion by 2010, but the most important part of it is marketing, and what we really want to do is add value. It is not just a matter of growing the crop that somebody else might then ship it off and add value. I know that one of the MLAs from southern Manitoba, as I said, was involved in dill seed production and then was using it in pressing dill. So those are the kinds of things. The nutraceutical medicinal market is very large. We would like to see that grow and, certainly, keep the jobs here.

The other area, of course, that is of interest to us is the buckwheat industry. There is a lot of work being done at the University of Manitoba on the health aspects of buckwheat and the impact of buckwheat on diabetes. So we can be addressing a health issue and there is an opportunity to market because there are other countries that have an interest.

So there are a variety of opportunities, I believe, and our goal is to put the information out, work with

people when they are doing their trials on a small scale, and then to work with them in developing markets for these products and work with the nutraceutical centre. If there is a role for the food development centre to be part of it, that would be very good as well.

**Mr. Penner:** I wonder if the minister could give us a bit of an indication as to what kind of research is currently going into the dry bean industry, some of the research on diseases and the like. There seems to have been a significant increase in some of the diseases that had been prevalent in some southern areas but seem to be moving into Manitoba. We do not why for sure, whether they are wind-borne or whether they have been transferred by seed or what other. I wonder if the minister could give us a bit of an indication as to what sort of work is being done on that.

**Ms. Wowchuk:** I knew I made a mistake by not talking about beans when I was talking about the new crops, because that is a very important crop in the member from Emerson's area. It is an important crop and it is an amazing growth in that area. The Pulse Growers Association is a strong organization. They continue to identify issues that are important to the industry. They have a very good working relationship with Agriculture and Agri-Food Canada. Our Government works closely with them on the variety of field testing that is going on as well. There are extension activities for edible beans. The edible bean diagnostic school was run in conjunction with the Pulse Growers Association summer tour at the University of Manitoba Research Farm. Over 125 pulse growers and industry personnel attended.

We have provided funding through R&D on different projects for the pulse growers and certainly we continue to work closely with them, not only on variety testing, but there is the whole issue of marketing on beans and the challenges that the bean producers are facing in Mexico and the need to develop a long-term working relationship with people in that market. So those are the areas. We work with them on variety testing. There is edible bean testing at Carman, Portage, Morden, Winkler, Treherne, Thornhill, Arborg, Boissevain, Binscarth and Brandon.

**Mr. Penner:** Can the minister tell me what diseases are currently being tested for, and what kind of research on given diseases is happening?

**Ms. Wowchuk:** I do not have the full list of diseases that are being worked on, but certainly bacterial blight is one that has been worked on. White mould is another. I would believe that the member may be more familiar than I am with some of the diseases that affect the bean crops in this province, but I can also get him further information on work that is being done. The pulse growers are very closely involved in this. They are the ones that identify issues. We work with them on the trial testing and on the new varieties. This whole issue is pesticide testing as well. So we work with the producers closely.

**Mr. Penner:** I just want to express my appreciation, my deep appreciation, for the tremendous co-operation that the pulse growers have had from the Department of Agriculture. As you know, my son is a member of the pulse growers board. He speaks very highly of the co-operation and the affiliation that they have developed with the staff at the Department of Agriculture on many issues such as research. I am not going to get into the disease side, as we all know what we are talking about when we talk about these problems and research needed and those kinds of things.

However, I also want to indicate to the Crop Insurance Corporation that I believe that they have paid a lot of attention to producing programs and expanding programs into a developing industry. I think the Crop Insurance co-operation of board and management need to be commended for the work that they have done again in this whole area. I believe that by working very closely together with the department and the agencies of the Department of Agriculture that we can see a very significant benefit being developed other than just growing the crops.

You are absolutely right. Marketing is not only becoming, is the key element in the success of raising any product in this province. I would just hope that we will do everything in our power from a governmental perspective to keep the good relationships that we have had in the past with our neighbours to the south.

\* (16:50)

On our farm we directly market many of the products directly into areas such as Minneapolis, Colorado, California. It is done by direct marketing.

It takes a lot of effort to do that on your own, but we have seen the benefits of that. The intergovernmental relationships, I think, have a great bearing on the receptiveness of our products in the United States and, I believe, indeed Mexico. We are currently exploring doing some direct marketing of products directly into Mexico.

There is a bit of a risk from a producer's standpoint. You are not always quite sure whether you are going to get your money at the end of the day, but that is a risk you take. Maybe at some point in time there can be some discussions within government about how to develop maybe an international kind of program that would be directed at financial securities of marketability in that manner. I would not mind sitting down at some point—this is not the time and place to do it—but sitting down at some point in time and exploring some ideas as to how this could be done, maybe an approach that could be made that might be done through the trade relationships and discussions on how to do that. I think that would be beneficial to all growers on both sides of the Canada-U.S. border and indeed maybe even into the Latin American countries and Mexico.

I should say that I spent some time in Indonesia this winter and talked about beef, and this is a bit of an aside. We went to a restaurant, and then I asked the restaurant owner where he bought his beef. He said, "In Australia." I said, "Well, if you want good fried shoe leather, this comes close to it. I would recommend to him that he should try some real Canadian beef." He said, "Why don't you send me some? I'll try it." I said, "Your customers will never buy anything other than Canadian beef if you try it on your plate once."

I think there are tremendous opportunities internationally to develop markets for products that we have, and I believe truly we grow some of the best quality foods anywhere in the world. As I said, I just want to commend the department on how they have dealt with their growers and how they have dealt with marketing organizations and others. I think it is commendable the way you have managed to encourage the production and also the development of new products and encouraging that.

I want to proceed and move out of this area and ask a few questions on soils. I see the Minister of Water (Mr. Ashton) is here. He is probably going to make some announcements within the next day or

two on nutrient management. I want to ask from the Soils side to give us some background, some history on the fertility of our soils in the province and whether they have changed a great deal over the last decade from where they used to be.

I remember not too many years ago we were encouraged to use proper fertility methods, in other words, the right kind of fertilizer, the right amounts, because we were told that we were depleting our soils of its nutrient capacity. Lately, now, I am concerned that we hear constantly our minister, especially the Minister of Water, pointing the finger at agriculture and talking about the deteriorating quality of water in our rivers, lakes and streams, as he did again this morning to the Manitoba Chambers of Commerce. It concerns me that maybe, just maybe, we are using that as an attempt to add a bit of fear that they might support the government initiatives.

I wonder whether the soil fertility has changed much in tests that the department might have done over the last while or that farmers should be encouraged to decrease their nutrient level applications on their farms. Is that the recommendation currently of the Department of Agriculture?

*Mr. Chairperson in the Chair*

**Ms. Wowchuk:** Mr. Chairman, the message has not changed. The message has always been to balance the nutrient level with the nutrient needs of the crop. That has always been the goal, and that is still the goal, that producers should apply appropriate level of nutrient to meet the needs of the crop, because over-application of any fertilizer can result in the build-up of nutrient in the soil and that has happened in the past. There have been times when there has been a build-up in the soil and when that happens our staff work with producers to bring that balance back into place. We all have a responsibility to look after the soil, and I think that farmers are pretty good managers of the soil.

The member asked about what has changed. The goal has not changed. It is to keep a balance between the requirements of the crop. Certainly, most farmers would want to do that, because if you overapply a nutrient you are spending money that is not being used up by the crop.

**Mr. Penner:** We all know that, Madam Minister. What we do not know is this: Have the soil fertility tests done by our testing lab, do they indicate a significant change? It was not many years ago we were warned and told by not only the Department of Agriculture but also by the universities that we would have to increase our fertility applications, such as nitrates and phosphates, in order to maintain a proper balance to ensure the continued productivity of those soils. They were telling us that we were depleting the soil fertility. I wonder whether that has changed significantly over the last decade and what the results are, whether they are going up, down or significantly upward.

\* (17:00)

**Ms. Wowchuk:** Certainly when there were different practices where there was more cultivation and people were relying more on putting product back into the soil or they were cultivating more, there was a depletion in some of the nutrients. Over the last period of time, we are talking about 10 years, there has been an increase over time in the amount of nitrogen in the soil. Application rates have changed. There is more application. I think that it is important that we work with producers to keep that in balance.

But the member talked about the fact that there was a deficit in nutrients in the soil. Ongoing testing shows that there has been an increase over time in the amount of nitrogen that is in the soil. I think that is related to the practices and the increased application of fertilizer that producers are doing now.

**Mr. Penner:** Is the minister aware of what the recommendations are going to be or what the ministerial announcement is going to be? Before she answers that question, I wonder if she could tell me what the phosphates have done or what the phosphate test results are over the last decade. Have phosphate levels increased or decreased, or are they relatively stable in the general soil testing? I think we would know that just by asking the soil test labs what their results show over the last while, whether they have gone up or down or were they relatively stable.

**Ms. Wowchuk:** The amount of phosphorus in the soil varies depending on the crop, depending on the soils, but data research has shown where there are in the areas of potato production, there appears to be an increase in the amount of phosphorus in the soil. In other crops with commercial fertilizer, it does not

appear to be that there is much change, but on a go-forward basis as we look at manure application, we have to look that there is a balance between the needs of the crop and what is being applied. But in this area there are a couple of initiatives that are going on right now in the province to get a better database on the phosphorus levels in this province.

**Mr. Penner:** I wonder whether the minister is aware that soil nutrients applied through natural fertilizers, which we used to call the best organic fertilizers in the world, was manure; whether it was horse manure or any kind of manure, we called that the organic fertilizers and whether that is still the opinion of this Government, whether those would be considered organic materials that could be used as fertility on organic crops.

Whether she is aware that all of the tests that I have seen would indicate that the availability of the phosphates contained in those natural fertilizers would be higher and also the nitrates would be higher in value to the crops produced. In other words, the availability of the nitrates and phosphates would be utilized by the crops at a higher level than in commercially produced fertilizers. Is she aware of that?

**Ms. Wowchuk:** Of course, manure adds organic material to the soil. Some of it is released more quickly than others. Some of it is released quickly. There are nutrients that are added to the soil. But I think the most important thing is that there be a balance on the amount of nutrient, whatever kind that is applied is balanced with the needs of the crop. The most important thing that we can do is continue to soil test. We should not be guessing on what the fertilizer rate should be to meet the needs of the crop that is grown. So we continue to encourage producers to test. Our desire is to balance the needs of the crop with the product that is being applied. I do not think any producer wants to overapply because if they overapply that is an unnecessary cost to the producer.

**Mr. Penner:** We all know that to grow a good crop of corn it takes roughly about 100 pounds of nitrogen for every 100 bushels that you are going to raise. If you want to raise 200 bushels of corn you apply 200 pounds of nitrogen, similarly phosphates in accordance with. I would just ask the minister in her colleague's announcements tomorrow, or the day after tomorrow, whether there will be any indication

given that it is government's intent to micromanage the farm operations through laws and regulations that would limit the application of nutrients on the land. I see the minister smiling.

When I look at the manure management regulations, there is clearly an indication there that you cannot apply more than a given amount of phosphates and nitrates via manure. I found that very interesting because those prescriptive measures in her regulations, or her Government's regulations, clearly indicate that we would not be growing corn if we used natural fertilizers.

So to grow a good crop of organic corn it could not be done with the prescriptive measures that she and her Government have brought forward via regulations. I think we are entering into a dangerous era when governments want to start regulating micromanagement through that kind of process. I think the minister should be very concerned being the proponent of agriculture and ensuring that producers will have the ability to manage their own operations, should take that back to her Cabinet.

\*(17:10)

**Ms. Wowchuk:** The member is not quite accurate in what he is saying. The regulation is based on the amount of nutrient left in the soil in the fall. As I said earlier, we all have a responsibility to ensure that there is proper management, as farmers all want to do. Farmers do not want to apply more than is actually being used by the crop. That is why we say testing is important. The member is asking about the announcement. I would ask him to wait until Thursday till there are further details.

**Mrs. Leanne Rowat (Minnedosa):** I am going to focus a little bit on youth, school curriculum programming and some of the conferences that you are going to be hosting. I am all over the map, but starting on page 45 here.

The 2004 World Meat Congress that is going to be taking place in Winnipeg in June, I have a question for the minister. The question is with regard to the elk and bison producers. You have indicated in your report that you are going to be working closely with those producers. I just want to know why these two groups were excluded from a role in this congress workshop that will be taking place in June.

**Ms. Wowchuk:** This event is the industry's event. We are really pleased that we have the opportunity to host it here. It is the International Meat Secretariat that is the proponent of the event. They are based in Paris. Their members are pork, beef and sheep producers or marketers of those products. They would be willing to meet with the producers of other protein products such as the elk growers or the bison producers.

So, then, if the Canadian Association of Elk Growers or if you could get the Canadian and American elk growers to get together and propose a meeting, then the international committee would be prepared to meet with them. They would have to take a membership out in the organization and then look at how they could move forward. But there would be the opportunity to meet with them. But it is not our event. We do not determine who participates in it. It is the organization out of Paris that has the membership. That is who they represent now. I think they would be willing to meet with other groups to expand it.

**Mrs. Rowat:** It is unfortunate. We had sent a letter to the minister asking the reasons why the elk and bison producers would not be included in the planning process or be part of this event. This is not the response that they got back. They were very discouraged as producers, having been affected by the BSE, as well as cattle and sheep and obviously the swine industry's issues. So it is a little late, but, just for the record, I think they would have liked to have been a part of this workshop.

My question to the minister, again, would be regarding agri-tourism and direct farm marketing. What role do the rural development corporations have with this type of initiative?

**Ms. Wowchuk:** I just want to comment, first of all, on the fact that the Member for Minnedosa (Mrs. Rowat) said it was too late for the people in bison and elk to be involved. They could not have been involved in the program because those species do not have membership, but it is not too late for them to have a meeting in Winnipeg when they are here. There is an opportunity, if that is what they are interested in, for them to meet with representatives of the international committee, and as a department we would be quite happy to help these producers, but it could not have been set up to have workshops with these groups when those groups are not members of

the international committee, so the program would not have been set for them. There is an opportunity for them, on a go-forward basis, to be part of it and if there is an interest there, I would encourage them to do it and we would be able to help them.

With respect to the rest of the question on agri-tourism, we work very closely with agri-tourism. The regional economic development officers of the RDCs have always invited the tourism groups to participate in their committees, because we see that as an important area.

With respect to direct marketing, if there are people interested in marketing projects, the economic development officers could work with them. It is an area I have a lot of interest in, because I believe that we have a lot of opportunity to add value to the products that we have in rural Manitoba.

On agri-tourism, our staff provides leadership in agri-tourism initiatives at all levels, at the national level, the provincial level and at the regional level, so we work with them and then the regional development corporations have also invited those people to be part of their groups.

**Mrs. Rowat:** What is the funding breakdown that you provide to the rural development corporations for tourism?

**Ms. Wowchuk:** The member asked what funding we get through RDCs to support tourism. RDCs get funding to support economic development in all areas, not money specifically targeted to tourism. But agri-tourism can access money through MAVI grants, and many have. Tourism associations are funded through a different department, through Culture, Heritage and Tourism.

\* (17:20)

**Mrs. Rowat:** I was wanting to know what the breakdown of funding was for the rural development corporations. What does the Province provide the corporations for funding? To be clear, is that an increase or a decrease from previous years?

**Ms. Wowchuk:** Mr. Chairman, it is stable funding. There has not been a change.

**Mrs. Rowat:** On Salaries and Employee Benefits on page 86, Economic Development Initiatives, there has been an increase of managerial staff from two to

three. Could you indicate to me who those individuals are?

**Ms. Wowchuk:** The three positions are Leo Prince, who is the Director of Economic Development; Maurice Bouvier, who is the Director of Community, Co-operatives and responsible for the regional development corporations; and the new position is Christine Burton, who is the acting ADM of Rural Initiatives whose position was not in this line before, and it is in this line now.

I failed to introduce Christine Burton, who is the ADM for Rural Initiatives, and Dori Gingera-Beauchemin, who is the acting ADM for Regional Services.

**Mrs. Rowat:** My question is for the minister. With the announcement that there will be a reduction in ready funding I would like to know what the status of the economic development advisers is, the number of advisers that are presently in place and if there are any vacancies and if those vacancies will be filled.

**Ms. Wowchuk:** Mr. Chairperson, there is no change to funding with these positions. There are three vacancies now. There is a vacancy at Birtle, one at Killarney and there was a retirement in The Pas just a very short time ago. Those positions will be reviewed as are other positions as we move forward with their part of the reorganization that we are going through right now, and they will be filled, as will other positions in the department.

**Mrs. Rowat:** The position in Killarney and the position in Birtle have been vacant for some time, and I guess that is of serious concern for the communities in that region. Killarney has been vacant for, I would say, several years; Birtle position, the individual has moved to Brandon and that leaves a void in the Parkland area. The economic development issues in rural Manitoba are compounded with the BSE, with the drought, with businesses in serious concern over whether they are going to be able to remain viable in the next year.

I know that in my community alone a business that does tire work is very concerned about their future. Businesses like this do need the support of economic development advisers. I strongly recommend this Government be committed to these groups and seriously consider reinstating or hiring in the Birtle, Killarney and The Pas region.

**Ms. Wowchuk:** Of course, those are important positions, and we will look at how we can fill them. The position at Birtle became vacant when the individual chose to take the Brandon position. We were filling the Brandon one first, and we continue to look at the other positions. As I said, the position at The Pas is just recently vacated because the individual chose to retire. There is no doubt there are many challenges. The issues of BSE, the drought and other issues have put pressure on rural communities, and we will continue to work with them.

**Mr. Penner:** I wonder, Mr. Chairperson, whether we could extend the day for just a wee bit because I just got a note requesting that we wind up the debate in committee and whether, if it would be the minister's will, then we may not come back tomorrow.

**Mr. Chairperson:** I just want to inform the committee that we do not have that authority to extend this meeting. The House has to give that authority.

**Ms. Wowchuk:** I would be quite happy to come back tomorrow. I think that, as the Chairman said, we have to go by the House rules. So we will be prepared to come back.

**Mr. Glen Cummings (Ste. Rose):** I have one quick question for the minister. Talking about vacancies, we currently have a vacant ag rep position in Neepawa. I think a collective sigh of relief went through the department last week. I am wondering if that can be extended, if I have assurance that position will be filled.

**Ms. Wowchuk:** As the member indicated, we are going through a review of the department and looking at how we can provide better services for people. There was a lot of speculation that this meeting in Brandon was going to lead to layoffs. That was not our intention at all. Our intention is to review the services that we provide and look at how we can better serve the public and our clients in the department. We will continue to work in that vein.

**Mr. Cummings:** I guess I will take that as a no?

**Ms. Wowchuk:** I said clearly to the member that it is not our intention to be doing massive layoffs. What our intention is is to review the department and look at how we can better meet the needs of the clients. There has been a change, some changes in agriculture. The department has not been reviewed for some 25 years. We are looking at how we can better

deliver services. I fully anticipate that we will have front-line services to deliver the services as we have now.

**Mr. Chairperson:** The hour being 5:30, the committee rise.

## HEALTH

\* (14:40)

**Madam Chairperson (Bonnie Korzeniowski):** Good afternoon. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will be continuing with consideration of the Estimates of the Department of Health, as previously agreed, to consider these Estimates in a global manner. The floor is now open for questions.

**Mrs. Myrna Driedger (Charleswood):** I have a question for the Minister of Healthy Living. In Culture and Heritage, there is a Recreation and Wellness Promotion Branch which appears from the Budget to get \$3.4 million a year and has 10 staff. Can the minister tell us what he has to do, if anything, with that particular part of Culture and Heritage?

**Hon. Jim Rondeau (Minister responsible for Healthy Living):** I am pleased to inform the member that I co-operate. I collaborate, and I work very hard with them as far as to promote wellness activity and recreational sport. It is nice to see that, because what we have to do is have a proactive, collaborative approach in all departments. I have a good time working with him, because he understands the importance of recreation to good health.

**Mrs. Driedger:** The minister was totally evasive in answering that particular question.

Can the minister indicate whether or not that \$3.4 million and the 10 staff have come over into his department, or are they still there in Culture?

**Mr. Rondeau:** They are still in Culture.

**Mrs. Driedger:** I would like to move to another line of questioning, and that is around the public health issue, around SARS and the Office of the Chief Medical Officer of Health, and get into a line of questioning in that area.

My first question to the Minister of Health is: Could he indicate, last year were there any SARS cases here that met Health Canada's criteria for a suspect case, and were they reported to Health Canada?

**Hon. Dave Chomiak (Minister of Health):** Madam Chairperson, just as we speak, the Chief Medical Officer for Health for the province of Manitoba, Dr. Joel Kettner, is joining me, as well as members of his staff, including Susan Roberecki, who is the Assistant Chief Medical Officer of Health, and Lorraine Adam, who is also involved.

Perhaps I should just wrap up some questions that I promised the member I would get back to today so we can clear that out of the way, and that is the hospital beds in Brandon. The honourable Member for Russell (Mr. Derkach) requested information regarding hospital beds in Brandon.

The Brandon Foundation is operating a donation campaign to replace beds in the Brandon Regional Health Centre. The beds being replaced are located in the old general centre and the Assiniboine Centre. They are not the beds in the new addition to the general centre.

The foundation is a charitable organization that operates to manage donation monies donated to benefit the health centre. The bed replacement campaign is modelled on a successful campaign run by a similar organization in Prince Albert, Saskatchewan. The foundation is an organization independent of the Brandon Regional Health Authority. They did consult prior to launching the campaign. Brandon RHA has received approval to spend \$96,000 to replace beds in the region.

Also, Madam Chairperson, the members asked yesterday about some reconciliation information concerning the salary levels and some of the salary costs with respect to the supplementary Estimates that appeared from '03-04 as compared to those in '04-05.

I can indicate to the member that information is comprised of \$15,700, which is general salary increase; 38.2, which is administrative assistant; 73, which is senior adviser—both transferred positions in funding to the deputy minister's office from other parts of the department just to coincide with what in fact had been put in place, including operating costs

to those positions of \$24,300 for total adjustment to the '03-04 Estimates of 151.2, Madam Chairperson.

If you add that to the salary increases of 31.9 plus the number that is allocated with respect to the salaries that are noted in footnote 1 of the '04-05 Estimates of 239.7, that accounts for—and in addition to operating funds with respect to those salaries of \$50 million, \$50,000, I should say. I am not used to the thousands. That reconciles and constitutes the figures and the numbers that were provided.

As well, the member talked about information concerning the branches which report through the deputy minister to the Minister of Healthy Living and it is health population, environmental health, diabetes and chronic disease, AFM, the Seniors Directorate and Healthy Child Secretariat through the Deputy Minister of Family Services office.

I think that covers it to this point. There is also some additional information that I indicated I would provide to the Member for Russell (Mr. Derkach), some of which is still being compiled. If the Member for Russell, I know he is probably busy in another committee, I will talk with the Member for Russell personally and either provide the information if it is available later in the day or tomorrow or have some conversation with him with respect to the timeliness of providing that information.

Now the member's question with respect to SARS. If memory serves me correctly—now we have been joined by the staff that I previously indicated. If I can just interpret the question and see if I can remember something that happened 45 seconds ago, I would interpret that the question would be that the member asked whether or not there were any SARS-like cases that fit the definition of SARS as defined by the World Health Organization in Manitoba. Is that the question?

\* (14:50)

**Mrs. Driedger:** My questions had been were there any SARS cases here that met Health Canada's criteria for suspect cases and were they reported to Health Canada.

**Mr. Chomiak:** No, in fact, the Chief Medical Officer has informed me, and no. I do know, though, from my experience during this episode that there were some possible cases and there were some

definitional issues with respect to how Health Canada was defining suspect cases. There was a process that was developed throughout the country with all the chief medical officers of health trying to have a consistent definition of what would be suspect and possible. I just throw that out for the information of the member, but in terms of this strict Canada Health definition of suspect cases, I am advised no.

**Mrs. Driedger:** Can the minister indicate if there is a written SARS strategy document here in Manitoba?

**Mr. Chomiak:** Madam Chairperson, the member could reference the Web site for Manitoba Health, where there is a site called "Manitoba's Pandemic Influenza Plan." The intention and the ultimate goal is to not just have a SARS plan but to have a plan for respiratory and other related pandemic influenzas, because we do not want focus solely on SARS as a definition or in fact as the only suggested response, because we are trying to focus on the larger issue of pandemic, which includes upper respiratory and other kinds of SARS-like illnesses.

The overall plan is developed by the federal government in conjunction with the Province. There is a plan on the Web site and there is continuing development with respect to various protocols and processes within that.

**Mrs. Driedger:** Can the minister indicate how our surveillance system works in terms of collecting information? What specifically is done with our surveillance system in the area then of pandemic influenza or SARS?

**Mr. Chomiak:** For some time in Manitoba we have had a centralized ability and capacity to report respiratory and related illnesses that are processed either through Cadham Lab or through the federal lab that is done on a regular basis through conjunction with doctors, community health centres, public health officials and others and has been in place for some time and forms the basis of course of our annual influenza campaign that takes place and has expanded year-over-year over the past four years. In addition, the federal government provides sentinel physicians to assess clusters and other matters relating to potential outbreaks.

**Mrs. Driedger:** On the "Pandemic Influenza Plan" document that was on the Web site, it does indicate that Manitoba Health continues to develop strategies

with its partners to aid the health sector in maintaining services. How does Manitoba Health go about developing these strategies, and what are these strategies that they talk about under Health Services? They indicate that these strategies are developed with partners to aid the health sector in maintaining services and to provide protection for health care workers from illness in a pandemic.

Do we actually have strategies, and how are they developed?

**Mr. Chomiak:** I could probably speak for the balance of the Estimates period this afternoon on some of the strategies and some of the specifics in this regard, but let me just outline for the member a couple of issues and then a couple examples that I will throw on that will be illustrative.

First, we do have the capacity and are working with the federal government in terms of stockpiling and acquisition of both vaccines and anti-virals. We also have stockpiled equipment, et cetera, as well as considerable thousands of supplies of N95 masks, et cetera, as well as procedures for distribution and utilization.

Just let me illustrate two examples of how the Health Department has responded in the past so that the member has, perhaps, an understanding. When 9-11 occurred, the morning 9-11 occurred, by the time I was in my office, because I had had a morning meeting with, ironically, the federal Minister of Health, by the time I was back in my office, the Department of Health in conjunction with emergency groups and the regions had already put in place a contingency plan with respect for utilization of health facilities and public facilities in Manitoba, on the assumption that there might be a need or requirement for victims and for others to be moved from New York to Ontario. Patients displaced from Ontario would be then moved to Manitoba. That was already in place and functioning. In fact, the four or five planes that were grounded in Winnipeg, teams from the WRHA had already been put in place and went out to the airport in order to provide assistance. So there is an automatic system that kicked in.

\* (15:00)

More recently, when the SARS outbreak occurred, with respect to Manitoba a SARS-like clinic was already established and set up at the

Misericordia centre, for lack of a better word I use the word triaging, for triaging of individuals with respect to SARS. Contact had already been made to primary health care centres and officials, et cetera, outlining to them the fact that if, in fact, symptoms appeared, patients should be directed towards a SARS-like clinic, et cetera. That had already taken place as a result of protocols and plans and strategies that are put in place and are existing. If one toured around Manitoba during the time of SARS outbreak, one would have noted that signs went up in most rural facilities through the RHAs indicating concerns about SARS and concerns about those kinds of symptoms.

There are existing and developing protocols, patterns and strategies that are in place at Health that relate to these matters. In addition, Manitoba Health, particularly through our Chief Medical Officer of Health, has taken the lead role of co-ordinating and assisting the federal government and other jurisdictions in co-ordinating the activities in the event of any kind of a major outbreak.

What I have done for the member is just to outline some specifics with respect to some of the planning outlined, two instances when the system effectively kicked in to deal with crisis-like situations.

**Mrs. Driedger:** Can the minister indicate that, when the Web site, "Pandemic Influenza Plan," indicates that Manitoba Health continues to develop strategies, et cetera, what particular role the Chief Medical Officer of Health has in that, or is he outside of that in that department staff are the ones developing the strategies? Or does the Chief Medical Officer of Health have some definite defined role in that?

**Mr. Chomiak:** The Chief Medical Officer of Health and Public Health officials work in collaboration and co-operation on these matters collectively preparing for the strategy, but the Chief Medical Officer of Health is the overall adviser and provides the overall advice and general direction in terms of co-ordination of these efforts.

**Mrs. Driedger:** In the Supplementary Estimates, it indicates that the Chief Medical Officer of Health, towards the bottom of the page it says assurance of appropriate monitoring, evaluation, communication and response to health issues, but it does not really say exactly what his role is in doing that. It just

indicates assurance of monitoring, evaluation, et cetera.

Does the Chief Medical Officer of Health not have a larger role than just assuring? Is there no role in planning for some of these areas?

**Mr. Chomiak:** If memory serves me correctly, I think a more elaborate definition of that role and function is contained in the annual report of the Department of Health that outlines roles and responsibility in more detail. As the member knows, the Supplementary Estimates, with respect to reference to activities, is a summary acknowledgment and a summary outlining of the highlights and the major points contained in the Estimates.

**Mrs. Driedger:** Then in the area of Public Health and the Chief Medical Officer of Health, if we were to say the buck stops somewhere within that area, does it stop with the Chief Medical Officer of Health? If we had a major pandemic, is he the one that has the final say in the monitoring, the evaluation, the communication and the response to these issues?

**Mr. Chomiak:** As I indicated, we have a Chief Medical Officer of Health. We also have a director of Public Health branch that works collaboratively and works in conjunction with respect to these matters. We do have a specific Public Health Act that defines specific powers that are attributed to the Chief Medical Officer of Health and certain powers do kick in depending upon the definition of the particular, for lack of a better word, event that occurs that specifically gives certain powers and degrees of power to medical officers of health and to the Chief Medical Officer of Health. The reporting structure is to the deputy minister and ultimately through the minister.

**Mrs. Driedger:** If we were to look at the case of SARS and there are the two medical directors that the minister just referred to. In the case of somebody stepping off the plane with SARS ends up in one of our ERs, I understand where for sure the Minister of Health would have the final say, but between those two other directors, where would the buck stop at that level or is there potential for any conflicts between the two or are there absolutely clear rules and expectations between the two?

**Mr. Chomiak:** I do not mean to be difficult, but I do not think I can connect the member's question to an

actual event. If an individual were to show up in a hospital room or step off a plane, it is two different issues. It is significant because there are questions of federal jurisdiction. There are all kinds of issues that lay into that, but if the member is asking the question about who ultimately makes program decisions, overall practice decisions, we base those on the best clinical and medical and scientific advice that is available to us.

**Mrs. Driedger:** Somebody would have to be leading the charge if we had an outbreak of SARS here. Besides the Minister of Health, would it be the Chief Medical Officer of Health who is the person who would be directing what is happening around this outbreak of SARS?

\* (15:10)

**Mr. Chomiak:** The overall practice, the overall implementation is undertaken by medical officers of health. The protocols, the planning, et cetera, are done by Public Health in conjunction with the Chief Medical Officer of Health. Ultimately, one could look to the overall direction towards the Chief Medical Officer of Health.

**Mrs. Driedger:** Can the minister indicate whose responsibility it is to do long-range planning in this area? Not even long-range planning, but all aspects of planning in the area of public health? Is it the medical officers of health that would be meeting on a regular basis and actually putting forward plans that address various aspects of public health issues?

**Mr. Chomiak:** Madam Chairperson, planning is a shared function of the regions of the department of the medical officers of Health, of the branch, and of the Chief Medical Officer of Health. It is a shared function.

**Mrs. Driedger:** Does the Chief Medical Officer of Health report to the Minister of Health?

**Mr. Chomiak:** As the Organization Chart indicates, the Chief Medical Officer of Health reports to the Deputy Minister of Health and to an ADM.

**Mrs. Driedger:** Can the minister indicate whether the pandemic influenza plan and a SARS plan would be identical?

**Mr. Chomiak:** Pandemic is a larger platform with respect to planning and has been in various forms of planning stages for a long period of time. The overall approach to SARS is one example of an approach that may or may not be dissimilar depending upon the type of outbreak that occurs.

The example of SARS was that "it was not a classic pandemic, as one would define pandemic generally in public health terms, but it was treated in much the same fashion that one would treat a pandemic because there were so many unknowns with respect to it and in fact, in some ways, continues to be with respect to SARS per se.

The fortunate thing in the case of Manitoba was that the province of Ontario was where the experiments took place and where the actual experience took place which permitted Manitoba and other jurisdictions to hone our processes and hone our skills with respect to it.

So, strictly speaking, in terms of a definition, I do not think that any public health official would characterize SARS as a pandemic, but the approach and the methodology to treating SARS was in many instances similar to how we would treat a pandemic and would fall under the overall rubric of pandemic planning, which is the system that we have in place in Manitoba.

**Mrs. Driedger:** Does the minister think it prudent then for Manitoba to have a specific written SARS strategy document in light of what he has just said?

**Mr. Chomiak:** Madam Chairperson, it is prudent to have in place an overall structure and plan to deal with a variety of responses with respect to any kind of a major outbreak that can occur in Manitoba. We are in a position in Manitoba, should there be a SARS outbreak that would appear in Manitoba tomorrow, to deal with it according to best practices.

As we dealt with it, even though we had no occurrence a year ago, we were able to put in place a plan to deal with, not suspected cases, but possible suspected cases on several occasions, which were dealt with. We have the ability to respond if such an occurrence should occur. We are thinking much larger, and that is why the Web site notes pandemic. We are thinking much larger on two fronts.

Firstly, we know that, statistically, we are close to a pandemic outbreak of major proportions that could occur at any time. Secondly, we also know, in terms of mutations and other related changes, many types of forms of illnesses and diseases could come upon us that would require the type of response, a SARS-like type response, even though they are not necessarily classified as a pandemic and we feel that we are in a position to respond because of the mechanisms we have in place.

**Mrs. Driedger:** I would ask the minister, in a clear yes or no, if he would be prepared to indicate do we have a clear written strategy on SARS.

**Mr. Chomiak:** Madam Chairperson, I do not know what the member means by that.

**Mrs. Driedger:** Can the minister indicate, as he has outlined a pandemic influenza plan, whether there is also a similar SARS plan?

\* (15:20)

**Mr. Chomiak:** As I indicated previously, the pandemic plan is the overall Manitoba plan, in which the SARS approach would fall under the pandemic plan.

**Mrs. Driedger:** So, from that, I can take it that we do not have a separate SARS plan, which is what the minister is saying.

I note that Alberta does have one, and it is on their Web site. Theirs is developed similarly to a plan developed for pandemic influenza. They have taken that similar pandemic influenza plan and then they have spun off a SARS plan that is actually very specific in a number of areas of surveillance, lab investigation, public health follow-up, infection control, communication. They have got a contingency plan in place, and it does provide a little bit more clarity in terms of what the public can expect from their Government if, in fact, SARS were to appear. I understand that, in speaking with the various regional health authorities around the province, according to the Brandon and Assiniboine regional health authorities, there is, and I am using their words, no coherent SARS strategy for either of those RHAs, but they do have something that they used last year for Central and NOR-MAN, which also have a shared responsibility in this area. They have indicated that there is no formal SARS strategy

for the Central RHA. They were not quite sure what was available for Norman.

Some of the other ones, there have been no responses yet back from them. Parkland would not indicate whether they had a SARS strategy or not. They referred me to the Chief Medical Officer of Health. North Eastman says they have no formal strategy for SARS. So that is quite a significant number of the regional health authorities indicating that they have no SARS strategy, which does cause me some concern if in fact anything like happened in Toronto a year ago might happen here in Manitoba.

If a number of the RHAs are indicating that we have, as they are putting it, no coherent SARS strategy, how effective is this province going to be in addressing SARS if it should hit this province?

**Mr. Chomiak:** The member so often brings information to the Estimates that I question.

**Mrs. Driedger:** I am just asking a question and you have the opportunity to answer it accurately.

**Mr. Chomiak:** I am actually familiar with the Alberta plan, having had discussions with the Alberta Minister of Health and related officials. As I understand it, the Alberta plan consists of the federal plan that was designed together with the federal and the provinces and simply onto a site. We have the same protocols that we worked on in conjunction. One of the reasons that we have not put all of the protocols, et cetera, on the Web site is because they are changing so rapidly with respect to evolution and development. So for the member to say because I am not giving her a written SARS plan and to suggest we do not have a SARS plan is totally inaccurate.

I just gave the member the example of how our SARS plan kicked in when other jurisdictions were doing nothing. The member seemed to have missed that particular point. I find that parsing of information not appropriate or conducive to actually looking at the issue. I already indicated to the member that our plan kicked in, in fact, ahead of what happened in some jurisdictions that in fact had SARS cases, that we had learned from those jurisdictions and that we have protocols ready to go tomorrow with respect to an outbreak, as well as screening and capacity, as well as surveillance capacity around the province.

I am familiar with what Alberta put on its Web site. They effectively took the federal plan. I suppose we could put more information on our Web site with respect to the same federal plan, but we have the protocols and the planning documents in place. It functioned effectively last year. I am quite confident that it would function effectively should we be in such a case in the future.

**Mrs. Driedger:** Well, the minister goes off on a tirade. He is the one that just said he has no written SARS plan.

**Mr. Chomiak:** It is on the Web site.

**Mrs. Driedger:** If he is now trying to say that he has a SARS plan, is he prepared to table that at the next set of Estimates?

**Mr. Chomiak:** As I indicated about three questions ago, we have a pandemic plan that is on the Web site that formed the basis of our responses. That is the plan that forms the basis for our responses across. The member should not get fixated on only one issue, that is, SARS and whether or not SARS should return. As a public health department, we are by necessity required to be in a position to respond to variants and all kinds of related issues with respect to responses, which is why we chose to outline our plan as a pandemic plan, of which SARS could or could not be considered a subset of.

**Mrs. Driedger:** The minister had just finished earlier on saying that the SARS and the pandemic plans are not the same. Now he is trying to skate around and indicate that the pandemic plan is what they actually use for the SARS plan. Certainly, what has—

**An Honourable Member:** Myrna, I said "subset."

**Mrs. Driedger:** Madam Chair, the question was put to the minister: Would he be prepared to table a written SARS plan?

**Mr. Chomiak:** I am prepared to provide the member with additional information with respect to our pandemic plan.

**Mr. Jack Reimer (Southdale):** I just have one quick question. It is on a different subject, and it relates to an answer that the minister gave me in the House in regard to Pharmacare. He mentioned that there is,

maybe I stand to be corrected, but a thousand new drugs or so that have been added to the list of prescribed drugs that are now covered under Pharmacare. For clarification: If a drug is prescribed at, say, 10 milligrams and then the same drug is then prescribed at 20 milligrams or even 30 milligrams, does that count as another drug added to coverage under Pharmacare?

**Mr. Chomiak:** From my understanding of it, in some cases it might and in some cases it might not. Just let me explain to the member an example. The example was recently there was an AIDS drug that was prescribed in three or four doses a day. A manufacturer came back and combined the three or four doses a day into a drug that provided one-day coverage. In that particular instance, that drug was added to the formulary because of the nature of the drug. It was a new drug added to the formulary.

In general, of the close to a thousand drugs that we have put on the formulary that would not constitute a large number, but in that particular instance of that type of drug the justification was, even though it was the same drug, only different dosage, the issue arising from that particular instance was that people who are receiving a pharmacological treatment for AIDS have to take so many drugs a day that, in the interest of their own safety and in the interest of their own lifestyle, if I could put it that way, it would be more appropriate to have the drug prescribed one a day rather than the four times a day, even though the drug once a day was considerably more expensive to the Pharmacare program than the four times a day drug. In terms of the thousand drugs added to the formulary, and I am only going from memory, I do not think a large proportion at all are related to a proportion of drugs, but I do cite that example as one example I know of a drug that had that kind of a ramification.

\* (15:30)

**Mr. Reimer:** I think that clarifies it because I was given information in conversation with an individual who said that, for example, the drug Lipitor you get it in 10 milligrams, you get it in 20 and you get it in 30; it goes up. He was under the impression that each time that it was increased the coverage at one time covered a 10 and now it covers a 20, but you have the same drug being covered four times, so that is four new drugs put on to the system. This was the concern that was brought to me, whether the minister

is classifying that as four new drugs on the system that they are covering now.

**Mr. Chomiak:** Again, in that particular instance I would think that probably relates to dosage, recommended dosage and clinical experience that indicates higher dosage has a more remedial effect.

But, in terms of the drugs that we are citing as the additional close to a thousand that we have put on the formulary since we have come to office, we can confirm this when we have the pharmacological people here tomorrow, I do not think they constitute a very great number of drugs, although instances, as I indicated in the AIDS drug, do occur.

**Mrs. Driedger:** Can the minister tell us if all of our hospitals have emergency room triage protocols in place, written ones, consistent ones related to SARS?

**Mr. Chomiak:** All physicians and facilities have been notified and have been provided with existing protocols that have been approved by Health Canada with respect to SARS-like illnesses.

So there are pre-existing protocols that have been developed and approved by Health Canada that have been circulated and communicated to all primary care providers and emergency rooms. These protocols available, the practices have been communicated to physicians, and we expect all facilities to follow existing protocols.

Madam Chairperson, we are now in the process of developing, because it is developing with Health Canada, a severe respiratory infection preparedness protocol at a regional level. That is a draft plan, being presented to all facilities in this regard in the next several weeks, that has been developed and will serve as the effective template until it changes when new information arises.

**Mrs. Driedger:** Madam Chair, if these protocols have been provided to the physicians, how are triage nurses to know what those protocols are, as they will be almost the first person in contact with the patient?

**Mr. Chomiak:** As indicated, that information has been provided to all primary care providers in all emergency departments in the province, and, as well, there are obviously existing protocols for infection control in all of those existing emergency departments as well.

**Mrs. Driedger:** Madam Chairperson, are all of those protocols standardized across the province?

**Mr. Chomiak:** Firstly, there are existing protocols with respect to infection control.

Secondly, protocols with respect to SARS-like matters were sent to all primary care providers and all emergency departments on January 29.

Thirdly, as I indicated, within several weeks the draft form of the severe respiratory infection preparedness, which is a subset of the pandemic planning process of which SARS is also subset of this particular severe respiratory infection preparedness, at the regional level will be finalized with respect to all of the regions as we continue to work with the federal government.

\* (15:40)

**Mrs. Driedger:** In speaking with a number of the medical officers of health across the province where they are indicating there is no coherent SARS strategy or there is no formal SARS strategy, no formal strategy or refuses to answer, I am a little bit concerned. What I am feeling is a lack of clarity throughout the province, in terms of a clear strategy throughout the province in addressing the issue of SARS.

It does not appear that there may be consistency if, in fact, it looks like four of them already, and some of these are joint so they speak for more than one regional health authority, are indicating that there is no strategy or no coherent strategy. The minister is talking, well, there are infection control guidelines.

I hope there is, but I am sure not getting a very good sense that we have got a good handle on this issue should a case of SARS hit this province. I fear that what we will be doing is flying by the seat of our pants if a case ever hit the province, and scrambling to try to figure out what exactly everybody should be doing. Certainly, what happened in Ontario and the analysis that happened afterward led to some red flags going up.

*Canadian Press* indicated in a very recent article from Toronto that SARS was contained only by the heroic efforts of dedicated front-line health care and public health workers, and the assistance of

extraordinary managers and medical advisers. They did so with little assistance from the central provincial public health system that should have been there to help them. They went on to say that the system was unprepared, fragmented, poorly led and inadequately resourced.

The *National Post* wrote about it in December as well. Some of the comments in that particular article indicated that some observers believe that politics play too big a role in the battle against SARS, and that it was crucial to remove even the perception of a political taint on public health officials. They went on to say that any doubts about the source, timing or motives of public health information have a corrosive effect on confidence. That was coming out of the report that was put forward after that.

They went on to say that the province had no plan in place for the health system to respond to a communicable disease emergency in a coordinated way, according to the report. It recommended setting up a new office of health emergency preparedness. They indicated, too, that communications were also a problem with no clear strategy for keeping the public informed, and no direct lines of contact between the province and health care workers.

We should be learning from their experience. I would think that in learning from their experience, we need to have something that is a little bit more concrete than what I have just been hearing this afternoon.

I would ask the Minister of Health does he have a quarantine policy developed in this area.

**Mr. Chomiak:** I want the member to know that we not only closely watched the situation occurring in Ontario, we assisted in the situation in Ontario. It was the Chief Medical Officer of Health of Manitoba, and I was part of the conference calls that took place nationally on a regular basis that provided some of the leadership on the follow-up with respect to SARS and the subsequent protocols and direction that occurred subsequent to SARS.

I want the member to be assured that we have also reviewed both the interim reports that have been published with respect to the SARS occurrence and that Manitoba has in place all of the measures and all of the capacity to deal with the issues, because Manitoba has a pre-existing policy insofar as several

factors are in place. First we have a fairly mature public health system that has been in existence for some time. We have a regional health system which, in fact, was clearly one of the defining difficulties in dealing with SARS and the outbreak that occurred in the Toronto area. We have the ability to communicate that information as well as policies on quarantine and isolation, et cetera.

I will get something in writing. I know the member wants something in writing and I will get something to the member in writing with respect to some of these policies, so that the member can be assured.

The point I want to make is the point that I made earlier on in terms of—and I thought that I dealt with that point, but I think I will have to repeat it to make it clear. We have put on the Web site a pandemic response, because SARS and other respiratory infections and/or other diseases form a subset of what we are facing, and what we might face as a province, and as a nation, and we have been involved in that planning. Some of that information changes on a regular basis. The Alberta government chose, I suppose, to call it a SARS response. Our SARS response is subsumed within the overall pandemic response.

I will get some information back to the member in writing, but I want to note what I said earlier in the discussion, that when the SARS possible cases occurred in Manitoba, there was a response. There was a SARS clinic in place in Manitoba, I think even before a SARS clinic was in place, in fact, in Toronto where there was an outbreak; a dedicated location for SARS, et cetera. Admittedly, there were issues that occurred during our response that had not been anticipated anywhere and that helped us to refine the policies and that we have put in place, but I will get some of that written information to the member.

**Mrs. Driedger:** Would the minister also be prepared to share it with the medical officers of health across the province, as they have felt that there is no strategy throughout the province?

**Mr. Chomiak:** We will ask the Chief Medical Officer of Health to confirm with medical officers of health the member's statements and continue our ongoing communication in that regard.

**Mrs. Driedger:** I was recently in Sunnybrook Hospital; it was the hospital in Ontario that saw the most SARS cases in the Toronto area. I do have to indicate that they were very, very complimentary about the Manitoba nurses that were there and appreciated very much having them.

It was also interesting to note that when I was just there, they are still gowned and masked in the triage area, that it is a triage nurse that sees the patient first and not a receptionist. There are still all kinds of warning signs about not entering the emergency if you have a respiratory infection. They are very much on top of the issue. It was interesting spending a lot of time there talking to them about this area as well as the other issues I was speaking with them about. Can the minister tell us how many medical officers of health we currently have in Manitoba?

**Mr. Chomiak:** Just reflecting on the member's question, I appreciate the member giving me advice about Sunnybrook Hospital. I also note the member gave me advice that we should duplicate the French health care system holus bolus with respect to recommendations several times and kept saying we ought to—I think after the experience of 1500 deaths in the summertime in France, Madam Chairperson, we have to take some of those suggestions with a grain of salt.

#### Point of Order

**Madam Chairperson:** Member for Charleswood, on a point of order.

**Mrs. Driedger:** On a point of order, the minister knows very well that there was never a recommendation to holus bolus duplicate anybody's system. In fact, the issue around that was more related to quit being so narrow-minded in his views about health care. The comments were made to open his eyes and look at what is happening around the world and to learn from other areas and other countries. There was never ever a recommendation that ever said to adopt France's system holus bolus. That is absolutely ridiculous for the minister to go down that road and put that on the record.

**Madam Chairperson:** On the same point of order, Mr. Minister?

**Mr. Chomiak:** Yes, on the same point of order, the member stood up in the House on numerous occasions and said that France's health care system was one of the best, if not the best in the world, and kept telling me to visit France to see and emulate what they did there. I just want to point out that after the experience in France over the past summer, I do not think it is necessarily something that we want to emulate.

**Madam Chairperson:** In my opinion, this is a dispute over facts. It is not a point of order. I would remind all members that a point of order should be raised only to show there has been a departure from the rules or unparliamentary language.

\* \* \*

\* (15:50)

**Mr. Chomiak:** There are 11 regional MOHs and 3 provincial MOHs.

**Mrs. Driedger:** Can the minister indicate how many vacancies?

**Mr. Chomiak:** There are two regional vacancies.

**Mrs. Driedger:** Can the minister indicate who the medical officer of health is for the Burntwood-Churchill region?

**Mr. Chomiak:** As I understood it, that particular office is vacant and is being covered by another medical officer of health's office.

**Mrs. Driedger:** Would each of the region's health authorities then have their own, and in the interim, because of the vacancies, I see that we have six regions actually sharing. Would normally each region have its own medical officer of health?

**Mr. Chomiak:** No.

**Mrs. Driedger:** Can the minister indicate how often the medical officers of health meet and what form their meetings take? Are they information sharing, or are they planning meetings?

*Ms. Kerri Irwin-Ross, Acting Chairperson, in the Chair*

**Mr. Chomiak:** Structurally, there are teleconferences every two weeks, quarterly, face-to-face meetings that include information exchange and policy, plus there are specific committees and items that they meet and sit on. On occasion there are daily and even twice-daily meetings depending upon the particular occurrences.

**Mrs. Driedger:** Can the minister tell us if we have an overall public health strategy document?

**Mr. Chomiak:** Yes, and it is being updated.

\* (16:00)

**Mrs. Driedger:** Can the minister tell us if there is a current written protocol for West Nile virus?

**Mr. Chomiak:** We have had protocols every year, and this year's protocol is in the process of being finalized this week. The reason for that, of course, is the learning curve. Each year, we have learned new and different factors and different elements concerning West Nile virus. The protocols and the items have changed significantly with respect to West Nile. I can cite examples that I have known from my own experience in terms of handling infected birds as an example and/or the use of sentinel chickens with respect to the surveillance system, etc.

**Mrs. Driedger:** The budget of the Office of the Chief Medical Officer of Health, I note, has been cut by \$1 million. Can the minister indicate what exactly was cut and why?

**Mr. Chomiak:** The specific reductions as viewed by the member in that particular line item relate to two vacant positions and some allocated money that was moved to other branches of public health. However, the two vacant positions are not covered in terms of salary benefits and are part of the Government's overall, administration-reduction policy.

**Mrs. Driedger:** It seems to be a fairly significant cut. I mean, it was \$1 million, and certainly when we look at the analysis out of Ontario, they felt that, in fact that was one of their criticisms out of the Ontario report, public health was inadequately resourced. I note one of the lines is the Communication line, under the Office of the Chief Medical Officer of Health but I also note under Public Health that Communication in that area has gone down as well. It is interesting to note that in Ontario,

communications was a serious problem. There was no clear strategy for keeping the public informed and no direct lines of contact between the province and health care workers. Yet we do see, particularly under the Office of the Chief Medical Officer of Health, \$100,000 decrease in the communication strategy. Can the minister please indicate his rationale for decreasing funding in the area of communication?

**Mr. Chomiak:** I find it passing strange that the members criticized our advertising campaign and now ask why there is reduction in an advertising campaign. When we had the children's injury fall program, when we had the ER program to try to get people to appropriately utilize ERs, we were criticized by members opposite for government advertising. We have an extensive West Nile virus advertising campaign. We had an extensive campaign for prostate cancer. We had an extensive campaign for non-smoking of children.

The members opposite criticized us for advertising. Now the member has the audacity to come to committee and say, "Why are you reducing communications in one particular area?" I am aware of what the situation is in Ontario. I am aware of what the ramifications were. I am aware of what the study said with respect to what happened in Ontario. One of the problems in Ontario was that many public health programs were gutted and eliminated by the previous Conservative government, programs like water testing for example. It was found to be at fault in the Walkerton instance. It was the previous Tory government in Ontario that got into grave trouble for underfunding and underutilizing public health resources, ergo one of the reasons there was no capacity for expansion and enhancement of programs.

I find it passing strange that the member opposite would criticize communications when the member stood up and said we were wasting government money in terms of public health advertising. I just find that absolutely incredible. In fact, I find it ludicrous that we would be in a position where the members criticize us for public health advertising and health-related advertising and now the member says, why is the communications line down in respect to this.

Let me assure the member that my statement that I said prior to being minister, which I will provide members a copy of, when I was minister and today is

that we will not shirk on our responsibility to provide health information to the public, and we will spend government dollars to do that because it is the duty of a government to inform the public with respect to health-related matters. We have not shirked, we will not shirk and we will continue to provide that information. But when we do, I would suggest and hope in the future the member does not stand up and criticize the advertising campaign because that is precisely what happened.

**Mrs. Driedger:** Interesting rant from the minister. This almost starts to explain his behaviour over the last several years, that whenever a question is asked it appears he is making an automatic assumption that he is being criticized. All I am doing is asking him to explain why he has decreased spending—

**An Honourable Member:** I got a press release from you, Myrna.

**Mrs. Driedger:** Why he is decreasing his spending in the communication line in this area by \$100,000 is a pretty straightforward question. I am not criticizing the minister for anything. I am just asking him for an explanation why he cut in that particular area.

**Mr. Chomiak:** I will try to find the member's press release criticizing our advertising on health issues.

**Mrs. Driedger:** Madam Acting Chair, the minister deserves some criticism in some areas and in some issues of advertising. There is no doubt. This is not one of them that I am looking at. This one certainly under the Chief Medical Officer of Health with West Nile virus, with SARS, bears some explanation. I am asking the minister, and it is not a criticism.

I am just looking for an explanation why he would cut in this area, \$100,000 on this page, and under Public Health I note that he cut in there probably in the vicinity of \$60,000, so about \$160,000. Considering some of the criticisms that have come out of Ontario, I think it is a pretty basic question. I just wonder if the minister could explain it.

**Mr. Chomiak:** We have had a fairly aggressive communication policy in all these areas and that will continue.

**Mrs. Driedger:** That was certainly a non-answer by the minister but it is noted that he has decreased that

particular line. I would like the minister to walk me through a scenario, if he would. A patient goes to St. Boniface emergency room and is entering with a respiratory infection and the staff is a little concerned, maybe at the triage level, that this could be a suspected SARS case.

Could the minister walk me through a scenario as to what would kick in and what would happen?

\* (16:10)

**Mr. Chomiak:** There would be reference to respiratory diseases and conditions requiring precautions which include airborne transmission precautions which would deal with the issues of clinical presentation and specific etiology. There would also be concern about droplet transmission precautions which would include clinical presentation and specific etiology. Contact transmission precautions would be required.

In addition with regard to respiratory infections there would be infection control precautions and modes of transmission through routine practices and additional practices which include airborne transmission precautions, droplet transmission precautions, contact transmission precautions as well.

There would be infection-control practices which include hand washing, hand hygiene, which include routine practices and noting important factors in hand hygiene which include fingernails, hand jewellery, hand lotions, dispensers, and when to perform before, after and between, including agents used for hand hygiene, which includes all alcohol-based hand rub, plain soap, antimicrobial soap, and instructions in terms of how to perform hand hygiene including using alcohol-based hand-rub cleaner, antimicrobial soap; as well as personal protection equipment including gloves for routine practices, gowns for routine practices and additional precautions for contact transmissions, precautions relating to gown use as well as masks and respirators. There are under-masks and respirators.

Of course, it depends upon whether it is routine practice or an additional precaution that is based on a standard surgical procedure mask or a special respiratory high-efficiency infiltration mask which are for disposable particulate respirators.

There are also eye-protection goggles and face shield protocols with respect to routine practices,

additional precautions including droplet transmission precautions, airborne transmission precautions, as well as donning of personal protective equipment based on the level of precautions needed, which would depend upon a variety of factors in relation to the particular transmission. There would also be concern about removal of personal protective equipment including order of removal immediately prior to exiting a room and immediately after exiting a room.

With respect to patient management issues in regard of that particular patient, there would be routine practices that should be put in place, which could be considered for particular patients; including droplet transmission precautions, airborne transmission precautions, dedicated toilet handwashing and bathing facility precautions, contact transmission precautions, as well as transportation within the facility where additional precautions are put in place.

There are additional measures concerning transportation between facilities that vary from routine practices to those involving routine practices and those involving additional practices.

With respect to environmental control, we have our routine practices that would kick in place, as well as additional precautions for droplet or contact transmission precautions, specimen collection, and additional precautions dealing with droplet and/or contact presentations. There would also be particular care taken to deal with visitors including those of a routine practice, those of additional precautions that deal with airborne droplet or contact transmission.

Now I point out to the member that there are a variety of scenarios that the member presented with respect to her patient presenting at a place like St. Boniface, and I am outlining the various protocols that could kick in, as well as education of the family members, visitors, et cetera, and guidelines for the community for patients presenting to the various facilities or contact with the various individuals in this regard.

I should indicate, with respect to this, there is an overall structure that deals in terms of status with administrative, control, communication and education, an infection control manual, protective equipment, epidemiology research, patient transportation, alert notifications, surveillance, treatment, et cetera, that would apply. In addition to the normal infection

control procedures that are adopted by the infection control officials in each particular facility, Seven Oaks having its own infection control person.

In addition there are specific questions to be asked to particular presenting patients with respect to travel and other related matters, in terms of symptoms that would trigger other responses based on the answers to those questions.

**Mrs. Driedger:** Can the minister say with any degree of confidence that we are ready for the next major infectious disease that will land on our doorstep?

**Mr. Chomiak:** We are doing everything to our utmost ability to put ourselves in a position to be ready for any type of illness or any type of disease that may present. I find it very difficult to answer that question to the member. The member has asked me essentially to ensure that no one ever dies in our hospital system. The member has said to me that if another child dies without receiving a vaccination, it is my responsibility. The member has a habit of directing 100% questions to the minister's office requiring the 100% answers, and we are all human beings.

**Mrs. Driedger:** The minister may want to reflect a little bit. I have never talked to him about children dying from vaccinations, so I am not—

**An Honourable Member:** You said that the first time someone dies it will be on your head.

**Mrs. Driedger:** I do not know where the minister is getting that from. The minister may be interested to know I have never stood and asked a question on vaccinations at all.

**An Honourable Member:** Maybe I mistook you for the Member for Tuxedo (Mrs. Stefanson).

**Mrs. Driedger:** Maybe. But that is a serious mistake for the minister to make, because then he likes to take advantage of, "oh," she said, she said. "Here the minister cannot even get his facts straight, but it is sure easy to run off on a tangent then and make all kinds of accusations without having accurate information."

He, certainly, likes to take advantage of cheap shots. I have certainly been the brunt of that over

many years. It is interesting to note that, when this minister cannot defend his own Health record, what he does is personally attack the person that is asking the question. We have certainly seen that on numerous occasions.

In Ontario, after SARS, they recommended that the Chief Medical Officer of Health be moved to an independent position reporting to the Legislature and not through the political filter of a Health Minister and to make an annual report to the Legislature like the Auditor currently does. Is the minister at all prepared to move to make the Chief Medical Officer of Health an independent position reporting to the Legislature?

**Mr. Chomiak:** I did note that particular recommendation, as I noted all of the recommendations from the variety of reports that came out of Ontario with respect to not only SARS but some of the very serious public health related issues that had occurred in Ontario over the past period of time. The member has alluded to that issue on several occasions when discussing issues of vaccinations and issues of meningitis, et cetera.

*Madam Chairperson in the Chair*

**Mr. Chomiak:** I think that the system we have in Manitoba with a Chief Medical Officer of Health who has been above the political fray and above political reproach has been a consistent theme in Manitoba, Manitoba being one of the first provinces historically to have a developing public health system that occurred in the thirties and forties and that the practice has served Manitoba's interests well and continues, I believe, to serve Manitoba's interests well.

The situation as it developed in Ontario had specific issues and specific problems that occurred. Most fundamental, I think, is the fact that there were accusations of, quote, "political" involvement. When it comes to public health issues, I do not quite understand that, but that was some of the information that came about.

I think more fundamentally the fact that Ontario does not have a regionalized health system, it makes it significantly different than the experience we have in Manitoba, where we have moved into a regionalized health system. In fact, in my view, one of the

lessons from the Ontario experience is the capacity to function regionally.

\* (16:20)

**Mrs. Driedger:** Just for the record, I do want to indicate that that particular question, I in no way want the minister to misconstrue it as any criticism on our own public health officials. It was just a straight up question about what was happening in Ontario and whether any consideration had been given to that here in Manitoba.

I would like to indicate accolades go to those on the front lines in public health. Certainly, Doctor Kettner and all of the people that are involved in this particular issue deserve a lot of credit for the many daunting challenges that they have faced. So it was a straight up question and had absolutely nothing to do with any criticism of our own people here involved in health care. I certainly do not want the minister going off on a tangent on that, trying to twist it into something that it is not. I just want to make that clear.

As I have said in the past, kudos to those people on the front lines of public health right now, because they have got some pretty interesting and overwhelming challenges that are facing them.

I am going to spend the next 10 minutes just asking the minister some general questions on spending and just indicate to him that I am moving off the area of the Chief Medical Officer of Health and Public Health. I too would just like to issue my thanks to Doctor Kettner, Doctor Roberecki and others for being here today and for their great cooperation in these Estimates.

The Premier of this province has said on numerous occasions, especially at the national level, that medicare is going to hit a fiscal wall soon, and if major reforms do not start soon, we are going to see some significant problems, I would like to ask the Minister of Health, in view of what his own Premier is saying and asking for major reforms, what is happening here in Manitoba in terms of those major reforms so that we do not hit a fiscal wall? What is the minister doing specifically to control the dramatically rising costs in health care?

**Mr. Chomiak:** Let me deal with that issue as raised by the member. The two most significant areas of

increase in health care are the salaries and wages paid to the workforce, to the labour force, to the caregivers, which constitutes somewhere in the vicinity of 70 percent of the costs. The second highest increase in cost has been the drug programs, the Pharmacare programs. Those are the two major cost areas that have resulted in significant growth in the area.

The Premier in his comments noted, as did Roy Romanow in his report, that medicare was sustainable with directed reforms and with the federal government coming to the table to achieve 25 percent of the funding of the health care system. Now they are in the vicinity of 16 percent or 17 percent, so that is an outstanding issue that hopefully can be negotiated favourably at a first ministers conference that is anticipated for sometime in the summer, recommendations with respect to that particular area.

With respect to sustaining the health care system, the Romanow report serves as a model and a template. I do not know if members opposite, I do not think they support the Romanow report, but it certainly is supported by members on this side of the House as a means of improving the system with respect to delivery of care That includes primary health care reform. That includes dealing with home care. That includes dealing with Pharmacare. That includes dealing with rural and northern areas. That includes dealing with person power, and that is training, et cetera. I think one of the more significant things that we did in coming to office was we brought back training of health care professionals that were in short supply across the province. There is one way of dealing with cost and that is to lay off 1000 nurses. There is another way to deal with it and that is by training nurses and having them fill the positions.

There is no question that we are facing two major challenges in this year's Budget as it relates to health care. The first is the wage and salary costs that constitute 70 percent, and we feel that overall we have achieved relative stability vis-à-vis the rest of Canada with respect to health care professionals and other professionals in the system. It is noteworthy on my part, and I am pointing this out, that on every occasion when we are involved in negotiations, members opposite stand up and indicate that we should pay more to the particular group we are negotiating with. Then, when it comes budget time,

members opposite say, "You are overspending your budget," or "Health care costs are out of hand." You cannot have it both ways, Madam Chairperson. You cannot have it both ways. The fact is that the majority of costs attributed to health care go to wages, salaries, et cetera. You cannot have people do the work and not pay.

The only other way is to do what happened in the nineties which is something we do not want to do and that is lay off 1000 people, cancel programs like the nursing programs, like the lab technologist programs, like all of the programs that were cancelled, and not have the professionals. You cannot do that. We cannot. That is not reform. That is major cutbacks and that is what occurred during the 1990s. We have avoided that, but, nonetheless, having generally come up with relatively favourable wages and expenses, vis-à-vis, other provinces in terms of our professionals, we feel that, going into rounds of bargaining this year and next year, we are in a position that we do not have to have significant increases because we have generally caught up, and that will be a challenge. That will be a challenge across the country and that will be a challenge in Manitoba, but I might add that 70 percent of the costs are wage-related. Now, if we had some consistency on the part of the entire Legislature to recognize that, so that every time we are in negotiations there are not other individuals out there advocating increased costs, then the next day coming in and saying "You have to reduce your spending," it would be much more helpful.

The second area of increased costs is pharmaceuticals. We have known for some time. In fact, the member was quoted as saying, "We should have started controlling the cost in pharmaceuticals a long time ago." What I find perplexing is, when we do take measures on both the cost side and the supply side, the member stands up on a regular basis and criticizes our measures to deal with the savings. Again, you cannot have it both ways. Well it happens, but it is not logically or even politically consistent. I think the public knows that there is no consistency when one day members stand up and say, "You cannot do what you are doing to the drug programs," one day and then next day say, "You have to decrease costs."

We took some very difficult decisions this Budget to deal with some of the Pharmacare changes. They were not decisions that we would like

to have done, but we felt we had to do it. I have made the point over and over again that at the rate that Pharmacare and pharmaceuticals are growing, by the way, it is the fastest-growing part of health care and it has exceeded, across the country, the expenditures on doctors, in fact, but the way it is proceeding in Manitoba, not just the Pharmacare program but the use of drugs in general, in a decade it will be a billion dollars, which is more than the City of Winnipeg budget, just for pharmaceuticals alone. We simply cannot sustain that kind of growth and still provide drugs to individuals. So we had to take some measures this year, and we took some measures in previous years, to try to deal with this escalating cost.

Now, I would have thought the member would have come to the Legislature and said, "We know how tough this is. We understand you have to do this." Instead, day after day, the member stands up and says, "You are cutting the program." In fact, we are putting more resources into the program and yet the member—so the member talks about reform, the member talks about increasing costs, and the two most significant cost areas that we are moving on, the member criticizes.

\* (16:30)

Now, I know what the member's solution is. The member's solution is privatization. That seems to be the buzz word and the catch word for dealing with anything in the health care system. We reject that notion. I am happy to hear the Prime Minister has recently rejected that notion. But let me indicate that there are a variety of primary care matters going on, primary care reform across the province, including nurse practitioners, including primary care centres, including the first access centre open in the history of the province of Manitoba that combines services in one site on a variety of services. Primary care centre, put in place. Palliative care drugs, paid for. The member does not recognize that.

Cervical cancer screening. CBRT. The list is endless in terms of the reforms that have been put in place, not acknowledged by members opposite. The members opposite know we have a significant asthma prevention program that has been recognized. Does the member ever talk about that? Does the member talk about the fact that people are coming to look at our urgent care centre here in Manitoba from other provinces to see how it works? You know the

member likes to quote WHO, the World Health Organization, when it comes to putting France at the top of the heap, but the member does not know that WHO also puts our Home Care program as the best in the world, I am advised.

All of that has been developed and evolved. The Home Care program that we have now is different than the Home Care program when the member was in office. It has evolved and it has changed. It provides a variety of even more services than when the member was in office. The continuum of services is much more varied. I do not want to go on—I know there are other members who want to ask questions, so I will cease at this point. But I am quite happy to talk at length about changes that have been put in place specifically dealing with reform.

**Hon. Jon Gerrard (River Heights):** I have got a number of questions. Let me start with one that deals with cataract surgeries. The minister, I know, and the Premier have often talked about how they used an approach to reduce the cost of cataract surgeries. I think the reference initially was to, by comparing the cost at the Pan Am Clinic with elsewhere and Doctor Postl has subsequently said that, no, it was actually based on the cost at Misericordia.

That cost comparison has been done across how many centres and which ones?

**Mr. Chomiak:** Madam Chairperson, as I understand it the contract entered into between a particular surgical centre and the province had earmarked approximately \$1,000 per procedure for cataracts, and the new contract that we were able to negotiate had reduced that cost to \$700 per procedure.

**Mr. Gerrard:** In looking at the benchmark cost as Doctor Postl indicated was apparently the Misericordia, is that all-inclusive costing or is that not including some of the costs?

**Mr. Chomiak:** I will have to get back to the member on the specifics of that.

**Mr. Gerrard:** Thank you. I would appreciate a note on that. Is the minister going to look at this approach to costs and service delivery in other areas?

**Mr. Chomiak:** If the member is referring to an attempt to reduce the costs of services across the

system by carrying out services in different locations and in different fashions, of course we are always interested in that and are prepared to look at that and do that in a number of instances.

**Mr. Gerrard:** When it comes to surgical procedures like cataracts, I wonder what efforts the minister has underway in terms of preventing the primary problem, in this case the cataract, in the first place.

**Mr. Chomiak:** Two points. I would be interested to see what the member's comments are in regard to that since they are very clinical and very significant factors concerning that.

Secondly, a recent study, and I was referred again in the paper on the weekend, is the fact that studies have shown that a significant number of cataract procedures performed are in fact unnecessary and/or result in even poorer outcomes than had the procedure not been performed, and that kind of information is constantly being evaluated.

**Mr. Gerrard:** Does the minister anticipate changing the approach based on that sort of information?

**Mr. Chomiak:** We are always prepared to look at information and improving the quality and the quantity of the type of work we provide.

**Mr. Gerrard:** I would like to ask the minister several questions about the approach in rural areas in terms of transformation and changes in health service delivery, particularly referring to the rural physician and health services review for the Assiniboine region as the most recent study of this area. One of the recommendations I see is that the ARHA should consider the region's mix of services and consider developing specialty services in groups of eight to ten physicians; increase the specialty skills of family doctors and use visiting specialists to provide services to the region. I think I remember a reference to the possibility of trying to have groups reach six. This really refers to having groups of eight to ten physicians working together.

I am just trying to understand: Is that the sort of direction that the minister is going to follow in terms of this recommendation?

**Mr. Chomiak:** There are a variety of numerous recommendations in the report. The mix of six to eight to ten, I believe, deals with specialty services.

The one to five issue deals with call rota as being a significant target in an optimum practice.

**Mr. Gerrard:** I think that one of the problems with the report has been the lack of clear vision of where things are going. If in fact we are looking at our call rota of one in five, that means that you probably need six physicians working together, probably even better eight to ten, including some specialists, as this latter recommendation suggests. But, if you are going to carry that through and you have fifty-nine physicians and nine part-time physicians, then it is going to mean that you would have to reduce from 20 acute care delivery centres with emergency rooms to probably 7 to 9.

Is that the message that we should take from this in terms of the vision, or, if not, what is the minister's vision?

**Mr. Chomiak:** First off, with respect to the recommendations, the report very clearly indicates that these are long-term recommendations, some midterm recommendations, but these are not for quote. It will take some time and energy in order to achieve the optimum. They also are not hard recommendations insofar as the report recognizes, for example, that by choice and by necessity two-doctor practices can and will continue to exist. The report does allow and provide for that. It also suggests that the use of Telehealth and other forms of perhaps providing specialty services can be adopted.

So it is not a simple mathematical equation of doing it simply via math. The position we have taken via government is that our determination and our vision is to match the needs of the community with the resources that are available in order to provide the best quality of health care in those particular communities and in that particular region. That is the overall vision. That is what we stated when we released that particular report. That report is being reviewed and worked on by the particular regions with that in mind.

\*(16:40)

Madam Chairperson, the point that the member is making, in fact, there are very few practices that have that many physicians in that particular region as we speak. If a strict interpretation were made of that immediately, it would mean a far more drastic solution than the member is even suggesting. They

are recommendations. They are called for implementation over a period of time. They are not hard and fast to the extent that it suggests particular targets have to be met and also recognizes a variety of other issues related to physicians and the types of physicians that provide service in rural and northern Manitoba. It suggests there are two different types of physicians: those that come for a short period of time and have no intention of staying for the longer period and those who choose to stay in rural Manitoba for longer periods of time and obviously stresses that that will continue to be the case. A lot of our emphasis should be placed on those physicians that want to live in rural and northern Manitoba and enhance those opportunities for them.

**Mr. Gerrard:** Let me be clear that I am not, in asking the question, suggesting what the plan should be. I am trying to find out what your plan is. One of the things that is clear is that if there is going to be the increase in concentration of physicians in certain areas or centers, the model for provision of health care could be having one location with all the physicians working out of that location, or you could have several locations where you have a group of physicians working together. Now let me give you an example from that particular area. There has been in essence a variety, or a variation on a form of group practice with physicians in Wawanesa, Baldur and Glenboro working together and sharing call rotations and emergency coverage, and so on.

When one looks at this report, the report said that the ARHA should consider crossover facilities only as a short-term solution and by that it would seem to suggest that the approach that has been taken in Baldur, Glenboro and Wawanesa should be looked at only as short term, rather than a longer-term approach to provision of care in the area. I am just trying to understand what the minister's interpretation of the report is, and is that the direction that the minister is going?

**Mr. Chomiak:** Madam Chairperson, just as the report suggests that an optimum call rota be one in five but recognizes that one- and two-call practices will continue to exist, the report does recommend that the crossover not be beyond 50 kilometres. I suspect that the report decisions were largely made by discussions with physicians in the area and medical literature dealing with physician practices in terms of the thrust of that particular recommendation. It is not a hard and fast recommendation that is going to be a dictum that has to be applied in every

approach, which is why we have asked the region to meet with the communities and to meet with individuals to see how best to match the needs of the communities with those of the care providers to provide the best health care.

**Mr. Gerrard:** In terms of looking at models, that can be forward-thinking and if this approach that is suggested in this report is to be followed, there will be larger numbers of physicians working together and practicing together. Then one of the things that would appear likely would be that some facilities would change from how things are operated at the moment into some more future-thinking approach. Now let me give you an example which is actually not from the Assiniboine Regional Health Authority, which is not far away, and that is at McGregor. McGregor was a traditional, acute-care facility but it has been changed. The "H" sign is no longer on the highway. There is recognition that change had to come from within the community, and there has been for a number of years a strong desire to change that facility over to a mix which would see much more emphasis on the delivery preventive and wellness approaches within the community.

The approach, however, which the community has been promoting going back to at least 2000, has not been supported by the minister and who it seems to send a message that, you know, if you want to think and accept some change that we are really not all that interested in that kind of approach.

So I would ask the minister: what approach are you interested in, in terms of promoting change.

**Mr. Chomiak:** The report suggests that the present system as it is configured is clearly not sustainable. The report indicates that the communities and individuals in that region recognize that and suggests a number of recommendations in order to accommodate those kinds of changes. Just as I indicated that we wanted to match needs of communities with health care requirements and health care providers, it is just as clear the report indicates that communities indicate that they are aware of the fact that the present way of delivering services is not sustainable.

**Mr. Gerrard:** So once again it leads to the issue of what is the minister's plan of what the future delivery approach will look like. I know it is pretty hard for people to buy in to a concept if it is not all that clear where it is going.

**Mr. Chomiak:** That is why we have asked the regions and the communities to take a look at the report to see how they best want to implement the change. As the report indicates, it will require the communities to accept changes and to make recommendations about the needs and requirements that they have. That is why we have adopted that particular practice.

**Mr. Gerrard:** Let me give you an example. For a community like Erickson, what approach would you recommend that they take in looking and considering this report and in making recommendations to the RHA and to you as minister?

\* (16:50)

**Mr. Chomiak:** I do not want to use any one particular community in that region because they are all different configurations and they all have different issues related to their particular circumstance. As I indicated previously in this Estimates there are unique issues to each community and we are asking the region and the communities to review the report and to see what best meets the needs of the community.

There are some particular communities that have significant First Nations communities closer to communities than other communities for example, and in those cases the health care needs just by, unfortunately, definition are more intense. There are some communities that have different traffic flows, different geographic configurations vis-à-vis other communities. That all has to be looked at in the overall context. I do not want to talk about specific communities or specific advice that I would give communities other than the information that has extensively been provided in the report and undertaken for review by the region.

**Mr. Gerrard:** Surely, communities within the region deserve no less than a clear process by which they can get together, make recommendations, have their concepts, ideas, proposals assessed, have some boundaries on what those ideas or concepts or proposals for the future might be. How are you going to get the communities involved in making suggestions and how will those suggestions be compared and evaluated? It is very hard to work if there is not a clear process or a clear vision.

**Mr. Chomiak:** Madam Chairperson, I think that all of the considerations were outlined in the report, and the responsibility with the regions to work with the communities and all of the requisite authorities and bodies and organizations and individuals, to come back with the best mix with respect to how these issues should evolve and change.

**Mr. Gerrard:** The answer that the minister has provided is so vague, quite frankly, that it is very difficult for a community to figure out whether it should take the leadership, whether the RHA should take the leadership, whether it should develop a tight proposal, a broad proposal, whether it has to work together with other communities. There needs to be some sort of reference framework for communities bringing ideas forward, otherwise you are going to get concepts, proposals that do not fit into an overall plan.

Are you saying communities should all come forward, or many of them, with proposals to have eight to ten physicians, including specialty people in their community? What are you suggesting?

**Mr. Chomiak:** As we indicated, we followed a process where we had a significant review of the situation in that particular region, a review of literature, public meetings in that particular region. The report has now been given to the particular region, which is charged with the responsibility under the act for administering and dealing with health care in that particular region, and it is also clearly indicated that the region should, and must, communicate with local communities and local entities in order to come up with specific recommendations as to implementation.

**Mr. Gerrard:** Is the minister charging the region with coming forward with a plan and then having consultations in the community and if so, what kind of time line?

**Mr. Chomiak:** Madam Chairperson, that was all outlined when the report was released. It is now in the hands of the regions to deal with and return with recommendations and advice.

**Mr. Gerrard:** What is the time line for the regions to come back with their proposals?

**Mr. Chomiak:** Madam Chairperson, there is not a fixed time line that has a drop-dead date to it.

**Mr. Gerrard:** Is there even a general framework or time line?

\* (17:00)

**Mr. Chomiak:** Madam Chairperson, the report and the engagement is taking place as we speak.

**Mr. Gerrard:** Are you saying that there are some community consultations going on as we speak?

**Mr. Chomiak:** I am indicating what the report recommended and what procedures we followed in terms of providing for the region to look at and review the report.

**Mr. Gerrard:** The concern that I think many would have is that you have a report from a process which is fairly vague in terms of coming forward with next-step solutions. There is some concept, for example, of using more Telehealth but no particular guidelines in terms of where or when Telehealth should be used. There is a concept of moving to eight to ten physicians, including specialty physicians, at a centre. It would appear that the details within here, although they may have made some recommendations with regard to physicians' practices, have not particularly set out, as an example, that certain services should be available within such and such a distance, for example, of people living in the area.

There is not, from what I can see, any specific reference to what one might look at in terms of quality of services in different areas. We are dealing with measures in terms of physicians, which is primarily, as an example, in input to the health care system. They are providing the service, but we do not here see any guidelines in terms of the quality of services delivered in terms of distance or time to access services in terms of particular areas of service that should be available in particular locations.

**Mr. Chomiak:** If one takes the report itself in isolation from all of the other planning processes and all of the other operational issues that are conducted by the region, this is not done in total isolation from regional plans. This is not done in total isolation from regional budgets. This is not done in total isolation from regional standards. This is not done in isolation from regional performance guidelines that are put in place. The report is a planning structure that deals with some of the specific problems in the region. The region has been charged with the responsibility of reviewing it for implementation and coming back with recommendations in that regard.

**Mr. Gerrard:** The problem that I am sure the region and the communities are having in terms of looking at this report is difficulty in seeing where there are clear paths or what is an acceptable outcome. I understand that there was a report several years ago which suggested closing a number of the facilities in this regional health authority and that the minister, we understand, sort of killed that report. Many of the people that I have talked to in the different communities say, "Well, the problem is that there is no clear vision or plan for what is going to happen to different communities and what should be available, whether facilities are going to be open or closed."

So the minister has been very reluctant to provide any guidelines. What is the minister going to give in terms of his vision for rural health care delivery?

**Mr. Chomiak:** I think it has been fairly clear in terms of both the recommendations in the report and the actions that have taken place by this Government, in terms of rebuilding significant infrastructure outside of Winnipeg and moving closer to home a variety of services, be it Telehealth, be it cancer treatment, be it surgical, et cetera, with respect to having a wide variety of options available around Manitoba with respect to delivery of services.

If the member is suggesting that there be specific X, Y and Z criteria as it applies to particular facilities, I will note that a report that came out in 1999, commissioned about 1996, 1997, by the Manitoba Centre for Health Policy and Evaluation that examined all rural facilities outside of Winnipeg, cautioned strongly against fixed criteria with respect to making determinations as to the utilization and non-utilization of particular facilities because of the complexity of the needs and the requirements in particular regions.

So an approach that does not take regard to a variety of factors would not be appropriate according to that very significant report.

**Mr. Gerrard:** There are some sort of logical approaches in terms of availability of emergency services, for example. We know that for a heart attack and for a stroke, for example, with agents which will break up clots, one needs to be able to

have people at an appropriate diagnostic and treatment facility within a certain measured period of time if you are going to be able to have access to modern treatment and successful outcomes in terms of opening up the blood vessels and restoring the blood flow and preventing damage. So there are some clear examples of where one might approach care from a point of view of these sorts of health care services should be provided within this sort of a distance or time frame for individuals within a particular part of Manitoba.

This is not to measure things by number of physicians, this is to measure things by the kinds of services that should be provided. So the issue here is what sort of provincial standards do you want to have in the delivery of health care across Manitoba.

**Mr. Chomiak:** The member's question was predicated on the use of facilities and the report, clearly, looks at facilities, and looks at the personnel available to those facilities, and indicates that the status quo in that particular region simply cannot stay the way that it exists.

I suggest to the member that simply suggesting I suggest strictly using clinical guidelines as a standard across the province for particular kinds of determinations is one aspect of looking at the provision of services, but it is only one aspect, and there are a myriad of factors that contribute and relate. I only cite areas that are under, for example, federal jurisdiction with respect to providing services on First Nations communities with respect to guidelines and procedures, et cetera, that apply there, that make overall standards and procedures based on strictly clinical guidelines very difficult to achieve.

**Mr. Gerrard:** The move, for example, to embrace Telehealth services, does the minister have a plan or an overview of provision of Telehealth services and which services are appropriate to be provided through Telehealth and how distance health care should be used, a blueprint, a set of standards, a view of how this is going to work?

**Mr. Chomiak:** There is a provincial co-ordinating body that looks at Telehealth provision of services, et cetera.

**Mr. Gerrard:** Has the minister worked with the co-ordinating body to look at the development of

standards and the application and use of Telehealth services?

**Mr. Chomiak:** The department works with all of these organizations and all of these bodies.

**Mr. Gerrard:** Does the minister have now a set of such standards in the use of and delivery of Telehealth services?

**Mr. Chomiak:** Yes. I will provide in written form some additional information to the member in this regard.

\* (17:10)

**Mr. Gerrard:** I note the minister is moving within the city to use e-triage at the major hospitals, Misericordia Urgent Care Centre, and so on. The minister and the regional health authority have employed a system of e-triage which is based or developed, I believe, out of Edmonton. The concern in terms of using the approach that is being used seems to be in part that in assessing the status of somebody coming into an emergency room, for instance, at St. Boniface, that there is not any consideration of the previous history in rating the triage level, as the system is set. I would like to know what the minister's approach is going to be and where he is going with e-triage.

Is this a system which is going to be changed because of the problems with it, or is it going to be continued as it is now?

**Mr. Chomiak:** Madam Chairperson, there is an ongoing body that is reviewing emergency care within the city of Winnipeg. It is an ongoing body that is evaluating, reviewing and continuing to provide ongoing advice. Some of the recommendations from that ongoing committee were to utilize a form of e-triage as well as the additional staffing of ERs which we are in the process of doing, and it is a work in progress.

**Mr. Gerrard:** Can the minister tell us the cost of instituting the e-triage or the savings associated with its use?

**Mr. Chomiak:** I will get the specifics back. I do not know why the member tacked on the second question, the savings with its use. E-triage is only one component of a variety of initiatives that are

being dealt with, including electronic patient records, electronic evaluation which is part of a federal-provincial western Canada overview.

In terms of the savings, I do not know where the member is going on that.

**Mr. Gerrard:** I just presumed that when you are introducing a new electronic system that you would look at both costs and savings, and that you would have some approach that would evaluate the success or not and the cost or not of this system relative to alternatives.

One of the areas that the minister has talked a fair amount about is primary health care and delivery of primary health care. I would ask, in terms of the changes that the minister is planning in terms of the delivery of primary health care, what process he has in place for looking at the quality, the cost, the effectiveness of different models.

**Mr. Chomiak:** It is very clear that based on recommendations in the Romanow report that primary health care is identified as an area of priority by all jurisdictions, and all jurisdictions are participating in primary health care provisions right across the system. We are in the process of looking at and evaluating our primary health care initiatives. We are looking at the best practices and we are continuing to implement a variety across the breadth and scope of the system.

One of the approaches that we took, in terms of federal primary health care money, was to look at allocating—different jurisdictions carried out their allocations in different ways. We thought one of the more appropriate ways of doing it would be to allocate some of the money centrally, in terms of provincial priorities vis-à-vis primary care, and to ask each region to come back with its priorities for allocations of primary health care resources. We deliberately did that in that fashion so that there is money allocated for overall, primary health care initiatives from the provincial standpoint, which include Telehealth and Health Links expansion, and then there are in each region particularly identified projects that were chosen by the region, in conjunction with the province and in conjunction with the guidelines, as initiatives that were priorities of specific regions, which then enables us to proceed down a path where we can look at best practices and

evaluations locally to see what works and what does not work.

Madam Chairperson, in addition, we are going to be publishing, in the fall I guess, PURC Indicators, that is, indicators of primary health care status. All provinces are going to be doing that in the fall, in terms of the status of various initiatives.

It is very difficult to give a short answer to that question, other than to outline the general philosophy and approach that the province took with respect to primary health care reform. It is across the board. It is overall one of the priorities. It was also broken down to give regions the opportunity to put forward some of their key recommendations for their primary initiatives. It is ongoing evaluation, as well as meeting particular criteria that are part of the federal accord dealing with the utilization of primary health care funds.

**Mr. Gerrard:** What amount of funding has been allocated for assessment of the quality and cost, and cost effectiveness of primary health care efforts?

**Mr. Chomiak:** In most cases, it is built in to the particular allocation. In addition, obviously there are resources that are going to be attached to the data that is being collected for the comparative purposes of the primary health care reporting, and all the reporting that all of the provinces are going to do on their primary health care initiatives and utilization for the fall.

**Mr. Gerrard:** On the home care which the minister was talking about a little bit ago before I started my line of questions, there was a significant change from the system using the VON in Winnipeg to the current system which is completely within the WRHA. My question to the minister is has he compared the earlier system to the current system in terms of quality, costs, cost effectiveness.

\* (17:20)

**Mr. Chomiak:** There has been a cost saving with respect to the administration of the program that has accrued to us, but with respect to the VON issue specifically, I think it is very clear that the care providers who provide the care, who are essentially the same employees that provided the care under VON, are now the same employees who provide it under the WRHA, are much happier in the position

that they are in now delivering care than they had under the previous configuration.

**Mr. Gerrard:** Do you have some objective assessment of that?

**Mr. Chomiak:** It certainly has been anecdotal information that has been provided to me and, insofar as I have had the occasion to meet with dozens and dozens of people that provide the service, I feel generally that is in fact the case.

**Mr. Gerrard:** One of the areas that I would like to ask the Minister for Healthy Living about has to do with exercise programs in schools. I know he and I attended a meeting of the Heart Association in November/December. We heard a strong advocate for mandatory daily physical education and the minister got up and spoke and endorsed it very strongly.

I just would like to ask the Minister for Healthy Living what his approach is going to be in terms of physical activity in schools.

**Mr. Rondeau:** My approach will be to work with the Minister of Education (Mr. Bjornson), with all the school divisions, with the different partner groups to ensure that there are opportunities for kids to become more active. However, I do not think it is just an area where we just do schools.

I think, as the honourable member knows, it is also getting the actual pattern of behaviour earlier than when school age begins. So we also have to look at working with the early childhood community, day cares, parents, to ensure that they all understand the importance of physical education and physical activity.

I think what you also have to do is not look just at the school age but after school age. A lot of research shows that there is a drop off after school age. So that is why we are actually having a group of hearings that we can go out into the communities and listen to people as to what they believe are appropriate actions and behaviours that we can encourage. We also want to listen to people to make sure that we hear from them what we can do to help support them to make sure that there is an increase in activity.

**Mr. Gerrard:** I would ask the minister what assessment or measures he is taking to know whether his actions have any impact or effect.

**Mr. Rondeau:** Actually, we have contracted with Statistics Canada to be part of a study so that we can establish a baseline on kids' activity and nutrition and food and what they are doing there. So we have actually undertaken to contract with the federal government to do that or taking along on one of their national surveys.

**Mr. Gerrard:** One of the areas which I suspect both ministers are involved with is prevention of fetal alcohol syndrome. If that falls under the Minister for Healthy Living, can the minister tell us whether the incidence of fetal alcohol syndrome is increasing or decreasing in Manitoba?

**Mr. Rondeau:** What I can tell the member is that we have been working through the Healthy Child Initiative through multiple areas to decrease FAS. What we have done is we have been working through education with kids in school. We are working with multiple partners through parents, et cetera, to make sure that we get it across.

So what we are trying to do is get across the message of what causes FAS, that there is no safe amount of alcohol that can be consumed during pregnancy, and that is our strategy through the Healthy Child Initiative. We also have a program on peer support where we actually have people working with mothers at risk.

**Mr. Gerrard:** Does the minister know what the incidence is of babies who are born who have FAS and whether this is changing?

**Mr. Rondeau:** Right now, there is a separate set of Estimates for Healthy Child where I would have appropriate staff that could give me some information regarding that. Right now, what we are doing is Estimates of Health and Healthy Living. If you would like to discuss this when we actually have Healthy Living staff here or Healthy Child staff here, I would be prepared to do that. I can ask for the staff to be present.

#### Point of Order

**Madam Chairperson:** The Member for Russell, on a point of order.

**Mr. Leonard Derkach (Russell):** The minister does not have that option, Madam Chair. I am sorry. This is Estimates and my point of order is that, in

Estimates, when a decision is made to go global, then it is up to the minister to have his staff here. He cannot use the excuse of not having staff here, not to answer questions.

Madam Chair, because we have decided on a limited number of hours for Estimates, that makes it very important for somebody who is not representative of a major party, but still a party, being the Leader of the Liberal Party, who has a designated amount of time, it is important that that individual be allowed to ask those questions and receive those answers in that given time. This is not the 240 hours of Estimates that we used to have; therefore, we are restricted in terms of when we can ask and how we can ask the questions.

**Madam Chairperson:** The Minister of Health, on the same point of order.

**Mr. Chomiak:** On the same point of order as the member, it was my understanding of global that it is done by assent. It is not the usual, but that we do it in order to accommodate members. I believe the Member for Charleswood (Mrs. Driedger) concurred with this, unless I am inaccurate, that global questions are asked. With respect to specific questions, in the event that the specific staff are not available and the time runs out, the minister will undertake to provide that information at a subsequent point. Otherwise, Madam Chairperson, line-by-line is the only way to go in order to accommodate it, and I thought we were trying to be flexible. That was my understanding of what global is, that, in fact, it is global answers. If there is subsequent information required we have some negotiated times. I will desist. I will cease at this point because the Member for River Heights (Mr. Gerrard) wants to speak to this.

**Madam Chairperson:** The Member for River Heights, on the same point of order.

**Mr. Gerrard:** I am comfortable, if there is a firm commitment from the minister to deliver on the information within a reasonably prompt period of time. What I found in September, and I would make this comment, is that I had to make quite an effort to chase down the information afterward and just where ministers have made commitments to provide information, in this case on FAS, if the minister would be able to do that within a reasonable period of time then I would be comfortable.

**Madam Chairperson:** The Minister for Healthy Living, on the same point of order.

**Mr. Rondeau:** On the same point of order, I can provide the numbers in short order on the numbers that we have, if that will clear up the issue.

**Madam Chairperson:** There is no point of order. Healthy Child is a separate appropriation. However, the problem seems to be resolved, so we will move on.

\* \* \*

**Mr. Gerrard:** I was in a walk for awareness of epilepsy. I would just ask the minister briefly what his view is in terms of prevention and treatment of epilepsy in Manitoba?

**Mr. Chomiak:** We have been actively recruiting specialists in this particular area.

**Mr. Gerrard:** I would ask the minister what he is doing to create an attractive environment for specialists so that people would be keen to come here.

**Mr. Chomiak:** Not only do we have a specialists recruitment fund, but since we have been in office, net, we have recruited, if memory serves me correctly, 45 more specialists than existed in 1999, when we came into office. In fact, net, we have 156 more doctors in Manitoba than when we came to office in 1999.

**Madam Chairperson:** The hour being 5:30 p.m., committee rise.

#### EXECUTIVE COUNCIL

\*(14:40)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply come to order, please.

The section of the Committee of Supply has been dealing with Estimates of the Executive Council. The Premier's staff has just entered the Chamber. We are on page 20 of the Estimates book. Questions?

**Mr. Glen Cummings (Ste. Rose):** Mr. Chairman, I have a couple of questions that probably constitute

constituency issues. First of all, the Premier was very interested and made a commitment to the new chemical treatment lab for the treatment of patients with cancer. The chemotherapy room at Neepawa Hospital was to be expanded and improved. I just wonder if he remembers making that commitment and if he would reference the Minister of Health (Mr. Chomiak) to see whether or not he intends to carry through with that.

I will let the Premier choose his answer, but, in fairness, the Minister of Health has indicated that he expected to go forward. I have not heard since last year, and I still do not think there is anything more than stakes in the ground out there. I am simply asking the Premier if he is prepared to recheck with the Minister of Health and see if he will live up to the commitment the Premier made while he was on the campaign trail.

**Hon. Gary Doer (Premier):** All commitments we made were dealt with by the Health Minister before we made them, so I will double-check to see where they are. Obviously we tried to do it on the basis of what the priorities were in the various communities and what we were able to implement, so I will check for the member. I know there was one difficulty we were having with staffing for one of the programs in Neepawa, as I recall, but I will double-check it.

**Mr. Cummings:** I cannot speak to whether or not there is enough staff available. I know that it is currently operating with trained staff and they had some concern about the conditions under which they were operating.

There was a second commitment that is somewhat outstanding in my area and that was there appears to be a commitment to put some money into the road that constitutes a main access to Sandy Bay Reserve. It became a bit of an issue during the election and writ period as well. I understand the Premier's comment was that he would get it built but that there was a condition or a proviso attached to that that you get the federal government involved. I wonder if he could comment if it is still his intention to finish that road.

**Mr. Doer:** As I recall, Highways did spend money on some roads there adjacent to the community. As I understand, also, there is another road that the community is concerned about in terms of what it is like in the spring especially. I have ridden the road

and I am sure the member opposite has, and I will find out where this is with the federal government.

I think there are a couple of other commitments we made to the community and I should double-check. One of them was ambulance services, an ambulance to be located adjacent to the community and working in conjunction with the Gladstone hospital which also was down and we wanted to get back up again. Those are the four issues, as I recall them.

**Mr. Cummings:** That is fair comment from the Premier. I would suggest that the commitment has been made for three elections running now that the road further into Sandy Bay on reserve property was going to be upgraded. I do not think it is fair to tell the people that it is going to be upgraded and then add the proviso, if the federal government gets involved. The assumption is that there is probably a difference of jurisdiction, but very easy for people in the community to assume, especially when they get a letter in writing that indicates that the road is on the agenda, signed by the candidate. I recognize that there will be times when the leader of the party cannot always be responsible for things that his candidates may promise, although I would never put my leader in that position when he becomes premier.

But it seems to me that this comes very close over the years to misrepresentation to the community about what can or cannot be done on their behalf. I just wanted to remind the Premier (Mr. Doer) that that commitment is hanging out there and that it should be clarified. I have had discussions with the current chief and he has just been recently appointed to the regional health board and that is good. But I would suggest that he firmly believes that a commitment was made, and as I said over a period of at least 12 years we have heard this commitment, and I will be sending the folks in Sandy Bay a copy of any comments that the Premier might want to put on the record.

\* (14:50)

**Mr. Doer:** I will get some specifics back to the member and just get a status report on it.

**Mr. Stuart Murray (Leader of the Official Opposition):** I wonder if the Premier could just lay out sort of the process of how a Working Group on

Education Finance, of how it is that working group was established.

**Mr. Doer:** I think the Honourable Jean Friesen and the Honourable Drew Caldwell were dealing with the municipalities, and, along with the Department of Finance, they agreed to look at a working group on education financing. A lot of the representation is from elected representatives. I think Mr. Buchanan, who chairs it, is not a government representative. He is a former vice-president of AMM.

**Mr. Murray:** Mr. Chair, what direction did he give the working group?

**Mr. Doer:** Mr. Chairperson, I assume the Minister of Intergovernmental Affairs (Ms. Mihychuk) and the Minister of Education (Mr. Bjornson) met with the parties. I think that the initiative for looking at this came from AMM and from the school trustees. It is not new. There have been reports in the past from elected officials in the municipal and trustee area, so obviously the commitments we made are the commitments to the people in the election.

**Mr. Murray:** Would the Premier be prepared to table any correspondence, any direction, any guiding principles that his Government would have given the working group as they were going out to rethink education funding, challenges and opportunities as the sort of the direction?

**Mr. Doer:** I do not believe there is any material that came out of the Executive Council office from the Premier, but perhaps the member could ask that of the Intergovernmental Affairs Department.

**Mr. Murray:** I am somewhat surprised that the First Minister would not be aware of anything that would be going on in that area. That is a fairly major part of funding from any budget of any provincial jurisdiction, and to give direction to a group of very talented men and women, in addition to having three high-level government people on that committee, I would ask the Premier what direction at the Executive Council level did he give to his ministers with respect to the funding of education in Manitoba.

**Mr. Doer:** Mr. Chairperson, the direction I gave to ministers constantly was our election promises.

**Mr. Murray:** Mr. Chairperson, the committee spent some two years working on this report and

recommendations that have been presented to the Government. Did the First Minister have any knowledge of the progress of the working group as they were working over the past two years looking at how funding of education in Manitoba was to be considered?

**Mr. Doer:** Well, we had not received a final report yet. We usually deal with reports when we receive them in their final form.

**Mr. Murray:** So the Premier or the minister or anybody in the Premier's staff was not made aware of any draft document with regard to the Working Group on Education Finance?

**Mr. Doer:** Well, the member asked a number of questions and I am dealing with the Executive Council Estimates and I know that we receive reports in their final form. I mentioned the Capital Region report we were dealing with last year, where there were draft reports being circulated around. Usually these are circulated around for advice from various participants and stakeholders. We always wait for its final form. Members opposite usually go out and say that this is going to happen with the Capital Region report, the draft report. We say that, no, it is not. The public will judge us by what we do, not by whatever draft or committee is dealing with government.

**Mr. Murray:** The interesting thing, and the reason I want to come back to the question that the First Minister raises about Executive Council in these Estimates on that area, the reason I am asking the questions is because when today during question period the questions that were directed to the Minister of Education were intercepted and he was not asking them.

So the First Minister was quite active in answering questions. When it comes to this working document, I would like to get the First Minister's sort of take on this document. Arguably, it says "draft" at the top, but it certainly says "final report" at the bottom, of which I know the First Minister would be aware.

I guess the question becomes the reference on the Capital Region document. I find it interesting that there are a number of documents that are out there and this one in particular that has some very strong recommendations. I mean, over two years there was a lot of hard work that clearly went into this

document and I would say that they looked at a number of different models. Of course, they recommend the one particular model in here. What they are recommending is, of course, a 1% increase in the provincial sales tax. I hear that the Premier, during Question Period today, responded by saying that, "Well, there will be no increase in the PST." I just would like the Premier to explain how it is that there could be a working group, such a broad working group that would come forward with some very clear recommendations. These are not sort-of generic; they are very clear, specific recommendations.

How is it that that group could come forward with that sort-of specific recommendation that was instructed by your Government to produce, and reject it totally outright?

**Mr. Doer:** My mandate given to me by the public is my mandate that I am going to implement. Full stop.

**Mr. Murray:** So this group, then, was just basically going down a rabbit hole that necessarily did not have an end. I mean, how can you possibly ask a group of men and women to go out and put forward a recommendation that is very serious, very specific and then, I mean, you know, I take you at your word that you have never seen it? Yet, when you see it and we ask the questions on the 1% provincial sales tax to fund the increased general revenue requirement, you stand up and say, "Well, that is not on."

How would you have a group work for two years to come up with a specific recommendation that you just immediately see and say that it is not going to happen?

\* (15:00)

**Mr. Chairperson:** A matter of procedure here before we continue, questions should be directed through the Chair. That is the rule. So it will avoid direct confrontation.

**Mr. Doer:** Members opposite received many task force reports, many reports from their government; the Norrie report that cost millions of dollars to produce, that is one example. The Government then has a right to choose to not do it. Before we even choose, our mandate to the public is the mandate to the public, and that is what I am accountable for.

**Mr. Murray:** Then I would ask when the First Minister then sat and instructed, because I do not believe the Minister—at that time—of Intergovernmental Affairs would have just done this on her own. I think there would have been some, as with the Minister of Education, I think there obviously was some direction.

Why would you take such a specific stand on a recommendation without giving any sense of direction to that group?

Without just saying, look, I have to tell you that we need to rethink how we are going to fund education, but we are certainly not going to allow any tax increase. I was not elected to do so-and-so, you know. I mean, you are going to spend whatever it is, a couple of years' worth of hard work, but just so you know, do not go down that path because it is one that I cannot accept. I was elected not to raise taxes, and I am going to stand by what I said.

**Mr. Doer:** Well, if members opposite were at the AMM convention last November, I believe the question was asked directly.

I pointed out to the delegates: (1) I was not going to raise the sales tax at the convention, in a public forum; (2) that the sales tax would not make up for the gap that people were identifying; and (3) why would the member opposite have his own member of caucus doing it?

I am sure he said no to the member. In fact, I think he has said no to the Member for Emerson (Mr. Penner). So, I mean, you know, they can put forth recommendations. These are people that work with trustees, schoolteachers. They work with municipalities. They tend to dislike the new deal that the member opposite rejected. They tend to want to raise taxes in somebody else's jurisdiction so they can lower taxes in their responsibility. It is a novel idea I suppose, but the bottom line is my responsibility is to the people who did elect us on June 3, and I am maintaining that connection.

**Mr. Murray:** Well, again, I have to ask the First Minister that when you have three very high level members of the Government involved in the process—and I think you know who they are—I could certainly repeat their names if that was helpful, but it was Laurie Davidson in Intergovernmental Affairs;

Steve Power, Education, Citizenship and Youth; and Steve Watson from Finance.

You have those three people involved in a process which is, I think, a very serious process to look at how education finances are going to move ahead in Manitoba. It is just a little difficult to think that that group would be out working, working hard, I am sure, as they did for two years, and what seems a little bit incongruous in this whole discussion is you have somebody involved in this document who said very publicly that it would be available before the end of this month. The Minister of Education (Mr. Bjornson) said very publicly that he thought, and I think I can quote him when he said that the document would be available by the end of June, perhaps.

So we get the document today and we see the specific instructions that are given to the government of the day. It just seems to me that it is a bit of a calamity that nobody seems to quite know when it is coming out; what is in it. Some people say they have not seen it. Three high-level members of the Government are involved in the drafting of it. I think that as we presented it today and I think it is very clear that a lot of people have some serious questions about this process; about how it evolved or how it is evolving and to have people that are active in the Government involved in the drafting of the document and really the end result saying, "Well, we will only deal with the final report."

Well, are you saying that something might change between the document that we presented today and the final report?

**Mr. Doer:** Well, I cannot speak to the committee that is the author of the report but I do know that it is not dissimilar to a situation that developed a couple of years ago where the Capital Region report had a draft that included areas of controversy. The draft was circulated. The report was—I know a number of municipalities changed the report. They changed the report because some of the information was inaccurate; some of the information they did not think would fly in their municipality. Then those comments were gathered together with the person who is in charge of it and the final report was issued. It saw the light of day; stuff we agreed with, areas we did not agree with.

I was surprised the member opposite said it should not see the light of day. I was a little shocked

at that. Having said that, it is not—there will be draft reports that go around. If you are going to have—I think it is circulated to all the school trustees, the AMM, City of Winnipeg, you know we do not go out and tell—to start making pronouncements before the drafts are circulated and people have had their input. We also, though, have some bottom lines. But it is just like the Capital Region report. The members opposite just focussed in on the one tax section that they thought was in a draft report, thought or purported to be in a draft report. We said, "No, we are not going to raise taxes." The people believed us.

There are draft reports all the time out there but we tend to wait for the final report, because it is being reality-tested by the municipalities, by the school trustees, by other segments. If it was that easy to do, the public would have believed the member opposite when he promised to just snap his fingers and eliminate the education tax.

**Mr. Murray:** Well, just to come to the Premier's comment. He is surprised about not seeing the light of day. I can tell you emphatically that any report that would see a 1% increase in the PST, any report that would see circumventing of balanced budget legislation to implement that one percent on the PST, any report that continually shifts more burden onto the backs of rural Manitobans, any report that would make Manitoba less competitive, you bet. I would not recommend that that report see the light of day. That is my position.

So I am surprised that the First Minister would be in favour of those sorts of things. That is his decision, and he will make that known to the public at the appropriate time if he proceeds to follow that path. I would just ask him then for semantics. The report that we have here says "draft" on it, but final report. So is it the sense from the Premier that if we take the word "draft" off, that somehow the final report changes?

Or is a final draft report just a matter of semantics and words, and that it is waiting for some direction from whether it is his office, or the Premier's office I should say, or the Minister of Education's office?

**Mr. Doer:** I understand it is being circulated to various stakeholders: the cities, the municipalities, the school divisions. So it is being circulated to those various groups and they are very active members of

the committee. We are accountable to the public, so is the member opposite. The member opposite was part of a government that commissioned a report on taxation. We did not even commission it, but people asked us after the election would we have the report being presented. We said yes. People will present if they have worked on something—trustees.

I think I heard Ms. Duhamel quoted the other day saying that they have a draft report and they are working on the final report, and it will be in sometime soon. She was saying the same thing, and it would not be the first report from school trustees. It will not be the last.

**Mr. Murray:** I certainly was a volunteer, but I was not part of the last government just for the record. I would say that that report that the First Minister references to, that Mr. Manness, the Lower Tax Commission, of course, was a report that was presented to the government and there was a change in government in 1999. So this First Minister has decided to either sit on the report, do nothing with it. I find it interesting that the government of the day would instruct a group of very impressive people to go out and look at how they can, as government, fund education in the province of Manitoba.

I guess the question becomes, unless it was not the taxpayers of Manitoba paying for this, somebody else did. But we have the First Minister saying, well, I am going to fund education on the basis of what I said in the election campaign, which, I think, was at the rate of growth of inflation, if I am understanding that correctly. But, if that is the case then, why instruct a group of people to go out and rethink on how we can fund education? It is very similar to the sort of confusion that we saw with the Mayor of Winnipeg's first new deal that came out and clearly, there was some million dollars worth of taxpayers' money.

\* (15:10)

Of course, there is only one taxpayer in Manitoba so you have to respect that. But I was somewhat surprised that the First Minister would allow that taxpayer money to be spent, and then stand up and say that, well, if this new deal calls for an increase in tax we are not in favour of doing that.

Again, I think maybe it is because people are not sure where this First Minister stands, or whether they

have a full understanding of what he says is what he is actually going to do, because this document would have cost something. If the First Minister, who is clearly giving direction to the Minister of Education and the Minister of Intergovernmental Affairs—I just find it very interesting that they would go through all of these hearings, this time, effort and energy, only to find out that once the report is introduced and there are specific recommendations, he stands in the House and says it is not on.

Why would you allow them to do all of that work instead of not saying up front, "Look, here is what I am committed to; I am committed to what I said in the election campaign and that should be one of the two guiding principles as you go about your due diligence and work hard"?

**Mr. Doer:** Well, the member opposite will understand, or perhaps he will not, that there are stakeholders in this discussion that are not working for the Government. For example the school trustees and the schoolteachers do not want us to eliminate the ESL tax, the second education tax. They both have written op-ed pieces. They have spoken against it. They want us to fund education directly to programs and not fund the reductions in taxes. So we think that you can have disagreements with people; it is stakeholders outside of the Government. The member knows that. He can try to portray this, you know, as just the technical people who are the only ones on the committee. They are not, and they are technical.

There are other elected political people outside of government. Bottom line is we have had disagreements with those elected people before. ESL is one of them. The Conservatives in 1999. I am sure if they were elected they would have the same difficulty implementing their promises on ESL. We had a different one. We had property tax credits and then we had ESL. If we would have just done the ESL, we would be \$4 million away, because we did the \$92 million and it was \$96 million total.

The Conservatives having a conversion on the road to Damascus going into the '99 election promised they would eliminate the ESL but we thought we should do the property tax credits first. But if we would have just done the ESL, quite frankly, we would have been done by now or we would have been \$4 million away from it.

**Mr. Murray:** I would say that the First Minister, who, I believe, was quoted as saying after being elected, quite demonstrably, that the previous government had talked about a billion-dollar revenue increase into Manitoba over five years and with a specific plan as to what they were going to do with that billion dollars. I think the First Minister was one that ridiculed the former premier, stood up in the Legislature, stood up in the public anyway and said, "The billion dollars, cannot find it anywhere, looked high and low, cannot seem to find the billion dollars, do not know where it is."

Well, you know, it was not a billion dollars and he knows that. It is now \$1.5 billion. Well, I mean, he makes a face—you know maybe I guess your budget numbers are not correct, I do not know. But, if you look at where you were in '99 to where you are today, that is the number. So he says that it is not right.

Well, here is the issue. The issue was that there was going to be a billion dollars of new revenue and, in addition to some savings that were talked about, they were going to be targeted very specifically. The First Minister says, "Well, you know, the previous government, had they been elected in '99, would have had some difficulty implementing their issues on respect to ESL and others."

I would strongly, strongly, strongly disagree. Because I think that what we saw with that Government over the last, once they brought in balanced budget legislation in '95, that there was a government that made some pretty tough decisions. The member who was the Leader of the Opposition probably disagreed with the majority of them. That was his prerogative, and that he can do, but to indicate that there has not been over a million dollars worth of new revenue come into the province of Manitoba since this member has been the Premier of the province of Manitoba, I think that is folly. So you might say that it is difficult to recognize how they are going to eliminate the education tax.

What the Government did in '99 or what they said or what the previous government said they were going to do in 1999, that is fair enough, but here we are in the year 2004. The Minister of Education (Mr. Bjornson) has made comments that were reported that the Premier had to come out and correct because the Minister of Education had contradicted or had a

different opinion than what the First Minister did on eliminating the education support levy.

Then we see a report that had some two years of hard work put into it with specific recommendations that talk about rethinking education funding challenges and opportunities. You have all of this work being done, and to be squashed like a bug on the basis that all these recommendations, and specifically the increase of the PST, the First Minister stands and says, "Well, you know, I was not elected to do that."

I mean, you allow taxpayers in Manitoba to spend a million dollars on a new deal and promoting it before you stood up and said, "We were not elected to do that." Why do you not give these hard-working people a direction, sort of tell them what to do? I am not going to get into that discussion with you. I agree with you. These are very qualified, clever people. They should be able to go out and do things for Manitobans that bring some ideas forward, but when one is so juxtaposed to what you believe and what you stand for and say, I think that is in some respects demeaning to the group who went out and worked hard to bring forward some ideas. I just do not know why you would do that.

**Mr. Doer:** Well, we do not have the final report yet, but there are elements in the draft report, for example the direct transfer of property tax credits to education. It is something we just brought in in this Budget, \$100 million. You will find with any report, except for the Bill Norrie report on school divisions, that governments choose some advice that is helpful and some advice they reject. Part of the rejection of the advice is based on their own commitments.

It is not a black and white, either/or for us, just like the Capital Region report or any other report. We do wait for the final report, but the only interesting part is it almost contradicts everything the member opposite said last year in his own election campaign, that he could do it with a snap of his fingers. The only great contradiction here is it really shines a light. These bright, intelligent people shine a light on how vacuous the promise was that was made by members opposite last year, and the public saw that.

**Mr. Murray:** Well, I support and I have had discussions with a lot of the people that are on this committee, that we would eliminate the education

support off of residential property and farmland. I said that and I stick by that. I mean, what the report certainly does shine a light on is the historical low percentage that this Government is funding divisional operation expenditures, at 57 percent to 80 percent. Does the First Minister agree with that recommendation?

\* (15:20)

**Mr. Doer:** Well, I am not going to pull a Gary Filmon and promise in the 1990 election to go to 80 percent and did not do it, in fact went in the opposite direction. I promised the people in the election what I was going to do and I am going to do it.

**Mr. Murray:** The First Minister says that there are some things in the report that they will look at and some things they will not look at. I think, although one will never know, but I think that he is indicating that there is not going to be a provincial retail sales tax increase. The other area they talked about was looking at changing the mill rates across the province. Is that something that the First Minister would look at?

**Mr. Doer:** I would just refer the member back to my election promises, period.

**Mr. Murray:** Well, again, I am certainly not going to waste a lot of time on debating the elimination of hallway medicine as he apparently promised and has failed to do.

I am simply saying and following through on something that he has said, that there are things in a report that sometimes you look at and sometimes you do not. Some of these things I am just bringing to the First Minister's attention of what is in the report, and I am asking him to comment whether it is something that he would look at or not. I am simply following on the words of what he has indicated, that there are various reports that come forward and some things you look at and some things you do not.

In this report, it talks about adjusting the mill rate between the sort of urban and rural areas, whether it is on commercial property or whether it is on farmland. So that is one of the discussions or recommendations in this report. Would the Premier consider adjusting the mill rates?

**Mr. Doer:** I have already lowered the portion for farmland.

**Mr. Murray:** The impact that is recommended, or the reduction here in terms of the mill rates that are recommended through this proposal certainly has a number of areas that would be very, very hard done by on the commercial side in rural Manitoba versus some of the urban. There would be a reduction in urban markets. I think that probably would be very well looked at, but the increase on the rural commercial properties would go up significantly.

Is the Premier, or would he consider, from a commercial standpoint, looking either at averaging the mill rates throughout the province, or look at any reduction or changes that may, through those changes, increase any mill rates in the province of Manitoba?

**Mr. Doer:** The bottom line is we have reduced portioning for farmland and right now, as we speak, there is \$10 million of taxes coming off every homeowner in Manitoba. So that is what we are doing, and those will save the member opposite probably about, I would guess, \$60 on his taxes. It will save probably the member from Emerson less than that. I am just guessing. I should not guess on the values of the homes.

There is \$10 million coming off education taxes this year from the property side and that is in our Budget. I do want to point out that the staff members that the members are talking about are technical staff. The committee members are a member from the Teachers' Society, MAST, AMM, MASS, MMAA and the City of Winnipeg. The staff of the Government are the only technical members in our committee members.

**Mr. Murray:** That, maybe, in the minister's mind, is irrelevant. I do not think it is at all irrelevant to the fact that they are part and parcel of drafting a report that was commissioned by his Government to go out and look at funding of education, to come back with specific recommendations, to simply say that well, they were technical so somehow it is not relevant. I think that is a little bit pie-in-the-sky.

I would ask that the First Minister, when he is looking at a final report that might—well, we should not say "might" because, in this document, it is very clear that there is a discussion point put forward that talks about balanced budget legislation. If he were to in any way, shape or form look at any recommendations that would come forward with respect to

shifting of any funding of education in the province of Manitoba, rather than try to utilize what was recommended in here,, and I find it interesting that there would be technical people from his Government involved in this document that would recommend how you might get around balanced budget legislation, but that there would be a commitment which I do not believe we have heard from the Premier in any election promise.

So I would ask him just to clarify that if there was any shifting of any sort that might involve the provincial sales tax, that he would indeed respect balanced budget legislation and ensure that there would be a referendum for the people of Manitoba.

**Mr. Doer:** Mr. Chairperson, we will follow balanced budget legislation.

**Mr. Murray:** If a recommendation came forward to a committee that he had instructed to go out and rethink how funding was put forward, recommended that there was a way around balanced budget legislation, would he listen to that recommendation?

**Mr. Doer:** Well, the member should realize I do not instruct people like Carolyn Duhamel what to write and what to recommend, so the word "instruct" is really quite a disingenuous term.

**Mr. Murray:** There you go again. If the minister wants to deal with adjectives, verbs and all those sorts of things, that is his prerogative.

I am trying to get a very clear picture from him that he in no way, shape or form, regardless of what recommendations might come forward to him from a committee that he instructed to go out and do work, that would involve an increase in the provincial sales tax, that he would live by what balanced budget legislation says and that there would be a referendum to the people of the province of Manitoba to ensure that they had a chance to speak their mind. Not in an election campaign, because I do not think that any of these things, as the Premier likes to say, "I will live by my campaign promises," this was not an issue that came up in terms of what might be recommended to him. So I am asking strictly for clarification, not nouns, adjectives or verbs, whether he will abide by balanced budget legislation and have a referendum.

**Mr. Doer:** The bottom line is we are going to live by the balanced budget legislation, full stop.

**Mr. Murray:** The balanced budget legislation clearly sets out that if there is going to be a change in the provincial sales tax, an increase in the provincial sales tax, there would be a referendum in the province of Manitoba. Does the First Minister agree with that?

\* (15:30)

**Mr. Doer:** Well, I am not going to correct the legal reading of the member opposite. The bottom line is I am going to follow the balanced budget legislation.

**Mr. Murray:** I am not a lawyer. The First Minister is not a lawyer. I am not asking for any legal interpretation; it is simply the intent of balanced budget legislation as drafted by the previous government to ensure that, if there was any increase in the provincial sales tax, there would be a referendum put in place.

Without getting into technical issues, I am just simply asking would you have a public referendum if you were going to increase the provincial sales tax.

**Mr. Doer:** We are going to follow the provincial balanced budget legislation.

**Mr. Murray:** Does the Premier understand that the intent of the balanced budget legislation is that if there is going to be an increase in the provincial sales tax that there will be a referendum?

**Mr. Doer:** We are going to follow the balanced budget legislation.

**Mr. Murray:** If that is the case then I would simply ask if the First Minister would agree that balanced budget legislation very clearly lays out in technical terms, which I do not have in front of me, so I am not going to read them to the First Minister—he has been around long enough. Heaven knows he opposed balanced budget legislation. That is one of the reasons that I would be asking the question, in the sense that Manitobans I guess would understand, not technical legalese, but just in the way that average, hardworking Manitobans would understand balanced budget legislation, in the sense that if there is going to be an increase in the provincial sales tax of whatever that may be, it could be a quarter, a half, whatever it might be, but an increase is an increase is an increase. If that were the case, would the Premier agree to have a public referendum on that issue?

**Mr. Doer:** We are going to follow the balanced budget legislation.

**Mr. Murray:** The reason that I ask the question is very simple. I do not have the exact quote in front of me, but I know that the First Minister would acknowledge that when the previous government brought in balanced budget legislation he looked at it as an election ploy. He looked at it as something that was, you know, I will not put words in his mouth, but, clearly, the intent from that member when he was Leader of the Opposition was that he did not support balanced budget legislation. He made that very, very clear to this House and to anybody that would listen.

So, now, we have a very simple question, Mr. Chairperson. It is being asked on behalf of the taxpayers of Manitoba, because I think you have been on record now that you are the Premier of the province of Manitoba, knowing full well how hard Manitobans worked to ensure there was balanced budget legislation and what the previous government did to bring it in so that there was some semblance of reporting mechanism to the people of Manitoba, something that the member opposite was opposed to.

We have seen and the Auditor General has said very clearly that, in his opinion, this Government has run four deficits. That is not living up to the spirit. That is talking about where balanced budget legislation is. The Auditor General has said that this Government has four deficits that they have run. So there is a bit of a pattern.

Mr. Chairperson, when you look at the option of having provincial sales tax being raised by a group that is recommending it in this report or another report or others that may go on, if there is an increase in the provincial sales tax, will the Premier ensure that Manitobans have a say and have a public referendum?

**Mr. Doer:** We will follow the balanced budget legislation.

**Mr. Murray:** Well, I will say to the First Minister that he has said on numerous occasions that balanced budget legislation was not something when it was introduced that he supported or he believed in. Certainly, members of his caucus made some quite astonishing comments about balanced budget legislation at the time. So I think it is fair to make the

assumption that, although we hear the response from the First Minister that there are concerns around balanced budget legislation, because we have seen the Auditor General say that this First Minister is running his fourth consecutive deficit—

We see the First Minister who said very clearly before the Budget that he was not elected to raise taxes. He introduced some \$90 million of new taxes and user fees. So this is a very serious issue for Manitobans and it is very, very clearly spelled out, not in the technical side. As I say, I am not going to ask that question, but I am simply trying to get a sense of what this First Minister would do with respect to any increase in the provincial sales tax as is being recommended in the Working Group on Education Finance he put together.

That we have some confidence in Manitoba that if there was going to be any increase in the provincial sales tax or any increase in those taxes that require referendum, that he would follow and put a referendum forward to the population of Manitoba so they could vote whether they support an increase in the provincial sales tax.

**Mr. Doer:** Mr. Chairperson, we will follow balanced budget legislation.

**Mr. Murray:** I wonder if the First Minister could comment. I asked yesterday on the report that Wally Fox-Decent was working on with respect to the expansion of the floodway. I wonder if the Premier could update today when that report may become public.

**Mr. Doer:** The report is not in and the decision of making that public will be left with Professor Fox-Decent.

**Mr. Murray:** So just as I understand it with the way that he describes "draft" as he does on the minister's Working Group on Education Finance, it says final report with "draft" on top. Is the First Minister going to be using the same mechanism with that report as he is using with the report that was distributed, the minister's Working Group on Education Finance?

**Mr. Doer:** Well, it is a totally different person, and as opposed to entities that are stakeholders, and as it is a real person, it is going to submit a report.

**Mr. Murray:** Well, I mean, this is interesting because the Premier has asked Mr. Fox-Decent to

come in to basically try to solve something that his Government has not been able to deal with and there is going to be some kind of a recommendation that will come forward. So I would ask: Will this Premier use the same kind of approach to that report as he is using to this report on the Working Group on Education Finance?

**Mr. Doer:** We do not have a final report in either category.

\* (15:40)

**Mr. Murray:** Well, it is process. What you are saying is that there are lots of reports that get presented, there are lots of reports that are brought forward and there are recommendations in all, and you have recited them all. I am not going to go through that.

Are you suggesting that there might be something in the report that would come forward from Professor Wally Fox-Decent that he might have a list, I do not know what it might be—8, 10, 12 some recommendations that you will go through and decide which of those recommendations you may look at and which ones you will not?

**Mr. Doer:** Mr. Chairperson, you know, all these hypothetical questions, I am not going to answer them because they are hypothetical questions. I will wait for the report, and I would suggest the member opposite do the same.

**Mr. Murray:** You say they are hypothetical, yet you have gone through a number of reports that you say have been brought forward that are not hypothetical reports, and you yourself have said, and I believe Hansard would show, we can go back and double-check, but I ask you if you did or did not say that sometimes government gets lots of reports; sometimes they accept some of the reports, sometimes they disagree with some of the things in the reports.

So what you are saying, then, is that you have had reports that you have looked at, maybe holus-bolus. You have rejected some reports outright, maybe some you have taken. You referenced the Manness Lower Tax Commission. You say that you took some of the recommendations out of that and lowered taxes.

It is not hypothetical when you are suggesting that you have asked Professor Wally Fox-Decent to go out and put together recommendations. It is not hypothetical at all to suggest that you might get a report where there are some things in there that you may look at and some things you may not look at. You have just said yourself that that is what government does.

I am asking you if that is going to be your approach with the recommendations that Wally Fox-Decent is going to come forward with.

**Mr. Doer:** Mr. Chairman, the member opposite a couple of weeks ago, brought a petition in asking the Premier to get involved, which, I consider, to be inconsistent with having an expert like Mr. Fox-Decent involved. The member is a busybody about this, but I will wait for the report.

**Mr. Murray:** Mr. Chair, just for the record, the only inconsistency is between this First Minister and the Minister of Water Stewardship. One says one thing; the Premier says another thing. Then, of course, you have the CEO, Mr. Ernie Gilroy, saying a third thing. He might find the fact that there are—I am not going to list them all, he knows who they are: the Manitoba Chambers, the Taxpayers, the Manitoba Heavy Construction, the Merit Construction Association. There is a whole host of them very clear in what they are asking for. There is no inconsistency in what they are asking for. The inconsistency comes from the government side.

To try to maneuver their way out of what the Minister of Water Stewardship says, they have to bring in a mediator to try to get some sort of an agreement. So, if they are going to go down that road and there is going to be a sense that the Premier is, as he has said, going to look at a report and that sometimes government agrees with reports and sometimes they do not, I am just somewhat puzzled. You want to say it is hypothetical because it has not been presented. That argument will not hold water. There is going to be a report that is going to be presented.

I just want to know if you are saying that, as in past history, you may or may not adopt some of the recommendations that Professor Wally Fox-Decent is going to bring forward. Those are your words in past history.

**Mr. Doer:** The member is just pecking away at this. Let Mr. Fox-Decent do his job. I know the member opposite thought I should bring everybody in. I am flattered by that suggestion. I did not follow that advice. I am going to let the professionals do their job, and there are different options for Mr. Fox-Decent. Let us just let the professionals do their job. The member opposite is not a professional in this area. If he were, he would not have suggested I take the thing over with his little petition a couple weeks of ago.

**Mr. Murray:** It is just the inconsistency between a document that gives recommendations which the First Minister says, "Well, we are not going to look at that; it is not what we are about." I would suggest to the First Minister that the people that wrote this document are experts, and so to draw a different conclusion as to what Professor Wally Fox-Decent is going to do. To me, it clearly begs an answer that we have seen this First Minister agree that there are reports that he gets, he commissions, he asks for, that come to his attention as the Premier of the province of Manitoba. In his words, sometimes you agree with some of the statements, sometimes you disagree with the recommendations, I should say. So you do not agree with everything in there. Sometimes it works and sometimes it does not work for the government of the day.

We are going to be getting a recommendation from Professor Wally Fox-Decent. This is not about Professor Wally Fox-Decent. This is simply about this First Minister who has said one thing about reports that he gets, knowing full well, and I think it is fair to say, there is a little bit of tension in the air about where this Government is going on the floodway expansion. It is because there does not seem to be a clear position coming from the Government. They like to say that, well, you know, when you bring in a petition that uses the word "may" of course, they all know on that side that is how petitions have to be written. There is not a person on this side of the House that is saying anything other than let us get on with building the floodway. We should be putting shovels in the ground.

I know that the First Minister said the other day that there is an issue around the environment. We respect that, but I have to get some sense from the First Minister that when Professor Wally Fox-Decent brings forward his recommendations, I just want to know if the First Minister is suggesting, as he has

with other reports, that he may not look at all of the recommendations brought in by Professor Wally Fox-Decent, that he may look at adopting some but not all of the recommendations.

**Mr. Doer:** I have answered the question.

**Mr. Murray:** With respect, you have not. Because you have said two different things. You have said very clearly that sometimes governments get reports that they will accept and sometimes they get reports that they do not necessarily accept. You have referenced that specifically as we talk about the minister's Working Group on Education Finance. You appear to, and I will not put words in your mouth, but you appear to be rejecting the recommendations from that group.

I just think it would be somewhat incredible that if the First Minister was to receive recommendations, I do not know what they would be. I am not trying to be hypothetical about the recommendations. I am really looking at a process about a government that has had a lot of difficulty trying to shepherd through something that all Manitobans believe is important with the exception that the government side believes that all members should be paying union dues, or companies should be forced to join a union. That is a direct quote from his Minister of Water Stewardship (Mr. Ashton).

I think that is a huge difference. We certainly do not support it. There is a tremendous number of businesses in Manitoba that do not support it, that are involved in the floodway.

I would ask the First Minister very clearly does he intend to accept Professor Wally Fox-Decent's report as it is written, or is he looking at the potential of making some adjustments as he has indicated that he has done on other reports.

\* (15:50)

**Mr. Doer:** Mr. Fox-Decent is working with the parties, and I am going to let him act accordingly.

**Mr. Murray:** I support that and I think it is the right thing to do. He should act accordingly. But you have, I think, thrown a bit of a curve into the discussion by what you have said. You did indicate—

**Mr. Chairperson:** Order, please. For the purpose of following the rules so there would be no direct

confrontation, could you kindly address your question through the Chair and the answer through the Chair.

**Mr. Murray:** The First Minister has indicated and he may not be interested, I certainly am going to be interested to go back and read Hansard because I believe what he has indicated to this House, that when we specifically were making reference to the minister's Working Group on Education Finance, he is not going to agree to recommendations that are in this report.

He says so on the basis that governments get reports whether they ask for them to be done. He referenced the Lower Tax Commission by the previous government, so he is saying that there are reports that come in that the Government does not always follow the recommendations.

So we all know that Professor Wally Fox-Decent is out negotiating on behalf of Manitobans, on behalf of taxpayers, on behalf of those people that want to work on the floodway. If there is any indication that the First Minister is not going to follow the recommendations brought forward by Professor Wally Fox-Decent, I think you should indicate that today, much the way that he indicates that when there is a recommendation of increasing the PST one percent to look at a way of rethinking funding of education, that he looks at that recommendation and says, "Well, we are not going to do that. That is not what I was elected to do. I am going to live by my election promise."

The issue of forcing people to be part of a union or forcing people to pay union dues clearly was nothing that was discussed in any election campaign, certainly in 2003. I think it is incumbent and I think it is vitally important that the First Minister would indicate very clearly to the people of Manitoba that, unlike other situations that he has been given reports, that he has chosen certain aspects of that report to follow and certain reports not to follow, that with this report that Professor Wally Fox-Decent is going to bring forward he will or will not be following all of the recommendations that Professor Wally Fox-Decent will be bringing forward.

**Mr. Doer:** I respect the competence of Professor Fox-Decent, and I await his results.

**Mr. Murray:** I concur with the First Minister on both the issues. I respect the work of Professor Wally

Fox-Decent, and we also are awaiting the results. But I think we have seen a very interesting shift in terms of some things that the First Minister has offered up, in terms of a process that happens when reports come before government. That, I think, is a very serious issue.

For the First Minister to be indicating that he has respect for Professor Wally Fox-Decent—agreed, absolutely; that he thinks that he is an expert in this sort of thing—agreed, absolutely. But there is certainly a gap or a cavern in process between what he has indicated with previous reports and what he is saying about the report that will come forward from Professor Wally Fox-Decent. He is leaving the impression very clearly that governments get reports from time to time, that governments do not always follow the recommendations in the reports. I reference the minister's Working Group on Education Finance, and the Premier has spoken very clearly about that.

So we are going to get a report from Professor Wally Fox-Decent on the expansion of the floodway and issues to do with training, issues to do with Aboriginal people, issues to do, I believe, on whether there is going to be forced unionization as members opposite on the government side have said there will be through a project labour agreement or master labour agreement. I very simply would ask the Premier: Will he accept all of the recommendations that Professor Wally Fox-Decent brings forward regarding the expansion of the floodway?

**Mr. Doer:** I repeat, again. I respect Mr. Fox-Decent and I await his results. The member opposite presumes there is going to be a report. Maybe there is not. I am flattered that he asked a couple weeks ago that I get involved in the project. I am glad he has done a U-turn on it. I think it is good that he is now putting some credibility with Mr. Fox-Decent, and I am glad he has made that switch, and, to be pecking away at this—let us just wait for Mr. Fox-Decent's work to be done. I actually think that the more ability and capacity we give to the parties through his expertise, the more they are able to come to their own decisions, and let us allow that to happen.

**Mr. Murray:** Well, I agree with that. I do believe that it is clear that, when you look at the process, the government of the day put in a CEO for the floodway and I think the reason that we have found ourselves having to bring in Mr. Fox-Decent is

because of the inconsistency and the direction that the Government has taken with respect to the expansion of the floodway. I would just ask the First Minister, who has a Minister of Water Stewardship (Mr. Ashton) who says that there will be a project labour agreement or a master labour agreement—have your pick of the two; they both basically stand for the same thing: Did he instruct, in any way, shape, or form, Professor Wally Fox-Decent to have a project labour agreement or a master labour agreement as part of the report that Professor Wally Fox-Decent will bring forward to the Government?

**Mr. Doer:** Well, my statement of yesterday stands.

**Mr. Murray:** Does the First Minister support forced unionization of companies working on the floodway?

**Mr. Doer:** I am not sure what will come out of the process. I will wait for it. I do not know what process will be used, and I would wait for the results. I mean, the member opposite wanted me to get involved a couple of weeks ago, and he keeps trying to substitute a person who has got expertise in mediation with—I am not a political busybody. The member opposite might be. He wants to be a busybody, let him be a busybody, but I am not, so you can busybody away and peck away at this statement and peck away at that statement, but you have to let the people do their work.

\*(16:00)

**Mr. Murray:** I just wanted to get one point of clarification. Just back, I think the First Minister made a comment that there may not be a report. I think what I heard him say, in making reference to my comments, that I am suggesting there will be a report. The First Minister, I believe, said there may not be a report. Are you suggesting there may not be a report from Professor Wally Fox-Decent?

**Mr. Doer:** I think I mentioned to the member yesterday when he was asking me all these kinds of questions, these busybody questions, that the last time I talked to Professor Fox-Decent was about the symphony. I did not instruct him to have 44 people playing the violins, or 34 or 64 or whatever. So let us let the professional do what the professional does. Let the professional report to the public in the way in which he feels, in his professional opinion, is professionally preferable for professional advice.

You have to allow the parties, through the expert, to do their job and I am going to let them do their job. I am not going to try to busybody my way into it. The member opposite is completely free to do that, but do not expect me to answer beyond the fact that Professor Fox-Decent is proceeding.

**Mr. Murray:** I will continue to ask, I think, questions that the public want to know about the First Minister's belief in how the floodway should be expanded. I do not think it is unreasonable for the First Minister to put his personal opinion on the issue of forced unionization.

I asked the First Minister the question very clearly if he, in fact, supports forced unionization. If the answer comes back that he wants to see what Professor Wally Fox-Decent does, that is an abdication of his responsibility. I am just simply asking.

Mr. Chairperson, I assume that, as a former head of a union, he has an opinion one way or another and we know the discussion has been very clear about companies that would have to be forced to be part of a union. I would be most interested in the Premier of the province of Manitoba's position on forced unionization.

**Mr. Doer:** I think the member opposite does a disservice to the work that is going on from Professor Fox-Decent. He may want to be a surrogate for the discussions that are going on. I do not, because there are experts involved and they are perfectly capable of representing the variety of views that will be in discussions with Professor Fox-Decent.

So that is my answer. Personal opinions, bottom line is in this job, you do not get many of them because you just let people do their work and that is the professional way to do it and that is the way I am going. I am letting the professional people do their professional job with the professional experience they have to bring professional advice to this issue.

**Mr. Murray:** Well, great. In that regard, does the First Minister think that Carolyn Duhamel is a professional?

**Mr. Doer:** I will have to get her title. I will have to find out the exact title. She is hired and fired by school trustees, so she is accountable to school trustees.

**Mr. Murray:** Does the Premier think that Glenn Anderson is a professional?

**Mr. Doer:** I am not going to go through the committee representation. What I feel and do not feel is really—you know, we are dealing with the Estimates of the Executive Council talking about people, some of whom I might know and some of whom I might not know.

I pointed out that one of the individuals was a stakeholder hired and fired, I assume, by a group of trustees. The question the member opposite asks is presumptuous. The person is a legitimate representative of a stakeholder. The member opposite totally rejected the mayor's view on a "new deal," wanted us to, you know, was signing petitions and the sky is falling a couple of months ago. The bottom line is we get advice from different places, from different people, and we will deal with it when we get it.

**Mr. Murray:** Well, again I just would draw to the First Minister's attention that the reason that there needs to be clarification is because of the inconsistency. On one hand, he says let us let the professionals do their work, with respect to Professor Wally Fox-Decent. So let us let them go out there and do their work, and because they are professionals, that is a good thing.

On the other hand, he has a group of people who were involved in drafting a report to the Working Group on Education Finance that came forward. He has looked at rejecting a number of recommendations they brought forward. This group went out and did their work and they did it respectably. They brought forward some recommendations that this First Minister has rejected.

Sure, absolutely, Professor Wally Fox-Decent should go out and do his job and do his work, but the gaping hole is just incredible, because you are saying that professionals should go out and do their work. Agreed. But I think where we part company is that the First Minister is basically saying that the people that were involved in one report, which he is rejecting some of their recommendations, surely you look at, follow the dots to the basis that the professionals—Professor Wally Fox-Decent is going to bring in a report and there is a chance that this First Minister is going to look at it and say, "Well, you know, we get reports all the time. I will agree with this. I disagree with that. I agree with this. I disagree with that." That would be consistent with

the way that he has looked at other reports that have come to his attention.

The floodway is a huge, positive opportunity for Manitoba. We support the opportunity to get on with building the floodway. We think that the environmental, as the First Minister brought forward, is an issue that is being dealt with. Clearly that jurisdiction has to be looked at properly, but there is a serious issue that hangs over the report or maybe not that Professor Wally Fox-Decent is going to bring forward on the basis that this Premier has put himself in a position where he has said that from time to time governments will get reports and they will accept them or they may not accept everything that is in a report. That is the prerogative of the Government. I do not disagree with that statement that the Premier said.

\* (16:10)

What I would like to know is if he is going to take that same approach to a report that would come forward, or maybe it is not a report, maybe it is a conversation. I do not know quite what it is that Professor Wally Fox-Decent—he is meeting with people, but something is going to come forward that is going to have some kind of a recommendation to the Government on how we should proceed with building the floodway expansion.

If there is any indication that the First Minister is going to look at some of those recommendations, as he has in the past and said, "Well, we are not going to just look at these recommendations in its entirety. We may cherry-pick. We may look at some and not some of the others." I think that Manitobans that are involved in this process—I think Professor Wally Fox-Decent should have some sense that this First Minister may or may not be looking at all of the recommendations that Professor Wally Fox-Decent will bring forward, based on what he has done with other reports.

**Mr. Chairperson:** The honourable First Minister. The honourable Leader of the Opposition.

**Mr. Murray:** I did not hear and I apologize. I did not hear the answer from the First Minister.

**Mr. Doer:** I would recommend that.

**Mr. Chairperson:** He said, "I recommend that."

**Mr. Murray:** Just to clarify, then, he recommends that he will take all of Professor Wally Fox-Decent's recommendations and abide by them?

**Mr. Doer:** I would recommend you read Hansard because we have gone over this over and over again.

**Mr. Murray:** We may have gone over and over it again, and perhaps we will continue to go over and over it again until the First Minister just clarifies what he is going to do with—I will call it a report because I do not know what else to call it, but I will call it a report that would come forward to the attention of the Premier from Professor Wally Fox-Decent about how to proceed on the expansion of the floodway. What we are asking on behalf of I think a fairly wide variety of people, businesses, stakeholders, people who are involved in building the floodway, families, companies that this First Minister will abide by the recommendations that come forward from Professor Wally Fox-Decent.

**Mr. Doer:** I have a great deal of respect for Professor Fox-Decent, and the member opposite presumes there is going to be a report. I am just going to let the professionals do their job. The member opposite moves from the report to one dimension of his discussions. I, on the other hand, am allowing a professional to do his work. I am not aware of what form he will complete his work, but I am a very patient person in terms of him applying his skills.

**Mr. Murray:** I appreciate the patience of the Premier and appreciate that we all have a tremendous amount of respect for Professor Wally Fox-Decent. I just would ask, again, will there be a report that will come from Professor Wally Fox-Decent to the CEO of the floodway, to the Premier's office? Is the Premier expecting a report to come forward from Professor Wally Fox-Decent?

**Mr. Doer:** Again, I have seen situations before where there is not a report from a mediator but an agreement comes forward. I just do not want to go over elementary mediation with the member opposite. The bottom line is I respect Mr. Fox-Decent. The member is presuming for the last hour and a half it is going to be a report. I have actually seen before when the same individual worked for the former government that there was a signed agreement between two parties and no report from Mr. Fox-Decent. The member opposite is a busybody on

this issue, and I suggest that he has not got a lot of knowledge, I think, of mediation. I just allow the parties to deal with what they are equipped to deal with.

**Mr. Kelvin Goertzen (Steinbach):** I appreciate the opportunity to put forward a couple of questions to the Premier. I appreciate the comments that the Leader of the Official Opposition has put on record. The Premier, I know, does not necessarily respect the questions that are put forward. I know that they are brought forward on behalf of all Manitobans. Certainly, within my own constituency I have heard from a great number of residents who are concerned about what is happening on this particular file, on the floodway issue. I think it is worth noting, Mr. Chairperson, that it is not just those that are involved in the heavy construction industry, or the construction industry at all. In fact, I have been surprised, but certainly impressed, by the number of people within the business industry, of course, but certainly outside the business industry, as well, who have come forward and asked me what is happening with this particular issue. Why is the Government looking at a forced unionization or a forced union due type of a situation? I think that is indicative of the level of the concern that is out there in Manitoba.

While the Premier (Mr. Doer) did not do a lot of respect for the Leader of the Official Opposition's (Mr. Murray) last few questions, I certainly think that he was astute in raising them and was doing it on behalf of a wide variety of Manitobans. Certainly not just in my own constituency, but, I think, right across the province. But I do want to, and if some of this has been covered, the Premier will have to forgive me, I was not privy to all the previous questions, but I do want to ask if there is any kind of timeframe that was brought forward to Mr. Fox-Decent, in terms of when the report or the recommendations or whatever form of conclusion this mediation will take, is there any kind of timeframe that the Government has brought forward and asked Mr. Fox-Decent to conclude by?

**Mr. Doer:** With the greatest respect, I answered the question to the Leader of the Opposition. It is a bit unusual that you get asked the same question by two different people on the same afternoon. There is no time line. But I just think that it is not something we used to do in opposition. The Leader of the Opposition asked the questions before. With the greatest respect, the answer to your question is no.

**Mr. Goertzen:** I appreciate the fact that there was an answer to that particular question. I am not so appreciative of the fact the Premier was not particularly keen on the overall nature of the question, but again, I think it is important, and that the Premier is sensitive, that we ask the question. Well, we have role to play as opposition and we are doing this on behalf of Manitobans. So, if he is going to chastise me as a member, that is one thing, but I would like to put on the record that he is not simply chastising me, he is chastising all Manitobans. He is showing disrespect to all Manitobans in this Chamber.

But there still remains the question regarding the payment of union dues and what the cost to the overall project would be. We have heard a number of different figures, and I wonder if the Government has undertaken any kind of examination of what the cost to any kind of forced union dues would be to the overall project.

**Hon. Steve Ashton (Minister of Water Stewardship):** I know the Premier has answered a number of questions on the floodway and he asked me to respond to this particular question. There was some discussion and a number of questions related to the Wally Fox-Decent process, if I can call it that. That process is continuing. We look forward, obviously, to the results of that process. I want to put on the record that I have a great deal of respect for Wally Fox-Decent, who has proven over the years to have a tremendous ability, he is a true public servant.

\*(16:20)

In fact, as we speak, he is in northern Manitoba, I believe, in my own community of Thompson tomorrow on the Workers Compensation Board review. Notwithstanding his many responsibilities, also with the Workers Compensation Board, I was very pleased to see he was able to undertake this process and I note that he has the respect of all the stakeholders. We have certainly allowed Wally Fox-Decent to proceed as he deems necessary in terms of meetings, and certainly have not set any artificial timelines. I would stress the fact that I think he is a very well-respected individual, and given the fact that he has the trust of the stakeholders, I think it is very important to let that process work. I know the member also asked some questions in terms of the floodway and in terms of its ongoing process.

I can indicate that we are currently in the project- design and more metal-assessment stage. We are completing the end of the second part of that. We are then going to be moving to the final engineering design phase and environmental approval. Just to put that in perspective, that subject environmental approval and the First Minister's reference to quasi-judicial nature of that, obviously subject to that, we are targeting construction next year.

We have not received the final engineering reports yet, but the budget of the floodway remains unchanged. The floodway authority has been talking about a projected budget of \$660 million. That remains unchanged. They are going to be going through the environmental designs. I want to indicate that one of the key issues there is going to be not only maintaining the capacity for the floodway expansion, but also ensuring limited impact in terms of ground water. I know the Premier has referenced this many times.

When the original floodway was built, there was a very significant impact on ground water in the surrounding area—wells, in particular. What we want to make sure we do is two things. One is design the floodway in a way that does the most important thing, obviously maintaining the additional flow that is targeted, that in fact, in excess of 50 percent more capacity with the floodway, but, at the same time, minimizing ground water impacts. We can increase the capacity by both widening and deepening the channel to a degree which we can widen rather than deepen that will limit that.

We have also committed to, obviously, compensation and mitigation for those that are impacted. But that is the current stage we are at and certainly, as I said, subject to the environmental approvals, we are targeting construction for the 2005 construction season. I think it is a very exciting project, quite frankly, in the sense that one thing it does, by the way, is not only provides for improved flood protection at the completion of the project, but on a year-by-year basis, upgrades the capacity so the bottom line is this will year over year over year improve flood protection, not just for the city of Winnipeg, by the way, but for parts of the Red River Valley.

We will improve the flood protection up to 1-in-700 years. I think that is well worth the investment, and we are very excited about it. I can assure the

members opposite, and I have to mention this because I thought there was some progress last week when they tabled a petition that actually acknowledged the floodway expansion is going to be built, but they are back this week to tabling the documents indicating that the floodway expansion "may" be built.

Well, I have news for the members opposite. The Premier made the commitment, the federal government is on board, and I just wish the Opposition was on board because we are going to build the floodway expansion. I will not paraphrase the current Prime Minister, but let me put it this way, our goal is to build it before the high water.

**Mr. Goertzen:** That certainly would have been a very impressive answer had I asked the question even remotely close to what the minister responded to that.

Certainly, I guess he has his stump speech on these particular questions and he is going to stick to it. I will not even rephrase the question because it was pretty clear. I will just restate the question and try my luck again and, hopefully, we can stay somewhat relevant to the answer.

Mr. Chairperson, it was, of course, the Minister of Water Stewardship (Mr. Ashton) who first mused about, more than mused, I suppose, that was publicly quoted as saying that all workers on the expansion of the floodway project would have to pay union dues, is according to the Rand Formula. Now, the very clear statement, at least as it was reported in the local daily newspaper, and there was not a lot of wiggle room about it. I am not sure, maybe he did not speak to his Premier about that particular issue. Maybe the two are not on talking terms anymore. I will not try to speculate what the relationship between the First Minister and his Minister of Water Stewardship is, but, certainly, on that issue they were on different pages.

I would like to return to the question that I asked. Since the Minister of Water Stewardship raised the entire issue about forced union dues, I am assuming that he must have asked officials of his department to do some type of an analysis of what that cost would be, since he was so clear that such a thing would have to take place. I am certain he made a determination about what additional costs that would be to the overall project. He stated now today

that we are at \$660 million for the overall project, which is give or take \$50 million, which has been stated by the minister in the past publicly. But can he indicate what cost his interpretation of the forced union dues would actually cost on the project?

**Mr. Doer:** The member will know that Professor Fox-Decent is engaged as a professional in the process at this point, and the member will know that the federal and provincial governments have pledged \$120 million each to take us from one in 90 years to one in over 250 years. That is the stage of the floodway protection. The question is hypothetical because we have not had the completion of Professor Fox-Decent's work yet.

**Mr. Goertzen:** I am quite fascinated by the Premier's answer really on two fronts. One is he considers this to be a hypothetical question, but it was his minister, his Minister of Water Stewardship who raised this particular issue publicly, who went on public record. Is that not saying this might be or this could be, saying that there would be a scheme in place so all workers on the floodway project, the expansion project, would have to pay union dues. So that took it out of the realm of a hypothetical question. If he is suggesting that his minister was off on some hypothetical rant or rave with the media, I would suggest that he might want to revisit what his minister actually said.

It was a very clear statement by the minister that the law is dictated by the Rand Formula. This was the minister's interpretation. I am not sure if he had a legal opinion on that or where he was coming from on that particular opinion, but he suggested that there would be no choice, that all workers on the project would have to pay union dues. I think then it is incumbent on the Premier to indicate what costs that would be to the taxpayers, or to come out clearly that his minister was absolutely wrong. I will accept either answer.

**Mr. Doer:** My previous statement stands.

**Mr. Goertzen:** Well, Mr. Chairperson, I will take that as a direct contradiction between the Premier and his minister, and that in itself is concerning, that the Premier and the lead minister on this project are so completely off base on an issue that is important to all Manitobans. Certainly, members on this side of the House have recognized the importance of the project and have come forward with that. The

petitions that have been raised in this House on a daily basis and will continue on a daily basis are in regard to exactly the question that I am asking. That is with the forced union dues that the Minister of Water Stewardship would have to be exercised on that.

\* (16:30)

So, if the minister does not want to, or the First Minister does not want to provide any kind of cost relevancy of what that particular scheme would entail, I guess I can understand why he is sensitive about it. But perhaps he can just indicate and answer the question. Was his minister wrong in making those statements?

**Mr. Doer:** I stand by my answer two questions ago.

**Mr. Goertzen:** Okay, the record, then, to indicate that the Premier seems to have a difference of opinion with his particular minister. Perhaps he has lost confidence in this particular minister, I do not know, Mr. Chairperson, but those contradictions are certainly alarming, I think, to all Manitobans before dirt has even been turned on this particular project that there would seem to be such confusion on the Government's side.

I will point to another confusion, of course. Perhaps the Premier regrets his decision to have the Minister of Water Stewardship (Mr. Ashton) come in and answer questions already, because it seems that there was a contradiction in the short, well, not short answer that the Minister of Water Stewardship gave, but a rather long answer, but clearly there was already a contradiction between the answer that the Water Stewardship Minister put forward and the Premier.

In his answer that he gave just a few short minutes ago in this committee he suggested that the overall project budget was still \$660 million, and that had not changed. The Premier seemed, at least from what I understood, to give somewhat of a different type of answer by suggesting that really \$240 million had been committed and does not seem to want to commit to the overall cost of the project that the Minister of Water Stewardship just floated out here a few minutes ago.

I will ask the Premier directly. Is the overall cost of the floodway project still at \$660 million, as

indicated by the Water Stewardship Minister just a few minutes ago?

**Mr. Doer:** Well, the IJC had three different sets of numbers on the floodway expansion proposal. I strongly recommend the member opposite read them. Has he read those proposals?

**Mr. Goertzen:** Well, Mr. Chairperson, when this Government falls, I will be happy to answer questions of the Premier, but, as it stands right now, I will be asking the questions and not the other way around.

I would then like to ask the First Minister which is the answer. Which number is he going with in terms of the budget for the floodway, the overall projection of the cost of expanding the floodway? Which figure is the Government running on?

**Mr. Doer:** To paraphrase the member, I will take from his answer he has not read the reports. I would strongly recommend he do.

**Mr. Goertzen:** Well, I gather then that the First Minister simply does not want to answer the question. I imagine it is because he does not know the answer to the question. It does not particularly surprise me. We had a contradiction I guess in the last five minutes where the Minister of Water Stewardship says it is 660. In the past he said it is \$700 million. The Minister of Finance (Mr. Selinger) has said, "Well, we actually do not have a line-by-line budget." A week ago, the Minister of Water Stewardship said, "Well, it is \$9 million. That is what we are committed to, because that is what is in this year's Budget." The Premier has a figure of \$240 million. So I guess the taxpayers are left to pick their choice between the \$9 million and the \$700-million figure. The Premier should rest assured that members on this side of the House are going to be watching closely and keeping the First Minister accountable to these particular costs.

I would like to ask the First Minister regarding the appointment of Wally Fox-Decent, could the First Minister indicate for me that appointment—I imagine, Mr. Chairperson, that it came as an Order-in-Council appointment—what the cost of the appointment was.

**Mr. Doer:** Order-in-Council documents are public. I imagine the member went through the documents to confirm the advice he has got.

**Mr. Goertzen:** Well, actually, I am not certain, and that is why I asked the question. Was Mr. Fox-Decent appointed by Order-in-Council, and do you know what the cost is?

**Mr. Doer:** The individual was not appointed by Order-in-Council.

**Mr. Goertzen:** Well, if he was not appointed by Order-in-Council, could the First Minister please indicate what the taxpayers of Manitoba are paying for Mr. Fox-Decent's services to help the Premier through the difficult situation that his Government has put himself in?

**Mr. Doer:** Well, I imagine that the member would know that Mr. Fox-Decent has been utilized in the past to deal with issues. In the 1990 election, he was utilized by former Premier Filmon on doctors' negotiations. He was utilized, I recall, in 1999 dealing with nurses' negotiations in the spring of '99.

The obvious amount of money will depend upon the length or the numbers of the length of periods he is spending on the issue, but I am sure former Premier Filmon felt that value for money was obtained with his services in the past and we feel that value for money will be obtained with his services today. I will give the member a full account of that when we, obviously, know the duration of the process.

**Mr. Goertzen:** I thank the First Minister for that answer. We are not quibbling, I do not think, on this side of the House with the selection of Mr. Fox-Decent. It is recognized that he has been used by different governments for different particular situations. The question that I have, then, is Mr. Fox-Decent being retained on a project basis to get this thing done or is it being done on an hours per service? Will he be billing the Government on the number of hours that he has put in on the mediation at some point in the future?

**Mr. Doer:** He has been retained by the governments in the past and I assume he is being retained in a comparable way to how he was in the past, with comparable skills and comparable integrity, with comparable value for money.

**Mr. Goertzen:** I think that some of this needs to be tied together, Mr. Chairperson, when we are talking about the costs and the budget for the floodway. The Premier does not seem to want to give Manitobans, not just simply this member of the Legislature, but Manitobans, an answer on what he believes the overall costs of the floodway project is going to be. He is evasive in that answer and more evasive certainly than his Minister of Water Stewardship (Mr. Ashton) was today who again went on record with the \$660-million figure, but the Premier does not want to put that kind of an overall cost on the project on the record today or in the House at previous times. He has been very reluctant to pin down a figure and I guess I am beginning to understand why.

Over the last few weeks, we have seen cost concerns about what forced union dues on workers on the project would cost. My understanding is either the Government has not done that kind of cost analysis or it is unwilling to share it with the public, the taxpayers, who are going to be paying for this project. I imagine the Premier is a bit sensitive. Perhaps he does not believe that this project belongs to Manitobans, whereas I think it does and it is going to be paid for by Manitobans. I certainly think they are entitled to know the cost of these particular expenditures that they are going to be putting forward into the floodway expansion project.

We have also seen over the last few days costs that are related to advertising. A hundred thousand dollars was the speculated amount yesterday by the Minister of Water Stewardship. Again, the Minister of Water Stewardship could not provide an actual number. He kind of stated quickly in the hallway to escape the scrum that it was in the neighbourhood of \$100,000, but he would have to check and find out what those costs were. There is a bit of an alarming trend here, Mr. Chairperson.

\* (16:40)

The Premier has to understand that these questions are not a reflection of the support of the project itself, but they are a reflection on the need to ensure that there is cost accountability on the project. When we talking and asking questions about advertising, the feel-good campaign that the Government has launched to try to convince Manitobans of what they already know and that is that Duff Roblin did a good job of building the floodway, but certainly they are

out there with these particular ads and there are costs associated now with the potentially forced dues to be put on workers.

That is the spirit in which we ask these costs and I ask the question now about Mr. Fox-Decent and again we get vagaries and no real type of answer in terms of what the cost of Mr. Fox-Decent was. Basically, the Premier is saying, "Well, just trust me. We are going to make all this public in time and we will eventually tell you how much the advertising is going to be, and we will eventually tell you how much Wally Fox-Decent will be." In the same breath, Mr. Chairperson, and here is the irony and the startling irony, is that the Premier stands up on a semi-regular basis and says, "Well, the floodway project is going to be on time and on budget."

Certainly, that is a low mark that he has set for himself, because there is not clearly a budget for the project and there is not any kind of cost accountability. So I have no doubt that the Premier will be able to come in on budget on this fictitious budget that seems to exist out there. But I will try again because I think it is important for all Manitobans to have this on the record.

What does the Premier believe the overall cost of the floodway project is going to be?

**Mr. Doer:** Well, the member opposite will see, and I would again advise him to read the two or three IJC reports and the engineering reports. We are doing more detailed work on the engineering report. There is a factual document signed between Canada and Manitoba of \$240 million. The first stage of that was announced by former Prime Minister Chrétien and the second phase was announced by Al Rock. That agreement was signed off before the transition in government. That remains the budgetary document. You will note that even if you were to compare the IJC report with the City of Winnipeg's numbers yesterday, you will find some discrepancies.

Mr. Chairperson, we will achieve the IJC recommendations in the most cost-effective stages. This stage is \$240 million. That is what we have agreement for.

**Mr. John Loewen (Fort Whyte):** Mr. Chairman, I have a couple more questions on the floodway and then we will switch gears. Just for clarification, in the Government's first three budgets, Budget of

2000, 2001, 2002, I believe they budgeted, in total, \$80 million for floodway expansion. Is that \$80 million part of the \$240-million agreement?

Did that money, I know it was not spent in the budget year, did it get set aside or did it simply lapse, and we are talking about new money?

**Mr. Doer:** Well, it was established in the Budget because we felt we could not negotiate with the federal government without commitment—point 1.

Point 2: Part of it has gone to, there has been work conducted on the floodway, some of it dealing with appropriations, some of it dealing with the notches and some of it dealing with the work on the gate, and some of it dealing with the engineering work and some of it dealing with the public hearings. So some did lapse and some was spent. The minister can give you exact numbers. I certainly do not have them. More was lapsed then spent.

**Mr. Loewen:** Well, I appreciate that. The minister did not seem to have the numbers when I asked him last time, so I am wondering if I can ask the Premier to get back to me and just give me an indication of what was spent and what was lapsed. I would appreciate that.

**Mr. Doer:** Yes. Some of the money was in other appropriations that was spent as part of a federal-provincial infrastructure program when we got an agreement on notches. So I will ask the minister to provide that information to you. But some of it flowed from federal-provincial agreements. So some flowed from a federal-provincial agreement on infrastructure and did not flow from the amount of money in the Budget for floodway, directly. So I will ask the minister to provide that to the member.

**Mr. Loewen:** I thank the Premier for that. With regard to the advertising campaign that is currently underway, I would ask the Premier just to confirm that the \$100,000 figure we saw in the paper is accurate. I am curious to know if that \$100,000 is being paid directly by government, or if it is being paid by the floodway authority.

**Mr. Doer:** It is not in my appropriation, so I cannot directly answer the question. I will take it as notice by the Minister of Water Stewardship.

**Mr. Loewen:** Hopefully, we will get to the bottom of where this is coming from. It is a little surprising

that the Premier would not have that information at his fingertips, knowing how close he is to this file. Switch gears just for a minute. *[interjection]*

Well, I know this is one of your favourite ones. I know that every financial decision goes across your desk; I mean, you have said that. So I look forward to getting that information at some point, dragging that out of the Government.

**Mr. Chairperson:** The Member for Fort Whyte.

**Mr. Loewen:** I thought I was already on the record, Mr. Chair.

I want to just say, on behalf of my constituents, we are certainly pleased that the Premier has spent some time—I am not sure if he actually got into Fort Whyte, but at least he got close to it in his tour with CJOB the other week. I am not sure if he had a first-hand experience with a train crossing either at Waverley or at Route 90. I will say that also I have heard from a lot of my constituents how happy they are that, after four years, or three and a half years, I guess, of claiming the underpass at Kenaston was not a priority, the Premier finally, before the last election, came to his senses and indicated that, in fact, it was going to be a priority. So I would like to congratulate him for what, as he often calls it, putting the puck in the net on this one.

The only downside a little bit is that, of course, we are presumably in the runup to a federal election, and every runup to a federal election since 1988, and I have lived in that area since 1986, there has been an announcement that there would be an underpass either at Waverley and Wilkes or Kenaston and Wilkes, so naturally a good percentage of the citizens in that area are somewhat sceptical that it is actually going to happen this time.

I would like the Premier to, if he could, just update me, so I can pass the information on to my constituents exactly where the underpass is at this time. Have agreements been formally signed, or have announcements just been made? I guess I am looking for some particular assurance from the Premier that agreements are in place, that funding is committed, budgeted for from all three levels, and, hopefully, that the good people in Fort Whyte and surrounding districts can look forward to an easier time of getting down Route 90.

**Mr. Doer:** Well, our Treasury Board has approved our amount of money, so I just want to assure the member opposite we have approved the Kenaston underpass proposal. I would point out that I did say that we thought the downtown projects and the Millennium Library, the Waterfront Drive, and the new entertainment complex, viciously opposed by members opposite, were the priorities, and that we never disagreed with the merit of the Kenaston underpass.

When there was money a year ago, and I did not know when I was going to call the election—I just want to point that out.

**An Honourable Member:** Who did know?

\* (16:50)

**Mr. Doer:** I did when I called it. I never believed Jean Chrétien when he said he went out for a walk with his wife, but now I do.

So there was money left over from the last project, and we did say that part of that was going to go to the Kenaston underpass, and then it was blocked by the powers that be at the national level, because there were other projects like the Reh-Fit Centre, which were legitimate proposals. I am giving you as honest a description as I can right now, and we are looking at Sargent Park and other proposals. It was kind of in dispute, and then we got, obviously, the new lead minister, Mr. Alcock, with his commitments from 2000. I believe they are sincere, and I believe he is sincere in delivering. He got Treasury Board approval for more than himself, I believe, as the Treasury Board chair. Of course, the City of Winnipeg approved it at council, so I will have to find out what the legal documents are between the parties, but certainly we have authority from our Treasury Board to proceed with the Kenaston underpass and the puck will be in the net.

I want to point out the member also asked a second question: Did I get held up? The only time I have been held up was, going to CJOB, by a train, actually going to the Humane Society, getting caught on Munroe, which happens to be in a different constituency than the member opposite represents. In fact, it is in Concordia. So I got held up there on my way to the Humane Society when I was in the cruiser with Mr. Barkley. I did travel very quickly on

Kenaston. The City, to its credit, with CN, has worked on some of the truck congestion that was there. Some of that, not all, because I saw trucks there, has been reduced. I still say there are some planning issues there, though, for members' attention.

The City of Winnipeg is working with the federal government on the two PPCLI moving out of the Kapyong Barracks area. What is going to happen there with that land if they expand the number of lanes there? What work is going to go on the St. James Bridge, that area? So there certainly is going to be one less bottleneck in that area. But it is a little later than I thought. The reason why we did not get the unexpended money from the first project was apparently under the Treasury Board rules of Canada. If you spend money on one project, you cannot have money from a second project. So that is the reason Mr. Alcock was ready to move in November when he was first sworn in and then realized that he would be only having that \$9 million that was still unallocated between the two levels. Therefore, he moved it to this proposal. With the new proposal he thought that was more intelligent. That allows us to match some really generous contributions at the Reh-Fit Centre, which I think are very consistent with this community and some generous ideas down the road for the other projects in terms of wellness and fitness.

The last time I promised an underpass was Keewatin and Logan, I believe. Maybe that is the bridge that Mr. Gerrard wants to hang me from, but that is done.

**Mr. Loewen:** Mr. Chairman, I do appreciate the Premier's commitment to get back to me with an update on where the agreement is in terms of the signatories. Just for factual record though, because I know he hates to put on the record that a good deal of infrastructure money was also spent on a footbridge with a million dollar toilet. I know he wants to distance himself from that and claim that he had nothing to do with it. But, in reality, the difficulty of course my constituents had is that, while they were waiting for trains, the Premier was busy directing infrastructure funds towards a footbridge. Not necessarily a bad idea, provided that all the necessary infrastructures are in place, but when something is critical, not only for ease of transport but for safety reasons, and awaits being built, such as the Kenaston underpass.

Again, I am glad he clarified the process because it was certainly my understanding from talking to Mr. Alcock in the fall that the real hold-up was the fact of the roughly \$8.5 million that was left in the infrastructure fund. The Premier was demanding that \$5 million go to rapid transit, which would only have left \$3.5 million to start to fund the underpass.

So, you know, I am glad to hear that issue has been dealt with. Certainly, we will look forward to a hasty completion of that project, based on the information that the Premier will get back to me.

One other question that is a real burning issue with my constituents, and I am sure it is an issue for the Premier, given that he was the one that approved the design for Whyte Ridge community when he was back in the late eighties, mid-eighties, Minister responsible for Urban Affairs, I believe it was called at the time, and I know from his comments in the House that he has always taken pride in that community.

It is a wonderful community, full-up in terms of housing development, with families, lots of young kids. Of course, the big challenge now is that when the Premier approved the design he forgot that maybe one day the community might want a high school. So the result is that for the last two years, if not three, the school division has gone to the Public Schools Finance Board with a request to build a high school in the area. Once again, a particular dilemma for me as a legislator representing that area is that I represent the only constituency in the province of Manitoba that does not have a high school. It does not house a public high school in the whole area despite the fact that in terms of student population it is certainly one of the largest Senior 1 to Senior 4 student population in the city of Winnipeg.

So I guess I would ask the Premier again, on behalf of my constituents, if he could give us some indication when he might use his considerable powers to finish his development that he started in the eighties and see to it that the Public Schools Finance Board approves a high school for the area.  
*[interjection]*

**Mr. Chairperson:** Order, please. Okay, we can enjoy it, but let us get some order.

**Mr. Doer:** I have not used my considerable power, because I want to underscore that every day you find

out how much power you do not have in this job. I have really respected the Public Schools Finance Board, and I will. There are requests all over the province for capital and education. There are also vacant schools all over the province that are interesting. So I will look at the numbers. If you say it has been in there for the last two years, I will look at it. Obviously, there are some future developments projected there. We are trying to sell the land banks. That will have an impact in the area. We are aware of that, and we would hope that that would be part of the planning too.

**Mr. Loewen:** Well, I appreciate that. I would be glad to provide the Premier with more information in terms of student population and seats in the area so he has maybe a more fulsome understanding of what is going on there.

Just to pick up on his last comment, because I also have a great deal of interest obviously in the development of Waverley West, particularly given the size of it and some of the traffic flow restrictions that are already there, but I believe I heard the Premier indicate that they were going to sell off the land bank. I mean, this has been a contentious issue in the area with regard to, you know, the Province acting as both the regulator and the developer. So I would just ask the Premier to clarify that, if it is the intention of the Province to sell the land bank that they hold in that proposed subdivision of Waverley West.

\* (17:00)

**Mr. Doer:** Well, the general decision we made is that it did not make any sense at all when you looked at the Capital Region issues of not having a growing housing stock in Winnipeg. So I will get up to speed on where that is. As I understand it, part of that is at City Hall now. They obviously have authority on the zoning.

There is also another land bank in the northwest quadrant. We are trying to appreciate the fact that we have got to develop more housing alternatives inside Winnipeg to help some of the challenges on growth. We have argued in our Speech from the Throne last November that growth is a better way to go, if we can, on revenues than just tax increases.

**Mr. Loewen:** I appreciate that response from the Premier.

Just by way of comment more than by way of question, I certainly hope that prior to pushing ahead with the development of Waverley West, which if you look at it in terms of a concentric circle within the city of Winnipeg, it is probably the land farthest from downtown Winnipeg within the Perimeter Highway, I would certainly hope that prior to rushing ahead with any type of development in an area that is already struggling in terms of services for high schools and roads and, as we see, the elementary schools are even bursting at the seams, that the Premier would ask his minister responsible to work very closely with not only the federal government, but also with the City in terms of that land bank that is going to become available through the movement of Kapyong Barracks, because obviously in terms of infill, in terms of services that are already available, there is a very, very critical role for that land to play in terms of housing and development within the city of Winnipeg.

I guess my advice to the Premier would be that before going too far down the road with Waverley West or The Maples development, that certainly the area that is going to be left vacant when Kapyong Barracks moves is prime land in terms of infill housing and providing for the, I guess, orderly growth in the city of Winnipeg.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chair, a very quick question. It is in regard to Meadows West Phase II. The individuals that do have the strongest vested interest in that area are the people that live there currently, residents of Meadows West, residents of Mandalay West.

It is going to play just a huge impact on the future lifestyle. That future jewel in that northwest corner of the city in most part is going to be determined by how that property that the Province owns is, in fact, developed.

The primary concern that I have is that the residents have some role in determining, ultimately, what is going to be developed on that. It is a piece of property in excess of 100 acres that is all within the Plan Winnipeg, so we do not have to amend the act from what I understand.

Today, on the private-sector portion, there is a proposal that we will see some homes being built, it could be inward of let us say 25 to 50 homes over the next 12 months, over the next three years it could be

up to about 250 homes. So we are starting now to see that land being developed.

The concern I have is that this is the last real piece of property in that area of the city that is going to be, in essence, joining or connecting The Maples and the Meadows West-Tyndall Park area, that I want to get assurances from the Premier that the residents of those two communities will have some role to play in terms of making sure that their needs are being addressed, like the member ahead of me questioned about the need, for example, of a high school, that there is infrastructure.

There is a golden opportunity here for the Province to contribute positively to a sizable community in our province, and I would ask if he would agree with me in terms of recognizing the important role that the people that live in those communities could play in whatever, ultimately, is developed there.

**Mr. Doer:** Well, I would point out that with the land bank in southeast Winnipeg, we did participate after the fact in an agreement that was actually already signed on setting aside some of the land for the save-the-Seine people.

We will work with the City of Winnipeg and I assume that they will work with the residents. Working with is not a veto of, but consultation includes, certainly, some involvement. Having said that, I will have to get in touch with the Minister of Housing (Ms. Melnick).

I do know that there was a proposal and I believe it floundered. I think we are trying to resurrect it. It is our goal, our general goal, and this has certainly been something communicated to us by the mayor; we have a lot of lots or land that in the seventies might have made sense to be owned by the public. But, now, it does not make any sense at all to have an infrastructure that includes water, sewer, roads, to some degree, in some places, schools, hospitals, and then to have people live outside of Winnipeg because the land inside Winnipeg is not being properly managed for growth revenue for the citizens.

Our general philosophy is to improve the revenue base in the capital city with the public. The bottom line is that our view is we should proceed to have that land developed and not owned by the Government. I also know that the land has been put

on the books at a certain value, so, even when the Seine River project is proceeding, every acre of land that you do not put into housing there is an impact on the books because you have to reconcile it with that. That would be one of the factors we would consider.

The general principle is you have got land that is already serviced for sewer and water. Some of it is adjacent to the sewer and water system of Winnipeg. The mayor has recommended to us, and we have accepted the principle, that we should try to develop the population growth inside the Capital Region. You cannot have a Capital Region strategy without, in some ways, recognizing that it has been, really, over the last number of years easy to zone land outside of Winnipeg for residential purposes, converting some green spaces and other use. It has been very difficult to free up land inside Winnipeg owned by the provincial government, ironically. So that is what we are trying to correct.

**Mr. Murray:** Mr. Chair, I wonder if the Premier could just go through the thought process that in this last Budget, where they added the 7% provincial sales tax to professional services like accountants and engineers, architects, that sort of thing, what was the reason to add the PST on to that group of professional services people?

**Mr. Doer:** We are dealing with tough budget conditions, and we wanted to reduce our reliance on draws from the rainy day fund that started in 1996 to make the debt payment.

**Mr. Murray:** Well, knowing that under your Government, they put a 7% provincial sales tax on electrical and plumbing in the last Budget, and now you have added a 7% sales tax on professional services, obviously, the next question is: What is next? But we will have to wait for the next Budget.

I wondered if you could indicate—I think there was roughly 17 or \$17.2 million that was allocated on that line, and I just wondered: How did the Government determine \$17.2-million worth of revenue generated on the 7% PST on professional services?

**Mr. Doer:** The Minister of Finance (Mr. Selinger) is in his Estimates, I believe, after me. I certainly would want, with his officials it is the Minister of Finance who prepares the Budget. Some of the how-to questions for purposes of revenue are more

accurately directed, I think, at the Minister of Finance.

\* (17:10)

**Mr. Murray:** When the Premier talks about trying to make Manitoba a more competitive province, does he agree that an additional 7% provincial sales tax on professional service—does the Premier think that that makes Manitoba more or less competitive?

**Mr. Doer:** The balanced budget legislation, without any draw from the rainy day fund; the reduction in debt by \$96 million without any draw from the rainy day fund for the first time since '96 and the continuation of the tax reductions for corporate tax, small business tax, along with the measure the member just referenced, I believe, make Manitoba more generally attractive.

**Mr. Murray:** So by adding an additional tax for those people that are using those professional services, and I am thinking in particular of people, say, single parents, single mothers who might require legal services, women's shelter I think was an example that came forward, charities that are out there fundraising trying to make ends meet for what they would describe, I think, to the First Minister as also some pretty tough times to try and go out and raise money, I would ask the First Minister what his rationale was with respect to adding a 7% provincial sales tax for those people who have to pay, non-profit, single mothers, adding that 7 percent to them to pay, but yet exempting lawyers who would be negotiating on behalf of collective bargaining agreements. What was the rationale for that maneuver?

**Mr. Doer:** It was a tough budget. Some of the measures that were adopted in the Budget were applications of measures that have taken place in other jurisdictions. Many of these services are taxed under the GST, so the member opposite would have been aware of the rationale of taxing all of these groups, I guess, when the Mulroney government first developed the GST. The Minister of Finance will have some more specifics on the various organizations that the member opposite mentioned.

The bottom line is it was a tough Budget. It was a tough budget year. The growth rate was lower than what was first anticipated. We had some BSE situations that continue and persist that were

difficult. Hopefully the Prime Minister made some progress. I think he did have a good meeting with the President last week.

We had a reduction in the overall expenditures in health from the federal government. We are working together with other premiers from all different political parties to try to get some longer term sustainability in that area. I would say that most, starting with the United Way, with the increased financial support, the increased \$450,000 in financial support does protect some of the charity work going on in Manitoba. This is a measure that was brought in by Larry Desjardins and carried on with a trust fund that with the interest rates lower we had to backfill the agreement from when we came into office. The bottom line is we have tried to be as fair as we can be under tough circumstances. It was a tough budget, and I think we said that to the public.

**Mr. Murray:** I would ask that the Premier would perhaps just enlighten all of us again on the thought process that would say we are going to put a 7% provincial sales tax on professional services, but exclude 7% professional services on the legal firms, or, particularly, lawyers, that would be bargaining on behalf of collective bargaining units. Why would they be exempt? What was your rationale for exempting lawyers that would be working on behalf of bargaining units?

**Mr. Doer:** I would recommend that you ask the Minister of Finance directly, but I do think they were looking at other provincial applications and non-applications.

**Mr. Murray:** Undoubtedly, the Minister of Finance will get asked that, but I think what is important is to understand some of the thought processes, and I would be hard pressed to think that the Minister of Finance would not have had some discussions with the First Minister about some of the direction that was being taken in this Budget.

The fact that they would put a provincial sales tax on professional services and exempt lawyers who are working on behalf of collective bargaining units, I just would like to see what logic is put in that because it seems to me that one sector of society, that being some of the charities, some of the single mothers, single parents that are out there, widows, that require services of professional people are forced to pay the 7 percent and yet you would

exempt a certain, a very, very narrow sector to be exempt from the PST.

I have been asked about it. I said, I think the Government should not have gone down that road to begin with. It is the direction that they chose, but to exempt a very narrow section with respect to 7% PST, I just wonder if the Premier could just explain how you could go across the board, but just sort of say this one area we are going to exempt.

**Mr. Doer:** Well, there is more than just the one area. I would point out to the member opposite, and this is the reason to probably discuss this more appropriately with the Minister of Finance, but, for example, there is an area where boards of directors for charitable organizations or lawyers or accountants are exempt from the tax. I can recall my experience on the Special Olympics board. Notwithstanding the fact that Wayne Hildahl was the chair, I never did fish with them, never have fished with them. He fishes closer to the member opposite up in the Minaki area, the high-rent area of the Lake of the Woods. I am on the other end of the railway tracks, so I am just a little log cabin there. I cannot afford to go out with you hotshots with your little machines, your little radar guns and your dynamite and all the other stuff you use there, barbed hooks and all the other stuff. Guides, I bet you have guides. I bet you even have people—

**An Honourable Member:** You have a 16-footer with a 20 outboard.

**Mr. Doer:** I won that when St. Paul's beat Grant Park and I have not got the boat yet.

You know I am just a humble guy, a person. When I was a volunteer on the Special Olympics board, I never got invited fishing by Wayne Hildahl. I never got to go to those luxury log cabins in the Minaki area where the member opposite is, you know, drinks his gin and tonics as the sun goes down on the British Empire. I never get invited to those places.

\* (17:20)

Having said that, Mr. Chairman, I was on the Special Olympics board. I want to spend a little time on my experience on the Special Olympics board, because we had lawyers on that board. Wonderful human beings that were—Diamond Jim Hedley was

one of the members and you would know Diamond Jim Hedley. Now, he was a lawyer, and he was a volunteer on the board and he used to provide volunteer advice to the Special Olympics board. In fact, when he and I were involved in writing the by-laws he was the lawyer that would prepare those by-laws in the legal form with the little stamp that they have and we have that official thing. You know that individual now would be exempt from this sales tax. So, this is—*[interjection]* no, the stamp is subject to the GST that the member opposite put in, in the big, bad Mulroney days.

We had another lawyer that came on after that, Mr. Sokalski who would be known to members opposite, I am sure. He had a bar that was named after his personality at one point in his career. A wonderful human being, fights a lot for the rivers and protects the rivers. Now, he was another volunteer of the Manitoba Special Olympics. You know this man. I am sure he gave hundreds of hours as a volunteer member of the Special Olympics. That, too, is exempt from—*[interjection]* No, no, no, no. I know the Tories, when we came into office, were going to tax the rubber tips on the crutches of senior citizens, and we cancelled that. We cancelled that as soon as we came into office. I would point out to members opposite that, again, as a volunteer member, if a person is a lawyer as a volunteer member and if that person is doing work for a volunteer charity like Special Olympics, that individual is exempt.

So the member opposite references one exemption, I reference another exemption, and I am just suggesting to members opposite that whether they do it today in Estimates or whether they do it when they are having their gin and tonics at Minaki or whether they do it out there in those shore lunches that you have out there with the guides that you have that you talk to some of these volunteers, because, you know, they are good people. They are very good people. I am surprised the Conservatives are against these good people that are donating all their time.

**Mr. Murray:** Well, I would say that they are good people. I think they are excellent people. I guess that is why they wrote a letter so opposed to the fact that you are slapping a PST on them, unawares, as they were going about doing their good things. Maybe now the First Minister's belief is that with this extra PST that is out there, that maybe somehow will allow them to do more volunteer work. We will wait

and see if that comes to fruition. I would say that there is probably a very good reason why the First Minister has not been invited down to Minaki, but, at any rate, that is for another discussion.

However, if we do see him, if we see him there, if we see him as he goes by on that surfboard of his or the windsurfing that we will ensure that our 16-footers with the 20 outboard Mercs that we give him lots of space, because we would not want any silver surfer to be succumbed to the washes that can be made by those 16-footers that we have in Minaki that we are so proud of.

I would ask the First Minister with respect to the PST, I know that one of the issues that was raised from some of those—I am sure they volunteer their times in the good times, but they do have to work for a living. A lot of them I think were somewhat concerned that the 7 percent as lawyers, as they are trying to put together major deals and trying to convince those people that might be doing deals in Manitoba that we have the best expertise, legal minds in this province that they should be able to do the kinds of things, that they do not have to go to Toronto, they being those businesspeople. I think one of the issues raised was they just felt that this seven percent kind of added onto or made them less competitive.

The First Minister says that this was a tough budget. So they had to make some decisions on looking at how they had to raise taxes and how they had to—mind you, he said he was not elected to raise taxes—but how they had to raise some taxes on various professional services. This go-around, like we saw in the last budget, the last go-around was to go after the electrical and the plumbing and for those seniors that might have had to have a water tank replaced that they would have to pay the 7% PST. That is his decision.

He has made another decision now to add a 7% PST on professional services that those seniors or those people that require those professional services are going to be having to pay the 7% PST.

I would just ask the First Minister what other areas of the professional working Manitobans, what other areas of the professions he might be looking at in terms of additional taxation. He chose a certain group for a specific reason. Is he looking at expanding the PST onto other professional services?

**Mr. Doer:** Well, there are so many of these services that are taxed under the GST in which the member opposite was involved in that former Mulroney government. There are lots of professional services. The Minister of Finance (Mr. Selinger) can answer this in more detail, because the member opposite raises the question of deals outside of Manitoba.

I can recall that the bar association, engineers, hairdressers, everyone was against the GST, and recall the prediction from the former Conservative government that this would be revenue neutral. I think it was Mr. Andre that said this would be a revenue neutral tax.

Well, we acknowledge that this is a \$17-million increase in revenue and we have revenue-neutral decreases, we have decreases in other areas. We have decreases in the corporate tax. We have decreases in the small business tax through the raising of the threshold. We have decreases in income tax. That, to us, is revenue neutral.

The members opposite did not lower the individual income taxes here in Canada when they raised the GST. In fact, taxes went up under the Mulroney years. The deficits went up and the GST was introduced. That is why they ended up with two seats in 1993. They went from two hundred and four seats or whatever it was to two seats. Mind you, there were two good people left from the Mulroney era with Jean Charest and Elsie Wayne. But that was all that was left.

I remember having a discussion with former Premier Filmon across the aisle here. He came back from supporting Kim Campbell, and he said, "You know, it is in the bag." I said, "Well, I think we are going to win more seats than you are." Then he said, "No, you are not. The NDP is not going to win more, the Tories are going to win government again." Of course, little did I know that Bill Blaikie would win, and no Tories would win, and Kim Campbell would be reduced to two seats.

**An Honourable Member:** Do you want to have that same discussion on the upcoming federal election?

**Mr. Doer:** I would not mind having that same discussion. I just hope the Leafs win tonight.

**An Honourable Member:** Me, too.

**Mr. Doer:** On that we are on the same page.

We will carry on this discussion tomorrow, and, hopefully, you will have no tears in your eyes after the game tonight. We will, hopefully, take the big, bad, Broad Street bullies back to Philadelphia for Thursday. I think we are done.

**Mr. Chairperson:** The hour being 5:30 p.m., committee rise. Call in the Speaker.

**IN SESSION**

**Mr. Speaker:** The hour being 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 4, 2004

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