

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

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
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.
CULLEN, Cliff	Turtle Mountain	P.C.
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.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa, Hon.	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.
SWAN, Andrew	Minto	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 25, 2005

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PETITIONS

Pembina Trails School Division—New High School

Mr. John Loewen (Fort Whyte): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Overcrowded schools throughout Whyte Ridge, Lindenwoods, Linden Ridge and Richmond West subdivisions are forcing Pembina Trails School Division to bus students outside of these areas to attend classes in the public school system.

Elementary schools in Pembina Trails School Division have run out of space to accommodate the growing population of students in the aforementioned areas.

Five-year projections for enrolment in the elementary schools in these areas indicate significant continued growth.

Existing high schools that receive students from Whyte Ridge, Lindenwoods and Linden Ridge are at capacity and cannot accommodate the growing number of students that will continue to branch out of these subdivisions.

Bussing to outlying areas is not a viable long-term solution to meeting the student population growth in the southwest portion of Winnipeg.

The development of Waverley West will increase the need for a high school in the southwest sector of Winnipeg.

The government is demonstrating a lack of respect for the students and families in Whyte Ridge, Lindenwoods, Linden Ridge and Richmond West by

refusing to provide adequate access to education within the community.

The Fort Whyte constituency is the only constituency in the province that does not have a public high school.

NDP constituencies in Winnipeg continue to receive capital funding for various school projects while critical overcrowding exists in schools in Lindenwoods, Whyte Ridge and Richmond West.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to recognize the need for a public high school in the southwest region of Winnipeg.

To request the provincial government, in conjunction with the Public Schools Finance Board, to consider adequate funding to establish a high school in the southwest sector of Winnipeg.

Signed by Path Gilbert-Green, Catherine Kloepfer, B. Mills and many others.

Mr. Speaker: In accordance with our Rule 132(6), when petitions are read they are deemed to be received by the House.

* (13:35)

Ambulance Service

Mr. Ron Schuler (Springfield): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

In May 2004, 46-year-old Peter Krahn suffered a heart attack while exercising in East St. Paul and was pronounced dead just under an hour later after being transported to the Concordia Hospital in Winnipeg. Reports show that it took nearly 18 minutes for an ambulance to arrive for Mr. Krahn.

The Interlake Regional Health Authority claims that 21 minutes is an acceptable emergency response

time, whereas the City of Winnipeg uses a benchmark of 4 minutes.

Ambulance coverage for East St. Paul is provided from Selkirk, which is almost 25 kilometres away.

The municipalities of East St. Paul and West St. Paul combined have over 12 000 residents.

We petition the Legislative Assembly of Manitoba as follows:

To request the provincial government to consider providing East St. Paul with local ambulance service which would service both East and West St. Paul.

To request the provincial government to consider improving the way that ambulance service is supplied to all Manitobans by utilizing technologies such as GPS in conjunction with a Medical Transportation Co-ordination Centre (MTCC) which will ensure that patients receive the nearest ambulance in the least amount of time.

To request the provincial government to consider ensuring that appropriate funding is provided to maintain superior response times and sustainable services.

Signed by Rudy Peter, Emily Peter, Murray Peter and many others.

Minimum Sitting Days for Manitoba Legislature

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 35 days in 2003. In 2004, there were 55 sitting days.

The number of sitting days has a direct impact on the issue of public accountability.

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 W. McDonald, Andrew Parkinson and L. Sanders.

Closure of Victoria General Hospital Maternity Ward

Hon. Jon Gerrard (River Heights): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

It has been decided that the birthing ward at the Victoria General Hospital in Winnipeg, Manitoba, will be closed.

Some say the birthing ward is being closed due to safety issues. It has been proven time and time again that outcomes for normal pregnancies in normal women are better in a community hospital like the Victoria General Hospital than in a tertiary care centre like the Health Sciences Centre and with a general practitioner or midwife rather than an obstetrician. Not a single study has ever shown the contrary.

Obstetrics services at community hospitals can work if the political will is there to make them work.

We petition the Legislative Assembly of Manitoba as follows:

To request the Minister of Health (Mr. Sale) to allow women options when they give birth and to consider stopping the planned closure of the Victoria General Hospital maternity ward.

Signed by Michael Chartrand, Erin Risdale, Wanda Levasseur.

Provincial Road 355

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The unsafe conditions of PR No. 355 from the western edge of Minto municipality to PR No. 270 (including the hill out of the Minnedosa valley), poses an undue risk to Manitobans who must travel on this roadway.

The steady stream of traffic on this stretch of PR No. 355, which includes automobiles such as "B" train semi-trailer tractors, mail delivery vehicles and school buses, make the roadway in its current state dangerously impassable.

Continued expansion of the regional economy in livestock development, grain storage and transportation and the proposed Mohawk Plant, puts additional strain on PR No. 355 and creates further safety concerns for motorists.

PR No. 355 experiences an increased risk in traffic flow during the spring season when there are weight restrictions on surrounding provincial trunk highways.

For several years, representatives of six municipal corporations, as well as an ad hoc citizens' group have been actively lobbying the provincial government to upgrade and reconstruct the stretch of PR No. 355 at issue.

Manitobans and visitors to the province deserve a better rural highway infrastructure.

We petition the Manitoba Legislative Assembly as follows:

To request the Minister of Transportation and Government Services (Mr. Lemieux) to consider upgrading PR No. 355 from the western edge of the R.M. of Minto to PR No. 270 (including the hill out of the Minnedosa valley).

To request the Premier of Manitoba (Mr. Doer) to consider supporting the said initiative to ensure the safety of our Manitobans and all Canadians who travel along Manitoba highways.

Signed by Donald Morgan, Helen Catlin, Roy Longstaff and others.

INTRODUCTION OF BILLS

The Planning Act—Bill 33

Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade): I move, seconded by the

Minister of Conservation (Mr. Struthers), that Bill 33, The Planning Act, be now read a first time.

Motion presented.

Mr. Smith: Mr. Speaker, this bill replaces the planning act. The bill proposes changes that would modernize and streamline the legislation, introduce new planning tools and provide new opportunities for public input.

Mr. Speaker: Is it the pleasure of the House to adopt the motion? [*Agreed*]

* (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 today Peter and Mary Wiebe who are the grandparents of our legislative page, Amos Wiebe and Mr. Volker Gerhardt of Frankfurt Au Mein, Germany.

Also in the public gallery we have from Academy of Broadcasting 25 students under the direction of Mr. Brad Middleton. This school is located in the constituency of the honourable Member for Minto (Mr. Swan).

Also in the public gallery we have from Sir William Osler School, Adult ESL Program, 17 students under the direction of Mrs. Mary-Jean Davis. This school is located in the constituency of the honourable Member for River Heights (Mr. Gerrard).

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

ORAL QUESTIONS

Maples Surgical Centre Meeting Request

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, under this NDP government there are some 1200 children suffering because they cannot get timely access to dental surgery. Manitobans are being forced to live in pain every day because they cannot get timely access to

hip or knee surgery. Wait lists have grown longer, yet this NDP government has solutions put before them and they refuse to deal with it.

In February of this year, Maples Surgical Centre submitted a proposal to government that if accepted would dramatically reduce the backlog of ambulatory surgical cases. To quote the February 7, 2005, letter which I would like to table, Mr. Speaker, so that the government has it, to quote the February 7, 2005, letter from Dr. Mark Godley sent to the Health Minister, and I quote, "We are prepared to offer large quantities—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Mr. Speaker, I am quoting from the letter sent to the minister. "We are prepared to offer large quantities of flexible operating room time at our cost. We have a highly efficient facility with low administrative overhead that is capable of performing more than 600 surgeries per month for the health regions of Manitoba. This is enough capacity to dramatically reduce the backlog of ambulatory surgical cases. For emphasis, we are offering your ministry and any of its associated Health Authorities surgical services at our cost."

Mr. Speaker, will the Premier commit today, if he believes in providing services for children and for seniors, to meet with the Maples Surgical Centre to at least discuss their proposal?

Hon. Gary Doer (Premier): Mr. Speaker, I would note that the real challenge for orthopedic surgeries in Manitoba is the challenge on anesthetists and on the orthopedic surgeons themselves. We have been able to recruit more orthopedic surgeons. That is why we have been able to announce another thousand surgeries. Since the letter has been provided, I think we announced another 300 dental surgeries at the Misericordia hospital.

We certainly know when we look at advancements at Concordia Hospital, and I was just there on Saturday, there are considerable more operations taking place now. The volumes have gone up dramatically but, Mr. Speaker, the real challenge for us is to get more orthopedic surgeons in Manitoba and anesthetists here in this province.

Mr. Murray: Mr. Speaker, on that very basis, if the Premier is worried about it, I would remind him that Doctor Godley whom he refuses to meet with, is an anesthetist; he is. So Manitobans are living in pain, they cannot get timely access to care because what we hear from this Premier are excuses and rhetoric.

Manitobans want this Premier to put his ideology aside so that we can finally deal with the situation that deals with young children in Manitoba and seniors, Mr. Speaker. Maples Surgical put a proposal together to this government some months ago, a proposal that would have allowed hundreds of surgeries to be done at cost, less expensive than at hospitals, but this NDP has not even acknowledged the proposal.

* (13:45)

Mr. Speaker, for the government's purposes and the minister, I would like to table this proposal so they have it. I would like to quote from the proposal that says, "The Manitoba Maples Surgical Centre will offer all health authorities an all-inclusive hourly facility fee that is calculated at the operating cost of the centre. These calculations will be reviewed with the appropriate government authorities to ensure full transparency. It should be readily demonstrable that MSC is able to provide services at a cost significantly below that of a typical hospital."

Mr. Speaker, in Manitoba, if somebody shows cruelty to animals they are charged, and rightly so. Why is it, under this NDP government, they continually show cruelty to seniors and to young children? Will he do the right thing and meet with Maples?

Mr. Doer: The only cruelty ever demonstrated in this province was the Leader of the Opposition in his campaign promise to only fund health care at 1 percent. At 1 percent, Mr. Speaker, there would have been thousands of beds closed, thousands of surgeons would have left this province, thousands and thousands of patients would have been waiting even longer periods of time. His platform is an absolute disaster for health care in Manitoba. We are proud to debate his platform any day of the week.

Secondly, Mr. Speaker, the member from Russell wants to yell from his seat. Let me point out that in 1998 the Government of Manitoba, under former Premier Filmon, studied the waiting lists—

Some Honourable Members: Oh, oh.

* (13:50)

Mr. Speaker: Order.

Maples Surgical Centre Meeting Request

Mr. Doer: Mr. Speaker, I will table that study later today for the member opposite because in Manitoba, the Manitoba study conducted in 1998, waits for cataract surgery patients whose doctor practiced in both private and public sector were two and a half times as long as patients whose doctors practiced only in the public sector. So when members opposite talk about study this proposal, we did.

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, two and a half months ago, this Minister of Health received a proposal from Maples Surgical Centre which offered to significantly reduce surgical wait lists in our province at cost, and the Minister of Health, to this day, has yet to even respond.

Mr. Murray: Perhaps, Mr. Speaker, the honourable First Minister loves to watch *Rocky and Bullwinkle* and Mr. Peabody in the Wayback Machine, but that is all about the past. This is all about the future. This is all about now. This is all about what he is not doing for the children and seniors of Manitoba.

At a time when children are suffering on wait lists for pediatric dental surgery and patients are suffering on wait lists waiting for orthopedic surgeries, how can this Minister of Health justify ignoring a proposal which would have relieved the pain of thousands of Manitobans?

Mr. Speaker, the Maples Surgical Centre was specifically designed for orthopedic surgery. I quote from another letter that was sent to this minister, "Given the government's recent news releases regarding the desire to reduce orthopedic surgery wait lists, we would have thought that the interest in our proposal would be particularly high. For many years now, we have been tireless in trying to have a meaningful dialogue with the Government of Manitoba to achieve a simple and very noble goal to help reduce people's pain and suffering."

Hon. Tim Sale (Minister of Health): Mr. Speaker, when we moved dental surgeries to Beausejour, the Leader of the Opposition (Mr. Murray) voted against the equipment to make that surgery possible. When we announced 600 additional dental surgeries at Misericordia hospital, they did not stand up and support that even though the cost was lower than the cost that was offered to us from private sector clinics.

Mr. Speaker, perhaps we can ask this First Minister not to think of himself as the leader of a socialist party and perhaps he can think of himself as a father who might have children that are suffering and a father who has grandparents that are suffering, and do the right thing and meet with the Maple Surgical Centre if he cares.

Mr. Speaker, the whole initiative of this government is to bring surgery and medical practices closer to home, closer to the 1400 surgeries that are moving to Selkirk, for example, surgery closer to home. New surgeries in Ste. Anne, new CT in Portage la Prairie, MRI in Brandon, move the surgery and the capacity out to the community where they can enjoy those services closer to home. We are cutting waiting lists.

Mr. Doer: We moved 600 surgeries to Thompson, Mr. Speaker, when they were located in Winnipeg before. Perhaps the member opposite would think about the kids in the North who used to be shipped down south. We moved surgeries from Winnipeg to Lac du Bonnet and Beausejour. Maybe the member from Lac du Bonnet would start standing up for the fathers and start thinking like fathers in Lac du Bonnet.

Surgical Procedures Statistics

We increased the surgeries by 300, Mr. Speaker, at Misericordia hospital at a lower cost than the proposal from the member opposite.

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, on December 1, 2004, this Minister of Health announced 600 additional pediatric dental surgeries at Misericordia and on March 9 announced an additional 1000 orthopedic surgeries at Concordia. We know today that the Maples Surgical Centre could have already completed 550 of these pediatric dental surgeries and yet a number of the orthopedic surgeries as well.

Can the Minister of Health tell us how many pediatric surgeries have taken place to date at

Misericordia hospital and how many additional orthopedic surgeries have been completed at Concordia? I think that Manitobans would be interested to hear the answer.

Hon. Tim Sale (Minister of Health): When my predecessor, the honourable Minister of Energy, Science and Technology (Mr. Chomiak), announced the completion of two specialized surgical suites at Concordia Hospital to centralize more of our hip and knee surgery at that excellent community hospital, we announced that there would be an additional hundred hip and knee surgeries there during this year, Mr. Speaker. I am told that the actual number completed was 108, so we have met our target in that regard. Just as we met our target in that regard, we will meet our target in regard to the 600 dental surgeries at Misericordia hospital.

Maples Surgical Centre Meeting Request

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, I understand the Minister of Health has yet to even visit the Maples Surgical Centre. I would suggest to him today that I would be happy to arrange for a tour of this outstanding facility for him because he obviously, and I would hope he would take us up on that to see what a state-of-the-art facility we have here that can reduce wait lists significantly for Manitobans.

For the last two and a half months, this government has been sitting on a proposal that would have significantly reduced surgical wait lists in our province at cost, Mr. Speaker. Why does the Minister of Health continue to allow his ideology to get in the way of what is in the best interest of the patient? Will he agree today to meet with the officials of the Maples Surgical Centre because, again, we would be happy to arrange it for him?

Hon. Tim Sale (Minister of Health): If the member wants to see a modern surgical suite, Mr. Speaker, she might visit the Brandon Regional Health Centre. She might visit the two new ORs that are purpose built at Concordia Hospital. She might want to take a tour, even though it is not quite finished yet, of the Critical Services replacement program at Health Sciences Centre, the largest capital program in Manitoba's history in the health care system.

Perhaps later this summer, she might visit Swan River general hospital, a brand new hospital with

state-of-the-art equipment, Mr. Speaker. We have committed to 1600 additional surgeries, hips and knees and dental surgeries. We will make that target as we did at Concordia this year.

* (13:55)

Youth Violence Reduction Strategy

Mrs. Leanne Rowat (Minnedosa): On April 16, a 12-year-old girl was playing in a playground in the 700 block of Manhattan Avenue when two girls approached, assaulted her and robbed her of her clothes and jewellery. This incident supports what Winnipeg police are saying, that the number of incidents of youth violence is escalating in our province.

Police spokeswoman, Constable Glover, has indicated we are dealing with more youths who are involved in violence and, unfortunately, there are a number of victims who suffer as a result of it. Mr. Speaker, how many more children victims will there be before this Justice Minister will take action on the issue?

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Well, Mr. Speaker, I remind members opposite that the government introduced a budget that increases funding so that we can have 54 more police officers in Manitoba. It increases investments in corrections. It increases investments in prosecutions. The Community Safety branch under The Safer Communities Act is strengthened. So far we have closed down over 92 drug dens and prostitution houses.

Mr. Speaker, we all have to work together though. The challenge of violence is a community challenge that requires the rallying of resources, yes, but also vigilance on the challenge of violence. I will just remind members opposite that youth violence is always a concern. It appears to be decreasing, but, at the same time, week to week we have got to be vigilant. We are doing that.

Mrs. Rowat: Mr. Speaker, I wish he would check his stats. Youth violence is not decreasing. This is a government that spends more and gets less. This is a very serious issue when police are saying that calls are increasing at an alarming rate. The attacks are taking place where children are supposed to be safe in school hallways, in school playgrounds and in parks.

Mr. Speaker, this Minister of Justice is not providing Manitoba families with any comfort in knowing their children are safe. Why is this minister not taking ownership and leadership on this issue?

Mr. Mackintosh: Well, Mr. Speaker, it is our understanding, and this is not a figure that is ours, but youth violence went down 5 percent the last time we were advised of trends in this province. Is that enough? I think we have to do better always. Youth violence has to go down to a much greater extent. I understand it is down over 1999, but we are continuing to invest in resources.

They are the ones that voted against 54 more officers in this budget. We also brought in, I should remind members opposite, the police in schools initiative. I hope that can expand, and many more initiatives, including issues about violence at a very young age, those under age 12 who cannot be charged under the Criminal Code, Mr. Speaker, and the program Turnabout.

Mrs. Rowat: Mr. Speaker, this is little solace for the families that have had to deal with their children being injured and threatened and this government doing nothing. Youth violence is escalating in our province. I ask the Minister of Justice this: No more headlines, no more press releases. We want action.

How many more tragedies such as have occurred over the past few weeks will have to occur before this government takes a meaningful stand and takes action on the issue? Do something.

Mr. Mackintosh: Which reminds me of another initiative in the budget that members opposite did not support; we have, as a result of an election commitment, promised to double the number of Lighthouses in Manitoba from 20 to 40. It is my understanding that, in the first full year of the Lighthouses initiative, 8000 youth attended at these sites, Mr. Speaker—

An Honourable Member: What measures are you putting in place to help the families?

Mr. Mackintosh: Well, the member asked a question I am prepared to answer, Mr. Speaker, but we now have 34 Lighthouse sites in the province of Manitoba. Four new ones are set out in the budget. I wish members opposite had supported that.

That is an initiative to make sure that we are not turning off the lights in our friendship centres, our community centres or our schools after hours, Mr. Speaker, and are engaging youth and looking for community-driven, positive alternatives and role models for our youth so that we can reduce the level of youth violence beyond the 5% reduction that we have seen over the last year, 2003.

* (14:00)

Hydra House Recovery of Costs

Mrs. Mavis Taillieu (Morris): Mr. Speaker, last week we were led to believe that over \$800,000 would be recovered from the \$1.5 million that was missing at Hydra House, but, once again, this NDP government has not been completely honest with Manitobans. Working capital advance is not part of that \$1.5 million, so there is a cost recovery of only \$350,000. Why did the Minister of Family Services mislead Manitobans?

Hon. Christine Melnick (Minister of Family Services and Housing): Mr. Speaker, I would like to table documents for the House. They are, in fact, the documents that comprised the press kit at the announcement of our new partnership with St. Amant Centre last week, in that there is clearly—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. Melnick: In that kit that I have just referred to there is a breakdown of the agreement. Certainly I believe that this is not misleading Manitobans. I think that we presented information at a press conference about the breakdown of the monies that we are speaking of. That is, in fact, open and transparent government.

Point of Order

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

Mr. Leonard Derkach (Official Opposition House Leader): Mr. Speaker, this is just another example of how this government treats this House with disdain.

Mr. Speaker, if the minister had not been asked the question, she would not have tabled the

information. This is information that she provided to the press and to the public, but there has always been a tradition in this House that members of this Legislature always receive that information either at the time that the press conference is issued or very shortly thereafter.

Mr. Speaker, this minister now chooses not to do it in Tabling of Reports, not to do it at any other occasion, not to do it with a Ministerial Statement, but, in fact, only when she is asked the question. I think this is an abuse of the rules of this House.

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

Hon. Gord Mackintosh (Government House Leader): When an opposition complains when a government provides answers to a question, you really wonder, Mr. Speaker, why did they ask the question in the first place.

Mr. Speaker: Order.

On the point of order raised by the honourable Official Opposition House Leader, he does not have a point of order. It is a dispute over the facts.

* * *

Mrs. Taillieu: Thank you, Mr. Speaker, but this document clearly indicates cost recovery of \$350,000, not \$800,000, as claimed.

Mr. Speaker, in assessing the homes, the report said most but not all of the betterments were included in the appraised value. The report indicates betterments amounted to \$150,000, but this NDP government decided to give Hydra House \$500,000 instead. This is money that taxpayers expect to be used for care of vulnerable people and not to line the pockets of Hydra House executives.

Why did this minister give Hydra House executives \$500,000, instead of the required \$150,000?

Ms. Melnick: Mr. Speaker, we relied—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Ms. Melnick: Mr. Speaker, we put three elements at the top our list. The first was care, the second was to cut ties with Hydra House as soon as possible and the third was to respect taxpayers' dollars.

We relied on the expertise of lawyers, of engineers, architects and appraisers. We received reports around the state of the current Hydra House homes, Mr. Speaker. Part of that is part of what I just tabled in the House, around the betterments of the houses to prepare them for the sort of service they are needing to provide. This was all part of the agreement we put together to ensure that we could keep care at the level it has to be kept for these Level 5 very vulnerable people. We respected the advice we got from the experts to allow us to cut ties with Hydra House as soon as possible.

Mrs. Taillieu: Well, Mr. Speaker, if I can buy house A for \$25,000 and house B for \$50,000, and I decide to buy house A and pay \$50,000 so that Hydra House can get that money, that is just not acceptable. The fact is there is only 350,000 that was recovered and another 350,000 went to the executives at Hydra House. So there is no recovery at all.

Why is this minister misleading Manitobans and protecting Hydra House?

Ms. Melnick: Again, when we speak of the recovery of costs, Mr. Speaker, they are all laid out in the documents that were released last Thursday. I am happy to inform the House we were able to recover all the costs for the meals, all the costs for the entertainment activities and all the costs for the Cadillacs which were purchased under members opposite.

On top of that, Mr. Speaker, we negotiated the cost per house would be approximately 166,000 as opposed to current market trends. By the way, I want to mention that the housing market in Winnipeg is hotter than it ever was in the nineties. We were able to negotiate 166,000 per house as opposed to almost 200,000.

Tataskweyak Cree First Nation Hydro Payment Investigation

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, questions have been raised regarding the openness, accountability and transparency of Manitoba Hydro dollars and Province of Manitoba dollars that have been flowing to both NCN and

TCN. Community members in those communities are asking questions about accountability, and Manitoba Hydro ratepayers deserve to know the dollars being spent can be accounted for and there is some openness and transparency.

Mr. Speaker, I wrote to the minister of Hydro asking for some very specific details around expenditures in those communities. Has the minister directed Manitoba Hydro to provide those answers?

Hon. Dave Chomiak (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, in the past, with respect to Hydro and Hydro mitigation, the previous governments have spent half a billion dollars in post-mitigation efforts after the Hydro dams have been put up. We embarked on a different course by working with communities in advance for training, for environmental studies, for pre-engineering work. Hydro has embarked with communities on a community-community basis.

In addition, Mr. Speaker, Hydro and those communities are undertaking referendums whether the community agrees or disagrees. In both communities that the member has referenced referendums will be held. There were previous referendums. In fact, in the Split Lake region, the referendum passed 250-some odd to 50-some odd people in favour of proceeding. There will be another referendum undertaken by people who inhabit the communities.

Mrs. Mitchelson: Mr. Speaker, as the minister responsible for the ratepayers' dollars that have increased by 10 percent under this administration, will the minister responsible for the dollars that are spent at Manitoba Hydro stand in this House today and tell Manitoba Hydro ratepayers and those communities that he is satisfied with where the dollars have gone? Has he investigated? Is he satisfied that those dollars have been spent appropriately?

*(14:10)

Mr. Chomiak: Mr. Speaker, just in terms of comparison purposes, I might add to the member opposite that we have seen telephone rates increase by 68 percent since the privatization of the Crown corporation, which is precisely what the members wanted to do with Manitoba Hydro and were setting it up for privatization. We think it is a utility that

should be a benefit for all Manitobans with the benefits in the future in terms of hydro-electricity.

As I indicated in this House when the member raised the question in the House several weeks ago, the chairman, CEO, of Hydro is looking at the issue as well as the Hydro audit committee are examining issues of spending. The Hydro audit committee includes people like Carol Bellringer, former Auditor for the province of Manitoba, and others who are undertaking to review those particular matters.

Mrs. Mitchelson: My question is very simple to the minister responsible for Hydro. Can the minister indicate to the House today whether he is satisfied that the proper checks and balances were in place under his watch and that the money has been spent appropriately?

Mr. Chomiak: I would invite the member that when Hydro comes before the committee, which Hydro is prepared to do at any time, the member will have the opportunity to personally request any information from the CEO in Hydro on any matters that might concern her. She will have the opportunity to do that. The committee can meet at the convenience of members of the House and we are prepared to do so, so she can ask Hydro those questions directly. She has experience in that area since she served in the Cabinet where they had opportunities to interact with Crown corporations. Those questions can be asked at the Hydro committee.

Crocus Fund CentreStone Ventures Investment

Mr. John Loewen (Fort Whyte): At meetings on September 23 and November 18, the board members of Crocus were told that there was a serious crisis looming and the fund was overvalued. Yet, on November 27, Crocus along with the Government of Manitoba announced a \$25-million investment in CentreStone Ventures. This fund included \$4.75 million directly from government whose board member sits on the Crocus board, a million dollars from Manitoba Science and Technology, whose deputy minister is a former board member at Crocus, \$4 million from WCB where Wally Fox-Decent chairs WCB. He sits on the board of Crocus. Alfred Black now is over at Crocus. Sherman Kreiner sits on the investment advisory committee, \$2 million from MPIC, TRAF for \$10 million. These are all connected to Crocus.

How is it possible with this litany of interrelationships that this government could make this type of investment at this particular time without any discussion with the NDP government that indicated that there was a crisis at Crocus? How could this possibly happen?

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): I remind the members opposite that, once again, we do not direct the management of the fund. We do not direct the investments of the fund. We do not operate the fund. The fund operates independent of the government.

The second point that was incorrect from the member opposite is we do not have a board member per se from government. What it is is a government-appointed board member who represents the shareholders. It does not represent government. The person represents shareholders and, unlike members opposite, we did not appoint political people to the board. We appointed a civil servant, a civil servant who represents all Manitobans and has a fiduciary responsibility to the shareholders of the fund.

Mr. Loewen: If there were not so many Manitobans being hurt by this, his answer would be pretty laughable.

Mr. Speaker, \$4.75 million directly from government, the government who appointed the Crocus board member; a million dollars from Science and Technology, whose deputy minister was a former board member; \$4 million from Workers Compensation, whose chair sat on the Crocus board, whose senior investment person is now running the fund. Sherman Kreiner, the chair of Crocus sat as an investment advisor to WCB; \$10 million from the TRAF fund. Alfred Black, government-appointed chair of TRAF now over at the Crocus Fund, also involved with WCB; \$2 million from the Crocus Fund where Sherman Kreiner as CEO sat on the investment council, the investment advisory council of the Workers Compensation Board. There are just too many ties for any Manitoban to believe that this government does not have its fingerprints. What did you know and when did you know it?

Mr. Rondeau: First, Mr. Speaker, the Manitoba Science and Technology Fund was a privately managed setup under the Tories. If you look at the failed investments of the fund, Isobord, made under your watch; that was a \$7-million loss and then

eventually grew larger. Westsun started investment under your watch. Winnport Logistics, another \$6.7-million loss, started and made under your loss.

I assume that you did not direct the \$35 million of losses that I just let you know on. I assume that you did not direct those losses. What I assume is you kept hands-off, as we have kept hands-off. We did not direct the fund. I assume you did not.

Mr. Loewen: Well, Mr. Speaker, the question is who did the due diligence on this fund? The haste and timing of this \$25-million investment on November 27 is both troublesome and unseemly. While board members at Crocus were aware that the fund was overvalued, that there was an impending crisis, they made a co-investment with the Government of Manitoba. Who did the due diligence? Or is it reality that this minister and his staff, along with the NDP government, conspired with others to make this investment at this time so it would be done days prior to the halt in trading of Crocus? What is the government's involvement in this sordid investment?

Mr. Rondeau: Mr. Speaker, I assume under the \$35 million of failed investments that I just announced, members opposite were in government when those investments were begun, I assume that you did not direct those investments. I assume, like under our watch, we allowed the management and board and the investment people of Crocus to do the appropriate due diligence and make the appropriate investments.

We have continued to make sure that the investment committee and the investments are hands-off as far as our government. We intend to ensure that there are independent investigations by the MSC and the Auditor General so that they find out exactly the answers to the questions the member opposite does. We do not want to politically interfere with the investigations. We do not interfere with the investment decisions of the fund. I assure the members opposite and all Manitobans such.

Hydra House Tax Evasion

Hon. Jon Gerrard (River Heights): The Auditor General's report provided details of many occasions where Hydra House or its employees did not pay taxes appropriately. In one instance, the Auditor General points out that bonuses and other payments

in excess of \$234,000, paid to members of the Hydra executive, were not reported for income tax purposes. In other places, personal items charged on credit cards and personal use of Cadillacs, were not reported either.

Can the Minister of Finance tell us what the shortfall was in provincial taxes due from Hydra House, its owners and its employees as a result of the errors revealed by the Auditor General? What steps have been taken by his department to collect the additional taxes owed?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the member knows that we cannot discuss specific taxpayers with respect to income tax matters. I can assure you that a full investigation is being done, and there is a repayment component in the settlement that was arrived at Hydra House. That repayment component was for monies that should not have been received by the private owners which are now removed from running that organization

Mr. Gerrard: Well, I am surprised that the minister cannot provide us some monetary details after all this investigation. It is almost a year. Surely the Minister of Finance can answer this sort of a question; but if he cannot, I have another question for him. Have charges of tax evasion been laid against the owners of Hydra House, and what is the status of the investigation and the charges? Can the minister tell us?

* (14:20)

Mr. Selinger: Mr. Speaker, we have a national revenue collection agency which investigates these matters. We do not discuss the specifics of that in the Legislature. That agency is empowered to look at whether the tax acts and the tax laws of this country, including this province, have been properly administered and whether they have received the appropriate resources, according to the level of taxation of the individuals in question. I am sure they will do their job, and if there are some recoveries to be made I am sure the agency will follow up on that.

Crocus Fund Interim Financial Statement

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, 30 000-plus Manitoba investors invested all sorts of different types of savings into the Crocus Fund. The

NDP spin doctor is out indicating anything to do with the Crocus Fund, it is distant, put it away, we want nothing to do with it.

There are so many links to the government clearly demonstrating that they were involved, Mr. Speaker. Now what we find is that the Crocus is now almost a month late in filing its interim financial statement for the period ending September 30, 2004.

What is the minister doing with the respect to the late filing by Crocus Investment Fund? When is the evaluation report going to be released? Take responsibility. You were involved. Tell this House what is happening.

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): I would like to correct a few things before I answer the question.

First, it is not a direct government board. What happens is the MFL signed an agreement in 1992 with Mr. Stefanson that it would be a labour-sponsored venture plan, which is labour-sponsored, which has the independent board of governance, which is independent of government, which invests independent of government and is run independent of government. So that is the first thing.

Second thing for all members it is important to know that there have been issues. This has been recognized by the MSC, so they have extended the filing deadline until June 30 of this year.

Manitoba Crop Insurance Payments

Mr. Tom Nevakshonoff (Interlake): I am amazed. Again, throughout Question Period, members opposite have not seen fit to ask a question on behalf of the farmers in our province. Mr. Speaker, 14 members of their 20-member caucus are from rural Manitoba and they have not seen fit to recognize the crisis that is facing our agriculture producers today.

Therefore, Mr. Speaker, on behalf of all the farmers, the ranchers, the grain producers in our province, I would like to ask the Minister of Agriculture, Food and Rural Initiatives what our government has done in the past year through Manitoba Crop Insurance Corporation to help our producers in this situation.

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): Mr. Speaker, I am very pleased that my colleague cares enough about the producers of Manitoba to ask a question in this House.

Mr. Speaker, the Member for Interlake has raised a very important issue and that is, indeed, that many producers went through a very difficult year last year. Many had a late harvest, many were not able to harvest. As a result, Manitoba Crop Insurance paid out the highest payment in history, paying out \$190.5 million.

Mr. Speaker, there are still 900 crops that are out in the field, and Manitoba Crop Insurance and their agents will continue to work with those producers. They have been able to forgive them some advance claims so those people who have crops out there will not have to wait until this spring to get everything, all their money.

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

Mr. Speaker: Order.

Point of Order

Mr. Speaker: The honourable Member for Ste. Rose, on a point of order.

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, the Minister of Agriculture neglects to inform the House that much of the money going out on special programs can be deducted from the much-touted and poorly managed CAIS program.

Some Honourable Members: Oh, oh.

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

Hon. Gord Mackintosh (Government House Leader): Perhaps if the member opposite had some concerns or questions about agriculture, he could wrestle with his colleagues, Mr. Speaker, to try and prioritize the question.

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

MEMBERS' STATEMENTS

Emergency Preparedness Week

Mr. Drew Caldwell (Brandon East): Mr. Speaker, I rise today to inform the House that May 1 to 7 is Emergency Preparedness Week.

Each year Manitobans face many emergency situations which could have devastating cost. Emergency Preparedness Week brings governments, citizens and first responders together to identify potential risks and reduce the severity of consequences if disaster strikes.

Our government realizes the importance of having an effective and efficient first response system for all Manitobans. Call volumes for rural emergency medical services have been on a steady rise since 1991, and ambulance responses have more than doubled.

In order to deliver faster response times, and more efficient co-ordination and development of emergency medical resources, our government will be opening a new Medical Transportation Co-ordination Centre for emergency services in my home community of Brandon. The new MTCC will become the dedicated centre for the dispatch of all rural and northern emergency medical services. This centre is a step towards a comprehensive approach to creating a modern emergency system where all Manitobans will have access to consistent, safe and effective emergency services.

Our government takes great pride in supporting first responders and working with them in their efforts to help keep Manitobans healthy and safe. The work of first responders is crucial to our province and deserves the admiration of all Manitobans.

Each day firefighters make huge sacrifices to protect Manitobans by exposing themselves to numerous safety hazards which have long-term effects on their health. Our government believes their sacrifices deserve to be recognized. This session we plan to build on our legacy as a national leader in workers compensation coverage with respect to firefighters. We are very proud to introduce changes to The Workers Compensation Act which will expand the list of presumptive diseases for firefighters and extend this coverage to include volunteer and part-time firefighters.

To conclude, Mr. Speaker, I would like to thank all of Manitoba's emergency personnel and volunteers who work selflessly to protect Manitobans in a professional and well-organized manner. Thank you.

Morden Community Activities

Mr. Peter Dyck (Pembina): This was a busy weekend for the town of Morden. On Saturday the *Free Press* highlighted the town of Morden. Destination Manitoba dinosaur museum is just one of the hidden treasures.

We continue to see that while people tend to think that Drumheller, Alberta, is a place that explores dinosaurs, Manitoba has its own museum, the Canadian Fossil Discovery Centre in Morden. It features the largest collection of marine reptile fossils in Canada. The centre has close to 600 specimens catalogued in its collection. I would ask the Doer government to consider the request the town of Morden has made to help highlight this museum.

At the complex that is home to the museum, Irene and I had the opportunity to attend the Catholic Women's League of Canada's 56th Diocesan Convention. His Worship Mayor John Wiens and I were able to bring greetings. I want to thank Denise Aune, president of St. John the Evangelist for hosting a wonderful evening.

On Sunday I had the privilege of bringing greetings and officially opening the Super Cities Walk in Morden raising money for those afflicted with MS. I want to thank all the volunteers, especially event co-ordinators, Deb Peterson and Cheryl Fedorchuk. Their hard work resulted in the breaking of two previously held records. The number of walkers increased by 100, from 250 to 350. The monies raised increased by \$1,000, from \$43,000 to \$44,000.

Because I had another engagement I did a quick run, changed, and attended the Morden Festival of the Arts Hi-Lites concert. This was the culmination of a group of winners who have participated in the speech, arts, vocal and instrumental festival. Congratulations to Ainsley Schroeder who was the recipient of the Loreena McKennitt Award. She displayed her talent by playing Hoe-down composer, Aaron Copeland. She truly was a worthy recipient of this trophy.

* (14:30)

I was given the opportunity to congratulate all the winners and to thank the many volunteers for their hard work. Thank you to President Sharon Wiens, Erika Dyck and the volunteers of the Morden Festival of the Arts. Keep up the good work.

Morden is a great community to live, work and raise a family. Thank you to the many volunteers who continue to make Morden a vibrant community.

Battle of the Media Stars

Ms. Marilyn Brick (St. Norbert): Mr. Speaker, it gives me great pleasure to rise today to inform my colleagues about an event that I attended on Tuesday, April 19, 2005.

Mr. Speaker, last week was Education Week. As part of last week's events, I had the pleasure of representing the Department of Education, Citizenship and Youth at the Battle of the Media Stars at Winnipeg Technical College. This worthwhile event was introduced by Winnipeg Technical College to the Department of Education in 1999 as an initiative to promote technical vocational education and Education Week in Manitoba.

This year, eight media teams as well as a team representing the Department of Education, Citizenship and Youth participated in a number of relay race events. Technical events included hair rolling, programming, traffic light signals, technical drawing and properly lining pillows with pillow covers. Our team came in second place, losing only by six seconds to CKY TV.

Mr. Speaker, Winnipeg Technical College plays a key role developing the technical vocational skills of Manitobans. Programs at Winnipeg Technical College's two campuses include auto mechanics, a health care aide program, culinary arts, hairstyling, industrial welding, production art and drafting, business administration, and many others. I am proud to say that my son Steven, who turns 19 years old today, is a student at Winnipeg Technical College and appreciates the many dedicated teachers who are helping him to succeed.

Mr. Speaker, everyone's life has been touched by a teacher. I commend all of Manitoba's teachers for

being good role models for our youth. I also want to congratulate my fellow relay members, the MLA for Fort Garry (Ms. Irvin-Ross), the MLA for Minto (Mr. Swan) and the Minister of Education, Citizenship and Youth (Mr. Bjornson) for a job well done.

Lastly, I want to wish all students at Manitoba's technical vocational schools and colleges continued success. Thank you.

Krahn's Audio Video Ltd.

Mr. Ron Schuler (Springfield): Mr. Speaker, as a small business owner, it pains me to see small business struggling to survive in Manitoba. Not only are they struggling, but they are being forced to close their doors with the invasion of big box stores into the marketplace. We are losing quality service and product with every small locally owned business that closes.

One such family business is Krahn's Audio Video that will be closing after 42 years of service to the Winnipeg and North Kildonan community. Jake Krahn was a true entrepreneur and started his business from the basement of his family home in North Kildonan. With hard work and help from his sons, Carl and Rob Krahn, they built and expanded their business. I am truly saddened to lose this valuable member of the business community, and I thank the Krahn family on behalf of the Progressive Conservative caucus for their many years of superior service. I would also like to wish the Krahn family the best of luck in all their future endeavours.

The Krahn family is not alone, Mr. Speaker. Other independent family-owned businesses have closed, not being able to keep up in the price wars of the conglomerate stores. I am not against a free market or progress, but I am an advocate for a balanced, sustainable economy that can provide quality service to all Manitobans. Our business community deserves a level playing field. This government needs to support locally owned and operated businesses and not drown them in red tape and taxes.

On a personal note, I have over the years been a patron of Krahn's and it truly saddens me because I know the kind of support they gave to local organizations. You always saw their ads in all the local, whether it was schools, whether it was community events, whether it was with the church

organizations. Mr. Speaker, I do not ever remember seeing an advertisement for Wal-Mart or any of the other big box stores. It is a real loss for North Kildonan, and we certainly feel bad that Krahn's is no longer in business in North Kildonan.

Music Education Programs

Mr. Bidhu Jha (Radisson): Mr. Speaker, April is Music Appreciation Month, and the schools across the province are celebrating. Today I rise to give recognition to the wonderful music programs of schools in my constituency of Radisson.

The school music programs make a valuable contribution to our society. They help the students build confidence and learn to develop their talents in educational settings and still have fun. Our government appreciates the importance music programs play in Manitoba schools. That is why we are providing 23 schools with the special grants to enhance their music programs. The students from these schools are participating in a range of activities, including public performance and learning new instruments.

In my constituency of Radisson, there are many schools participating in thriving music programs. The students in Radisson take part in everything from bands and choirs to musical theatre. During April, in recognition of Music Appreciation Month, students from all over the province have been performing on the grand staircase at the front of the Legislative Building.

I am proud to inform the House that two schools located in Radisson are among those who have performed. On April 6, a wonderful performance was given by the Grades 7 to 12 students vocal jazz choir from College Béliveau. On April 13, General Vanier Jazzers entertained the delighted crowd. I would like to take this opportunity to congratulate all the students on their fine work, both of the performances were outstanding.

Mr. Speaker, I would like to thank all those teachers, parents associations and councils as well as the school administrators who help make school music programs in Radisson area a success. I would like to commend the Minister of Education, Citizenship and Youth (Mr. Bjornson) for enhancing an environment where the school music programs can flourish. Thank you.

ORDERS OF THE DAY**GOVERNMENT BUSINESS**

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please call Supply, and it should just be noted that in the Chamber today, as scheduled, is Executive Council.

Mr. Speaker: As scheduled, in the Chamber will be Executive Council. The House will now resolve into Committee of Supply.

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

* (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 Health.

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

Hon. Theresa Oswald (Minister responsible for Healthy Living): Mr. Chair, at the close on Thursday, the member from Turtle Mountain had some questions for me about organizational structure. I did indicate to him that I would get back to him, and I just would like to take a moment or so to do that.

I wanted to indicate that on page 9 of the Estimates book, where there is a very fetching organizational chart, we find in the assistant deputy minister's section Healthy Living and Health Programs as listed.

I would certainly extend my understanding to the member opposite when looking at this particular chart and understanding that certain responsibilities like, for example, the Selkirk Mental Health Centre that was referenced in his question, might indeed fall under Healthy Living specifically, but, just as a point of clarification, we have Healthy Living and Health Programs listed as such.

While, indeed, the assistant deputy minister with whom I work most closely is Marcia Thomson,

certainly Ms. Thomson reports to both the Minister of Health (Mr. Sale) and the Minister of Healthy Living.

As such, when we go back and talk about what I said on Thursday regarding my responsibilities entailing prevention and promotion and the Minister of Health's responsibilities, of course, predominantly addressing issues of care, certainly the Selkirk Mental Health Centre and some other things referenced under here would fall in that category under health programs that which the assistant deputy minister would be reporting to Minister Sale.

So I would suggest that, if there are specific questions about administration or capital or anything, really, that you have about Selkirk Mental Health Centre and a few of the other issues here that deal with care that the Minister of Health is available to answer those questions for you at your will. I think that answers the question you were asking me on Thursday.

Mr. Cliff Cullen (Turtle Mountain): I guess we did have some further questions. Specifically, in terms of page 85, when we talk about external agencies and the \$5-million expenditure, we would like a breakdown of that expenditure, if it relates to different departments or how that would work or if you would care to comment on that.

Ms. Oswald: Certainly, I can begin to assist you with an answer to that question by beginning to differentiate those kinds of programs that we fund or provide supportive funding for that would fall under health promotion and prevention. That would certainly be areas that would fall under my area. I can also assist in providing you with information concerning care and treatment-kind of agencies.

So, as an example, organizations that were involved in funding that would fall under my responsibility would include organizations such as the Anxiety Disorder Association, CMHA Manitoba, CMHA Central, Manitoba Schizophrenia Society, Mood Disorders Association, CMHA Swan Valley, CMHA Thompson, Mental Health Education Resource Centre, Obsessive Compulsive Centre, Farm and Rural Stress Line, Eating Disorders Association Manitoba, Addictions Foundation of Manitoba, although there is a split area of responsibility in this regard as, of course, the Addictions

Foundation certainly does fall under their continuum of care. There are many programs that AFM works on better preventative in nature and, indeed, there are others that are very specifically orientated to care. I would certainly say that preventative end falls under my responsibility, and the Alzheimer Society of Manitoba.

Others that would fall under Minister Sale's area would include such things as Addictions Recovery Incorporated, Esther House Incorporated, Tamarack Rehab. Incorporated, the Native Addiction Council, Salvation Army, the Behavioural Foundation, The Laurel Centre, Independent Living Resource Centre, Independent Interpreter Referral Service, so that would give you a basic idea of how those particular organizations are split between us, but are indeed, funded by us.

Mr. Chairperson: Interjection. Please, when you refer to Cabinet ministers, refer to their portfolio, not their name. Thank you.

Mr. Cullen: Mr. Chairman, I just wondered, if we could get a list of the various respective breakdowns of those groups so we could kind of get it correct in our own minds who is responsible for what department. Would that be possible?

Ms. Oswald: Yes, we can provide you with a list of organizations to help guide the discussion.

Mr. Cullen: I guess the next question would be in terms of page 105 in the Healthy Populations Expenditures here. There appears to be a significant increase in Supplies and Services. Could you give me some idea of what we are looking at here in this specific area?

Ms. Oswald: Mr. Chair, the particular line that you are referencing here does make reference to an increase in supports for ABA or autism programming.

Mr. Cullen: Could we get a breakdown of the Addictions Foundation of Manitoba in terms of their funding? I not know if there is a separate line in the Estimates or not, but if you could supply us a breakdown of the Addictions Foundation of Manitoba, all separate.

* (14:50)

Ms. Oswald: Yes, indeed. As indicated by my colleague, I believe it is page 125, you will find it as

a separate section listed in the Estimates booklet. I beg your pardon, that is page 123. Of course, knowing you as I do, you will want to do the full reading, which begins on page 119.

Mr. Cullen: Yes, I will certainly take that under advisement.

A few questions in regard to some of the programs that the Minister of Healthy Living has undertaken, one in regard to smoking and how our act is being enforced in the province of Manitoba.

I do realize we do want to protect all Manitobans throughout the province of Manitoba. Unfortunately, it seems that we do have a two-tier system of enforcement right now. I would just like the minister's views in terms of protecting Manitobans who work in First Nations communities, if we see the legislation being enforced in that area, as well, into the future.

Ms. Oswald: I thank the member for the question. First and foremost, of course, I would like to acknowledge that we in Manitoba are very proud of the progress that we have made on smoking cessation initiatives. I need not spend much time speaking to the member about how important this is to Manitobans, in particular parents and children. We heard this refrain, and an important one it is, time and time again as we travelled together with our colleagues on our Healthy Kids task force, that whatever we can be doing in Manitoba to mitigate the negative effects of tobacco, we should in fact be doing.

Further, the member will recall that when the all-party task force on tobacco cessation toured the province, they did hear loud and clear from Manitobans that the ban on smoking exists to protect workers and to protect Manitobans against the undoubted negative effects of second-hand smoke. Certainly, as an all-party entity, the group did agree that this legislation should go forward.

I believe the member was in the House the day that the member from his own party, the member from Carman, rose and gave an impassioned speech about the genesis of his idea about the smoking ban and his own personal odyssey with smoking and seeing the negative effects of his own smoking on his grandchildren. I would say with conviction that I have not seen a speech in our Legislature since my

election that moved me as much as that one did. I was very proud to be part of the all-party decision to have our smoking ban in the province. Indeed, we are leaders in Canada. New Brunswick may have been on our heels, but we are leaders in Canada.

Certainly, though, part of that document did say that the enforcement of our smoking ban would exist in areas where we have clear jurisdiction, and parties agreed on that. Indeed, we have seen other jurisdictions, Saskatchewan and New Brunswick, that have chosen other courses of action, to be facing legal quagmires, as we speak, dealing with the jurisdictional issue and band resolutions that are causing, you know, no end of trouble.

We, of course, care about the health of all Manitobans. In doing so, we wanted to ensure that our legislation came through as expediently as possible, and we did not want to get bogged down in a legal battle over jurisdiction. It is not only Aboriginal communities, of course; it is places like the airport and military environments that are federal jurisdiction where the ban is not being enforced.

Having said all of that, certainly, we have also seen members of our Aboriginal community who have been ahead of us on this issue, jurisdictions where smoking bans were in place long before the all-party task force ever went out. We look to those communities to continue to be leaders. We look to support those communities to do whatever they can to mitigate the negative effects of second-hand smoke, and we hope in the days ahead that we can be entirely a smoke-free province.

Mr. Cullen: Thank you for your response. I guess, further to the smoking issue, there have been some of the RHAs considering policies in regard to how they deal with home care. I am just wondering if we are going to be moving ahead with some of those policies and the government's role in that. As well, are we going to be moving ahead in terms of enforcing the regulations to, for lack of a better term, hide cigarette and smoking material in retail stores? Will we be enforcing that in the near future?

Ms. Oswald: Certainly, the member is likely referring to an article that we read in the paper recently about the WRHA considering a policy regarding banning smoking for those people that are receiving home care. It is my understanding, in doing a little bit of investigating on this, that this is a policy

that is under consideration by the WRHA based on a Calgary model.

Indeed, while the WRHA works through the process of deciding whether or not to follow through with this particular process, one of the things that I think is really important to understand is, and I know the member understands it, the relationship that people who are in need of home care have with their home care workers. These are not cold, callous relationships. They are very intimate ones, and it would be our hope that, through education and awareness, which has always been our approach on this issue, we would be able to encourage smokers who receive home care to follow a model of the Calgary idea. That is to stop smoking prior to the arrival of their worker and to not smoke while their worker was in the home.

The Calgary model, however, has at its forefront the care of patients and certainly no receivers of home care would be put in a situation where they would not receive the care. The safety of the patient is number one and that truly does exist in the Calgary model as well.

We also know that the situation right now within the WRHA and any RHA where home care is being delivered is one that is based on care and compassion. Certainly, a home care worker that might feel, in particular, the adverse effects of second-hand smoke, asthmatics and so forth, are already being cared for and reassigned and looked after as any employer, indeed, would wish to look after their workers. So we know that the WRHA and others already have steps in place to ensure the safety of their workers. At this time, we are not considering the expansion of our legislation in that regard. We are really focussing our efforts on education and awareness for the recipients of home care.

You did also ask me a question about display. Did you want me to wait?

An Honourable Member: Go ahead.

Ms. Oswald: Okay. Further on the display provisions part of the act, on the heels of the Supreme Court decision involving Saskatchewan, which might I add was not unlike an episode of Law and Order, it was quite fascinating that in the Saskatchewan situation the judge listened to the tobacco industry give their side of the story, if you

will, and did not even bother to hear from the medical association that was making their case. The decision was made without any testimony from them to, indeed, say that the display ban in the Saskatchewan law was, in fact, constitutional, which opened the door for us to avoid a Supreme Court battle and to push ahead with our legislation. So we are very happy about that.

* (15:00)

Our protocol all along was that we would involve retailers in the discussion of the regulations, how to make the most seamless transition from the power wall to not displaying cigarettes in a place where children would frequent. I do not have to explain to the member, I am sure he has seen this, but to see it in photograph form is the most jarring, which is what I saw, and, that is, there are places within our province now where candy for children and toys for children sit right next to a tobacco display on a counter in some retailer's store.

Indeed, tobacco companies pay handsome sums to have these things happen, and our philosophy, of course, would be that we just do not want tobacco to be promoted for young people. So we will press ahead with the display provisions upon the advice of retailers. They met. It was a very harmonious process. Imagine having a small retailer that does make a lot of money from selling cigarettes in the same room as an ardent anti-smoking advocate, and in fact, they came to agreement. They did not even need as many meetings as were originally scheduled. We have accepted all of their recommendations, and it is our plan to push forth with the enforcement of that on August 15.

Mr. Cullen: Mr. Chair, in terms of a diabetes and Chronic Disease Prevention Initiative, I know there have been a number of announcements made over the last little while. I am just wondering if the minister could for us maybe table this information, in the essence of time, just in terms of which strategies we have in place in terms of there is, I understand, a regional diabetes program. There are other different programs here. We talk about resource centres, and Western Health Information Collaborative, Chronic Disease Management Initiative. There is monitoring and surveillance, all those initiatives, I am just wondering where they would be found in the budget, how much money is going to be allocated to those programs.

I just wondered if there was a nice, neat, concise package you could provide for us to put all of those chronic diseases in context for us so we know where the government is headed on those chronic diseases.

Ms. Oswald: Thank you very much for the question about CDPI. You must be reading my mind when it comes to having nice, neat, tidy sheets that explain all of these things. It is the way I like to operate. Unfortunately, the CDPI initiative, as such, is not quite that tight in that it would fit all on one paper.

Certainly, we will be forging ahead with initiatives that are directly related to the Chronic Disease Prevention Initiative, but there is also money that is embedded within RHAs. The whole notion of chronic disease prevention is one that is about interconnectedness of symptoms and of behaviours that, within the context of Healthy Living, we are going to do everything we can to try to adapt.

I certainly can offer the member the best that I can to provide an outline about what is diabetes-focussed, what is renal, what we are going to be doing to stem the tide of chronic disease for young people versus people that are on the other end of the continuum. I can do my best to do that. It would be difficult, I think, to promise today an absolute down-to-the-penny indication of that.

What I would say in summary though about the Chronic Disease Prevention Initiative is that it is our belief that funding and supporting this kind of a plan that is directly connected and really derivative of the really important contributions that the organizations that comprise the Alliance for Chronic Disease Prevention have come up with, with an understanding that if you want to make profound and meaningful change for people in small communities, in larger areas, it has to be done at the grass roots level.

With that in mind, the philosophy to allow funds and to provide support for small groups and larger groups that can work together with the very specific needs of different communities to try to transform behaviour, no small task, might I add, is really going to be our focus.

That is another reason why it may not necessarily be a tight budget line in that what is going to be a really great program in MacGregor might not necessarily be the program that is needed

in Gods River and might not be the program that is needed in Wabowden. So, through our funding to the CDPI, in conjunction with communities and consultation with communities, different communities will have programs that look different, but indeed, after an assessment of their community, will address their very specific needs.

So, to summarize, I certainly will do my best to provide what we can about our plans to develop CDPI, what is already occurring under CDPI, so the member can have a better sense of how these monies are being invested.

Mr. Cullen: Just to follow up on the statement, I think we would be interested in seeing just how that money may flow, whether it is through the provincial jurisdiction or through the RHA, so if you could kind of provide a bit of a breakdown as to how that money will be allocated so we can get a concept of how those programs might develop. A few other interesting programs I think that are on the line here in terms of mental health, you have an Education Resource Centre. We would like a bit of an idea of the budget for that, and again, if you could just provide that for us some time in the future.

Another issue that is fairly important to Manitobans is, I think it is the provincial Committee for Suicide Prevention. If you could provide us some direction as to who is on that committee and again, maybe some specifics where that committee is headed, and again, some budget information for us.

Another item that I think is very important going forward is the provincial injury prevention strategy. Again, if you could give us kind of a background explanation on that, and again, the funding format for that and how you perceive that rolling out so that we can follow it from our end as well. I think those are very important initiatives for Manitoba, but at the same time we would like to get a bit of a handle on where we are headed.

Another program that has just been put forward by the ministry is the Positive Parenting Program. I know the funding is about \$1.4 million on that. Again, we would like a bit of an understanding of how that program might roll out and if it has been found within the expense document that we have before us or whether that is going to rolled out through the RHAs, or just how that might work, if you would comment on that specific program for us.

Ms. Oswald: I thank the member for that question. Certainly, some details about Triple P, which we really believe is going to be a program that is going to do much to help parents in Manitoba. Of course, I take a particular interest in this even more than before. The beauty of the Triple P program is it is one that is a universal program, not a targeted one. I would say to the member, however, that the particular organizational funding for Triple P and many details about its origins and what it is about do fall within the context of Healthy Child Manitoba, and as such, possibly might be a question that would be, if I may be so bold, better directed under our Healthy Child discussions where certainly I will have access to Healthy Child staff that may be able to assist me if you should ask me a specific question about Triple P that I do not know.

Mr. Cullen: Again, if we could get a commitment from the Minister of Healthy Living to supply us with some of the documentation as requested, we would certainly appreciate that.

Another important question is in terms of the province having a plan in place in case of a major disease outbreak. I guess I go back to the SARS potential we had down east. How does that sort of a situation roll out, and who is going to be responsible within the two departments?

* (15:10)

Hon. Tim Sale (Minister of Health): That falls under my area of responsibility in terms of public health readiness. The Government of Canada, I think, learned out of the SARS epidemic that we were not ready for a major health epidemic outbreak. So I think that all of us actually agreed that was the case. I think that is why they have moved at the federal level to have the new emphasis on public health, which has resulted in six centres across Canada, one of which is here, the infectious diseases one. We, at our level, are responsible for the pandemic planning process so that if there is an outbreak of something that is a very serious kind of flu, then we will have a provincial readiness strategy that deals with who gets, if there is a vaccine ready in time. Probably given the timing of vaccine preparation, it probably will not be in sufficient quantities to vaccinate everybody as it takes about six months from the time you identify a strain to getting a tested, safe vaccine available. It is a real race against time.

So the questions of who will get treatment, what will you do with your health care workers in terms of front-line workers that you need to have as healthy as you can. Are they going to be the ones who get treated first? What about fire and police? You can assume in a really serious pandemic that probably half of the people sitting around this table right now will not be here. They will be sick. Hopefully, they will get better, but they will be sick.

So you have got to worry about food supplies, water, public safety, all of the things that make a society operate. So pandemic planning is not just the Health Department. It is Emergency Measures, it is Education, it is Justice. It is a very broad process, and it is a rolling plan because the feds are coming along with some changes in terms of their responsibility.

Just to give you one example of an area that one of my staff used as an example when we were talking about the confusion when SARS hit, who is responsible for airports? Is the federal government responsible for airports? The problem is the federal government does not have any staff in most provinces that have the capacity to actually do anything useful at an airport. So we have had to sort out those kinds of who is responsible for what issues, because you do not have time to have a task group sit down and study it. You have got to have it worked out so that when it happens you know what you are going to do, bang, bang, bang. That falls under our responsibility in Health.

Mr. Cullen: Just to, maybe, follow up on the minister's comments there. I know the City of Winnipeg is looking at different control strategies for the mosquito populations this spring and this summer and, of course, our incidence of mosquito problems is quite often a direct correlation with our weather conditions. We are not quite sure what may happen in that regard, but given that we may be trying new ground here in terms of mosquito treatment, we may be opening ourselves out to a West Nile challenge. I am just wondering if our department is ready for any circumstances or challenges that may lie ahead, especially in the city of Winnipeg and around the city of Winnipeg.

Mr. Sale: First of all, in the city of Winnipeg, we contract with the City to provide the larviciding and adulticiding, when it is called for, services. We pay them a contract fee, because they know where all the

reservoirs are in terms of the ditches and the low-lying areas.

SARS is a mysterious illness, and many people in Manitoba will have had SARS exposure. SARS—not SARS, I am sorry. West Nile. We are not talking about SARS. Please Hansard, correct my last references to West Nile. West Nile is a difficult disease because you can have antibodies and not ever know that you had the disease. So you can be actually immune, but you did not have any symptoms when you had the disease, or at least if you did they were so mild you did not think anything of them. So it is a very small proportion of people that respond badly to the West Nile virus.

I do not think that scientists are quite clear yet what the level of immunity is in the bird population, whether birds are still going to be dying in large numbers if West Nile is spread around the crows and the corvine family, blue jays, crows, grey jays that are all the same family, ravens. We do not know because we have not done any wide-scale—at least in Canada I am not aware of any wide-scale epidemiological assessment to know how many people in the general population now have immunity, because if the general population builds up a reservoir of immunity against this particular virus, then it will not cause a big problem in the future. But we simply now, I think, have to do what we have been doing, which is monitor the numbers of cases and the severity of cases. The West Nile strategy was developed about four years ago by our government, in collaboration with other governments.

I think we have been pretty successful at keeping the incidence of severe cases pretty low by comparison with some jurisdictions. Perhaps we have just been lucky. It is one of those new diseases that nobody wants to say, you know, we know exactly how it works or what is going to happen as it becomes a more generally spread virus in the overall population. I just think we do not quite know yet.

Mr. Cullen: Just a last, maybe, question for the Minister of Healthy of Living. We talked a little bit about the smoking and the cessation programs, and you talked about some numbers in terms of the smoking being on the decrease. I wondered if you could provide us that information at some point in time.

As well, maybe in correlation to that, it may be of interest for us to find out what kind of money is generated in revenue from the sale of tobacco in

Manitoba in the last few years and the impacts that that has. If I could get a commitment from you to provide some of that information that we requested here in the previous conversation, and I am sure we would have a chance in Estimates down the road, in terms of Healthy Child, to bring some of those other issues forward.

Mr. Chairperson: The member for Healthy Living, or the Minister for Healthy Living.

Ms. Oswald: I am a member of the department, too, in spirit, Mr. Chair.

Certainly, we will work hard to provide the member with information about our smoking successes and our smoking challenges. I know that we have some very good data, broadly, on how smoking is on the decrease in our province. We are proud of that. We are going to keep working, however, to make sure it continues in that direction.

We are also very pleased with results that we are seeing, particularly with our targeted population; that being youth. I still think 20 percent is way too high. I think that one very good goal that we could have would come from my predecessor in this role, who said, when we handed over offices, and I inquired as to the very large box of unsightly ashtrays in the corner of his office that had been delivered by a smoker that was not happy with the ban, he suggested that, perhaps, we bury them somewhere on the grounds of the Leg in some time capsule form, and in 20 years, or maybe 10 years, will bring a Grade 5 class out and dig them up and pray that they have no idea what they are. I think that is a much better goal than any sort of statistical analysis that one might have.

Indeed, the request that you have about revenue versus cost invested in what we are doing for smoking cessation and, indeed, treatment of smoking-related disease, we will do our best to provide that. While I am on the subject, the jackrabbit staff here have provided a breakdown for you, that I can table right now, of issues concerning mental health, wellness and programming, that I am happy to table.

Certainly, the provincial network for suicide prevention, as the member referenced earlier, does not have a budget per se. It is a committee, an organization, to do planning and surveillance of best

practice and how we might move forward. So one would not find it listed on here. But if the member is interested in the progress of that particular network, I would be happy to provide him, at a later date, with information about the work of that very important group.

The member also referenced the provincial injury prevention strategy. That would be another area that is not listed on this sheet, which is specifically mental health issues, but I would be happy to provide the member, at a later date, with an overview of what has happened with the strategy, what is going on in the department, and, perhaps, costs associated with that.

But I will table these now.

* (15:20)

Mrs. Heather Stefanson (Tuxedo): Mr. Chair, I am wondering if the minister would agree to, and I appreciate that he may not have all of this information with him today, but if he will agree to provide us with a list of the board of directors for each RHA, including whether or not they live within the catchment area of the RHA.

Mr. Sale: Mr. Chairman, I just have two copies. I do not know where the third copy has gone, but I will give the member one and the clerk one. These are the lists, including the new appointments for this year. Oh, there is the third copy, okay.

Mrs. Stefanson: I am wondering also if the minister could provide me with the number of midwives in each RHA.

Mr. Sale: Yes, we can. I do not think we have got that information here today, so, yes, we can give you that information.

Mrs. Stefanson: I am just wondering if the minister could also provide us with the capital plans for this year by each RHA.

Mr. Sale: I believe, Mr. Chairperson, that all of the annual plans for our regional health authorities are public documents and I should tell the member the stack of them is about a foot high, and most of them, as far as I know, are on the Web. You could scroll through them and see if there are any issues that are of interest to you, but they are required to have an

annual plan which they have to submit. I think June is the deadline for submission, and so the most recent ones would be for last year, this period we are now ending, I guess.

Oh, I am sorry, staff is correcting me there. They would have submitted last June for '05-06 and so those plans, I think there are 12 regional health authorities at this point, they would all be on the Web, 12 counting CancerCare Manitoba.

I could bring the member samples if what she is looking for is what is this document like. I could bring her a sample of a plan, but I am just a little reluctant to kill that many. If the member is able to take a look on the Web and see what she could find there for the annual plans, I think she would find they are all public documents, publicly approved and publicly discussed, actually, at the annual meetings.

Mr. Cullen: Last Thursday we had a discussion. I believe the Minister of Health had a list of capital projects, and at that point in time, the minister was going to provide us a list of the capital projects underway. I am just wondering if that information is still available. I believe that is what the member from Tuxedo is referring to.

An Honourable Member: Yes.

Mr. Sale: Mr. Chairman, this list is all of the major capital projects that are either to be completed this year, well for the next four years, this year and out to '08-09. As the member would probably immediately realize, if it is a complex project like a new, hundred-bed nursing home on a piece of land that is not currently serviced, as is the case in Neepawa, it is a longer-life project to get it opened and operating whereas smaller projects that, you know, would be for example the community health services building in Dauphin is a relatively straightforward, low-tech building and could be done much more quickly, but these are the major projects currently underway.

Mr. Cullen: The other discussion we had Thursday was in regard to past capital projects.

An Honourable Member: I did not hear the first part of your question.

Mr. Cullen: Last Thursday we had a discussion about past capital projects, and I believe we had a bit of a five-year synopsis of what went on. Would you

be able to put forward a list of the capital projects over the last year or two that have been completed?

Mr. Sale: Yes, Mr. Chairman, maybe the member could tell me, you want two years, what do you want?

Mr. Cullen: I would like specifically last year and I guess the year previous to that. It does not have to be today. I just wonder if we could get that information put forward to us. I would like a breakdown, a specific breakdown by region and by area. I want to get a feel for where our capital was invested in terms of bricks and mortar and major capital and equipment.

Mr. Sale: Just so the member understands, this is not a simple question because capital projects very often span more than one year. If he means the projects that were completed during those two years, numbers of them will have started a year or even two years, or in the case of a major project, maybe even five years previously with their planning. So just so we know for sure what it is the member is asking for, this list I have given today is the projects that will be completed this year assuming, you know, the good Lord willing and the creek does not rise, and for the next four years. Is that the same kind of list that you want for the last two years? Projects that were actually completed because they will have started considerably before.

Mr. Cullen: Yes that is in fact the list we would like to have of the projects completed over the last two years.

* (15:30)

Mr. Sale: Mr. Chairman, the member asked earlier about the tax revenue from the smoking tax. In '04-05 the forecast was \$203 million and '05-06 is about the same, given that we have lower amounts of smokers, but they are paying a lot for their cigarettes. We spend quite a bit more than that on chronic obstructive lung disease, lung cancer, and all of the diseases of smoking. This is not a money maker for us.

The problem is there will be a lag time, but we will get rid of smokes and have no revenue, but will continue to have the expenditures related to the disease that is already in progress. That is still, in my view, and I think our government's view, a better

outcome than going along and making money on cigarettes. I think we would be delighted the day that we do not make any more money on cigarettes.

Mrs. Stefanson: I am wondering if the minister—I know he mentioned last week when we were in discussions with respect to administration costs in the RHAs, he had mentioned that he was going to ensure that the WRHA includes in its audited financial statements for this year the administration costs. I am just wondering if the minister will agree also that all other RHAs in Manitoba will in fact include those in their audited financial statements for this year.

Mr. Sale: I think basically all the others do, and I would expect that you can figure out administrative costs from any financial statement, but let me just say to the member that the Canadian Institute for Health Information, CIHI, has a standard definition of administrative costs. They extract from all of the statements across the country the administrative costs according to their standard definition, and that is the number that we report, the CIHI number.

So I expect that, first of all, it will be transparent, because I think that is appropriate, but I also would say to the member that CIHI has always extracted these numbers, and I have confidence that they are correct. So, for example, in Brandon, the administrative expenditures have increased 36 percent since 1999-2000, and that happens, and I am sure it is no more than a coincidence, but it is almost exactly what their funding has increased by.

So they have not trimmed their administrative expenditures as a percentage of their budget, but they have not grown as a percentage of their budget either, and they have not grown by 136 percent, which was a number that members of the opposition have used. That is a mathematical problem, I guess, of reporting.

If you say that the expenses today are 136 percent of what they were in 1999-2000, that would be correct, but what it would mean is that they have increased 36 percent, so it is a question of how you use the mathematics to prove your point or not prove your point. So I just want to be clear with the member that the increases have been pretty consistent across all of our regions.

The one exception that I can recall from the table without seeing it in front of me again is that Assiniboine has actually gone down from 7 percent to 5 percent of administrative costs from 2001 to 2004, from 7.7 to 5.1. So that is quite a remarkable record in Assiniboine's case. But if the member wants me to assure her that those numbers will be public, I can assure that I expect them to be, and I trust that the RHAs will understand the wisdom about being transparent about their admin costs.

Mrs. Stefanson: I would appreciate the minister will in fact ensure that there is transparency and accountability when it comes to the financial statements and will ensure that those numbers are included in the audited financial statements. Is the minister committing to that today?

Mr. Sale: I think this will be the third time I have said yes.

Mrs. Stefanson: Well, I think it is very important that we be clear on what in fact you are saying, so that is all I am trying to do. With respect to the Parkland Regional Health Authority, we have heard that they will be ending their lease, the administration office space in Dauphin, because the RHA is planning to build a facility for the office. Is that, in fact, the case?

Mr. Sale: I do not know. I will find out if the member would like to know that. I am not aware of that.

Mrs. Stefanson: Okay, well, if the minister could get back to me then and let me know and confirm whether or not this is the plan for the RHA and what the cost of the project will be, when the project will be completed, if it is, in fact, the case if they are going to be moving from a leased office to building their own facility, and if, in fact, it will be included in the capital cost for this year.

Will the minister agree to also get us the other information as well?

Mr. Sale: We will do our best to find out.

Mrs. Stefanson: With respect to the WRHA, I wonder if the minister can indicate what the total savings are from the announced administration costs.

Mr. Sale: Could you clarify, Mr. Chairman from the announced cuts of a week or two weeks ago? Is that what you are referring to? Approximately \$2 million.

I believe that the savings were just over \$2 million, but there is a one-time severance cost in the order of 600,000. If the member needs more specific information, I could get her the actuals, but if memory serves, it was 2.025. We can verify that.

Mrs. Stefanson: Well, I guess I would need a breakdown of the amount of positions that will not be filled and the amount of, in fact, if there is voluntary unpaid leave, and then the number of actual layoffs that will go into this, as well as how much each hospital, so the other side of the equation that was announced, as well for each hospital, the administration cuts and layoffs and so on within the hospitals to save the administration costs that were announced, as well.

Mr. Sale: Well, as the member said, the reductions in positions were comprised of empty positions which did not have anybody in them at that point, so they were in the process of being filled, actual layoffs and early retirements, and a number of people moved from where they were to a different job in the system that was available to them.

These were all very competent people, and so I think it is really important to recognize that in any situation like this there is a fair amount of pain for the people involved because they have been dedicated career health administrators. I think that we need to be very sensitive about taking pleasure in anybody's loss of their job. So I hope the member will understand that I am not going to give her any names, and I am not going to give her any information that would identify people by virtue of the positions, because in some of these positions, there only was one person. So I will not be able to supply her with any information that would allow, even accidentally, the identification of individual people.

I believe that the WRHA had a fairly explicit press release, which laid out the numbers of staff and the positions and the dollars. There were 26 positions impacted, 10 were vacant, 5 were reallocated to other duties, and 11 were actually laid off. So, if the member needs more information than that, on the WRHA side, within reason I will try to get it, but I am not going to give her any information that could identify, even accidentally, individuals.

On the hospital side, I am not aware that the hospitals have actually received any specific direction as yet in terms of how they are going to go about this. It may have gone out, but if it has, I am not aware that it has gone out. I do not get involved in the day-to-day management of the Winnipeg Regional Health Authority. So the targets that are assigned by senior managers in the Winnipeg Regional Health Authority to each hospital would be developed by the administration, and certainly nothing came out of my office any more than any of these layoffs came out of my office. We gave a target and a direction and the WRHA is doing its best, I think very accountably, to meet that target, but I cannot tell the member what the hospitals are going to be requested to do, because I do not know, and I do not know whether that direction has even gone out yet.

* (15:40)

Mrs. Stefanson: Well, I guess, just a brief comment on that. First of all, I am not expecting names, nor did I ask for specific names of work positions actually in fact, but there are a number of vacant positions that I understand they are not planning to, and I am wondering how it would actually be saved as a result of that. Is that included in the \$3.5 million that they are looking at coming from WRHA side of saving on the administration costs?

But I will go on to say that, certainly, if there is a \$7 million, you know, it was announced that they are planning to save \$7 million in administration costs, 3.5 from the WRHA, which is where I would like the breakdown, how many of those are coming from jobs that will just be deleted and how many of those will actually be, I understand, you know, 11 of them, but what are the dollar figures associated with the positions that will just not be filled and the dollar figures associated with? I am looking at total dollars, not names of positions, not names of people, but the actual dollar positions, the breakdowns resulting from those layoffs.

As well, looking on the hospital side, and I would hope if the minister is not aware of any direction that the hospitals have been given by the WRHA, I am wondering if he could undertake to speak to his staff over there and find out what direction has been given. This has been an announcement already made of the \$7 million, and presumably there is a plan in place. I would hope there is a plan in

place. If there is a plan in place, could the minister then undertake to get this information. If he does not have it today and is not aware of it today, could he undertake to get us the information with respect to the \$3.5 million savings and where that will come from in the hospitals?

Mr. Sale: I thank the member for the question. The positions in the WRHA that were deleted, including the positions that were not currently filled, were all budgeted for, so that is all real money. All of it will be, essentially, pulled back by our budgeting authority, in fact, we have already pulled it back. So the real dollars that have been saved by virtue of the 26 positions are all real dollars, including the positions that were funded but not filled, and we will save all of that, less the severance amounts.

In terms of the hospitals, the hospitals have just been given notice through the announcement of WRHA that they will be expected to share in the burden. But I think from a leadership point of view it was important for WRHA to show that it was taking seriously this challenge that we had set and that they were taking action first so that they were seen to be leading in this area. So I would expect that each hospital administrator will do what every administrator does when they find out that their budget is not quite as big as they had hoped it would be. They will plan to reduce costs accordingly.

Ms. Kerri Irvin-Ross, Acting Chairperson, in the Chair

They are going to be given direction that it is not to reduce service. It is to be administrative savings or productivity savings, but I cannot give the member a date by which there would be a plan at each of the eight facilities. I can simply say that the plan that was developed by WRHA centrally was a very carefully thought through and, I think, difficult process. It is always difficult to reduce good people in an organization. I think that is probably the best I can give the member in terms of time, given what our Estimates process is all about.

Mrs. Stefanson: I am wondering if the minister can indicate, as I understand there was a savings, and it was reported that there was a savings, in the WRHA of about \$1.5 million in administration costs last year. Can the minister, first of all, confirm that?

Mr. Sale: No, I cannot. Last year, the WRHA was asked to reduce its administrative expenditures. They did so with a variety of non-salary reductions, and, I believe, by some vacancy management. I think that was also part of the plan. So things like reducing travel, reducing staff development, reducing use of computer time, all the things that you do when you are trying to tighten up on any administrative budget. Given what WRHA has in terms of staff, they were able to do that without laying off any people last year is my understanding, much like we do in government, frankly. When you come towards the middle of the year and you have got a problem with expenditures, then you tighten up on everything you can. That is what they did last year.

Madam Chairperson: It has been requested that we have a five-minute recess. Is that the will of the committee? *[Agreed]*

The committee recessed at 3:46 p.m.

The committee resumed at 3:51 p.m.

Mrs. Bonnie Mitchelson (River East): A couple of questions for the minister. I guess back in March, there were a couple of articles in the paper that indicated that the bill of rights was being implemented by the government for nursing homes. Along with that, the article also quoted that, under the new rules, residents have the right to choose recreational activities and the right to have access to an organized spiritual and religious care program. There had been provincial funding increased in the budget to help operators meet these new standards.

I have had some discussions with some personal care homes who have indicated very clearly that they have tried their very best to ensure that when reductions have had to be made, they are made at the administrative levels so they could preserve and ensure that the front-line care and support services were available, and that has always been their focus. I know that a lot of the personal care homes are running deficits. I am sure the minister is aware of that. There is significant concern that the funding that government is providing today is not adequate to meet the needs, and they are stretched to the limit.

I do know one area that many of the nursing homes in my communities and people that live in my

communities support is Middlechurch Home. Many of the nursing homes out in North Kildonan are faith-based also, and spiritual care is very high on their priority list. I believe that the minister probably has received some petitions, and I have had several concerns raised with me by people on the auxiliary at Middlechurch Home, who in the past worked very hard to obtain the additional funds through fundraising to support a spiritual care program. They have had to lay off that spiritual care person as of April of this year because of not enough resources.

When they read the newspaper article that indicated that more money was going to be available to their facilities to implement the bill of rights, one of which was a right to spiritual care, they were somewhat confused, because they have extreme concerns that there is less available, not more, that nursing homes are struggling. I wonder if the minister might comment. I know there was some talk of \$1.25 million to personal care homes in order to implement the new rules. How would that be divided among personal care homes and how much actually would that mean per personal care home to deliver the kinds of services that the bill of rights is indicating residents are entitled to?

Mr. Sale: The total amount that was being allocated this year is \$1.5 million, and the member may know that over the past, about four or five years, we have been piloting these personal care home standards in a number of homes to see collaboration with personal care home operators to see how the standards, in practice, can be implemented. In the main, what we found was that in the larger homes, particularly in the city, we are very in the main, we were very good. Their standards were high. They met most of the new care standards, which are quite, quite detailed, as the member probably knows. But the areas where there was the most challenge was in some of the rural areas.

So that \$1.5 million is allocated, \$475,000 of it to Assiniboine, \$339,000 to Central, \$93,000 to North Eastman, \$126,000 to South Eastman, \$174,000 to Interlake, \$233,000 to Parkland, and \$58,000 to NOR-MAN. The main challenge in implementing these is in the rural areas. So that is to give the RHAs staff dollars to work with the homes in their area to bring them up to snuff.

Mrs. Mitchelson: Could the minister indicate to me what region Middlechurch Home falls into?

Mr. Sale: I believe, although it is just outside the boundaries of the city, actually, it is administered through WRHA, through Winnipeg Regional Health Authority.

By the way, just a question. Is that in your riding? I thought it was in Greg's riding. Okay, because you said earlier, "in your riding," and I was getting confused.

Mrs. Mitchelson: Just for clarification, I said that a lot of the personal care homes in my community specifically have a faith base, but I did indicate that Middlechurch Home. I have had several concerns because many of the volunteers that work at Middlechurch Home reside in my community and in northeast Winnipeg, and they have had a long-term, long-time commitment to Middlechurch.

So I guess, then, is the minister indicating to me that, of the money that has been provided in the province, the \$1.5 million that he says is available, none of that additional money would be going to Middlechurch Home, then, in order to implement the bill of rights? Would I be correct in saying that?

Mr. Sale: Yes, the member is correct. That is based on the four years or so that we were involved in looking at these standards in collaboration with urban and rural nursing homes. The conclusion was that the urban homes had a higher level of programs and staff supports, and their funding was more able to support the new standards than some of the rural older and smaller homes. So that is the basis for that decision.

I just would add that in Winnipeg, the member may, I do not know whether she knows or not, but in Winnipeg in the past before we formed government, nursing homes really were receiving their funding on a historical basis as opposed to on a formula basis. So there were very large disparities between funding levels in the four biggest homes: Fred Douglas, Middlechurch, Holy Family, and I think the other one was Sharon. It was the other large home, although I may be wrong about that. I think it was Sharon.

WRHA undertook to increase the funding to the homes that were more poorly funded and to hold, they did not reduce, but to hold the funding levels of some of the higher funded homes. That did cause some stress and strain, not just with Middlechurch

but Holy Family was also impacted by that. Now, they have since worked through some changes that I am aware of with one of the four. I am not aware of changes they have worked through with Middlechurch, but I am with one of the others, and, I think, come to a satisfactory ending on that.

* (16:00)

I cannot tell the member because I do not have the detailed information about the choices that Middlechurch made in terms of its staffing complement, but my understanding is that they are funded now at the same level as other homes, such as Fred Douglas and Holy Family that are able to afford pastoral care, chaplaincy services. So, perhaps, there is some work to be done there in terms of how they have chosen to spend the resources they have available.

Mrs. Mitchelson: Madam Chair, I guess the point they make and the point I would like to make to the minister is that there were false expectations reported when government talked about—it said 1.25 in the paper, but the minister says \$1.5 million to support new rules that this government has brought in without additional resources. It is a bit of false information then that has been put forward.

If the government is trying to attempt, through an announcement, to indicate that there is money everywhere to implement a new bill of rights when, indeed, the minister has indicated clearly there was not money provided to all nursing homes to provide the additional support that they are expected to provide under the bill of rights. I will just leave it at that.

I know the people from Middlechurch who have contacted me will be really interested in the minister's comments. They certainly will be aware the issues they are having to deal with around being able to provide spiritual care at Middlechurch are not, indeed, receiving any additional funding. I will leave it at that and just move on to another issue.

I know the minister and some of his colleagues received a letter from the Autism Society of Manitoba, which the minister would probably be aware of, had some concerns about the inequity in funding across the board to children with autism. I do know, and I believe that when we were in government, the pilot project with the ABA program

was started. I think it has been successful in many instances with a small group of families that have had that kind of intensive intervention.

It is my understanding now that there are going to be additional resources available for those same children as they move into the school system. There are many other parents with autistic children that feel that, although they have not used or the services that are available through the ABA program are not necessarily the choice the family has made, or maybe the right program even for their children with autism because all children are different, they have indicated that they believe they are being treated like second-class citizens.

There is not a standard available if, in fact, Health and maybe the minister can confirm, is allocating an extra \$15,000 per child that is moving into the school system. Family Services, which the minister probably cannot speak for, but maybe, I know that on these kinds of programs, departments do work together to try to provide resources and supports. Family Services is allocating another \$6,000 per child as they move in school age programming.

The question becomes what about all of the other children that have autism that are not in the ABA program. They believe that if these kinds of supports are available for a program parents have chosen, and it has probably worked very well in many instances for those children, should that kind of money not be available for all other children in an equitable society so that parents can choose the kinds of supports and the kinds of care that they would like for their children. There seems to be some inequity, and I know there are several recommendations the minister and his colleagues have seen from the letter that I have a copy of.

I wonder if the minister could just indicate whether he is prepared to move forward with any of the recommendations that have been made by the society, I believe it is the Autism Society of Manitoba. Has the minister looked at the recommendations, and is he prepared today to indicate they will move forward on any of those recommendations that have been set out in this letter?

Mr. Sale: I do not know whether the member has any extra copies of that letter, but mine is back in my office. I do not remember the content as well as I

might without it in front of me, but yes, I have read it and am aware of what they have said. As to the detail, I do not think I could pass a test today on that.

Mrs. Mitchelson: I can share the letter here, but maybe I could just ask specifically about a couple of recommendations. They have asked for the establishment of a working group with representatives from provincial departments that might be affected, to identify the needs of all children with autism and allocate funding resources fairly and equitably to meet those needs. That is one.

It would seem to me that a working group might be a good way to go, and it is certainly something that I would hope this minister would want all of the stakeholders and all of those that have special needs for their children involved in trying to find some sort of an equitable solution. I will just ask for the minister's comments on that.

Mr. Sale: First of all, the member is quite right that this is a tripartite partnership. She knows Eleanor Chornoboy in the children's special needs services that has done a wonderful job over many years serving many administrations and working with special needs kids.

When I was Minister of Family Services, I was delighted, through Healthy Child and Family Services, to be able to make the ABA program a core-funded, ongoing, long-term program, and I am very proud of the fact that, although I have not been in Family Services for three years now, or two and a half, I guess, this must be the only program in Canada where there is no waiting list for ABA. We have capacity for 58, and currently there are 56 kids enrolled. So I think that is an outstanding achievement on the part of St. Amant, and the MFEAT parents and the University of Manitoba Faculty of Psychology, all the people involved in the program. That is a huge success story.

The member knows, I am sure, I do not mean to be preaching to the converted, but the member knows that autism is not a disease, it is a spectrum. There are a whole bunch of different disorders that are—they talk about an autism spectrum now, not about autism as a condition. Some little kids respond well to ABA and they progress remarkably. Some progress to the point where you would not know they had any disability at all, others not as far. It is a very intensive demand on the family. It is not just

intensive in terms of the therapist. It is intensive in terms of the demands on the family, and some families are not up to it. That is not a judgement on them. It is just the reality that to implement ABA successfully, you have to have a tremendous amount of dedication as parents, and if you have other children as well in the family, that often can be a huge challenge.

Mr. Chairperson in the Chair

The question is what range of resources should be available to children who are not in the ABA stream but are diagnosed with autism spectrum disorder. They have access to the same special needs services that have been available for some time. They do not have access to the ABA level of services because they are not either able to benefit from them, having tried it, or they are not able to benefit from them because of their family circumstances. It does not make much sense to talk about having a one-on-one therapist available to them to use this kind of program when they have determined for their own family that they are not able to use that kind of program.

* (16:10)

The next level is when you get kids into school. At that level, we are contributing some resources, and the school is contributing some resources. Family Services still continues to provide resources, but the lead in that area is Education.

I do not think Education Estimates have been up yet. I think they are still to come. I think if you are concerned about the school age kids and the amount of resources available to them, that that would be the best place to ask about that equity question.

But I am sure the member probably also knows that the research on ABA is that it is less and less effective as children get older, that if you start it really young, it has a very significant chance of turning things around 50, 60 percent of the time. But, if you are working with older children, it has much less effect and, some would argue, really no more effect than any other services. So it is not an appropriate treatment for older kids, which is why we do not fund it for older kids. We fund it for preschoolers.

But, if the member wants more information about the school age levels of service, I think the

Education Estimates would be the best place to get that information.

Mrs. Mitchelson: I guess my question then would be, given that Health is contributing \$15,000 per child for consultation support to schools for those in the ABA program, could the minister explain what that \$15,000 per child is for, from his department?

Mr. Sale: The member probably knows that the full cost of ABA treatment for a child is in the, I believe, \$55,000 region. So the 15 is part of that pot that comes partly from Family Services, partly from Health, to make that amount of resource available. Most of it gets used on hiring the trainer, trainer aide person, who comes to do the program with the child on a daily basis for, I think, six hours a day or so. So the 15 is not a separate program. It makes up part of the pot of the whole program cost.

Mrs. Mitchelson: So, then, the minister is indicating to me that the ABA program, which was supposed to be preschool, and he did indicate that it works better for younger children, is now moving into the school system, and there will be \$55,000 per child available in the school system? Well, the minister indicated that the \$15,000 is part of the \$55,000 to hire the specialized trainer. I think he just indicated that to me in his last answer.

Mr. Sale: If I did, it was in confusion. May I clarify for the member? The program I was referring to, Mr. Chairperson, is the preschool component. That is what we contribute the \$15,000 per case to. We increased our funding this year by \$225,000 in that program. So I was not referring to school age. School age special needs kids have up to, I believe, it is now \$22,000 or \$23,000 for a Level 3 child at school, and I believe that is the area, perhaps, the member is talking about. I am not aware of us making any contribution from Health to school age kids. I will check that, but I am not aware of any contribution.

Mrs. Mitchelson: I will not belabour this then. But, in the letter from the Autism Society, they have indicated that they understand that Health has allocated up to \$15,000 per child for consultation support to schools. So, if they are misunderstanding Health's commitment, I think that needs to be clarified for them and to them.

I will not go on any more about this letter. The minister has it. I am sure that he will be responding

to it. I would hope that he and his colleagues would respond on a timely basis. If there are some things in the letter that the society has been misinformed about, I would hope the minister would clear those up.

I will, certainly, be speaking with the president of the Autism Society of Manitoba and asking whether she might share the response that she receives from government. But, if there are some factual understandings in the letter that are not correct, I would hope the minister would clarify those for the society.

I just want to put on the record that I believe if there are school supports available for some children with autism, quite frankly, this government should be looking at an equitable solution so that all children that need these kinds of supports are provided with those supports and that certain children are not favoured by this government at the expense of others.

Mr. Sale: I think that the member is referring to page 2 of this letter, just a little down from the top. The paragraph before that and the paragraph after that talks about preschool programs. The writer, I do not know if it is a she or not, says, "We find it curious that government is now being petitioned to maintain the same very substantial support per child potentially through 12 to 15 years of school." I am not aware of a petition to us to do that in the Health Department.

Then she says she understands we have allocated \$15,000 per child. I do not know about that, but the next paragraph down says, "We are astonished that public money is being available to provide richly for a small number of preschool children and their families." I really think she may just misunderstand that 15,000 is really for the ABA program, but I will certainly get that clarified.

I would also though, want to say to the member that the Education special needs program which has been around for a long time—I was involved in the implementation of the special needs program in 1975-76, I guess it was 30 years ago—has never been limited to any children of a specific diagnosis. In fact, there was some resistance on the part of schools historically to the ABA program because they did not believe it was effective.

I do not believe there is any discrimination in the school system in terms of children who use the ABA

program and have a diagnosis of autism spectrum versus children who did not use the ABA and have the same diagnosis. I do not believe there is any separation of those two categories. The amount available at school tops out in the low twenties. I do not know now whether it is 22,500 or 23,500, or whatever for a Level 3 child who could be autism spectrum serious level of need and might have been in an ABA program or might not have. There would not be any distinction made as far as I am aware at the school level on that. We will do our best to clarify the understanding of both the committee and the writer of the letter, Sandra McKay, as to the nature of that \$15,000. Thank you for the questions. It is helpful to get that sorted out.

Mr. Ralph Eichler (Lakeside): Mr. Chairman, I will not have a lot of opening remarks with regard to what I want to ask you, but, in particular, with Teulon, the RHA has brought forward proposals time and time again recommending that the Goodwin Lodge addition be moved forward. We wrote your office, we wrote your predecessor and to date, we have yet to hear an announcement. Can we expect to hear an announcement shortly on when that proposal will be moved forward?

* (16:20)

Mr. Sale: I would like to tell the member that we could announce all of the things all of the RHAs all across Manitoba would like to do, but he would then have to agree that they would not complain when we spend more money on health care. The reality is we have to prioritize all of our capital programs. We run a capital program annually that gives us the ability to spend or not to spend, to commit up to about 165 million a year. We have, since we formed government, committed over \$800 million in capital distributed very widely around the province from the south to the North. The city, certainly, is a major recipient, but Brandon has been a major recipient, too.

So I do not dispute the fact that there are many older personal care homes, not just in his region but in mine in the city, in the North. We have a challenge in our health facilities but we do our best to prioritize and it is not a pretty job having to do that, but that is the job we have. So I am afraid I cannot give him a commitment around that particular older facility.

Mr. Eichler: Thank you for the history lesson, I just wanted specifically to know whereabouts is it on the

wish list? Is it going to be one year or two years? Surely, your department has prioritized its various building projects.

I need to go back and tell the people of not only Lakeside but Interlake. This is a huge area whereby these families are having to send their people to Winnipeg, send them to outside areas, and this is a priority in our area and it should be a priority for this government. I would like the time lines that this minister is going to be working under.

Mr. Sale: Just to be clear, are you talking about the home in Teulon? Is it?

Mr. Eichler: Yes, the Goodwin Lodge, which is in Teulon. It has been recommended, as I said, for the last number of years to the government for to build.

Mr. Sale: A couple of things. First of all, the prioritizing of projects that come forward to us is done by the RHA, and so I would have to go and find out where they have viewed this project in terms of their capital priorities. To my knowledge, it is not on our list as a priority and that would be because it has not come forward as a high priority from them.

Now, it may indeed be on their list but it may be lower down in terms of their sense of where it ranks in their overall planning, but I want to just let the member know that in Manitoba, we actually have the highest ratio of personal care home beds in Canada. We are running at about 127 beds per 1000 people 75 and over. Most of Canada runs in the roughly 100 or even lower number of beds per 1000 people 75 and over.

That is largely because we are still admitting to our personal care homes people who are level 2 in their needs and do not need a whole lot of supervision, but because we have not got the assisted living support, which is a kind of step between independent living and personal care home, we are finding people falling into higher levels of care than they perhaps should fall into.

That is a historical problem that dates back into the sixties, but that is why our focus is on providing more assisted living, more supported living facilities, a wider array of supports to people so they can age in their own homes or in seniors homes and not find their way into a personal care home before it is needed.

So we need to think not just about that particular facility, which may well be time-expired and may need to be replaced. We need to think about how we can engage our communities more, particularly rural communities, in helping people stay in their own homes or in apartments longer and not find their way into a personal care home before they need to be there.

Mr. Eichler: This project has been prioritized by the RHA for not one but three years. It has been sent in to your department, so it is number one on their agenda, so it should be number one on your agenda, and the hospital foundation has raised the money for their share and made their commitment. We would like the minister to move forward on this project. It is there. Everything is done.

Mr. Sale: We will do what we always do which is to look hard at the priority list and make the tough choices so that we can live within our budget, which is another value that we all have, too.

Mrs. Myrna Driedger (Charleswood): I just would like to ask the minister a few questions about a constituency case that I think he might be aware of, although it might have been a few months ago that he had actually received the letter. I will provide some background information to the minister, and then if he could just give me some indication about whether or not he would be prepared to look further into this.

It is about a young boy, Morgan Allison [*phonetic*], who was born in October of '87, and he was born with congenitally missing teeth or oligodontia.

Point of Order

Mr. Chairperson: Point of order?

An Honourable Member: Yes, point of order.

Mr. Chairperson: Point of order, honourable minister.

Mr. Sale: I am hoping the member has a release form signed by the parents, but I am very reluctant in committee to deal with a specific case. I think I know the case the member is referring to, and I think I know why she is raising it. I would be happy to deal with her on it. I would be happy to tell her whatever information she would like about it, but I am very

concerned about putting into Hansard a child's name and condition. It is going to be there for all time, and I wonder whether the member has a signed release form to put this information publicly on the record because I certainly will not be responding to it.

Mr. Chairperson: On the same point of order?

Mrs. Driedger: Well, I guess, in response to what the minister is indicating in that, no, I do not have a signed release. The family—

An Honourable Member: You just violated FIA very severely.

Mr. Chairperson: Member for Charleswood, complete your comments.

Mrs. Driedger: Just to indicate to the minister, there is incredible frustration by the family in dealing with this issue, and they do not feel they have been able to have any success in dealing with the government, even an appeal process. The minister is aware, and he has not been supportive of all of this despite the fact that there is precedence about seven years ago with another child that was able to have this kind of dental work done. The family is absolutely beside themselves in terms of trying to find a way to address this.

Mr. Chairperson: I thank the member for his advice and point of order raised. On a procedural matter, the honourable member does not have a point of order.

* * *

An Honourable Member: The minister has his hand up.

Mr. Chairperson: Oh, honourable minister, sorry.

Mr. Sale: I would be happy to have my staff or myself meet with the member and hear her concerns about this specific case. I think she will know that anytime somebody raises a very specific case with us directly, we deal with it very promptly as best we can. We cannot always solve the problem, but we always deal with it promptly and as respectfully as we can. With great respect, I caution the member that the fines for release of health information, I believe the maximum fine is \$50,000. It is a very severe penalty, and I suggest to her that she attempt to perhaps remove the personal reference from the

record. If she has a signed release in the future, then that is a different animal. But I think this is a very serious breach.

Mrs. Driedger: Thank you. I appreciate the minister's suggestion and, if it is possible, then I would ask that the boy's name be removed. He is 18 years old, but even though there has been a lot of correspondence on this, I would ask if it is possible to have the person's name removed from Hansard.

Mr. Chairperson: This is a decision the committee cannot make, but I will take it up with the Clerk of the House.

* (16:30)

Mrs. Driedger: In keeping with the minister's willingness to meet on this issue, I would appreciate an opportunity for a meeting. I am certainly prepared to share information. I know the mom would be quite willing to join us in this meeting if the minister is prepared for that because they are feeling quite at their wit's end and not sure where they can go because they do not have the kind of resources it would take to deal with this situation. Certainly, if the minister is willing to meet on this, either with the family or even a further discussion at another time with me, I would be more than willing to do that.

Mr. Sale: I will ask our staff to be in touch with the member.

Mrs. Driedger: I am wondering if the Minister of Healthy Living (Ms. Oswald) is prepared to answer a couple of questions on an issue.

I would like to ask the minister, who probably is aware because I know a presentation had been made at the Healthy Child task force, but I have received letters from three parent councils. One is the Mary Montgomery Parent Advisory Council, another is the Reston Collegiate Institute Parent Advisory Council, and another is the Kola School Parent Advisory Council in Kola, Manitoba, all being concerned about the downsizing of the Healthy Schools program at Virden Collegiate Institute.

This was originally a half-time position, and in the fall of 2004 it was reduced to one day a week, funded by leftover budget money. The pilot project was deemed highly successful, and they felt that the main areas of interest in need of that program were

consistent with the priority areas identified in the provincial framework for Healthy Schools. They felt that the number of students who accessed this program doubled in year two, and students are taking better care of their health because of this accessibility.

They are feeling that the one-day-a-week program right now for 200 students is not enough to develop a sense of trust and the opportunity to become part of the school family. They think that the program has now lost its impact and is no longer able to deal with the students in an effective way or time frame. They are asking if this position could be returned to permanent half-time, but ideally, they would certainly like to see it increased to a full-time position to also include students at Virden Junior High and to also encompass the remainder of the Fort La Bosse schools.

I would like to ask the minister, considering back in 1999 the NDP government had made a promise to put nurses in schools, and here we have a situation where we do have a nurse in a school, and we are hearing now more and more concerns about our children not being healthy, I wonder if the minister could indicate why there might not be more support for allowing this position to remain in this school area.

Ms. Oswald: I thank the member for the question. Indeed, I, too, have received correspondence from schools in the Fort La Bosse School Division concerning this particular program. The success of that particular program, particularly within Virden Collegiate is, indeed, not in dispute. They have had some very good successes within the context of that program.

The program itself was a pilot program to review how in fact this kind of a program would go. Indeed, in December of 2002, there was a consultation with Manitobans about the concept of nurses in schools and Healthy Schools. The general outcome of that consultation was that, through a Healthy Schools initiative, the public believed that having a nurse in every single school was not necessarily the answer. While the situation in Virden has proved to be a successful one, it certainly is one that comes with a reasonably high cost as well.

We did, as you made mention of in your question, do what we could do to support them with

further funding in order to work towards a transition of how that particular nurse might work in an environment, even across the division. But it has come to a situation now where the pilot is over. Indeed, the pilot was over more than a year ago, and we have done what we can to support them. It is not our position at this time to move towards having, within the context of a Healthy Schools initiative, what Manitobans said that they did not want, and that was a nurse in every school, but rather providing funding on a more broader scale to have schools work with the excellent resources they do have to ensure their Healthy Schools initiatives were put forward.

Initially, a theme for Healthy Schools was about physical activity, a subject near and dear to my heart. There was a subsequent theme on nutrition. Indeed, the theme for this year is mental health, where we are finding the uptake on that particular topic is greater than ever.

While I understand the concerns of parents in that environment, it is not our position at this time to continue to fund what was initially a pilot project. We hope the school division and the community can learn, and take the best practices of what happened from that and work within a Healthy Schools framework. Funding, indeed, will be sustainable.

Mrs. Driedger: Certainly, the people involved here in this through the various parent councils have indicated it could be something they would be amenable to seeing this nurse be available throughout the division. The minister has just indicated that, certainly, the pilot was a success and it was. In their letters, they have indicated they would be quite open to seeing this full-time position encompassing the whole school division area. Is that something, especially considering the election promise of 1999, to put nurses in schools? Is that not something that would be acceptable?

Ms. Oswald: I, certainly, appreciate what the member is saying. Our commitment towards expanding a Healthy Schools initiative, I think, is one we all wish to work towards. Certainly, having travelled the province recently with your colleagues and mine and the member from River Heights, we heard loud and clear that the school is one of the best places we can work with the students that need help the most.

I would also suggest to the member that our department is in consultation with these particular

people who have developed this pilot and want to work with them to ensure we take the best of what they had to offer in their pilot and find a way to transfer that and make it work throughout the whole division, and indeed throughout Manitoba. We would want to take valuable things they have learned.

I have had the opportunity to meet the nurse in question. It is undeniable that she is a blockbuster human being and the work she has done is terrific. It comes back, once again, to sustainability and to cost. We want to make sure that we can have as many Manitoba children benefiting from the good ideas as we can. We will work with them, but it is difficult at this time for us to say we will commit to continuing a project that was always intended as a pilot.

Mrs. Driedger: I guess just a final comment. If the rationale behind, perhaps, not allowing this to continue, is because of cost, and I know the minister probably cannot answer it because she was not there in 1999, I have to wonder then what the 1999 election promises were based on to put nurses in schools. It was, certainly, an opportunistic campaign promise to make because it sounded pretty good at the time, but if the government has no sense or no commitment to following through on it now, it really begs the question, why would this promise have been made in 1999 if there was no intention of putting something like that in place when, in fact, as the minister is saying, it is financially not feasible.

*(16:40)

I am not asking the minister necessarily to respond. I know she was not part of the 1999 election campaign, but it certainly was made a big deal of by the NDP government. Now there is an opportunity where, as these people have said, it is a phenomenal program, especially for rural kids who are on the bus for hours and hours a day, before and after, and do not have all of the kind of time to take part in community sports, et cetera. It seems like something good and something that would promote better health among young people which we are all pretty worried about nowadays. Thank you.

Ms. Oswald: I appreciate the member's comments. Again, I would reiterate that certainly, we are not saying there shall be no nurses in any schools. That is not our position at all. In consultation with Manitobans, once again, it was suggested that a

broader approach and best use of resources was the approach the public wished us to take. Indeed, that is the approach we want to take with the Healthy Schools initiative. This particular pilot, as you have acknowledged, we heard about on our tour and heard about through correspondence was a very specific project and within a very specific school. That is something that needs addressing.

We know that as we speak, I believe, the Fort Labosse School Division and the Assiniboine RHA are working together on a proposal to try to sustain what it is they have now to the best of their ability. Of course, we are quite prepared to consider that when it is received. We want to make sure all our schools in Manitoba are Healthy Schools, whether that involves direct contact with a nurse or a broader initiative by staff and community service providers.

Mrs. Stefanson: Just a couple of quick questions. First of all, just with respect to, we were talking earlier about administration costs, and with respect to Brandon, the minister brought up some numbers with Brandon. Certainly, according to audited financial statements from Manitoba's regional health authorities back in 1999, it was stated the administration costs in Brandon were 1,049,000. Just over that, and as of 2004, the administration costs, the actual ones, were just under 2.5 million, an increase of 136 percent, when, in fact, the actual expenses increased from 95.5 million to 148.2, just over that from 1999 to 2004. That would be an increase of some 55 percent. I think it is important to note for the record that these are from audited financial statements from the regional health authorities themselves. So just to clarify those numbers for the record.

However, I do have a couple of quick questions. Well, I will let the minister respond to that, I am sure he will have words to say.

Mr. Sale: I think there must be some very different numbers being used by the two of us. I am not reflecting on the member, but the number I have for the 1999-2000 admin costs for Brandon RHA and, I believe, these are the CIHI-supported numbers, in terms of what is comprised, they are from our management information system in Manitoba Health, is \$4,306,980. That number rose, by 2004, to \$5,987,000, which is an increase of \$1.6 million on a base of \$4.3 million. So that is where the 36, 37 percent comes from.

So the member has cited a number of one-point-something million dollars in '99-2000. I would need to see what that number is comprised of because, according to our management information system, the RHAs' admin costs in '99-2000 were \$4.3 million. The very low number that the member is citing on a budget of \$93 million just really is not reasonable. I do not know of any system in the world that can administer itself for under 2 percent of its costs.

So the member probably knows that, as you go forward and you try and get a consistent definition of anything, it is very difficult to get a consistent definition in any financial area. So we have a chart of accounts. According to our chart of accounts, that we use consistently across all RHAs, the number I gave of \$4.3 million was the '99-2000 number. That is probably the source of the difficulty that we are having in comparing these numbers.

Mrs. Stefanson: Well, just a brief comment on that. I think that is where it is extremely important, that the information we are being provided in audited financial statements from regional health authorities, that these numbers are reported to us and that we are getting the accurate numbers. But I am going to leave it at that because we are running out of time here. I have got to ask just a couple of quick questions before the Leader of the Liberal Party (Mr. Gerrard) is going to ask some questions.

First of all, I would like to just say that we were somewhat disappointed to hear about what has transpired with the Victoria Hospital maternity ward. I think, on the heels of the Member for Charleswood (Mrs. Driedger), when she stated that there have been a number of promises made by this government in the past, promises that do not appear to be kept, I think it is unfortunate when the Minister of Health (Mr. Sale) stands up and says that, you know, there is no amount of information that could be given to him by the WRHA that would convince him of closing the maternity ward at Victoria Hospital, then, in fact, what happens is just that.

I think that it provides false hope to people. I think, when it comes to this, we were very concerned about how this all transpired. First of all, it was a broken promise, but then just the way the nurses were informed and people were informed on the ward. They found out by listening to CJOB that day. I think it is an unfortunate way that nurses should

find out that, in fact, they are going to be losing their jobs. Then, in fact, after that, as I understand, because the date of the closure of the ward is going to be moved up, people, the nurses and so on, at one point they think they have until June to find another job, now they see it has moved up to the end of April.

I guess I would like to just ask the minister the number of nursing positions that will be lost as a result of this and why is it acceptable for these people to have found out on the radio. How is it acceptable that, when they are given warning that this is going to take place as of the end of June, why this has been expedited to the end of April?

* (16:50)

Mr. Sale: While the staff are finding the exact numbers, I will just tell the member I was as disappointed as she was and as the Nurses' Union was that anybody found out anything like this through the media. What I believe happened was that some person or persons provided CJOB with information that had not been publicly released, and they used it. I think that that is inappropriate. I think it is wrong and that nobody should find out anything about their job through the media.

I made my views on that known I think in the House when the question was raised, and I made my views known to WRHA that this was not appropriate. In fact, I met with Maureen Hancharyk from the Nurses' Union and essentially apologized to her on behalf of all of her members that they should find out this sort of thing in that fashion. It is not acceptable.

In terms of the numbers that are affected, no one is being laid off. The appropriate workforce adjustment processes were put in place. People were given options, and there are more than enough positions available in our system to absorb anyone who wishes to continue to work in nursing. We are not flush with experienced nurses, so I think that I would need to find out as of today what the actual situation is because we are still in a transition period in terms of the numbers of people affected and what they will choose to do in our system.

I hope they will all choose to continue to work in our system, and if they wish to, there certainly will be positions available for them, but, as the member

knows, as of today, the ward is still open. The process of transitioning is still underway, and so I cannot tell her what the final outcome will be, but we will get for her the numbers. My memory says that it was 44 people in 36 or 38 EFT. That is equivalent full-time positions, because there are part-time people, but I would be certainly giving the member the information. We have a briefing note with it in it, but it is obviously not in this file, so I apologize for that.

Mrs. Stefanson: I think the unfortunate part, if my memory serves me correctly, is that it was actually Doctor Postl himself who was on CJOB that morning being interviewed. I think that that is the unfortunate part about all this, that, while he is on a program that morning before people have even been informed, and that is the way that they have to find out, from the CEO of the WRHA on the radio, rather than being informed directly. I think the minister agrees, and in fact I am happy that he has sent apologies to the staff there because, obviously and clearly, that is inappropriate.

I am concerned however. First of all, I did ask about the date that the ward will be closed as well, so I guess the minister will endeavour to get me that information as well. I just want to say that, given the ever-growing population in south Winnipeg and particularly with the impending construction of Waverley West, the expansion that is going to be taking place, and the number of people moving into the area, I just have particular concern about the fact that, at a time with such expansion in the southern area of the city of Winnipeg, this type of a decision would be made. I guess I just want the minister to ensure Manitobans in south Winnipeg, there is also a number of people, of pregnant women who are coming to Winnipeg as well as a result of a pediatric shortage in Brandon. They are coming from Dauphin as a result of obstetrician shortages there. They are coming from rural areas as well, and I think it is difficult for the WRHA, in fact, to budget for unforeseen circumstances like this where people are coming from other RHAs.

I am wondering, I think it is then appropriate, if the WRHA cannot sort of budget for this increase in the number of patients coming to the Winnipeg areas to seek obstetrical and pediatric services. I would like the minister to inform Manitobans and assure Manitobans today that not one woman will be turned away from the Health Sciences Centre or the St.

Boniface maternity ward as a result of this change, in the closure of the Victoria hospital maternity ward. If the minister could maybe make a comment on that.

Mr. Sale: I guess, in some ways, I share the puzzle of the member opposite in that as Winnipeg South has expanded enormously, whether it is Lindenwoods or Whyte Ridge or Richmond West or on the east side down into the area just above the Perimeter Highway, that expansion went on all the way through the nineties and into the first years of this century, and yet while all that expansion was going on, the births at VGH were declining.

In 1997-1998 at 2100 was the peak and by six years later, it was down to 874 in '03-04, and this past year, approximately 750, and by January, before any announcements were made, it was running at an annual rate of around 600, 550. People have chosen for whatever reason with their doctor's advice, I presume, to give birth in the two tertiary centres.

I would also point out to the member that the total number of births at St. Boniface in '04-05, 4700, and at HSC 4100. HSC has had higher volumes than that. In '98-99, there were 4300 at HSC, so there is a capacity there in the system, and there were new beds added at St. Boniface and at HSC so I believe the capacity is there to meet the requirements.

There are occasions, as others on the panel will know, where the neonatal intensive care unit may be crowded in one hospital and high-needs babies will be transferred from all over the province to either HSC or St. B. There have been occasions when the neonatal intensive care unit at one or the other has been crowded, but that has never been true at both of them to my understanding. I believe the capacity is there in the system.

I would end by saying the same thing I said in the House, nothing about this announcement was pleasing to us. That is the hospital I have gone to all of the time I have been in Winnipeg, since 1966 when it was down here on River Avenue. It is where my daughter was born, so I did not relish this announcement at all. It is not pleasant, but the advice we got from the people who deliver the babies was that this was not a sustainable situation. Anyway, I will leave it at that.

Mrs. Driedger: I would just like to indicate to the minister that I do have the parents' consent to talk at

whatever length I need to try to draw attention to this dental situation, but I am not going to do it now. I do not want to cut into Doctor Gerrard's time, but I did want to indicate to the minister that they are quite willing to allow me whatever length I need to try to bring attention to this specific issue. If the minister is willing to do it, I would probably prefer to do it with the family present, and if not, I can always come back in concurrence.

Hon. Jon Gerrard (River Heights): Let me start in the budget papers this year. It is noted that rates of fetal alcohol syndrome and fetal alcohol effects are higher in the Aboriginal population than rates in the provincial population as a whole. I would ask the minister if he can provide to us the rates for FAS and FAE for the Aboriginal population and for the population as a whole for the last five years, each of the last five years.

* (17:00)

Mr. Sale: I would, obviously, have to get those numbers. I would not have them with me. The member knows that the diagnosis rates have gone up significantly over the last number of years as the skills have improved. I think we are very proud of the work that was done at Children's Hospital here to develop the clinical capacity to diagnose this condition. The member knows the work we have done with other provinces and territories of Canada to try and both intervene and provide better care. As to five years' worth of diagnostic data, I will have to undertake to get that information to him.

Mr. Gerrard: We will be back in Estimates on Thursday, so perhaps you could provide that information then if that were possible. Let me ask about the number of dental surgeries done in 1999, 2000, 2001, 2002, 2003, 2004, specifically for dental surgeries for children with early childhood tooth decay.

Mr. Sale: The same answer, Mr. Chairman. I will have to get that information. I assume we have got it back in '99. The reporting requirements have improved significantly over the last 10 years, but I will undertake to get that information.

Mr. Gerrard: Can the minister provide what the average cost is per surgical procedure for the dental surgery for children with early childhood tooth decay?

Mr. Sale: I can tell the member what we budget per procedure. Yes.

Mr. Gerrard: Does the minister have that information, or will he provide it on Thursday? *[interjection]* Okay. How much is spent, let us say the last fiscal year, on prevention of early childhood tooth decay?

Mr. Sale: The same answer. I think that one will be harder to answer. I am sure the member knows why. The prevention of tooth decay in children, newborns and older, is part of regular dental care where there is regular dental care. It is part of the public health nurse's role where the public health nurse is the primary contact person. It is part of Healthy Child Manitoba's promotion of oral health. It is part of the dentist's campaigns. So I will be more than a little surprised if we could come out with a number that fairly reflects the total commitment to trying to improve that. There are Healthy Smile programs and a range of things that are part of people's jobs, but there are, as far as I know, no people that are specifically doing simply dental health prevention work, particularly in the North. So I will try to get the best information I can from our dental consultant on that.

Mr. Gerrard: I appreciate that. The next question has to do with the incidence of diabetes, whether the minister can provide the incidence of diabetes separately for type 2 diabetes for all ages and for under age 20, which would be the rate in children for each of the years 1999 to 2004?

Mr. Sale: Incidence rates vary enormously, as the member knows, between northern reserves where some incidence rates are enormous. I think we probably do not have a good track of them because we do not have the data. I would be fairly sure that we would not be able to report an accurate incidence rate from a number of those northern communities, but we will report what is available to us with the caveats that everybody puts on incidence rate data. I think that whatever the age breakouts are will have to do whatever is available because I do not know whether 20 is a cutting age in the CIHI or StatsCan area for diabetes. I rather doubt it. I suspect it is probably under 18, and 18 to 24 maybe, but I do not know that. So we will endeavour to get the best information that we have on incidence rates broken down as clearly as we can, but I cannot commit to the specific ages that the member asked for.

Mr. Gerrard: Yes, what I was looking for was province-wide rates, not by community. Okay, so it would be province-wide rates for type 2 diabetes yearly from '99 to 2004 for everybody, all ages. Very often what is used is 11 to age 19, which would be under 20, and it might be, then, one to 11 and 11 to 19, but whatever the minister can provide that is consistent and provides an indication of the rates among children.

One of the issues that has been the subject of some public discussion deals with treatment of eating disorders. Saskatchewan, a number of years ago, put up a facility called Bridgepoint in Mildred, and I am just wondering whether the minister has looked at putting up such a facility in Manitoba.

Mr. Sale: To the best of my knowledge, we do not. That area is actually an area that my colleague, the Minister for Healthy Living (Ms. Oswald), deals most directly with, but I think I am correct in saying there is not a stand-alone facility in Manitoba.

Mr. Gerrard: The minister is correct. There is not a stand-alone facility in Manitoba. What my question would be is in terms of whether the minister is looking at the possibility of such a facility.

Mr. Sale: I think that I would have to defer to my colleague whose area that is, in terms of responsibility. I know we have significantly increased our support for eating disorders as a very important problem, particularly for teenage girls, young women. I think we could get more information for him, but I think if he wishes to pose that question to my colleague, probably she would have more current knowledge than I do.

Mr. Gerrard: At Victoria General Hospital the minister was speculating about some sort of a midwifery program to replace the maternity ward. I am somewhat sceptical of that, but I would like an update from the minister.

Mr. Sale: Part of the WRHA's plan to improve productivity and sustainability of our health care system is to focus on centres of excellence. That is why we are focussing on, for example, Concordia for hips and knees as the lead centre in Winnipeg. I think WRHA's vision is that Victoria Hospital would develop as a centre of excellence for women's health, and we have a mature women's program and a number of other health-related programs for women.

They are talking expanding gynecological surgery at Victoria.

The member probably would remember that when the midwifery report came through in the mid-nineties, there was a recommendation that as part of implementing midwifery there be a stand-alone birthing centre. These birthing centres have been developed in Québec and have been very popular and very effective, very safe, because they are a kind of cross between a home birth and a hospital birth. So for women whose pregnancy has been normal and with the assumption that there is a transport team available, which there is in Winnipeg, then the idea of a stand-alone birthing centre seems a very attractive option to explore. My understanding is that they are in the process, WRHA being "they," are in the process with the midwifery group exploring that as an option to see whether Victoria would be a suitable site for that kind of centre.

Mr. Gerrard: I know the minister two or three years ago wanted to keep the maternity ward open, as his previous minister did, and that is the one at Victoria. I would ask what measures were put in place two or three years ago when it was clear the intention was to keep this birthing ward or the maternity ward open.

* (17:10)

Mr. Sale: What measures were put in place? If the member, I think, may recall, I was asked in Question Period about that in a less specific way. We increased the funding per funded bed quite significantly over the period of the decline in births.

So we provided more and more resources per unit of care to Victoria to the point where births at that hospital were consuming more than twice, per birth, what was being paid for in other hospitals in Winnipeg. We provided lots of resources, but at the end of the day the member knows, I think, as a physician, that physicians, by and large, determine where babies are going to get born most of the time. Occasionally, babies surprise them and get born someplace where they were not intended to be born, like in taxicabs and things like that, but most of the time it is the doctor who makes the call about where somebody is going to give birth, and doctors increasingly have steered their patients towards the two tertiary care centres.

Women, by and large, some exceptions, do not make that choice. They choose a doctor and the

doctor then chooses a direction. The woman may assert, in a number of cases that, no, I want to have my baby born at Victoria, but it appears that, in the main, women choose doctors, doctors choose where the babies are going to be born.

So the physicians came to us by motion saying we do not think we can sustain this safely any longer because we cannot provide coverage, secure coverage. In addition, as the member knows, the Judge Connors's recommendations were for a full-time neonatologist to be present. The member would know that having a neonate doctor available for two births a day is no good for the doctor because they are not going to do anything most of the time. That is a very bad use of very scarce resources.

So, for all of those reasons we attempted to keep the funding at, increasingly, a higher and higher level, per birth, per bed, but the medical community and women chose overwhelmingly. Basically, two-thirds decline in the number of births, in spite of, as the member from Tuxedo said, "You know, in spite of this huge growth in south Winnipeg," which was very significant during that period of time, "the births went down." They did not go down by a little bit. They went down by two thirds. So I think this was a medical community and women's decision that simply became inexorable, in spite of what I might think or might want.

Mr. Gerrard: Earlier in Estimates, the minister talked about the Assiniboine Regional Health Authority and indicated that there are non-sustainable models that we have got out there. I wonder if the minister can tell us whether the Assiniboine Regional Health Authority or Manitoba Health will provide a plan, an indication, of which models are not sustainable and what the plan is for the various hospitals and facilities in the Assiniboine Regional Health Authority so that there can be a clearer indication of where things are going.

Mr. Sale: Could I just ask the member this: Is the member aware of the physician study that was done and, I believe, posted on the Web?

Mr. Gerrard: Yes, I am very much aware of the physician study which was done and indicated the numbers of physicians and physicians needing to work together, and so on and so forth. Your comments, I presume, in a sense, take up from that

and indicate that there are a series of non-sustainable models being used at the moment.

Well, what I think is very important for the people in the communities and the future of hospitals and facilities and so on is to have some sort of a plan of what the Assiniboine Regional Health Authority will look like 10 years from now, so there could be a movement toward whatever that plan is and there can be input and consultation and so on from communities, once a plan has been put on the table. When are we going to have that plan? I guess that is the question.

Mr. Sale: Yes, I did not mean to offend the member at all. I just wanted to know whether he was aware of the study, as I did not want to go over stuff he already knew about.

What Assiniboine Regional Health Authority did was to take that, to look at the demographics and utilization rates, occupancy rates in the, is it 22, I think 21 facilities in Assiniboine region, and to then develop some quality indicators.

I think it was a very interesting approach that they took, using literature, and I guess there was a variety of sources. They developed a series of quality indicators that they are now currently workshopping with the community. They met last week, I believe with Rivers, and I think the week before with Rosburn. They have a total, I think, of 60 meetings, that they have had with the communities to look at where they are going and where they propose to go.

I think the approach they are taking is to try and define decision guidelines for future decisions so that, when they come to a crisis point or to a problem, they have got a matrix that they can look at this problem through, that everybody understands, and that there has been at least some consensus. It is a useful way of making that decision.

Now, I have not seen this final report. I believe they have got a number of workshops still to go, but, generally speaking, our staff are aware of what it is that they have been doing, and I think their meeting with Rivers went very well last week. At least, that was the report I got, and I believe the Rosburn meeting was a relatively positive meeting as well. So I am looking forward to the results of this.

I think it has been a very consultative process. They have had a lot of community meetings. They met with members of the opposition in the Legislature who represent a good amount of the ridings in Assiniboine region. In fact, I think they represent all the ridings in the Assiniboine region. If the House leader would nod his head, I would know that I was right. *[interjection]* Yes, there you go. That is very appropriate. I think they should meet with them, and I am glad they did. I think that is a useful process.

They will report whenever they do with the results of the community meetings that they are having now. They are open meetings, as far as I know. The mayor of Rosburn, for example, was in. The mayor of Rivers was involved. So we will see where it goes.

Mr. Gerrard: One of your comments which I took is that you want to be in a position to make decisions. When you reach crisis point, there clearly is another way of approaching that, and that is to do some planning ahead of time so that you avoid getting into crises. A crisis is clearly what happened to Victoria hospital, and we do not need to be back and forth about arguing about what could or could not have been done to avoid the crisis and do better planning.

One of the circumstances that I would ask a question about has to do with a community which has had, in the past, a typical hospital. The community now wants to move toward a health centre, which has got much more of a wellness prevention model, and that community is MacGregor. Under the previous Minister of Health, any progress seemed to have been pretty much stonewalled for five years or so, so I was just wondering about whether you are going to take another look at this and to have an approach which might look at what could be a forward-thinking approach to providing health care on a more preventive wellness model in MacGregor and area, which takes advantage of the current facilities and looks at what the needs of the future are.

Mr. Sale: I appreciate the member's question, because I think he is right on in terms of where we have to go in primary health reform. It has been encouraging to see the College of Physicians, the association of nurses and the pharmacists agreeing on extended practice-nursing regulations, and doing

that by consensus as opposed to having a fight about whether nurses can do more in primary care.

* (17:20)

I think the new Dean of the Faculty of Medicine, Dean Sandham, is very much in support of collaborative education models that prioritize that kind of primary care model, which we have believed in a long time in Manitoba through our community clinics that we have had for quite a long time, which were, as the member knows, strongly opposed by the medical profession, not the profession, by the union, I guess we could put it that way, by the MMA. I hope they have come around to seeing the virtue of collaborative practice models and seeing the future of primary health care as a collaborative kind of future.

In the last year, we opened, I believe it is five primary care clinics across the different parts of Manitoba, The Pas, Riverton. There is a very interesting proposal from Notre Dame de Lourdes for a primary care centre. I cannot speak to the MacGregor situation specifically because I do not know the history of the proposal they are making, but I will look into that and find out more about it. In general, primary health care is the only way I know of that we can change the trajectory of disease and help make our health system sustainable. It is a huge priority for me and for us as a government.

Mr. Gerrard: The Portage Hospital has been in the news lately, and I would ask the minister what his view of the future of the Portage Hospital is.

Mr. Sale: Well, I have had the opportunity to be at the Portage Hospital, was it three times. I cannot remember. I know it is two times. It might actually have been three. We were there for the ground-breaking. Actually the ground was already broken, but we threw some dirt anyway, for the CT scanner which is going in there. It is a 16-slice, state-of-the-art CT scanner. I do not think they will be able to use it right up to its maximum capacity initially but, hopefully, they will fairly quickly.

It will be on a high-speed link to Boundary Trail so that radiologists can read whatever is required wherever they are. I would hope very soon we will have it on a high-speed link into Winnipeg. All of our CTs and MRIs should be able to be linked together. DSM Manitoba is working on that.

The member probably knows we rebuilt and tremendously improved the pharmacy in the hospital. It was a terrible, little cubbyhole. That has been done recently as well. That said, it is an older facility. It is not an inefficient facility in terms of some of the hospitals we have in Manitoba. I think we acknowledge that, at some point down the line, it will have to be replaced, but the overall priorities of the Province are such that I cannot tell the member that it is imminent.

Portage is an interesting place. The physician complement has been very stable. The 12 doctors that are in that group have been very stable, very little turnover. They are an interesting group because they provide a lot of service to the North on a week, a month or a locum kind of basis, and that is really valuable. I am very grateful to them for that. The Portage central region has developed a very strong early childhood program which draws on Public Health and others in that area. I think the Portage Hospital provides very good service. Its emergency room is very busy, about 25 000 visits a year, which puts it in the same league as our community hospitals in Winnipeg.

There is no question that, at some point, we are going to have to do some significant work on the emergency end of that building if by then we have not made a commitment to rebuild it entirely. But, as the member knows, a 90-bed hospital is probably a \$55-million project so it is a very major commitment, and given the overall priorities of the Province, I cannot tell the member that it is high on the agenda at this point.

Mr. Gerrard: The next question concerns the community in the North, probably the largest community in Manitoba which has no hospital or hospital-like facility, which would be Cross Lake of five or six thousand people. This is, of course, a First Nations community. The first question would be, in terms of looking at a possibility of a hospital at some point as this community continues to grow, who has the responsibility for the provision of hospital services and acute care services, and who would have the lead on development of such a hospital, the provincial government or the federal government or the First Nations community?

Mr. Sale: Well, I do not think there is an easy answer to that question. All citizens of Manitoba have the right to access health care. Health is a

provincial area of responsibility. Then on the other hand, all treaty First Nations people have watched the courts interpret the treaty generously, and I think appropriately, as including a fiduciary responsibility of the federal side for what would be called insured health benefits.

FNIM has an uninsured health benefits program, as you know, but that is an area where there is no easy agreement about whose jurisdiction it would be. In the case of Nelson House, they built a personal care home, but because it is an incorporated body, they essentially alienated the land from the reserve on which the nursing home is located so that they would be able to have security against the property.

It is licensed by the Province because it is on non-reserve land and beats all of the modern standards, but this is an area in which the member knows, at least, as well as I do that there is enormous confusion and tension about who is responsible for building what facility. It has not ever been really appropriately resolved.

There is certainly an ongoing struggle about nursing homes. Many reserves now want to build a nursing home and they want the federal government to allow them to do that. The federal government, of course, wants us to pay for it. So this is an area that has not been sorted out and it continues to be a problem for First Nations.

Mr. Gerrard: Maybe when we come back on Thursday, the minister could bring forward or table a document which lays out the relative responsibilities in terms of hospitals in First Nations communities.

I would ask again, and I will mention this now, and the minister may want to bring the information back on Thursday, the cost per procedure for cataract operations, for hip and for knee operations, what those costs are and whether those costs include capital costs of facilities and so on.

Mr. Sale: Again, the member knows that each procedure is different. The prosthesis is different. Time in the OR is different, so an average cost will not maybe be terribly useful. The question of what is included and what is excluded is a huge question if you fully distribute all of the administrative costs or you just distribute the direct costs. I do not think that I can commit by Thursday to having that kind of

costing information that would accurately reflect the different costs in the different facilities.

We can tell you what we budget. I could get that number for the member in terms of what our expectations are, in terms of average costs from a budgeting point of view, but budget and cost are two totally different animals. Cost in HSC per procedure will be very different than the cost for the same procedure in St. Boniface because the footprints, the overheads, they are very different depending on whether you are in the kind of trauma tertiary care centre. The member knows all of this, so this business of average costs does not usually really reflect reality in any location.

Mr. Gerrard: I look forward to whatever the minister can provide. I know that in the area of cataracts, the minister, the government has negotiated with different facilities, and in this area, there would be a particular number that has been used. Maybe the minister can begin by talking about cataracts, but to the extent that you can do it for hips and knees, I would appreciate that. Why do we not talk about cataracts and what you have got.

Mr. Sale: Well, when we moved the cataract surgery from Western Surgery Centre to Pan Am Clinic, we moved the rated from 1000 down to 700 and saved a lot of money in the process. We think it could probably even come down further, but that is where we are now, but I could get the member a little bit more information.

Mr. Chairperson: The hour being 5:30 p.m., committee rise.

ENERGY, SCIENCE AND TECHNOLOGY

*(14:40)

Madam Chairperson (Bonnie Korzeniowski): Good afternoon. Will the Committee of Supply please come to order.

This section of the Committee of Supply is continuing with consideration of the Estimates of the Department of Energy, Science and Technology. We are presently considering the remaining items in Resolution 18.1 on page 68 of the main Estimates book. The floor is open for questions.

Hon. Dave Chomiak (Minister of Energy, Science and Technology): Just to complete a question that came up when we last sat from the member from Russell. He asked for the economic impacts of the St. Leon project, and I have a copy here. Has the member seen that? I only have one copy, so we can make copies for the members. I was going to go into a longer discussion of the whole process, the subsequent process of wind development in Manitoba, for purposes of the Member for Russell (Mr. Derkach), but I will hold off in case the Member for Springfield (Mr. Schuler) wants to pursue that line of questioning at some other point so that it is not redundant. I am just doing that for purposes of time.

Mr. Ron Schuler (Springfield): If it would be agreeable with the committee, would the committee mind if we go global, and then when all the questions are done, we will just go through it line by line?

Mr. Chairperson: Is it the will of the committee that we go globally? *[Agreed]*

Mr. Schuler: This now is the third time I will have sat here as critic for Manitoba Energy, Science and Technology. Of course, the first time was with the first minister of the department, and that was in September of 2003. At that time, we spoke about how it was historic because it was a new department and probably the first time we had had an opportunity to get together and sort of discuss where the minister wanted to go with the department.

The second time was with the now-Minister of Health, the Member for Fort Rouge (Mr. Sale), and that was in May of 2004. It was very interesting because, if you go through Hansard, in September of 2003, the member had just come off an electoral high. He was full of that election-victory cocaine that politicians can get themselves very high on, and he was excited to say the least. He spoke in unbelievably glowing terms about everything he was planning and where he wanted to go. By May of 2004, if you go through Hansard, I point out to him, he was not quite as enthusiastic anymore, but he was still there.

* (14:50)

It was interesting to be able to go through and see where various projects were. I will raise, on numerous occasions with the new minister, some of the concerns I had with the former minister and, of

course, that being the difference between press releases and big announcements and the reality of what actually comes into effect.

I want to take this opportunity to congratulate and welcome the new minister, the Member for Kildonan (Mr. Chomiak) as the Minister for Energy, Science and Technology. There is a lot to be done, and it is an incredibly topical department, not just in Manitoba, but globally. I read in today's paper natural gas is going up at least 10 percent. I know there is a group that came in front of the NDP caucus and presented a video in which there is a lot of discussion about where we are going with our energy reserves. We had the opportunities at caucus to see the movie, the video, and it is very telling. It presents some very startling scenarios, and it was very worthwhile having a look at.

I think we are now in an era of civilization, certainly in our modern cities, in our modern lifestyle as North America, on how do we continue to support our lifestyle in what we have become accustomed to with the Kyoto Accord and with, in some respects, dwindling resources. How are we going to juggle all of those different demands and different issues?

I am a little bit concerned and I will say to this minister, I hope this is not going to become a department where ministers, when they come from very tough departments are then placed into this ministry so that they can sort of catch up on their sleep and get their health back together again. I hope this is not a dumping ground for tired ministers. I know the current minister, the former Minister of Health, worked hard on that portfolio. I certainly do not agree with what he did there, but it is a very, very demanding portfolio. If you look across the provinces, by and large ministers of Health have a very poor re-election rate because their departments tend to consume an awful lot of their time and they tend not to spend a lot of time on local politics. It is seen as a hazard of that portfolio. In fact, I have heard in some regions they call it the department of punishment. That is where the leader puts you if he wants to see your career go down. Of course, I have never been there. Our Minister of Energy, Science and Technology could share some of his experiences, but it is known to be very tough. It is a tough area. Anyway, I hope that this minister will take this portfolio on with enthusiasm.

I am disappointed in this minister in some regards, and I guess now is probably the best time of

any to express my disappointment in him. I know that over the years he spent a lot of time in politics. In fact, if I stand corrected, but I understand that he at one point in time even worked for the Right Honourable Edward Schreyer on his staff. I certainly know he was involved at that time.

This minister has a lot of political history behind him, and I sense from him he is getting tired. I sense a certain amount of cynicism viewed whether in Question Period or viewed as he goes through the public, and I would say to him, that is disappointing. I hope we can get into a debate, albeit we will disagree. We will have areas where we might, as the Conservative opposition, have liked more attention. There will be areas we will agree on. Is the St. Leon wind farm a positive thing? Absolutely. I think the federal government and the way they have set up the tax rebate system has benefited our province, and it will always be a good thing when you go into different areas of producing energy.

If we do not look at other models and build them, and then from there improve on them, and finally get to a system, and, who knows, in 20, 30 years we might have perfected it, where it is then an incredibly viable option to gas turbines and all the rest of it.

Anyway, that is for later on, as the minister said. He would like to get into the whole wind power debate, and I certainly would also like to ask him some questions there. But I hope the minister does not bring over his very hard partisanship from Health. I do not think it needs it in Energy, Science and Technology.

I asked him a question a while ago. In fact, I am going to raise that with him and, frankly, I thought he was fairly disingenuous about it. I believe, as do many environmentalists, that singularly the worst thing for the environment is an NDP government. And people do believe that. They see the record not being as strong as they thought it would be. That is certainly an area where we will disagree on, and the minister, by all means, will put on the record what he believes his party and his government have done for the environment.

We believe that there are a lot of opportunities, there are a lot of places that should be looked at, and we believe that there are a lot of commitments that

were made that have not been lived up to, and later on we will be touching on some of those.

So this is a very, very important department for government. I think in history when we look back, the energy debates, I believe, will become greater in scope and much more significant in importance. Because, as I already mentioned, we are developing large, modern cities that demand ever-increasing amounts of energy. At some point in time we will have to, as North Americans, in fact as individuals who inhabit this earth, how are we going to continue to keep fuelling that demand? I am sorry, how are we going to satisfy that increasing demand? How are we going to provide that energy?

So I leave those few comments on the record, and would like to ask some questions about wind power. I understand the Member for Russell already had started the conversation with the minister, and I had some opportunity to go over some of the discussions. I do have several questions that I would like to ask, just departmentally, and then slowly move into the various areas.

My first question is can this minister tell us where exactly is the department housed. I think it was slowly being consolidated in the Paris Building. Is that where the department is being housed, or where is that? Where is the department at right now?

Mr. Chomiak: I should mention that we are joined by John Clarkson, Lynn Cowley and Craig Halwachs, and we will shortly be joined by Jim Crone from the department.

I also want to advise the member that I have read the previous transcripts of Hansard, and I agree with the member that I would prefer that this not become a partisan, nor a personal discussion. I think there are enough facts and issues to carry us through productively. I will refrain from my own disagreement with the member's interpretation of the personalities and the particular disposition of members of the Legislature. We all have our own comments, and I prefer to keep mine to myself.

* (15:00)

The member asked, specifically, the department is housed in three specific areas: the Paris Building, where Science and Innovation is; 155 Carlton, where Energy is; and 215 Garry, where MICT is.

Mr. Schuler: The minister, did he say there were three different areas where they were housed? Paris, Garry Street and, did I miss one?

Mr. Chomiak: Yes, thank you, Madam Chairperson. Paris, where Science and Innovation is housed; 155 Carlton, where Energy is housed; and 215 Garry, where MICT is housed.

Mr. Schuler: Thank you for that.

Can the minister tell us who his assistants are? He, obviously, has executive assistants and special assistants.

Mr. Chomiak: Madam Chairperson, my executive assistant in the constituency is the same as it has been for the past five or six years which is Evelyn Livingston. My special assistant is Jeff Sulymka, and the special advisor to the minister is Susan Budnik-Pilon.

Mr. Schuler: So the minister has an EA and two SAs for his department, and then how many other staff beside these? I take it these of course are his political staff. Besides the three political staff, who else works in his department?

Mr. Chomiak: Madam Chairperson, I suppose it depends how one defines political staff. All people define it differently, but also in the office of the minister is the appointment secretary, Shirley Heppner, and the administrative secretary, Jo Ann Van Santen. That comprises my office.

Mr. Schuler: How many communicators does the department have?

Mr. Chomiak: Madam Chairperson, I do not believe we have any communicators.

Mr. Schuler: So the communications that are done by the minister, is that done through Cabinet communications or is it run through a house within the department?

Mr. Chomiak: Madam Chairperson, the way I understand it is similar to other departments, where in-house communications are handled in-house and other communications are handled by Cabinet communications.

Mr. Schuler: Who is in charge of the in-house communications?

Mr. Chomiak: Madam Chairperson, as I understand, communications was centralized some time ago in Culture, and they provide the in-house communications.

Mr. Schuler: So the communications under Culture, they do all the communications for the entire government, all the departments?

Mr. Chomiak: Madam Chairperson, I can only speak to the departments that I have been associated with and they were involved in doing Health communications and they are involved in doing EST communications.

Mr. Schuler: Are there any other order-in-councils working for the minister in his ministerial office?

Mr. Chomiak: Madam Chairperson, I do not believe so.

Mr. Schuler: Within the deputy minister's office, how many staff work for the deputy minister?

Mr. Chomiak: Madam Chairperson, two.

Mr. Schuler: Those positions would be?

Mr. Chomiak: Madam Chairperson, appointment secretary and receptionist.

Mr. Schuler: Then, just to wrap this up, the executive assistant, special assistant, and special advisor, what category of staff are they?

Mr. Chomiak: All three are in the Professional/Technical classification.

Mr. Schuler: What pay scale? Are they at the top of their pay scale?

Mr. Chomiak: I will get back to the member with the specifics of their range and the various pay scales.

Mr. Schuler: Thank you very much. I know that on Thursday the Member for Russell (Mr. Derkach) and the minister began to discuss the wind farm in St. Leon, and the minister gave a little bit of a discussion on it. My first question to the minister is we keep

hearing that this is the largest wind farm in, I think they call it, North America, if I am correct. Can the minister tell us how is it that you quantify the largest? Is that because it has the largest units or is it going to be the largest producing?

Mr. Chomiak: That issue is actually a bit of a rolling target, but it is based on capacity and the output of the wind farm. In this case it is 99 megawatts.

Mr. Schuler: The second-largest wind farm that we seem to be comparing ourselves against is who?

Mr. Chomiak: Just a couple quick points. It depends upon whether it is announced wind farms or actual wind farms that are up and running or ones that are in the planning stages. The older scale of wind farms were lower in megawatt capacity because the machines and the ability to generate electricity were much smaller. Both Québec and Ontario have announced plans for significant wind farm and wind-farm production. In the case of Québec, I think they have started production. In the case of Ontario, I do not think they have. Saskatchewan has a wind farm that, I believe, is less than the 99 megawatts. Alberta has a scattering of wind farms. I do not think any one in itself is beyond 99 megawatts.

Mr. Schuler: The proposed, or the announced, wind farm in Québec, how many megawatts is that going to be?

Mr. Chomiak: Our energy guy will be here shortly, but I believe that Québec is talking about somewhere in the vicinity of 800-1000 megawatts, if memory serves me correctly, and a very ambitious scheme that they have undertaken, a number of announcements, and incentive-based wind farms that Québec and Hydro Québec have announced, but I will get specifics to the member when our wind energy guy arrives.

Mr. Schuler: They also have a very much of an unfair advantage over Manitoba in that they can put them all just across from Parliament in Hull.

The other thing I think that— *[interjection]* That is my one politician joke for the day.

My next question is over the years that we have discussed wind farms, I understand the degree to which the new units can take cold air and then the

minimum-maximum speed has also changed. The new towers that are going up currently, can the minister tell this committee, it is very technical in nature, sort of, what the minimum amount of wind is that you need and then the maximum amount that they can take? To what degree can the temperature fall before they have to be shut off.

Mr. Chomiak: I will also defer that response until our energy wind expert has arrived in order to give a precise response to the member.

Mr. Schuler: Back to when you spoke about the largest wind farm. Is that for Canada or is that North America?

* (15:10)

Mr. Chomiak: Again, as I indicated, it is a rolling target. Generally, I would feel comfortable saying Canada and, perhaps, United States, but I would not feel necessarily comfortable in bringing the United States in because there has been a fair amount of movement in that area. But, in terms of total megawatt power, in terms of Canada, at this point, I believe it still would be the largest in the country.

Mr. Schuler: I thank the minister for that. I understand we do not have the resident power specialists here yet, but I feel the technical questions, again perhaps we can go back. I think where technology is going is very important, that you can run them at colder temperatures. We were driving through Lethbridge heading towards the mountains. The wind was quite severe, and I noticed that quite a few of the units were not running. I guess at a certain wind speed, they have to be shut down.

My next question to the minister is that I noticed that everybody seems to be very, very careful in mentioning 99 kilowatt hours. Why not like a 101 megawatt? Why not 95? Why is it 99? I think I saw one even 99.1. Why does it always seem to be just 99? Is there a reason for that?

Mr. Chomiak: I think it is 63 towers going up at 1.65 megawatts per tower. At certain levels of megawatt production, different environmental processes kick in for review of particular processes.

Mr. Schuler: Speaking about that, it, of course, went through the environmental review process. Were there a lot of concerns raised at that time in regards

to the fact that it was always at 99 that it did not kick into another area?

Mr. Chomiak: I was not at the hearings. I understand, obviously, it was approved. There were some submissions, I understand, that were critical of the wind power application, but it was approved.

Mr. Schuler: So these units that are being built right now, that will constitute one wind farm. If another project were to be proposed, would that be considered a new project or would that be added on to these numbers?

Mr. Chomiak: We anticipate by the end of the year that the operation of the wind farm will be providing 99 megawatts of power by year-end. There is also potential for other wind farms either adjacent to or in different geographic locations that are being monitored and assessed, and processes are going on as we speak.

Mr. Schuler: Would they be seen as a completely new project, or is that an addition on to this wind farm?

Mr. Chomiak: At this point, I believe that other proposals would be considered new proposals, new wind farms.

Mr. Schuler: So, as long as they keep under 99 megawatts, then they are considered to be a project unto themselves, and then they just stay within a certain category of environmental licence.

Mr. Chomiak: No, other proposals could come forward that could have in excess of 99 and then would trigger different environmental processes, or other proposals could come forward that are less than 99, individual projects, for example, on an individual basis that would trigger yet different environmental procedures. I believe 100 megawatts is the cut-off for a more extensive, more intensive environmental review process, if I can put it in those terms.

Mr. Schuler: So how much different is the environmental review? What is it that you have to do beyond the review? If the minister could just walk us through it on a more general basis, what review process did the St. Leon wind farm have to go through, as compared to a wind farm that was producing 101 kilowatts?

Mr. Chomiak: Now I am not an expert in this particular area, as opposed to the Minister of Conservation (Mr. Struthers), who is charged with the responsibility of dealing with these issues. But, just in general, I think what we are talking about are processes that take place that are triggered by the particular size of the project.

I think in the instance of less than 100 megawatts of power, we are talking about processes that might take weeks or months, where something in excess of 100 megawatts of power puts us probably in the range of years in terms of specific reviews and approvals. So it is generally in line with those kinds of procedures.

Now some issues are changing on that particular front with respect to, perhaps, the possibility of federal environmental guidelines and provincial guidelines attempting to be more in sync in order to expedite the process on renewables, for example, which has been a point that has long been made by Manitoba with respect to environmental reviews of something that is renewable, versus a fossil fuel or non-renewable type of resource. But that gets us into the NR-Can world and the Environment Canada world, which is a whole different environment, no pun intended, in this area.

Mr. Schuler: One of the arguments that some environmentalists have put up, and I am sure the minister has read it, the argument that comes up in periodicals, newspapers. Flying around, you always get these magazines, and of course, it has to do with wildlife, in particular, birds. I can think of a whole slew of golf courses that would not mind one of these wind farms around them if it would help with the geese problem, which seem to be eating the golf courses out of their business.

Is it something that the department will do, or is it department of the environment that will monitor what effect that does have?

I have read, and, again, there are individuals who claim that this will wipe out entire flocks and you will have nothing but carnage underneath the windmill. I always find there is no proof like real proof when you do a, pardon the pun, head count and you find out that actually that is not the case, or maybe it is the case.

Again, this is new for Manitoba, and I was just wondering how will this be monitored.

Mr. Chomiak: That is a valid question. It has been asked, and Conservation does monitor those particular matters. When I did have the opportunity to look into this matter, the statistics on migrating and flocks of birds, et cetera, was—it escapes me, the specifics, but it was quite minimal. It was something like three per wind tower per year, versus literally hundreds or thousands that hit a large office tower in any given city in any given year. So, generally, the stats that I saw specifically related to this, and I did see statistics were quite low. We can endeavour to get the specific stats to the member in terms of the effect on migration and migrating birds, et cetera.

Mr. Schuler: Again, I think that is something that, over the years as the project is up and running, will make a, you know, again, to quote a former Prime Minister, "The proof is in the proof." There was actually more to the quote, but I think we will just leave it at that.

I think the minister makes a point, and again, we will see what the proof is, but I suspect there are probably more deer being hit on the highways right now than, perhaps, anything else. That is a different issue for a different department for another day, but, anyway, I appreciate the minister's comments on that.

*(15:20)

Can the minister tell us how many other companies are looking at setting up wind farms in Manitoba, whether they are just sniffing around, whether they are just, pardon the pun, hanging a sock out? What is the state for their expansion?

Mr. Chomiak: As I understand it, there are now 10 developers at various stages of looking around the province.

Mr. Schuler: Now is that considered a large amount of developers, say, as compared to another jurisdiction?

Mr. Chomiak: That is an interesting question in terms of how one wants to view this particular matter. I would say, from a Manitoba perspective, it is quite exciting. In some senses, given some of the monitoring of the wind regime, it is not surprising in some of the developments that occur and that have occurred to the south of us.

On the other hand, given some of the developments, in terms of the renewal and the expansion of the Whitby subs incentive and some of the pronouncements by both the Ontario government, both Ontario and Québec, the developers are looking around to maximize benefits in a number of jurisdictions.

Mr. Schuler: Interesting the minister brings up other jurisdictions. For instance, in North Dakota, is there a substantial amount of development taking place there?

Mr. Chomiak: There is a lot of interest, but not a lot of development in North Dakota. North Dakota, as I understand it, suffers from the disadvantage of not having appropriate transmission capacity.

Mr. Schuler: I understand that, I choose my words carefully here, the North Dakota state legislature has also stopped all subsidy to any wind farm development, any ethanol development, because they do wish to keep their coal industry alive and well, because I understand there is still quite a bit of coal mined out of North Dakota.

So, basically, what the minister is saying, one of the reasons why we have a developing wind farm industry in Manitoba is because of the hydro lines. Would that be a fair argument?

Mr. Chomiak: Yes, that would be a fair argument. The capacity of the system is affected by not only the ability to transmit, but the ability to store. It is considered ideal to be in a situation where you have a hydro-electric system and a wind system where the two can augment each other vis-à-vis wind blowing and water storage, and you have the ability to shape and form your power on the basis of that. The analogy is made to the battery and the generator and the member, he has discussed that in the past. The more difficult concerns are relating to areas that do not have transmission capacity or have stranded wind farms in terms of picking up the capacity. That is an issue in a number of jurisdictions.

With respect to the North Dakota legislature, it is interesting because Minnesota has proceeded to go at another way and a number of American states have proceeded to go in a number of ways. There is a bill before the Senate right now, with respect to energy that is before the U.S. Senate that is purported to provide subsidies to "clean coal," non-renewables

like fossil fuels, contrary to the message from the President, who has said he wants to subsidize renewals. So there are some conflicting arguments going on to the south of us with respect to these matters.

The subsidization issue, I believe, is a state issue that is renewed yearly and is done on a state-by-state basis, the subsidy on wind. The overall subsidy is federal, but is it ratified by the states? But it is ratified yearly. The overall subsidiary in the United States is a federal subsidiary, which is ratified yearly.

Mr. Schuler: Seeing as we now have the specialist at the table, the question previously was temperature and speed, climate and how strong the wind is before it brings the unit into, where they have to lock it down. Could the minister find out from his specialist where are we now with those parameters?

Mr. Chomiak: Madam Chairperson, the wind speed maximum is eight meters per second. There is a 40 percent-plus capacity factor. At minus 40 Celsius, temperatures shut down.

Mr. Schuler: The speed, is that convertible into kilometres? Approximately what kind of wind speed are you looking at before it becomes too strong? These units, where are they actually manufactured?

Mr. Chomiak: Madam Chairperson, Denmark.

Mr. Schuler: The complete unit is manufactured in Denmark?

Mr. Chomiak: Madam Chairperson, Vestas, which is an international, Danish-based company, has the blade manufacturer in Britain, Isle of Wight. The generator is in Denmark, and portions of the tower are in North Dakota and Saskatchewan.

Mr. Schuler: Next question to the minister: How much are we paying for the power that we are getting from these windmills?

Mr. Chomiak: Madam Chairperson, of course, the Government of Manitoba is not subsidizing this project. That is the first thing. The second thing, and I discussed this with the Member for Russell, insofar as this is a commercial operation with a third-party involvement, that information can be garnered through other means and other methodologies, but

the general policy is to not reveal commercial contracts that involve third parties.

Mr. Schuler: Currently, we have a price attached to what we pay for. I think it is called kilowatt hour by Manitoba Hydro. What is the cost for kilowatt hour by Manitoba Hydro?

Mr. Chomiak: Madam Chairperson, I cannot give the member an average cost. There are a variety of costs calculated as mediums or average by Manitoba Hydro. Some of that information I can provide to the member when Hydro appears before standing committee, but there is not an average cost I could apply to a kilowatt hour at this point.

Mr. Glen Cummings (Ste. Rose): Asking questions about price does not constitute being opposed to the project, but we are talking about a monopoly public utility. How is it that you attract 10 competitors for production in the province if it is not relatively common knowledge what Manitoba Hydro might be prepared to pay to acquire wind-generated power?

* (15:30)

Mr. Chomiak: Yes, Madam Chairperson, that is precisely part of the point. Clearly, Manitoba Hydro, in its own commercial interests, will try to minimize the payment, and, clearly, the developer will try to maximize the payment. That, in fact, is a process of negotiation that takes place.

Mr. Cummings: With respect, I do not think the public would be too comfortable with the minister's answer. It is one thing to say the government is not subsidizing it, but let us assume the worst-case scenario, if my farm rates are subsidizing it. *[interjection]* The minister can say there is no question there, but I think there is legitimate interest as to what the costs will be to a single-monopoly supplier, one of the biggest companies in the province. People at some point need the right to compare that to the cost of water production, steam generation and other competitive sources.

The minister is looking at that. There is a reason for asking this question. Mr. Brennan told me in committee not to worry about it; he was going to be negotiating the deal. Now I want to see how good a deal he made. "Trust me" is not an answer in this business.

Mr. Chomiak: It is not as simple, and the member has farmed and the member knows that the costs change and factors change and there are variable factors. In Manitoba there is a wind regime that has now gotten attention from Hydro and from the Province with respect to diversifying the dependency and diversifying the portfolio, as it were, for Hydro. Secondly, there is a marketplace that determines price based on a variety of factors. Thirdly, Hydro will and ought to be in a position to negotiate to achieve the best possible rate for the ratepayers and the taxpayers of Manitoba, which information is provided to the Public Utilities Board, an independent quasi-judicial body. It reviews rates, reviews applications and matters of that kind.

Mr. Cummings: Madam Chair, I do not think there is any productive aspect to pursuing this for a great length of time in committee, but, as I recall, Hydro, when they were offered power to buy not that long ago from other sources, told the proprietors to buzz off. What has changed?

Mr. Chomiak: Much has changed in the past period of time. Hydro has gone through one of the most severe droughts in its history and is now rebounding. Natural gas prices and fossil fuel prices are at a historical high in this country. We have a federal government that has put in place a fairly significant—we can discuss the merits or the non-merits of it—program to deal with matters of climate change and energy, energy renewal, et cetera. So there is a different set of characteristics before all of us. The Member for Springfield (Mr. Schuler) made that point in his opening statement about how some significant matters are before all of us as Canadians and as participants on this planet in terms of making decisions. So those are all factors that affect and continue to affect the allocation and the judgment and the determinants in terms of how we will develop energy and renewable energy and sustainable energy now and into the future.

Mr. Cummings: The last question, Madam Chair, is there a federal subsidy. Is that what the minister just said?

Mr. Chomiak: Yes, there is a federal subsidy that applies to wind regimes. It has been extended in the most recent federal budget, which is yet to be passed. I would suggest, and I have to admit that, as someone sitting on the sidelines observing developments on the federal scene, I suspect, I do not know,

but my own gut feeling is that a lot of projects that were anticipated into the future, people may take a step back until the situation clears up in terms of Ottawa and how matters are going to develop there because there are several initiatives, for example, in the most recent federal budget that deal with energy and energy renewal, that if the federal budget does not pass, will then be subject to review and scrutiny by whomever. So it is an interesting time in that regard.

Mr. Schuler: The minister gave a great segue into the next issue and that is the federal Kyoto plan. I am sure the minister knows even his own party's position, federally, that they are not pleased with where the federal government is going, and I think, probably, to this minister's government's horror, the Prime Minister announced that we are going to have an eight-to-ten-month federal election campaign. Or, if sanity reigns, we will actually have it a little bit sooner than that. That must be difficult, especially when you are trying to attract people to look at the Kyoto Accord and to try and plan.

My question to the minister is does the minister see any hope for an east-west corridor taking place, or monies coming out of the federal Kyoto plan as it stands, assuming it will pass. Does the minister see monies in there for an east-west power corridor?

Mr. Chomiak: Yes, I do, all things being equal today.

Mr. Schuler: Is that the indication the minister has received from his federal counterparts, that the federal government is committed under that \$10 billion that an east-west corridor is part of that program.

Mr. Chomiak: The east-west corridor was mentioned in the Speech from the Throne. It was referenced at least eight or nine times in the Green Plan put out by the federal government. The Minister of Finance has publicly stated to me that they are interested in the east-west grid, as has the present Minister of Environment, as well. So, based on those assurances, that is why I gave the response I gave to the member's previous question.

Mr. Schuler: The minister knows that, even within his own government, an announcement is hardly a spade in the ground. If there is one thing that this minister's leader, the Premier of this province, has

learned from the federal Liberal Party is the beauty of announcing something 10 times, and then deciding whether or not to build it. That has to be a concern for this minister and for everybody involved, and ask Gail Asper that. Unless you have the minister on the ropes, until you actually have Reg Alcock bound and tied on the floor so that he actually presents some money, verbal agreements, even between the Prime Minister and the Aspers, was the reality.

I think for Manitobans that it is a concern. As soon as the election hype is over, does that mean we may or may not have the east-west power corridor, which then, again, plays into what the minister is talking about? I know that back in May of 2004 the then-minister talked about 175 units being up and running at some point in time or possibly more. After a while, you have to have a very strong grid to put all the electricity on. That way, you hold back water and you transport that electricity to various markets, and that is where the value of it comes in.

So, clearly, there is a lot of concern with the political instability at a federal level and, I suspect, the next two weeks or three weeks we will find out if that instability will continue for the foreseeable future or if it is going to come to an end and we will have an election.

Again, obviously, I would like to see an east-west corridor. I think it is important for Manitoba to get our hydro to market. I am just, perhaps, not quite as optimistic as the minister at this point in time. On this one instance, I hope the minister is right.

* (15:40)

Mr. Chomiak: If we remove the partisan issue, if we remove the political issue from the question of an east-west power grid, on logic alone and on the Canadian federation alone, there are merits in an east-west power grid. If Manitoba had more than the capacity to transport 200 or 300 kilowatts of power along the line to Ontario during the Ontario blackout, we could have assisted Ontario and perhaps the northeastern states in dealing with their power blackout.

If you look at the transmission lines in this federation, they run north-south, and here we have a renewable resource in British Columbia, Québec and, to a certain extent, Ontario, that is backed up by

a volatile natural gas, volatile and pollution-producing coal and nuclear energy, and we have capacity to build in this country an east-west grid that would provide both security of supply and backup to the entire country, which would not only deal with sustainability and consistency in the future in terms of power, but because it is a renewable resource, ensures relatively stable rates into the future.

On a business case or federation case or on a logical case alone, the east-west power grid holds its own. On that basis, it is not even a question of relying on politics or partisanship, it is a question of relying on logic to deal with the issue. One hopes, in any policy-making decision, that logic would prevail.

Mr. Denis Rocan (Carman): I premise my comments with the comment that just came from the Member for Ste. Rose (Mr. Cummings) where he said, "By no way asking questions on this project meant that the Conservative Party was against this project happening." I want to be very straightforward in my comments that I appreciate the work that has been done, not only on behalf of my constituents, from this Minister of Health, or former Minister of Health who now is Minister of Energy (Mr. Chomiak), but the now-Minister of Health (Mr. Sale), who was then the Minister of Energy and indeed, the Premier.

What is very remarkable is the fact that this particular minister has been able to surround himself, and I use the words of the Member for Springfield (Mr. Schuler), with a specialist in the wind energy. My constituents, specifically those in the St. Léon area, are extremely proud to have made your acquaintance, sir. The knowledge you have brought forward on behalf of this entire project has made it indeed worthwhile. We have been quite pleased with the openness that your minister, deputy minister has allowed certain individuals to ask questions, and using your expertise and your knowledge, have tried somehow to make certain decisions that will affect their life for many years to come.

My school division is extremely proud and pleased that this government has seen fit to go ahead with this particular project. The Rural Municipality of Lorne is extremely proud also, because the benefits that we are going to be receiving are second to none. The \$189 million of capital investment, I believe, is the number we have been bantering about

at home, is equal to or greater than the entire capital presence in the city of Brandon from Simplot, including Springhill Farms in Neepawa. Combining those together is the amount of capital investment we are getting in La Montagne, in Mountain, specifically St. Léon in the R.M. of Lorne.

We have nothing but good to say. Every shopkeeper in the community is extremely proud of the involvement. I will keep using the terminology "sequoia," because it is the one that sits here in my mind today, but, as you know, that name has changed a little bit over time. There are several others right now who are toying with the idea of participating in this wind generating that is promoting itself in our area. We, without a doubt, as was said here in an opening ceremony, it is a win-win situation for us because we do have the amount of energy that is required to turn these big turbines. We also have the grid in place, the network in place that will move this electricity we are about to produce on behalf of the people of the province of Manitoba.

On behalf my constituents, without a doubt, we are extremely proud and pleased to have been able to take part in this wonderful, remarkable achievement that will benefit not only us, but, indeed, everybody in the province of Manitoba. That is all I had to add from this side, but, Mr. Minister, if you have more to add, I would be pleased that you would comment on it.

Mr. Chomiak: I just want to add two points to that. (a) I do appreciate the member acknowledging the terrific work of the staff in the department who, as the member knows, work long hours out of commitment to public service, and it is very satisfying to see that acknowledgement for them.

Secondly, I want to thank yourself, sir, for working on behalf of your constituents in order to bring about this development. This is not a partisan or a political issue. This is economic and energy development for all of Manitobans. We have all been in this together, and your work has been appreciated as well. I anticipate further development in this area, as well.

Mr. David Faurshou (Portage la Prairie): I would like to ask the minister, because it falls within his portfolio, an update of the program or entity known as Efficiency Manitoba, and to express at this

time the progress in that particular body's undertakings. Then I have a couple of follow-up questions on that vein.

Mr. Chomiak: The member will know that Efficiency Manitoba was announced as a one-stop, effectively, a clearinghouse for energy-related and energy-efficiency ideas across government dealing with not just the usual issues, such as the very successful Power Smart program that Manitoba Hydro operates which received an award this year as the best in the country, but dealing with issues of stewardship crossing a wide variety of departments. Because of the complexity of establishing this, it has not developed quite as fast as we had anticipated, but we anticipate continued developments in this area, including increased demand-side management on a variety of fronts, as well, developments on the stewardship side that will occur with discussions that are occurring with industry.

Mr. Faurshou: Thank you very much for the minister's response. To put it lightly, or understatement, that it is a complex issue to draw together the various programs that one wants to be effectively in harmony with the environment and in making certain that we do all that we can to make the most of our energy sources.

But I believe, Mr. Minister, you have the opportunity, with the deputy minister in your department, also chairing the Tire Stewardship Board that currently is struggling to fulfill its mandate, and I am hoping that, through your department, you will see merit in that particular entity and the valuable contribution it does make to the province in the recycling of used tires. So I ask the question, has the minister been aware of the potential insolvency of this organization due to the lack of resources to carry out its mandate, and has the minister made efforts towards making the Finance Minister (Mr. Selinger) aware of the absolute paramount need to return the provincial sales tax portion on the environmental levy that was previously received by the Tire Stewardship Board, that now is retained by the Treasury department and not forwarded as a grant to the Tire Stewardship Board, as was the case prior to the budget year 2000?

* (15:50)

Mr. Chomiak: We are aware of the issues involved at the Tire Stewardship Board, and the Department

of Conservation and staff are working on this issue in consultation with officials from Efficiency Manitoba and other agencies in order to resolve it in the fashion that will have it function in the best possible approach for all Manitobans.

Mr. Faurshou: Well, I appreciate the minister's response, but I am afraid that we are going to have to be a little more definitive in order to address this very pressing matter, and it is not for a lack of trying on behalf of the board members and staff of the Tire Stewardship Board, so I will leave it with the minister, but, please, if you will, keep this as a known priority under the responsibility he has for Efficiency Manitoba.

I also want to ask the minister in regard to pressing issues of animal rendering here in the province of Manitoba. There was a proposal making use of the methane gas produced by the potato peel digestion in Portage la Prairie, both by McCain's and that of Simplot, and that this energy source was identified as a potential for gasification of rendered animal by-products, and currently that is in a holding pattern simply because of the needed additional resources in order to get this pilot project up and running.

First off, I would like to ask the minister if he is aware of the potential gasification, making use of the methane gas off the digesters in Portage la Prairie and whether or not his department is active with other government departments to see this very, very important project through to establishment.

Mr. Andrew Swan, Acting Chairperson, in the Chair

Mr. Chomiak: First off, just let me advertise a bit the biodiesel report. I do not know if the member has had a chance to receive it and review it, or all members. It is worthwhile reviewing regarding some tremendous potential. There is an excellent potential for biodiesel development in this province. There are a number of factors that have to come in line, but there are some excellent opportunities.

A number of uses are being looked at for the Simplot waste, including ethanol as well as the issue of animal waste being used as a biodiesel product in Manitoba, so I think there are some very interesting developments that can occur in this area, and we are looking at the options.

Mr. Faurshou: I do appreciate the minister's interest in this project, but again, we are coming to a critical point in the time line to see this effectively go ahead. The involvement of private enterprise as well as government in this is it is needed to have attention very shortly; otherwise, we may lose this opportunity to establish and make use of, currently, an energy source which is being flared away, and no substantive use is being made of this valuable energy by-product of the digestion of the potato peels.

The other question I want to ask the minister is does the minister have further comment on methane gas in Portage.

Mr. Chomiak: I will get back some specifics to the member on that particular operation to provide the member with more specifics and an update on it.

Mr. Faurshou: Thank you. I really, truly appreciate the minister's apprising me of developments.

The other question I have is in regard to the ethanol industry here in Manitoba, and the potential that that industry has into the future with the legislation passed a year and a half ago. The Ontario government is pressing ahead with a very similar program to promote ethanol. There is a significantly different plan for support of that industry in Ontario, and the particular project I had opportunity to be made aware of, has seen a tremendous amount of support from the various sectors that have interest in seeing this industry expand. There is almost a line-up at the door of potential investors to get ethanol plants constructed, up and running, and production available to see a greener fuel made available to consumers.

I am wondering if the minister is considerate of a different way to approach support for the ethanol industry here in Manitoba.

Mr. Chomiak: Yes, Mr. Deputy Chairperson, as the member is probably aware, it will come up during, I am sure, the course of this Estimates, there were two companies that applied for this second round of federal funding, as I understand in Manitoba, under the second round of the federal support program. There are at least two other companies and numerous other entities looking at ethanol development in Manitoba.

We are aware of the Ontario provisions. We are actually excited about the possibility of perhaps Ontario being an export market, in fact, for Manitoba, because of the lack of heat stock capacity in the Ontario region and area. We are also aware of the differences in the Ontario regime they have put in place. Having said that, I do not want to go much further.

Mr. Faurschou: I appreciate the minister is aware of the difference in regime of support emanating from the provincial government, Ontario versus Manitoba. I truly hope he can make the points known to the Treasury Board members, as well as the Finance Department, to see a greater level of support. I truly believe, as the minister is aware, that we do have the feed stocks here in Manitoba, and the agricultural industry which is struggling, needs an opportunity to diversify for value added to production here in the province of Manitoba.

Also too, I hope that you, Mr. Minister, have a chance to look at the by-products of the ethanol industry insofar as the heat generated through the water expelled from the cooling operations of the ethanol plant and making that water source available to potentially seeing aquaculture developed here in the province of Manitoba to a further extent and providing the very healthy food source as, again, a by-product of an industry that I think has a significant part to play here in Manitoba, not only from an agricultural perspective, but an energy source perspective.

Mr. Chomiak: Yes, Mr. Deputy Chairperson, for all of the reasons the member cited, the people in our energy initiative are as excited as the prospect for potential and have reviewed all of those aspects that the member has mentioned as well. Certainly in a paramount sense, the ability of our agriculture community to diversify and to have the ability to have economic development at home in a finished product is very attractive and something that we are interested in as well. We are continuing our efforts in this regard, and we are very hopeful that in six to eight weeks or sooner, when the second round of federal announcements has come out, it will be very positive for Manitoba.

*(16:00)

In addition, I think the potential is even greater in terms of economic diversification in biodiesel,

biofuels across the province. There are excellent opportunities, as well, so we are aware of that and we are as excited, if I can put it in those terms, as the member is.

Mr. John Loewen (Fort Whyte): I see in the Estimates Expenditure book that the deputy minister of the department is Mr. John Clarkson. Can the minister indicate how long Mr. Clarkson has been the deputy minister of the department?

Mr. Chomiak: Thank you, Mr. Deputy Chairperson, since the inception of the department.

Mr. Loewen: I am just recalling here, '97, '98?

Mr. Chomiak: John Clarkson has been deputy minister since September '03, when the department was created.

Mr. Loewen: Prior to that, he was deputy minister of?

Mr. Chomiak: Prior to that he was assistant deputy minister in the industry innovation Department of Industry.

Mr. Loewen: Can the minister indicate from when? You said, "prior to that," I am just looking for a year.

Mr. Chomiak: April 2002 through to March 2003.

Mr. Loewen: And prior to that?

Mr. Chomiak: Do you want a CV?

Mr. Loewen: No, I have just got a couple of questions.

Mr. Chomiak: From March '97 until March 2002, he was vice-president of the Economic Innovation and Technology Council.

Mr. Loewen: So, just for clarification, I guess, his term of tenure in the civil service started in March '97?

Mr. Chomiak: No. Prior to that, Mr. Clarkson was employed by Treasury Board from 1983 until 1990.

Mr. Loewen: Thank you. Mr. Clarkson sat on the board of Crocus until April 2004, I believe. Can the minister indicate when he was first appointed as a director of Crocus?

Mr. Chomiak: Mr. Acting Chairperson, I do not have specific knowledge of that during my tenure as minister, and I just wonder if we are going to get into the Crocus question whether it is appropriate, since the matter is before the Securities Commission and before the provincial auditor, whether or not I should actually be answering those particular questions during the course of the Estimates that are under review.

Mr. Loewen: Well, given the dates that the minister has given me, obviously, I believe from the record, his deputy minister was a director of Crocus in an overlapping period when he was also deputy minister of the department. I mean, the deputy minister is at the table, I am just looking for when he started.

Mr. Chomiak: I do not have the specifics here. It is part of the public record.

Mr. Loewen: Obviously, the minister is more interested in avoiding answering questions on this rather delicate issue for him. I can appreciate that, but it is a pretty simple question. You know, I just ask was Mr. Clarkson appointed as a board member of Crocus in 1997.

Mr. Chomiak: Again, we are going back to 1997. We are going back to a period of time when, in fact, I was a member of the opposition, Mr. Deputy Chairperson. We are dealing with legislation and an act that was brought in by the government of the day, of which I was a member of the opposition. I can tell you that if I had walked into Estimates in a minister's department by the government of the day and started asking questions that the member is asking, I would have been shut down real fast. I am not trying to be difficult, but I do not see the relevance of this particular question to the Estimates that we are reviewing at this point in time.

The member can ask those questions during other Estimates, the member can ask those questions in the House, but I do not see it as a productive use of time during the course of these Estimates.

Mr. Loewen: Can the minister indicate did his deputy minister resign from the board in April 2004?

Mr. Chomiak: That was prior to my tenure as Minister responsible for Energy, Science and Technology, but I understand he resigned from the board in May of 2004.

Mr. Loewen: I thank the minister for that. Can the minister explain why Mr. Clarkson resigned from the board in May 2004?

Mr. Chomiak: I am not getting into subjects that are unrelated whatsoever to the Estimates that are under review.

Mr. Loewen: Well, this is totally relevant. He has a deputy minister sitting at the table with him who is put out in the Estimates book as his deputy minister. Part of his certain roles and functions are described in great detail. We need to know what has happened and what is going to happen going forward. What reason did Mr. Clarkson give for resigning from the board in May 2004?

Mr. Chomiak: The issue under review has no relevance whatsoever to the Estimates that are under review. There is no connection whatsoever between the member's question. I am not going to pursue matters that are being reviewed by the Securities Commission and by the Auditor General. In the course of Estimates, I am not even sure if I can legally or effectively, or that I am even entitled to do that. I am not going to go down that road no matter how much the member wants to attempt to deal with this matter during the course of these Estimates. I am simply not going to do that.

Mr. Loewen: Well, I can appreciate why the member does not want to do that. He has obviously been well schooled by his counterparts, but I can assure him that none of the questions I am asking have anything to do with what the Securities Commission is investigating. I am simply asking if the deputy minister of his department, who left the board in May of 2004, did tell the department why he left the board in May of 2004.

Mr. Chomiak: I have already dealt with that matter.

Mr. Loewen: Well, you have not dealt with it. You have refused to answer it for, you know, your own reasons, I guess, typical of the NDP government. They want to run and hide instead of asking questions, and I can certainly understand why in this case. So, to the minister, can he indicate to me if he received, if the department received a briefing note or any information from Mr. Clarkson on the reason for his resignation from the board of Crocus in May of 2004?

Mr. Chomiak: I can appreciate the member wanting to extend Question Period into the Estimates process

and is doing his darnedest to raise the issue while agricultural questions are not asked, while energy questions are not asked, while relevant questions are not asked. The member has his own methodology, and he is going to approach it. I am not dealing with Crocus questions during the course of the Estimates to deal with the Department of E, S and T.

* (16:10)

Mr. Loewen: These are not questions about Crocus. They are questions about your deputy minister and his relationship with your department, sir. Obviously, you are still inclined to abuse taxpayers and unit holders as you are in Question Period.

Was there anyone from the minister's department that sat on the board from the period of May until July of 2004?

Mr. Chomiak: Mr. Chairperson, the word of abuse has many meanings, and I suggest to the member that he be careful in terms of his use of wording both in this committee and in the House. The member does not seem to have any kind of control over his verbiage or any extent to which he will go in order to try to move an issue along, and to justify his own lack of diligence on this particular matter. I am not dealing with Crocus questions during the course of these Estimates.

Mr. Loewen: We are simply asking the minister for facts. I am not quite sure why his back is up so much. I think it is questions that taxpayers want answers to. So I will ask him again, and perhaps he would have the courtesy of telling me. Mr. Clarkson, as noted on the record, resigned in May 2004. Who then, did anyone take over the government-appointed position at Crocus between May and July of 2004?

Mr. Chomiak: Mr. Deputy Chairperson, all those matters are part of the public record or under review by the Securities Commission and by the Office of the Auditor General. Those matters will be dealt with by those particular bodies.

Mr. Loewen: Well, the government appoints, and as a shareholder of Crocus, the government has the right to appoint, a board member, and they did. They appointed Mr. Clarkson. Now, I am assuming that Mr. Clarkson, when he decided to resign from the Crocus board in May 2004, as a deputy minister, would at least present something to his minister.

I appreciate the fact the current minister was not sitting in the Chair, but that does not absolve him from any responsibility in this. What type of briefing did the deputy minister of the department give to the minister on his reasons for leaving the board of Crocus, a board on which he had served on for at least four years?

Mr. Chomiak: I have already dealt with those issues.

Mr. Loewen: Well, you do not deal with any issue which is an abuse of the interest of the taxpayers of Manitoba. If the minister wants to take that word and somehow twist it and manipulate it as he is often prone to do, then the invitation is open.

Is the minister saying when a deputy minister who is appointed to a board resigns from that board, that in fact, there is no information given to his minister as to why the deputy minister resigned?

Mr. Chomiak: Mr. Chairperson, we are dealing with the Supplementary Estimates for the Province of Manitoba, 2005-2006. This is not an extension of Question Period.

Mr. Loewen: Well, I appreciate that and part of it is dealing with the roles and responsibility of his deputy minister. You would think the minister would be prepared to have an open, honest and fruitful discussion on the roles of his deputy minister going forward. It is a simple question.

What briefing notes, what was prepared, what was given to the department upon the resignation in May 2004 of Mr. Clarkson from the Crocus board?

Mr. Chomiak: Yes, I will find a site for the member in the Supplementary Estimates regarding the role and function of the deputy minister at the Department of E, S and T for the period of time 2005-2006.

Mr. Loewen: I wonder if I could ask the minister to repeat the answer. Unfortunately, the Minister of Education (Mr. Bjornson) was making quite a commotion at the end of the table, and I could not hear you.

Mr. Chomiak: I am sorry, I did not hear the member's comment.

Mr. Loewen: Well, I would hope the minister would get his members down here under control and maybe he would be able to pay attention to the comment, but simply asking him to repeat the answer in terms of what type of briefing was given to the minister of the day. What type of briefing was given to the department by Mr. Clarkson when he resigned in May, 2004 from the Crocus board?

Madam Chairperson in the Chair

Mr. Chomiak: Under the Vision Statement on page 2 of the Supplementary Estimates, the Vision Statement is: "**Manitoba is the place where innovation flourishes, ideas grow and people prosper.**"

The role and mission of the department is "to build the capacity for Manitobans to prosper through innovation, by creating strategic partnerships; encouraging investment; enabling the right infrastructure, and access to it; promoting awareness and knowledge; and championing critical policy development.

"The Department was established in recognition of the following: **Innovation** is the key to future economic development and **capacity to deliver** government initiatives; **Energy, science and technology** are critical to the further development of the Manitoba economy; Government's need to **focus** economic development priorities; and **Strengthen** the approach to economic development."

Mr. Loewen: Well, I thank the minister for confirming that he can read. I assume he takes advantage of that during I Love to Read month, but it did not answer the question.

Can he read the briefing that was provided him when Mr. Clarkson tendered his resignation from the Crocus Board in May 2004?

Mr. Chomiak: Yes, thank you, Madam Chairperson. I have already dealt with that issue.

Mr. Loewen: Well, you have not dealt with it, and you refuse to deal with it. But in the interest of pursuing other matters, will the minister indicate to me what type of briefings his deputy minister gave to the department in terms of his role as the government-appointed board member of Crocus?

Mr. Chomiak: First off, the Estimates under review are for 2005-2006. The deputy minister has provided me with excellent briefing information with respect to the Supplementary Estimates, which is the relevant topic that we are discussing before us today, the Supplementary Estimates of the Department of Energy, Science and Technology and the role played by the Department of Energy, Science and Technology in that regard.

If the member wants to pursue irrelevant questions, or questions that have no association whatsoever to the department, that is the member's choice, but I suggest that we deal with matters that are relevant, both in a legal and in a parliamentary sense to the matters at hand.

Mr. Loewen: Well, I can assure the minister that the questions are very relevant. They are very relevant to taxpayers who have seen \$60 million disappear in the course of the last eight months, very relevant to the 33 000 Manitobans who invested in the fund, who have seen \$60 million of their hard-earned money disappear.

So they are very relevant issues, and it is unfortunate that the minister sits at the head of the table and tries to play this little cat-and-mouse game, refusing to answer anything regarding the activities of his deputy minister during a period when he was and continues to be deputy minister of the department. These are not matters that are under investigation by the Securities Commission. It is simply information that I believe the taxpayers have a valid right to look for from this government and from this minister in particular.

Again, I ask the question: What type of briefings did the deputy minister give to the minister of this department while he was the government-appointed board member at the Crocus Fund?

Mr. Chomiak: Not only is the member irrelevant, but the member is wrong in his preamble. Again, I am not going to go down that road by being irrelevant chasing the irrelevancy of the question of the member whose only goal in life these days seems to be to justify his existence vis-à-vis other issues related to Crocus.

Point of Order

Mr. Loewen: On a point of order, Madam Chair.

Mr. Chomiak: I will withdraw that comment, Madam Chairperson.

Mr. Loewen: I thank the minister for that.

Madam Chairperson: That resolves the point of order?

Mr. Chomiak: I will withdraw those comments, and to continue—

Madam Chairperson: The withdrawal of the comments seems to have resolved the problem. Thank you.

* * *

* (16:20)

Mr. Chomiak: To continue, Madam Chairperson, the member is not only irrelevant in terms of the Estimates, but he is irrelevant in terms of legal terms. The statements he has made in his preamble are not accurate, and the time period under which the member is asking, this period is not a period under which I was responsible for the department, so the member is, quote, "out to lunch."

Mr. Loewen: I will give you the opportunity to hear and maybe review those remarks from the minister to determine whether they are, in fact, parliamentary language or not, but that does not seem to hold him back on any account, but this is not about me, and he can throw all the barbs he wants. The issue is—

An Honourable Member: Lay off the civil service.

Mr. Loewen: Oh, and the minister would like me to lay off. Well, I bet the minister would like me to lay off. I am not asking—

Madam Chairperson: Order, please.

An Honourable Member: Have a little bit of discretion.

Madam Chairperson: I would remind all members to please address the Chair.

Mr. Loewen: Once again, the minister and his snide remarks, you know, while he does not have the mike on, he is very brave, but it seems to me he would be a little less inclined to make those remarks if the

microphone were on. Just to respond to them, I can assure him that I am not in any way trying to go after the civil servants involved, I am just trying to find out from the minister what is going on here, and it is a very simple question. I would assume that a deputy minister, upon resigning a government-appointed board seat on which he had sat for a number of years, would provide his minister with some briefing, reasoning, logic, description of why he resigned.

I am just asking the minister—and I realize that he was not the minister at the time, but he still is in charge of the department, and should have had the courtesy to get himself up to speed on issues like this before he took over the department, or upon immediately taking over the department. What type of briefing was given to the department when Mr. Clarkson indicated that he was resigning from his government-appointed position as a board member of Crocus?

Mr. Chomiak: I have already dealt with that issue.

Mr. Loewen: Can the minister indicate, going forward, has an arrangement been made with his deputy minister to save him harmless from any fines and judgements that might result from his serving as a government-appointed member on the Crocus board?

Mr. Chomiak: Those are matters that are covered under the usual civil service provisions, as well as provisions provided for through the legal process, and I am not going to comment on those matters. We are awaiting a report from the Securities Commission, as well as from the Auditor General, that will deal with issues that have been raised.

Mr. Loewen: Once again, I am not asking the minister to discuss anything regarding the Securities Commission investigation or anything regarding the Auditor General's investigation. I am simply asking him whether, in fact, arrangements have been made with his deputy minister to save Mr. Clarkson harmless from paying any fines or any judgments that may result out of his activity as a government-appointed board member on the board of Crocus?

Mr. Chomiak: All of us in government, including the MLA for Fort Whyte, are responsible for our actions and our activities, and we receive certain protection through the Civil Service Commission, through Executive Council, for those comments. For

example, if the member makes some erroneous comments in the hallway that he made, perhaps, in the House, he is liable to both perjury and libel charges for hallway charges, whereas in the House he is protected by member's prerogative.

We all have rights that are protected. We all have benefits that are provided by Executive Council and by the Civil Service Commission with respect to our actions and our liabilities, including the Member for Fort Whyte.

Mr. Loewen: In a case of point, would that extend to fines from the Securities Commission?

Mr. Chomiak: I believe the member should ask the question of the minister responsible for the Securities Commission.

Mr. Loewen: Can the minister explain what type of communication there would have been between the deputy minister, who was at the same operating as the government-appointed board director on Crocus, what types of communications would have taken place between the deputy minister and the minister?

Mr. Chomiak: I have already indicated my response to that question.

Mr. Loewen: The minister, in fact, has never answered the question. I am just looking for information on how he has interacted with his deputy minister, how his deputy minister interacts with his department with regard to his role when he was the government-appointed director of Crocus.

Mr. Chomiak: What we are discussing are the Supplementary Estimates for the period of 2005-2006. The member was preceded by the Member for Ste. Rose (Mr. Cummings), who gave very glowing accounts of the work undertaken by the department and the deputy minister with respect to their activities and their interactions with respect to energy initiatives under discussion of the Supplementary Estimates.

I appreciated the comments from the Member for Ste. Rose.

Mr. Loewen: Madam Chair, I do not want to be seen to be giving too much advice, but I would sure appreciate it if the minister would keep his answers somewhere within the realm of relevancy. I am

simply asking how his deputy minister of his department would have communicated to the department in terms of his role as the government-appointed board member at the Crocus fund.

How did the deputy minister report back to the department on those activities?

Mr. Chomiak: I would appreciate if the member would extend the same point of relevancy to the questions that he asks during the course of the Supplementary Estimates for 2005-2006.

Mr. Loewen: Again, I will remind the minister that the issues are very relevant to not only taxpayers but, specifically, to unit holders of the fund who have been fleeced of \$60 million under the watchful eye of the minister and his colleagues in government.

The question is simple. The minister has a deputy minister sitting at the table beside him. I am simply asking if he could indicate how the deputy minister reports to the minister on his activities as a government-appointed board member to Crocus.

Mr. Chomiak: Again, those activities and functions are dearly needed and, I think, have been outlined to the member every day for Question Period over the past several weeks. Duties and activities, responsibilities are part of an act that was established in 1992 by the then-Minister Stefanson, as I recall. Premier Filmon, as I recall, established a particular act and particular provisions under a particular act that were followed by various investment firms and by the parties.

Again, it is not of that issue and that particular responsibility does not fall under the ambit of this department, nor does it fall under the ambit of the Supplementary Estimates that we are reviewing this afternoon.

Mr. Loewen: It is a matter that deals directly with the communication within the department, with how the department operates, with how it operates going forward and there is another series of outside agencies that fall under the department. Part of the deputy minister's responsibility has been to, at least up until the period ending May, 2004, fulfil his duties as a government-appointed board director on the board of the Crocus Fund.

I am simply asking the minister if he could indicate to me what types of communications his

deputy minister had with the department during the time he served in this role. If there was no communication, then I would ask the minister to tell us there was no communication.

* (16:30)

Before he does that, I would remind the minister that one of these days this issue is likely going to be before a judge. He may want to temper his comments knowing that, and he may want to make sure he keeps all his notes because one day he may be accountable for this in a jurisdiction where he actually has no option but to put his hand on the Bible and swear to tell the truth. Why does he not just take advantage of it and do it here?

Mr. Chomiak: I do not want to give advice to the member who, I understand, is trained as a chartered accountant, but I remind the member that I was trained as a lawyer, and I am well aware of issues of relevancy and irrelevancy, Madam Chairperson. Not only are the member's questions irrelevant in a legal sense, they are irrelevant in terms of a parliamentary sense and by any stretch of the imagination would be ruled out of order with respect to the questioning that the member is attempting to go down.

Mr. Loewen: Thank you, and just to correct the record, I want to make it perfectly clear that I was not a trained accountant, although I do have some accounting background and did for a period of time, before entering public life, sit as a lay member on the Board of the Manitoba Division of the Canadian Institute of Chartered Accountants, but I would not want that misinformation being out there without being corrected.

I understand that the minister is a lawyer. I never ran across him, and I have no reason to comment on his competence and/or qualifications as a lawyer, and I will not. But I can assure him that the issue of the types of communications between Mr. Clarkson and his department while he served as a government-appointed board member on the Crocus Fund are very relevant to the 33 000 unit holders who have been fleeced out of \$60 million and to the rest of Manitoba whose taxpayers have seen a good deal of their money disappear in this sad affair. I would remind the minister that it was his own former Minister of Industry that indicated it was government's responsibility to keep an eye on these

funds. Unfortunately, they have decided to completely ignore that.

So the question is simple, and the minister can sit there and stare blankly into the wall and pretend he does not know anything because he was not the minister at the time. He has the deputy minister sitting at the table, immediately to his left, so I would suggest to him that he take a few minutes and perhaps consult with his deputy minister and just advise this committee what the protocol was, what the method of communication was between the deputy minister and the minister's office while he was a government-appointed director on the Crocus Board.

Mr. Chomiak: Madam Chairperson, I have already dealt with that issue with respect to the relevancy of the member's question, both in a legal and in a parliamentary sense.

Mr. Loewen: Well, once again, the minister refuses to answer a question, and then goes back and says, "I answered it. I answered it. I answered it." But the people of Manitoba will be interested in reading the lack of information that he has put on the record.

With regard to the government's investment in CentreStone Ventures, can the minister indicate what type of interaction his department has within government with regard to the investment that was announced November 27 in CentreStone Ventures?

Mr. Chomiak: This department does not have an investment in CentreStone Ventures.

Mr. Loewen: Well, that was not the question, but I will try to put it a little more simply so that, hopefully, the minister can understand it. I am very curious to know if there was any involvement from his department in terms of doing any of the due diligence or looking at any of the information that resulted in the government putting \$4.75 million into an investment in CentreStone Ventures?

Mr. Chomiak: Madam Chairperson, the member is continuing his record 100 percent. It is not this department.

Mr. Loewen: Just to clarify it for the record, and I hope the minister will be brief and simple in this. Is he saying that nobody within his department had any involvement in doing any of the due diligence or

researching any of the information with regard to an investment in CentreStone?

Mr. Chomiak: Madam Chairperson, Energy, Science and Technology is not the agency that is involved in that particular venture.

Mr. Loewen: And had no involvement?

Mr. Chomiak: I have answered the question.

Mr. Loewen: Is the minister saying that there was absolutely no involvement from his department in any way, in discussions or in due diligence or in research, with regard to the government's investment in CentreStone technologies?

Mr. Chomiak: Again, as I understand it, it is under the ambit of another department.

Mr. Loewen: The minister's department or his deputy minister or any of his staff were not involved in any way?

Mr. Chomiak: As I indicated previously, it is under the ambit of another department.

Mr. Loewen: Is the minister prepared to indicate what department?

Mr. Chomiak: I almost hesitate to because that department, if it is not already involved in Estimates, will be bogged down by the member's persistent, irrelevant questioning in that regard. So I almost hesitate to advise the member, but as I understand it, it is Industry and Economic Development.

Mr. Loewen: I thank the minister for that. I can assure him that he can call me every name that he can think of and every name under the book, but he can rest assured that we will continue to do what is our responsibility. That is to dig out the facts so that the 33 000 investors and all taxpayers in Manitoba can understand just exactly how they have been fleeced out of \$60 million as a result of this government and this minister's ineptitude.

With regard to that, Madam Chair, I would ask the minister once again if he would be willing to indicate, and you know, he would be doing it for the benefit of the unit holders who, I believe, in my view, anyways, and the minister may think my view is irrelevant, but I believe I am speaking on behalf of

them. They have a right and the government has an obligation to provide them with as much information as possible in terms of how this fleecing took place.

So, given that the government created the act, and yes, it was in 1992, and I guess it is unfortunate that the minister decided in 2002, along with his colleagues, that there was no point in looking into it because, heaven forbid, that they would ever try and find out on behalf of taxpayers what is really going on. Instead, they let it sit and sit and fester and fester. I know he, somewhere beneath his thick skin, probably understands his responsibility for allowing those 33 000 unit holders to lose a lot more money than what was necessary.

The question is simple. How did the government-appointed director of the Crocus Fund, who is the deputy minister of the department, report back to his minister on what transpired at Crocus?

Mr. Chomiak: I have already answered that question.

Mr. Loewen: Well, you have not answered. Again, it is totally disrespectful to the unit holders for the minister to just sit there and stonewall and stonewall. So, once again, I will say it for the record that my advice to the minister is to take the opportunity that is before him to answer the questions. If he wants to continue to refuse to do that, then my advice to him is to make sure he keeps track of his notes and does not lose anything and perhaps seek some competent legal advice in terms of what his obligations and responsibilities will be once this issue comes before a tribunal, such as a public inquiry which may have to be called. I can assure him, when this side of the table takes government in the not-too-distant future, if it has not happened, it will happen then. So, once again, my advice to the minister is to answer the question and keep your notes, sir.

* (16:40)

Mr. Chomiak: I take advice from members opposite fairly frequently with a good deal of respect. In this particular instance, I do not accept the relevancy of the member's question, nor do I accept his particular viewpoints that are expressed. I do not think they are part of the review of the Supplementary Estimates of this particular department we were discussing until the member from Fort Whyte began a series of questions that were not relevant to this department

by any legal or parliamentary sense of the word. All I can say is it is unfortunate, but if that is the member's choice of utilizing taxpayer's time and money to pursue matters, that is his choice as an elected member.

Mr. Loewen: I would remind the minister that the Manitoba Securities Commission, I quote from their document in its list of allegations, "allegation B, the board of Crocus," and when I say the board of Crocus it pertains to a time that the deputy minister of his department was serving in his capacity as the government-appointed director to the fund.

Once again to quote, "The board of Crocus acted in a manner contrary to the public interest in failing to comply with its statutory obligations as disclosed in the prospectus. That the fair value of the Class A common shares of the fund shall be determined by the board at each valuation date." Just to clarify that for the minister, what the Securities Commission is alleging is that meetings that were supposed to be held to approve the valuation of the Class A shares were not held and in fact the values were not established by the process as it is set out under the legislation.

Is the minister saying that he has had no communication or no discussion with his deputy minister on what was going on during this period of time that this action, in a manner contrary to the public interest, has been alleged?

Mr. Chomiak: Madam Chairperson, as I indicated earlier, the matter is before the Securities Commission. The member is now bringing the allegations before the Securities Commission, allegations that are being investigated by the Securities Commission while we are discussing the Estimates for the Department of Energy, Science and Technology, at which officials and departmental people are here to answer questions with respect to the Department of Energy, Science and Technology and the member is carrying on on allegations that are presently under review by the Securities Commission.

The member is providing me with gratuitous legal advice with respect to my comments. The member is providing me with explosive and unproven allegations as the member goes on, some of which I might add the member is protected by prerogative of parliament from being called on with respect to some of his comments but that is irrelevant

to the Supplementary Estimates that we are reviewing today.

I ask the member if he has legitimate questions, relevant questions, "relevant" being the operative word, then he should put them. Otherwise, I am not going down a road that is not only irrelevant to the department, but irrelevant to these Estimates, and are matters that are being dealt with as we speak by other jurisdictions of a quasi-judicial nature.

Mr. Loewen: Well, once again the minister twists and turns the words into meanings that are not there. I simply asked him what communications he had with his deputy minister. What communications took place between the department and the deputy minister during the time of these allegations? These are not allegations that I am making. I am quoting from a document from the Securities Commission, and the individuals involved will have an appropriate time to defend themselves. That is what the hearing has been set up for. All I am asking is what type of communications took place between the deputy minister and the department while he served as a government-appointed board member on Crocus.

Mr. Chomiak: Madam Chairperson, not only is the question out of order because it is a period of time under which I was not minister, secondly, it is not relevant to the Estimates which we are discussing. Thirdly, the matter is before two quasi-judicial bodies, and I have already indicated and responded to those questions for probably the last half hour or 40 minutes of the Estimates' time.

Mr. Loewen: Is the minister saying his department had no communication with the deputy minister during the period that the allegations are under review from the Securities Commission?

Mr. Chomiak: I have already dealt with that question.

Mr. Loewen: Well, the minister has not dealt with the question, so I will ask him again.

What type of communications took place between the deputy minister and the department during the period when he acted as a government-appointed director of Crocus, which, I understand, is sometime in the late 1990s up until May 2004?

Mr. Chomiak: I have already dealt with that question.

Mr. Loewen: Allegation (f), and I will quote again from the Manitoba Securities statement of allegations, which is, you know, not private in any manner. It is posted on the Web site so I am not detailing any confidential information, but allegation (f) is that "the board of Crocus acted in a manner contrary to the public interest when, between April 2004 and September 2004, it failed to ensure evaluations were completed in a timely manner."

Part of this period was when the deputy minister of the department has admitted he was on the board, and I had asked the minister if he could indicate if there were any communications during that time between the deputy minister and the ministry with regard to any issues regarding the lack of completion of evaluations at Crocus during that time.

Mr. Chomiak: I have already dealt with that question.

Mr. Loewen: You have not dealt with that question, and you refuse to deal with that question. It is not only frustrating to me, but it is going to be extremely frustrating to the taxpayers of Manitoba and the unit holders.

You know, the minister was elected by the people to be accountable. We already understand that the nature of his government, given the fact that the Auditor General had to not only take the word "fairly" off his report to the Legislature, but he also had to indicate in his report for the first time ever that the government was misleading the people of Manitoba.

"Misleading by omission," I believe, is his exact statement, and once again we have a similar situation from this minister.

It seems to have come from the very top of this NDP government that if we just do not tell anybody anything, if we just put out the little information circulars that we like, then that is our obligation. But I will remind the minister that people expected more of him when they elected him. It is up to him to, I believe, live up to those expectations even if it does cause some political damage to him and his Premier (Mr. Doer) and the rest of his Cabinet. It is very important for individuals.

I can assure the minister that one day the truth will come forward. People will know. People will come to understand what went on behind the scenes between this NDP government and members of the Crocus board.

I am not, in any way, indicating that I think the deputy minister has done anything wrong. All I am interested in is protocol in terms of what communications. If the minister wants to sit there and somehow plead ignorance and say there was no communication, then when this reaches a court of law or when this reaches a judicial inquiry and somebody has to put their hand on the Bible and indicate in a truthful manner what communications did take place between Crocus and this government, then the minister should give some thought as to what his position might be then.

He has an opportunity now to simply do the right thing for the unit holders, the right thing for the taxpayers, and indicate what communications took place between the government-appointed board member, who was also the deputy minister of the department, and the department with regard to what took place at Crocus.

If he simply wants to tell me that there were no communications with this department and all communications took place with the Department of Industry, then I will accept that as an answer. But I would urge the minister to at least be open and honest and truthful with Manitobans, which, in my view, I do not think we have seen a good example of that this afternoon. It is a simple question: What is the protocol?

* (16:50)

You have a deputy minister—I am presuming he communicates to the minister on matters that are of issue and of relevance—sitting immediately to your left at the table. Perhaps take some time and consult and inform all the members of the House how the deputy minister conveyed information he was aware of when he was acting in his government-appointed role as director of the Crocus Fund. How did he communicate with the department?

Mr. Chomiak: Madam Chairperson, I have already dealt with that question. I have already outlined from the Supplementary Estimates, and I draw the member's attention to the Supplementary Estimates in front of us. Yes, the member could open it up and

perhaps look on page 2 for the roles and function of the deputy minister, and we could have a productive discussion concerning the activities of the department and not matters that are not relevant to this particular committee dealing with the Supplementary Estimates.

If the member wants to have a political talk, I am happy to have a political talk anytime, I do not know why we are taking valuable Estimates' time, but again, it is not my decision. That is the member's choice. It is not relevant to the discussion. I have already dealt with the matter at hand. The member can ask all the questions he wants in Question Period, and I am sure he will. He can continue to say what he wants, Madam Chairperson, but it is not relevant to the Estimates of 2005-2006 that we are looking at before us today. The matter is under review by two quasi-judicial bodies and the member ought to respect that process.

Mr. Loewen: I can assure the minister I do respect that process. I have very little respect for his refusal to answer very straightforward questions on how he communicates and how his department communicates with the deputy minister. It is unfortunate the minister is taking this attitude and politicizing these events.

All I am looking for, on behalf of the unit holders, on behalf of taxpayers, is the truth. I cannot for the life of me understand why the minister sits there and refuses to just come clean with some fairly simple and straightforward information, none of which is under investigation by the Auditor General, none of which is under investigation by the Securities Commission. No where in their allegations do they request information on how the deputy minister communicates with the department. All we have is a government in hiding, a government saying, "We know nothing, we know nothing, we know nothing."

What do you know? The director who has served government and Crocus for a number of years leaves and no one is told why he leaves in May 2004. A new board member is appointed, and we are told there was no communication with the new board member whatsoever. The minister will not indicate whether his deputy minister gave the department a briefing note or any information regarding why he chose May 2004 as a period to resign. None of this is

information that will have any effect on the Securities Commission. It is just information that Manitobans have a right to and deserve an answer from this government.

The fact that the minister will sit here and just obstruct any questions that I ask is a great disappointment to me, but that is meaningless. The disappointment is really to the unit holders, to the taxpayers who have a right to understand how it could be that in the last eight months, \$60 million of their money has disappeared, and a government simply sits there and says, "Boy, we had nothing to do with it," even when we find out that they were making \$25-million investments within days of the fund cratering, and, in fact, after the board was told from the allegations we see that there were very, very serious problems with the allegations.

I realize there are words, Madam Chair, that should not be used, but I think it is very unfortunate that a minister of the Crown, a minister in such an important role, would sit here at this table and claim irrelevance on the issue of \$60 million of unit holders' money, \$60 million of taxpayers' money simply being flushed down the tube because he does not have the courage to stand up and indicate what went on so that we can get to the bottom of it. Not only does it hurt the unit holders, not only does it hurt the taxpayers, but it hurts the fund in terms of going forward, and it hurts everybody in the province of Manitoba.

Quite frankly, in my view, this minister ought to be ashamed. On that basis, I will ask him one more time. Maybe he has had the opportunity to rethink this issue, and maybe he will take the time to have a brief discussion with his deputy minister, who is right here. Maybe he will have the courtesy to answer the question once in terms of what the protocol was, of how his department communicated with the deputy minister with regard to issues that were arising and issues that took place at Crocus.

Mr. Chomiak: If the member will take the time to read back his present diatribe and compare it to the diatribe that he raised in a previous question to me, he will see that he contradicted his own statements in his wandering about, in his aimless attacks and musings and going forward. Madam Chairperson, he contradicted himself in this line of questioning, from the line of questioning that he asked previously, and the member asks me to deal with a topic that is not

even on this agenda, that does not deal with this department, and expects to have any kind of credibility or consistency in this committee. I think the member ought to rethink his position because he totally contradicted himself in both lines of questioning.

Mr. Loewen: Well, it is unfortunate the minister has chosen to waste so much of everyone's time around the table by refusing to answer any of these questions. He should just be aware that the truth will come out and his role in this sordid affair will come out one day as well, and once again, I am just giving him the opportunity to correct that right here and now by indicating what communication there was between his department and his deputy minister with regard to events that took place at the Crocus fund.

Mr. Chomiak: That matter is under review by the Securities Commission and by the Auditor General, Madam Chairperson. I certainly respect both of those bodies to undertake their activities and their jobs in a professional and appropriate fashion.

Mr. Schuler: I would like to thank the member from Fort Whyte. He has, with great integrity, dealt with this issue in the Crocus Fund. I think Manitobans owe him a great debt of gratitude for being the first one to have raised the issue, rung some of the alarm bells that there were problems at Crocus at a time when it was not popular to say so, and we know that these questions are uncomfortable. We know these questions are difficult. It is exacerbated by the fact that the government will not come clean, will not tell the truth, will not be forthright on these issues. I think the member from Fort Whyte has articulated his questions very clearly. I know this committee clearly supports this issue coming out, and Manitobans want to know when we are going to get to the bottom of this.

I do, however, want to move committee on to other issues, perhaps, not clearly as contentious as the Crocus issue. I would like to move the issue on. I understand the Member for Portage la Prairie had one more question that he wanted to raise and then I would like to get back into a line of questioning.

Mr. Faurchou: I wonder if the minister could tell me, being responsible for Manitoba Hydro. As everyone is aware, a lot of capital investment is going to be placed in the province by Manitoba Hydro over the next few years. What does \$100 of

capital investment by Hydro mean to the Treasury of Manitoba, insofar as all that economic activity has a payback to the provincial Treasury through income taxes of those individuals engaged in construction, provincial sales tax on materials that are used within construction, as well as the other avenues of revenue, right from the gas tax and other areas the provincial Treasury benefits from?

* (17:00)

So, if I could just lay it out to the minister, \$100 invested in capital investment in downtown construction of the new office headquarters for Manitoba Hydro. What would it mean as far to the Treasury? Would it be \$20, \$30 of that \$100 expenditure?

Mr. Chomiak: Madam Chairperson, I do not have that particular answer at present. I will endeavour to try to find it out for the member, either later on in these Estimates, or more likely at Hydro committee or preceding Hydro committee. I will put the question and see what I can ascertain regarding the member's question of what \$100 of capital investment means in terms of benefits to the province. Does that capture the essence of the member's question?

Mr. Schuler: I would like to get the minister to go back to some of the technical questions on the east-west power corridor. Is it within the minister's department, has he looked at this already, or is this more Manitoba Hydro? The east-west corridor: is that being planned to run in and around the city of Winnipeg? Is that where the intention is, that it would run sort of on a corridor, Winnipeg, Regina, Calgary, that route, or is that kind of a corridor expected to go on a northern route?

Mr. Chomiak: Madam Chairperson, Hydro always looks at options with respect to transmission and transmission lines and scenarios. It gets a little bit complicated because most recently Québec and Newfoundland and Labrador have come on the sort of east-west power grid bandwagon. That was not the right term, but they have shown involvement, as has Saskatchewan.

Insofar as we have pre-existing lines to Ontario and pre-existing lines to Saskatchewan and the possibility of a power sale to Ontario, there is not a final route at this point. There are different options and different scenarios that can be played out with

respect to the east-west power grid, not necessarily equating with an equivalent, say, of a railway line across the country, but it could be a series of interconnections at a variety of points in a variety of areas. That is my understanding.

Madam Chairperson: Before I acknowledge, we all understand it is all right to communicate, but not if it is going to be disruptive. If you can either lower it or perhaps go to the other end of the building, so that it is not disruptive to this meeting. Thank you very much.

Mr. Schuler: Again, this all comes down to whether it is wind power, whether it is hydro or anything else, and it is storage. That is really, if we could bottle hydro and transport it, that by far would be the most efficient way. It is just that the minister maybe has not tasked his department or somehow they have not come up with the solution yet, and it is the transportation of electricity. We lose electricity the longer distances you go, obviously, the less viable it is, because you do have some drop off.

I want to then move the minister into the hydrogen fuel cell. Where does the minister see that whole area going? Where does the minister feel that is, as compared to a year ago?

Mr. Chomiak: Just referring to the member's previous comments, it gets a little bit more complicated as well if one considers that there is stranded energy all across this country, be it biomass or potential for wind, and stranded energy all across the country. So, really, fundamental to the issue of energy renewal is the issue of transmission. It even gets more complicated if one talks about CO₂, sequestering and the issue of oil and gas in Alberta, et cetera.

The member is right that transmission does form the basis of all forms of energy and a factor that relates to the cost-benefit ratio, as well as the advantages and disadvantages, so the member is correct. With respect to hydrogen in general, the member will be aware that we had a Hydro steering committee; we had a report; we determined that we could not be all things in hydrogen to all people, and that the steering committee decided to focus on five key areas of hydrogen development, recognizing that we are a potential player. The large scale development of the hydrogen fuel cell is, perhaps,

some time off. Perhaps some of the early prognostications with respect to hydrogen development were a touch ambitious, Rifkin's book, for example. But there is a future for hydrogen, and we are trying to niche-market our way in five key areas of hydrogen development which includes the—I will get the specifics back to the member if he wants to ask another question.

Mr. Schuler: This is an area that I am rather perturbed about. An answer I got from the minister, it has to do with the hydrogen fuel, the bus that was being tested here. Now, I understand that is technology that has come out of California. Is that correct?

Mr. Chomiak: The bus body was manufactured in Manitoba. As I understand it, the technology, in order to provide the fuel to the hydrogen bus, is Manitoba-based Kraus fuel dispensing, as well as the fact that Red River community college and the students of Red River community college were involved in a technological development of some of these processes so that, as part of a movement into the hydrogen economy, the bus demonstration and the technology deriving was part of our overall hydrogen strategy.

Mr. Schuler: I guess this is where I have great difficulty with the minister, even his answer, which was lawyeresque in nature. In other words, we get to build the shell and then it goes down to the United States and they put the components in.

Mr. Chomiak: The bus shell is manufactured in Manitoba and the member is aware that New Flyer is the largest manufacturer of hybrid buses in North America. The fuel dispensing technology is Manitoba-based technology. The electrical work, as I understand it, was from California and the engine work was from Mississauga. It was a joint venture project utilizing niche market and utilizing expertise around the globe, but the most important issue, at least from my perspective, was that Red River community college and the students and class at Red River community college were involved in this process and now have a bit of a specialty and expertise in this area and we intend to utilize that in the future, not only with hydrogen technology, but with other forms of alternative fuel and alternative vehicle utilization.

Mr. Schuler: When the minister says New Flyer is the largest builder of hybrid buses, "hybrid" defined as?

Mr. Chomiak: That is hybrid defined as buses that are electrical/internal combustion engines. I should tell you that at the ceremony one of the key officials from New Flyer was there and was very excited by the opportunity of having the ability to manufacture this bus, because they see it as an opportunity to expand their already hybrid capacity in other forms and other manufacturing as we move and as we will move into a hydrogen economy into the future.

* (17:10)

You could see the natural advantage that would occur to a bus company that has piloted and been involved in a test vehicle utilizing hydrogen fuel, how excited they would be insofar as they already had involvement in energy efficiency on a hybrid basis of branching out and being involved in the manufacture of a hydrogen-based bus.

Mr. Schuler: So the hybrid buses being produced right now are not hydrogen-fuel-cell buses. They are involving some kind of electrical, perhaps propane. It is not a hybrid insofar as the hydrogen fuel cell.

Mr. Chomiak: There are two issues here. First is the issue that New Flyer is a manufacturer of hybrid buses of a variety of hybrids, electrical to internal combustion diesel, to electrical, et cetera. This demonstration project also allowed New Flyer to utilize its expertise in the manufacture of hydrogen buses as well, which opens up entirely new possibilities for growth of New Flyer.

Mr. Schuler: Yes, but the minister tried to make it sound that, as part of our Kyoto commitment, we were producing hydrogen buses. What he did not say is that we are producing the shells. The components are actually not produced here, and the research is actually not done here, although I understand that there are students who work on various aspects of it, but it is actually the shell that is built here. We are very pleased that we have that part of it.

My concern is that we do not reduce Manitoba or continue to have Manitoba as a drawer of water and hewer of wood. We produce the electricity, and I would like to see that we not just take our electricity and sell it, not just around the country, but around North America. Yes, we build the shell of the bus, but I would like to see where we are actually building the components of a hydrogen engine, if that is where we are going to go with this and not

just build the shells, as you see when you drive down to Pembina, North Dakota. The shell sits on the bus and no wheels, no engine. It is shipped across the border and the rest of the work is done there.

Mr. Chomiak: The six major areas that the government is involved in with respect to hydrogen include the Dorsey substation where hydrogen is produced and utilized within the Dorsey station in a self-contained unit and does not have to be imported. That is a first in a pilot project for Dorsey where Hydro utilizes hydrogen.

The second area is the hydrogen bus development. The third is the centre of expertise with regard to hydrogen. The fourth is by-products of hydrogen stationary fuel cell. The fifth is the MOU with Iceland, and the sixth is new projects with the project regarding permanent refuelling facilities and the ability to expand and utilize permanent refuelling facilities.

The point I am making is that Manitoba has the opportunity, and I think the member made the same point, to advance and be developing in terms of hydrogen and hydrogen development, but we cannot be all things to all people. So we have picked a number of areas that Manitoba can develop in and proceed on, and those are the six priorities that came to us as a result of the hearings of the hydrogen committee and the steering committee.

Mr. Schuler: So, with the hybrid buses, which are one of the six—it grew from five in the last 15 minutes to six points. With the hydrogen buses, so we are building the shells. What else is our involvement with the hybrid buses?

Mr. Chomiak: As indicated, the refuelling facility and the technology to provide the refuelling of those buses is Manitoba Kraus developmental projects. Kraus recently won a contract in South Korea to develop their technology, as well as working on the centre of expertise in terms of developing the technology and the skills at Red River community college, to work in the hydrogen area.

So it is not just confined to the development of a hydrogen bus, but to components and component parts of that particular bus. The member will know that the development of the hydrogen fuel cell is being developed in a number of areas across the world, and that the process is, at present, with respect

to hydrogen and hydrogen separation, relatively expensive. At this point, we have chosen to prioritize a number of areas that I have outlined to the member.

Mr. Schuler: How many students are actually involved in this project at, I believe the minister said, Red River community college?

Mr. Chomiak: I will get the specific details back to the member when next we meet.

Mr. Schuler: Back in 2003, the then-minister said, and I quote, "Their own goal of setting at least 250 megawatts of wind was a goal that Hydro had set up for themselves." Is that still a goal?

Mr. Chomiak: I think we have generally said publicly as a goal, the Province would like to develop 1000 megawatts of wind. Now, I indicated earlier in the Estimates to the member, there are a number of factors at play with respect to the continuation of the wind incentive and other issues that are out of our control, but overall, we have set as a target the possibility of developing 1000 megawatts of wind power in Manitoba.

Mr. Schuler: Another area that, back in 2003, was heralded as a big project faded on the radar screen. Now I am seeing a little bit more on it, but it seems to be not a lot of money behind it. It seems to be progressing slowly is methane capture. Can the minister tell us where he is on that particular issue?

Mr. Chomiak: As the member is probably aware, it has been recently reported in the media about the project in conjunction with Manitoba Hydro, the City of Winnipeg and the Brady Landfill site where tests are ongoing in terms of the capacity and ability to capture methane and to utilize it for other purposes.

Mr. Schuler: I am sorry, we are moving around on different issues. Just on the methane capture, does the minister feel this is an important part of the Kyoto strategy?

Mr. Chomiak: The entire package is important. Each part is important. Some of it has smaller ability, but certainly anything that we can do that can help meet our emission targets and spur economic development is only in our favour.

Mr. Schuler: I would like to move on to methanol, and back before this minister was the minister, there

was an important piece of legislation that had to come forward. I was critic at that time, and it was of the utmost importance that this piece of legislation go through. We were on the cusp of greatness. We were imminently going to have ethanol plants springing up. It was going to be like mushrooms. In fact, it gave all kinds of leave to rush the legislation through. It really was not given proper debate, and I can remember after it was agreed to by members, the government ran around saying, "Well, the opposition was opposed to it." That was actually right around the time of the provincial election. I think it was right after that. Unfortunately, some of my colleagues on the committee say we really got suckered on this issue.

I would like to ask the minister where are you right now with the mandate. The date has been shifted once. I believe it was 10% mandate which was supposed to be about 140 million litres by 2005. I am wondering where the mandate is. I know it was delayed once. Where does it stand right now?

* (17:20)

Mr. Chomiak: As I indicated previously, several projects are under review under the second phase of the federal Ethanol Expansion Program. We are anticipating announcements in May. The member will be aware that, under the first round, unfortunately, only one Manitoba applicant received coverage under the federal plan, and they chose to proceed with their plant in another location in Lloydminster rather than in Minnedosa at the time. We are hopeful that, under the second round, Manitoba will receive favourable approval under the second round of the federal program.

I discussed, briefly, ethanol, and the fact is there are numerous companies looking at it. I am relatively confident that we will have ethanol, well, I am confident we will have ethanol expansion in Manitoba. The number of plants, I cannot at this point until after the second round of funding, give a guesstimate to the member as to what that will entail. The mandate remains unchanged in terms of the legislation, and I think the essential issue is that we are waiting back to hear from the federal second round of funding which is in May.

Mr. Schuler: It seems to be very loud at this committee, and the Chair has been very generous to quiet things down several times. But I actually think—

Some Honourable Members: Oh, oh.

Madam Chairperson: Order, please. I would remind, once again, talking is acceptable providing it is not disruptive. If you care to take your discussion further down to the chairs over there. It is disruptive.

An Honourable Member: Hear, hear.

Madam Chairperson: Thank you.

Mr. Schuler: Thank you, Madam Chair. I actually thought I heard the minister say that the mandate stands as per the legislation—the original legislation? What was the date of that mandate then?

Mr. Chomiak: As I understand it, the legislation indicated the mandate would not commence before September 2005. The exact date depends on when sufficient domestic supply to meet the mandate and oil companies have made appropriate adjustments to sell ethanol-blended gasolines at the pump. So the mandate was determined with flexibility in mind to allow for the construction and utilization of ethanol to kick in, in sufficient quantities to trigger.

Mr. Schuler: Mr. Minister, that is the most unbelievable spin I have heard in a long time. That is just amazing. That is a Riva classic. Honestly, Riva has outdone herself on this one.

So, in other words, there was to be no mandate, nothing, no, nothing until 2005, and once we have crossed the Rubicon of 2005, then we can actually look at a mandate at some point in time. Is that the interpretation of the legislation?

Mr. Chomiak: I should try to find the site for the Member for Springfield with respect to some of the ethanol discussions going on in Minnesota and other states concerning how one approaches a mandate, and one needs the capacity to build up before you trigger the mandate or whether you trigger the mandate before you built up, and then are forced to import outside resources to fulfil the goal of the mandate.

So, from my understanding of the legislation, it was flexible enough to allow for the—*[interjection]* Well, I will get the site for the member so the member can be informed about the various approaches as to how one triggers and utilizes a mandate with respect to ethanol.

Mr. Schuler: Well, that is wonderful and, of course, I would love to see the site. The minister providing it for me is just wonderful. The thing is that, as an opposition member, I can add my voice to the debate, but it has to do with the minister. So what the minister is doing is we crammed legislation through in the most dire of circumstances. I can remember the former minister, the member from Fort Rouge, in a panic trying to get this legislation through. It was the Chicken Little of legislation of the six years that I have been here. If we did not pass this legislation, the world as we know it, would come to an end. The Red River would run clear, the skies would be doom and gloom. It was just unbelievable.

So, in other words, what the minister is saying is that—

An Honourable Member: He misinformed us.

Mr. Schuler: Yes, my colleague says basically that we were misinformed. Actually, this is, as the one minister always used to say, in the fullness of time, and that was Becky Barrett originally. In the fullness of time, this will develop, so, in other words, there is no big hurry. It will come in time. No Kyoto worries about it. We do not have to worry about any kind of obligations.

We are going to listen to the debate in Minnesota. We are not going to put the egg in front of the chicken. We are not going to worry about any of that because, actually, the mandate prescribed in the legislation which we all understood to be a mandate that the former minister actually acknowledged would not be met, is now not a mandate. It was actually a mere mentioning of a calendar, kind of, sort of, maybe moment at which time then kind of, sort of, maybe, if kind of, sort of, we could then start looking at a mandate.

Again, I say to this minister this is exactly the kind of spin, whether it is Bill 10 that the Tories were backing up, and now we see it is on the backburner for another three months, it is this kind of thing that just floors members of this committee and members of the opposition. So, in other words, there really never was any mandate. In fact, it was just an arbitrary kind of, sort of date.

Mr. Chomiak: Aside from the fact the member mixed his metaphors with respect to his analogy, I just want to point out to the member I have also

reviewed the discussions that took place between the member and the previous minister in previous Estimates, Madam Chairperson. The facts remain that a federal program did intervene in terms of the process. There are a variety of factors that intervened, not the least of which is that a lot of the production is private sector driven.

If the member wants to have this political debate and continue the same discourse as occurred in the previous two Estimates, that is fine. But the fact is, the facts are as they remain. Several companies are now before the phase 2 of the federal funding program. We remain confident they will succeed and enable us to develop ethanol for the benefit of all Manitobans, as I discussed with the Member for Portage la Prairie (Mr. Faurichou).

Mr. Schuler: Again, I just bring to the minister's attention, the former minister from Fort Rouge, who said, page 2409, May 18, 2004, Estimates, "So I cannot commit to the member that we will be able to meet that September date. We are still aggressively pursuing the mandate in that time period, fall of '05." Later on, he says, "It is still our intention to work aggressively with communities and companies to make the fall of '05 as a target." So, in other words, there was a targeted mandate date.

What I love about this minister is he says, "Oh, no. There was not a mandate date. What that was is that you could not have a mandate until 2005." That is a substantially different spin. As I say, that should go down in the Riva Harrison classic of spin because I can tell you that we as opposition would not have rushed through legislation if we would have known this was sort of out there somewhere and that there was no reality involved when dealing with that particular issue.

It does trouble this committee and it does trouble this critic that—over the years I have been critic of this department, actually we have seen—

Madam Chairperson: The hour being 5:30, committee rise.

EXECUTIVE COUNCIL

* (14:40)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order. This

section of Committee of Supply will be considering the Estimates for Executive Council.

Does the Premier have an opening statement?

Hon. Gary Doer (Premier): Yes.

Mr. Chairperson: Please proceed.

Mr. Doer: The Estimates are pretty straightforward. The funding increase is 2.1 percent, reflecting a cost of living wage settlement, with a slight decrease in operating costs in the budget. As the members know, the grant to the Manitoba Council for International Co-Operation was increased from \$500,000 to \$750,000 this year, with a commitment to maintain that increase for four years. I know the member opposite wrote me on the tsunami. Certainly, I had met with the group before the letter. I had met with them the day after. I think, on December 27, we had met with representatives from the organization. We had other staff talking to the various representatives. Our Clerk of Cabinet, Mr. Vogt, was working particularly with the Mennonite Central Committee and the MCIC.

The major change in staffing basically is the Clerk of Cabinet. The Clerk of the Executive Council, Jim Eldridge, has retired after a number of distinguished years of service. He has worked right back from the Weir government days. That represents a major change in the Premier's office from a year ago.

* (14:50)

The Federal-Provincial Relations has been fairly busy in the last 12 months. The command and control of the disease lab was an issue after our last set of Estimates and was confirmed late last spring. We of course had the health care negotiations, infrastructure negotiations which were amended to deal with the changed priorities of the new mayor.

You will note an announcement last week dealing with recreation centres around Winnipeg. We have infrastructure proposals and some agreements in place, for example, the Keystone Centre in Brandon, and we have other proposals before the federal government including the Rancher's Choice equalization.

There was a temporary change to equalization. It was consistent with another unilateral change to

equalization to treat user fees in a different way. The government of Manitoba has taken a similar position on equalization as the former government, but the federal government has stated they are reviewing this. I am not sure where that status is except to say that next year's equalization is allegedly in discussions with the federal committee that was established.

Cities, we have been working with municipalities and cities on a gas agreement, gas tax agreement. Cities want fuel tax. Those discussions are ongoing. We would like to flow that as soon as possible. Childcare discussions are going on. Discussions on energy and an energy grid are going on. We just had an announcement of an issue that was raised last year and that was dealing with the Canadian human rights museum, Canadian Museum for Human Rights, which received enhanced funding announcement from the federal government just a week ago Friday.

On issues of international trade, our primary trade discussions have continued to be in United States. We continue to have allies in United States support us on referring the Devils Lake project to the International Joint Commission. Of course, members opposite, the leader opposite and the Leader of the Liberal Party did support our view to go to court on both projects, a view that was taken by the former Premier, as well, if we could not get any remedy.

We have taken both projects to court, the NAWS project has so far in federal U.S. court been a positive finding by the judge for purposes of protecting downstream communities on water quality and biota transfer. On the issue of Devils Lake we still see the best remedy for that case to be in the courts of, not in the courts, but in the International Joint Commission.

Those are a few of the items we have been working on. In the interest of expediency I would note that the Estimates are on page 21 in the Estimates book, and they are pretty straightforward in terms of the expenditures in the Executive Council office. As I say, a 2.1% increase in the budget. Thank you.

Mr. Chairperson: Does the honourable Leader of the Official Opposition have any opening comments?

Mr. Stuart Murray (Leader of the Official Opposition): Yes, I do, thank you, Mr. Deputy Chair. Thank you very much.

I, certainly, look forward to an opportunity to ask the First Minister (Mr. Doer) on a number of issues, and I appreciate his candour and his openness as he laid out some of the issues that were before him. I will not repeat them. They will be in Hansard, but I do make this point because I think a lot of time when we get into discussion on Estimates, I do not know if it is convenient or what the reason is, but from time to time, the First Minister indicates that is not an area that he wants to comment, that the ministers can comment on.

He has been pretty open and pretty broad in the comments that he has laid out here, so I know we are going to touch on a lot of the issues that he did, but I think it was, as he said, in the interest of time, perhaps not an exhaustive list. I know he would appreciate that I will be asking questions in a lot of areas that were not covered in his opening statement.

The First Minister makes reference to the expenditures on page 21 being very straightforward. Typically, of anything, I think this is typical, not of this Premier, but of others. This is a little bit like going to that express checkout when you are at the food store when you have got less than 10 items. Yes, indeed, it is, supposedly, pretty straightforward, although there are a lot of numbers in here that we will be, I am sure, touching on as we go through the process.

So I would like to say to the First Minister that this is, I think, a very important part of what a budget is all about, going through the Estimates process, looking at various line items and requesting and seeking information on expenditures. Obviously, this is the way the First Minister runs this particular government. He clearly has his hand on the throttle, if I could use that term, with what happens in the government. We know, and I think it is widely known, that this First Minister is extremely involved in all of the decisions that are made by government.

So I look forward to looking at issues that he raised. Plus, I think there are some issues that I would like to get his thoughts on. We talked in the House, questioned the First Minister on the importance on having a Safe Schools summit. I was delighted that the First Minister has agreed to call that. I hope there is an opportunity for all of us to get involved in that Safe Schools summit because it is one of those issues that clearly does not cross lines of

partisanship. It deals directly with ensuring that our children know that they go to a place that is safe, that our teachers are teaching in an environment that is safe, that parents drop off their children knowing that there is an environment that is safe in terms of learning. Of course, we know that throughout the province there are numbers, numerous schools that do really, really, really excellent work. An opportunity to have a Safe Schools summit, to bring all of these schools together for best practices, I think, is something that would be very important.

Of course, the First Minister knows that there will be issues that will be important to raise around the issue of Waverley West. I think it is a development that is very important for the province of Manitoba, the city of Winnipeg, yet there is obviously the issue of a conflict of interest that we will be asking about. We know we talked about it in the House today, questions were on health care, ensuring that, really, we are trying in this Legislature to ensure that we get the best care for young children, seniors, all Manitobans, that that should be what our purpose is, what our *raison d'être* is in this Legislature. So those issues that were raised today, are issues that are of concern to us on this side of the House.

I know that there are changes that are being discussed around WCB. Of course, the First Minister mentioned Devils Lake and a lot of other issues happening in the United States. I know that the First Minister, as well as the president of the Treasury Board of the federal Liberal Party, was in Washington. I happened to be in that vicinity myself on a different matter. So there are great issues of interest around who he met with and what the result of those meetings were.

I really think, Mr. Deputy Chair, that the Estimate process, if handled on the basis of being open and transparent, I would hope that the questions are meant to try to extract information that will be of benefit to all of Manitobans who watch the process, the budgetary process. After all, we do know and I think it is always important for everyone in this Chamber to remind themselves that when we stand, as the Premier does, as I hope that I have the same opportunity afforded him someday to be able to stand up in front of Manitobans to announce projects, programs, initiatives with the hard-earned tax dollars that Manitobans have entrusted us in this Legislature to deliver and to ensure that they are being used in

the best possible way for programs on behalf of all Manitoba taxpayers.

* (15:00)

I make that point simply, Mr. Deputy Chair, to always remind myself, as I believe the Premier would do on an ongoing basis, that it is great to stand up and trumpet when you put millions of dollars into a program, but, of course, those are not his personal dollars in the sense of the magnitude of it, nor are they mine in the magnitude of it, but they are all Manitobans' in the sense that we are taxpayers and we pay taxes into the government of the day, and the ability to be transparent, to be open, to be accountable and to understand that really it is the taxpayers of Manitoba who are really funding the project. It is not one Premier or one government that is really the funder. It is really the taxpayers of Manitoba.

On that basis, I look forward to a good opportunity with the First Minister. I have enjoyed my discussions with the First Minister in past Estimates, and I do not see why the year 2005 will not be just as meaningful, as fruitful and as educational as other Estimates processes have gone on. Thank you very much.

Mr. Chairperson: At this time, we invite Executive Council staff to join us in the Chamber, and we would ask the Premier to introduce those staff.

Mr. Doer: The Clerk of Cabinet, Clerk of Executive Council is Mr. Paul Vogt, and of course members opposite will know Maria Garcea, who is the eminent financial officer in the Executive Council office.

Mr. Chairperson: Does the committee wish to proceed through these Estimates in a chronological manner, or have a global discussion?

Mr. Murray: I, first and foremost, would, certainly, like to welcome the two members to the Chamber. They are a very important part of this process. I welcome them to this Chamber and to part of this Estimates process.

I think we have followed a pattern of doing it globally. I think the Premier and I had that discussion in the past few rounds, and I just ask if he would agree to go globally again.

Mr. Doer: Yes. Areas of it, I have mentioned before, the federal-provincial areas of responsibility, and other areas that I am responsible for, yes.

Mr. Chairperson: It is agreed then that we will go global in those areas. The floor is now open for questions.

Mr. Murray: I would like to ask the Premier if he could give an update on what is happening currently with Devils Lake. I know there are numerous media reports, and there perhaps are some issues that he cannot discuss, but for those that are for public opinion, I wonder if he might just share what the latest is with Devils Lake.

Mr. Doer: Subject to moisture levels in the next couple of weeks, the water level is a little bit lower than at peak last year, just a little bit, but we expect that the snowpack, which is 30 percent below where it is normally on a normal year in that watershed area. The Devils Lake situation has, of course, been raised at the highest levels. It has been raised by the Prime Minister with the President of the United States, and raised not only privately, but publicly for the first time this March in Waco, Texas.

The ambassador, who, I think, is doing a great job in Washington, Frank McKenna, is very aware of this. I have briefed him before. In the period of time he was announced before he was officially on the job, I had a meeting with him to go over this issue, and he has been leading a lot of delegations with us and with Minister Alcock on the Hill in Washington.

There is a growing sense in Washington that the project potentially violates the International Joint Commission and Boundary Waters Treaty act of 1909. We think that is definitely the case. *[interjection]* No, I was just wondering what the distraction was. *[interjection]* What is that?

An Honourable Member: Make sure you are taping it.

Mr. Doer: Well, I want to assure the members opposite that every word we say is being taped on our channel, whatever it is, 42 or 43. *[interjection]* I beg your pardon?

An Honourable Member: Is that not Hansard's job?

Mr. Doer: I think they are doing a good job to try to pick up your words, the member from Emerson. I think they are doing a very good job.

I will continue on Devils Lake. The Great Lakes Commission, made up of Minnesota, Wisconsin, Ohio, Illinois, Michigan, Indiana, Pennsylvania and New York—

An Honourable Member: It is a big-10 conference.

Mr. Doer: It is a big-10 conference, except Iowa, testing our big-10 trivia. You almost caught me. The big 10 minus Iowa is supporting our view to go to the IJC even though they are not directly impacted on the watershed. We have had good support from Governor Pawlenty on it, but obviously the people of North Dakota disagree with it. When they say there is flooding in the area, we say yes. We say the solution is upper basin storage of water. North Dakota's drain has 20 000 drains going into that lake. They have stocked the lake with species, and we believe that lake should be evaluated and the IJC should be conducting that on an independent basis.

North Dakota is still proceeding unilaterally. I think they first announced in June of 1998, and then again former Governor Schafer announced the project. I would point out in 1992 he announced the project to put more water in the lake because it was too low when the dry periods were taking place in the early nineties. We have a fair degree of support outside of North Dakota. Inside of North Dakota, it is a pretty strong view the project should proceed and that it should proceed irrespective of Canadian concerns. I am not sure there is anything politically or privately that could inform us anymore. I think everything is pretty well on the public record.

There was a very good editorial in the Cleveland *Plains Dealer* this weekend on Devils Lake. It was a very well-written editorial. So some of the efforts to get out beyond Manitoba and North Dakota are achieving some results, but only because the project is imminent do I feel that people are paying more attention to it outside of Manitoba, even though my predecessor and I would have a pretty consistent position on the lake and its impact on Manitoba.

We know that, potentially, Reg Alcock is going down there this week. I am sure he will represent our concerns. We need to get this to the IJC. We believe independent science is key. We believe that people in the United States, whether they are engineers or environmentalists, are very concerned about it. So we think the issue is before Secretary of State Rice, but we think, ultimately, the decision will be made

by the President because of the strong congressional power of the North Dakota state senators. That is why I am pleased the Prime Minister raised it with the President.

Mr. Murray: I heard a report that Governor Hoeven said they had talked about taking it to the IJC, I think he said in 2002, and had been turned down. Is the Premier aware of that discussion or anything around that issue?

* (15:10)

Mr. Doer: First of all, I have always suggested to Governor Hoeven, including in 2002 at the Peace Gardens in front of other officials, that anytime there is a specific proposal, it should go to the IJC and Manitoba would totally agree with it.

At some point, North Dakota was talking about their own proposal, and the U.S. federal government was talking about various proposals. I believe, in the spring of that same year, there was a U.S. Corps of Engineers' report that came out that did not recommend proceeding with a federal U.S. Corps of Engineers' proposal. Canada, at that time, said they would not ask for a proposal to go to the IJC until the U.S. Corps of Engineers or the state of North Dakota proceeded with a specific proposal.

Midway through that year, the Corps of Engineers did propose to have a proposal and the Secretary of State at that time, Colin Powell, stated there would be four conditions: an analysis of mercury, a sand filter, an analysis of foreign species and a condition precedent that the lake would not ever have an inlet from the Missouri River system.

At that point, Canada requested the federal U.S. Secretary of State proposal go to the IJC. It was not agreed to and the federal proposal somewhat stalled, in terms of appropriations in the United States. In fact, McCain-Finegold and others proposed amending different money bills to take this away because the so-called Green Scissors group, the taxpayers association in the United States, the environmental groups were calling this one of the top 10 boondoggles in the United States.

From there, the state proceeded on a unilateral basis. Secretary of State Powell wrote Governor Hoeven and has said, "You have no authority to proceed with this state project." It does not meet any

of the conditions of the U.S. Secretary of State's original letter with the four conditions. He also stated it came from a different location on the lake, which impact had not been identified. From there, the Secretary of State's response was not acceded to by North Dakota and they proceeded in the 2003 year with some issuing of tenders and then some awarding and construction of tenders in 2004. The real question then becomes, if the Secretary of State says this is not approved by the Secretary of State's office, where is this project going to go.

Governor Hoeven has never agreed to Manitoba's position with me to send it to the IJC. Nor has the U.S. State Department agreed to send its federal proposal to the IJC. I think it is a misrepresentation of the issue, and I am talking about Canada now because Manitoba cannot refer anything to the IJC. I can give you a copy of Secretary of State Powell's letter to Governor Hoeven indicating that North Dakota did not have permission from the Secretary of State's office to proceed.

The real question is what are you going to do about it. Are you going to send it to the IJC as requested by Canada, or are you going to warn North Dakota that they do not have permission to proceed with this project and then allow them to proceed without any action at the federal level? That is why so many states are worried about this because it sets a horrible precedent for the issue of boundary water treatment.

In the Cleveland newspaper this Saturday, they say, "What if Ontario proceeded to take an isolated lake, fill it full of pollution, and then drain into Lake Erie." That would be totally unacceptable to the Americans and, therefore, this project in North Dakota should be unacceptable to the U.S. State Department on the basis of precedent. That is why the Great Lakes states are getting involved in a more vigorous way now, but North Dakota was warned over a year ago, and I will bring the letter tomorrow to the House from Secretary of State Powell.

Mr. Murray: I appreciate the Premier's comments. I wonder if you can share, and maybe you can also bring this to the House, the issue. I was really quite taken when a number of us went down to visit Devils Lake and saw what was happening on that location. It is quite eerie, to say the least. Having said that, it is a big issue there.

I wonder if the First Minister has access to a scientific document or some document that would show what, potentially, would find its way up the Red River to Manitoba. I say that because the First Minister is very correct to remind our American counterparts over the border closure on BSE to let science, not politics, be the proving ground, the tipping point, if you will, to ensure we get the border open. It should not be a matter of political discussion. Science should just simply prove we have the safest food chain in the world, and therefore, we should get on with business and allow our cattle producers to move their product to south of the border.

On that basis, which, again, I support, I think makes an abundant amount of sense. Could the First Minister table, because I have not seen it, and it does not mean it does not exist, that is why I am asking for it, the specific scientific survey study from Devils Lake that would be used as a benchmark for the fears of, for the foundation, I guess, as to why we are in court?

Mr. Doer: I will get the document, but in court, there was an argument about the standards, the issue of phosphorous levels. North Dakota is arguing their standards are only guidelines. We are arguing that standards are standards. The phosphorous levels—there has been some data on phosphorous and arguments that it is therefore—the North Dakota Health Commission erred. I do not want to speak to the court case because it is before the court, but there are documents and evidence filed on phosphorous levels.

Secondly, there is no better document about risks and unknowns than Colin Powell's letter, where he identifies, after all the materials for the U.S. Corps of Engineers, four conditions of a federal project going ahead. One, an analysis of mercury, and obviously if he felt mercury was acceptable, he would not say there needs to be an analysis of mercury. Two, an analysis of foreign biota; three, the analysis of other pollutants; and four, the prohibition of, he talks about a sand filter, and then, of course, we have a situation where there is no inlet for the Missouri River.

We have some phosphorous stuff. We have some other unknowns because this is a North Dakota lake. Why we wanted to go to the IJC was we want an independent scientific review as we have had in

the Great Lakes, as we have had with Lake of the Woods, as we have had with the Columbia River system, as we have had with lakes in the Québec-Vermont area of Canada. In fact, there has been 53 referrals to the IJC. The whole theory of it is, it is not somebody purporting to have a certain level of knowledge. It is rather, an independent body analyzing the information independent of either government in a non-partisan way.

* (15:20)

Mr. Murray: I would appreciate if the First Minister would table that. I say this to the First Minister because he knows we went down to a meeting we had in Washington. I know that the leader of the other party was not able to make it, but it was for valid reasons. I am not trying to make political points, but I would say this to the First Minister, on this issue, I am somewhat disappointed in the fact that we struck what I thought was an all-party committee. I believe it was on the basis that the previous premier, Mr. Filmon had done the same, and those, I believe, from time to time. I am not a huge believer in all-party committees for a number of reasons, but in this particular one, I thought it was the way to go. I thought it made a lot of sense. And when I say that I am disappointed in the First Minister, I am disappointed on the basis that having had the one meeting a number of years ago, it has been deathly silent in terms of getting a position that we, as political leaders, can go out and discuss with Manitobans because I think it is an important educational issue to talk to Manitobans on. Other than reading in the paper and the comments that the First Minister has put down on the record now, that is as much information as I have.

I guess I have to take the First Minister at his word that he believes the all-party committees are of great value because there is no politics in it. It is strictly then having an opportunity to say with all three political leaders that 57 constituencies are represented, which is all of the province of Manitoba, united, moving ahead on a very important initiative with respect to where we sit in Manitoba, but I do not know why he has chosen to abandon what was initially, I thought, a pretty good process and certainly would not have required me to ask the questions that I will continue to ask on that project in the Legislature. But I would just say, for the record, I think it is important that I share my disappointment on the lack of the way we have tried to move what I

think is a very important issue through this Legislature.

I have numerous people, because it is front page in the newspaper. It is an issue that I think a lot of Manitobans have concern about, and when they ask me about it, I say to them, "If you read the newspaper, you know as much as I do." And they say, "Well, I thought there was an all-party. I thought everybody was on board with this." I say, "Well, I believe we are." But I have to be honest with people that ask the question because we seem to have abandoned that process.

And I want to be very clear to the First Minister. I am not advocating that we go down the path of all-party committees left, right and centre. Frankly, I do not think that that is good for the Legislature, good for democracy. We need debate on issues. I think that is very important, but one that is so major for the future of the province of Manitoba. I think it is unfortunate that the First Minister has abandoned that process.

I think that it is equally frustrating for a lot of people to wonder why, when there is a meeting held in Washington, there are certain members—that the U.S. Congress, the U.S. Senate on the Hill. I am certainly aware of one that the Ambassador informed me of when I was there, that Mr. Alcock was stood up, and you get all of the political machinations out of that and, of course, it is a very emotional issue. You have people saying things that they have to apologize for, and I think that is unfortunate because it takes everything away from the importance of this particular issue.

I would like to get a sense from the First Minister, I have heard him say in this conversation that this has been raised by the Prime Minister with the President at his ranch in Texas. I presume that because of the interest that the First Minister has in the project, knowing that it was raised, that the Prime Minister would have relayed the discussion, the issue, the response, the time frame, some form of response to it being raised, and I wonder if the First Minister could share what the Prime Minister reported back to him on that discussion.

Mr. Doer: First of all, we have not abandoned the all-party committee. We are working under the agreement we had to proceed to court on both the NAWS project, which we agreed to, and, failing a

resolution to the IJC, court action in North Dakota. So that was the direction on NAWS of the all-party committee, and it was the direction on Devils Lake outlet. So we probably could have another meeting, but we are proceeding on the direction of the committee.

There was not a committee when I was Leader of the Opposition. I thought having the member down there when we were getting the legal briefings a couple of years ago was a good idea, and nothing has really changed on the legal challenge and the legal options. You either choose to go to court or you do not, and we chose to go to court. I thought that was helpful, and I thought it was helpful for you to hear directly from the lawyers about why we would go to court. I think we also heard because the chances were not that great on NAWS. I think you were in the room with me, and he, basically, said there are some tough issues here.

So we have been proceeding on that direction. The issue of getting Devils Lake to the IJC, Manitoba does not have any decision-making authority on it. It is a federal referral, a federal U.S. referral, and a U.S. referral. That is why it is at the State Department level. So we have been trying to work, when Canada asks us to do one or the other thing, we try to do it. We are not in the meeting with George Bush or the Prime Minister.

What I think was interesting is the Prime Minister, this time, and I did not talk to him directly, but he reported out directly to the Canadian public, in Waco, Texas. He actually reported that he raised Devils Lake, was in a scrum. It was in the media reports. It was in the media releases. We get debriefed from their officials that are with other officials, and we picked it up from there. I picked it up with the ambassador, who I believe was at the meeting, because he had come on board on March 1, and he was down in Texas. So, we then we followed it up with Governor Pawlenty.

We thought it was important to get the Great Lakes Commission on side but, again, the issue was raised at the highest level with our Foreign Affairs minister and the American Foreign Affairs minister. It was raised with Minister Graham, with Secretary of State Powell. It was raised by the Prime Minister in December. As I understand it, it was not the No. 1 or 2 issue. In the December meeting, there were other items on the agenda. As I understand it, in

March it was one of the top items on the agenda, with the Prime Minister raising it with the President.

We are also pleased that the President's communiqué that came out of Texas was very consistent. President Fox, President Bush and Prime Minister Martin had a communiqué that said all issues between the countries, tri-lateral issues and bi-lateral issues, will be resolved using existing treaties and existing processes that have been successful between our countries in the past. We felt both the President's comments in the communiqué and the Prime Minister's comments gave us an opening to go back to some of the people that the ambassador was recommending that we would meet.

Yes, I am certainly willing to give an update, but the update is very consistent with—I mean, I am not in the room with the President. I want to be clear. I have talked to the President; I have raised it in a very quick conversation before the dinner in Ottawa. We were probably spending more time on beef. I did mention water, and then the President spent a lot more time on energy. He came back and talked to some of us on energy. I tried to raise it in a sense of saying that we are on the same page as Governor Pawlenty on referring Devils Lake to the IJC, but I am not in the room. He was polite on all issues: cattle, energy. I think he knows we have a lot of energy in Canada. I think he is realizing the energy potential of Canada, and he was polite on water.

* (15:30)

The meeting where they are talking, I knew the member would know, having worked for the former Prime Minister, these issues are on the agenda. The advantage of that, of course, is if they are high on the agenda, the President gets briefed before he gets to the meeting. So that is the advantage of having them on the agenda, as he knows. I know it was on the agenda with the Foreign Affairs Minister and with us.

The real raw of politics is, I think most people would agree, the merit should have it go to the IJC. Precedence should have it go to the IJC. It is a question of whether they will take on the two senators in North Dakota who threaten obstruction of various appointments on the Hill. That is the raw politics we are dealing with, as I can see it.

Then there is the legitimate issue of the flooding in North Dakota and how best to deal with it. I think

the alternative of having upper base of storage of water is still an intelligent way to handle it. I noticed the other day somebody was commenting, I think it was the editor of the Bismarck paper. I was going from one event to another, and he was being cross-examined by Mr. Cloutier. The editor of the Bismarck newspaper, when challenged about the inlet from the Missouri River system to Devils Lake said, "Oh, no, he has never dropped that inlet." Of course, that is not exactly the politically correct position to take in North Dakota, but it does reflect the existing maps and long-term vision of the North Dakota State Water Commission. I am certainly willing to meet.

Sometimes what I read in the paper is what I hear too. We are following the directions set by that committee, and I am certainly willing to provide an update. We should get to know a little bit more this week. At this point, the Secretary of State has not agreed to send it to the IJC. At this point, they are preparing options for the Secretary of State. That was similar to where we were almost two years ago, so nothing has changed there. We proceeded to court further to the direction and concurrence of the member opposite on NAWS. We are proceeding to the state court on Devils Lake. We would, as discussed before in our meeting, we would be prepared to drop all court action on Devils Lake if it went to the IJC. We think that is the better way to go.

Mr. Murray: I appreciate the update from the First Minister. I listened closely, and I just ask, and maybe it is not the practice of the particular Prime Minister; which is up to him to run his affairs, but just to be clear, the Prime Minister did not directly brief the Premier on meetings with the President as it was raised down in Waco, Texas, on the issue of Devils Lake?

Mr. Doer: We get a debrief from both Canada and the United States just to make sure it is all the same, and no disrespect to the Prime Minister, we get a debrief from the people in the meeting room. I got a debrief from the Americans in the room, and I find that is useful, if you know what I mean.

Mr. Murray: I appreciate the comments, and again, I certainly do not say that I am in any way more frustrated in this than the First Minister who has spent time on it. I think to paraphrase what he just said, where we seem to be is kind of where we were two years ago in the same position. Understandably,

Ms. Rice has replaced Mr. Powell, and there has been nominal changes, but I guess the frustration is, and I would ask the First Minister, with all of the horsepower—I mean, you think about some of these Republican governors, Republican senators and Republican appointees around the table, the issue, one would think that the IJC, is obviously the logical place to be.

I believe the First Minister will correct my statement if I am not correct, but I would believe the Prime Minister of the day and the Foreign Affairs Minister of the day would be strongly supportive of the position to go to the IJC. I just want to get from this First Minister his take on this is that the two senators from North Dakota are ultimately the ones who are blocking this from going to the IJC.

Mr. Doer: I am just giving you an opinion on the Prime Minister. I briefed him, and I got through to him to give him the letter from the Great Lakes Commission just prior to him going to Brussels with the NATO meeting. I am not sure what they discussed there because there were other items that were, obviously, public items. One was the NORAD agreement. At the time, the member will recall that was the same time as the NORAD issue. I talked to the prime minister before the meeting. I also talked to him prior to the meeting in Waco, Texas. I try to talk to him ahead of the meeting, so that I talked to him before both meetings.

Do we have the horsepower? I think we are getting growing support now. I think we are getting growing support. But I am not going to predict what that is going to do. The Great Lakes Commission, we had Dr. Tom Huntley in meetings with the Environment Minister from Québec and the Environment Minister from Ontario. I want to publicly thank the Premier of Ontario and the Premier of Québec. It is very, very positive in terms of support. The support is broadening every day.

It is going to require the political will of the secretary of state in the United States to uphold a treaty that is very old. It is going to take the persistence of the prime minister because it is bigger than just Manitoba. What we tried to do in the last while is make the argument that it is bigger than just us. It is bigger than the few inches of water that is going to come from Devils Lake. It deals with a treaty that has arbitrated, through consensus, 51 out of 53 decisions.

So there are a lot of Republican governors and Democratic governors in the areas. We are still working with some because, you know, the Great Lakes Commission is a group of water people. We are still working with some governors, governors' staff people. We want to just keep the editorials and the governors engaged in it. It is obviously a bigger public issue in North Dakota and Manitoba than it is in other places. So we are trying to keep people engaged on why it is important to them.

Mr. Murray: Clearly, the preference would be to have the decision go to the IJC. I know the First Minister has said that he would live by that decision, whatever it may be. Obviously, this is something that has been going on for a number of years now. I would ask the First Minister, what advice, what plan he would have in place in the event that this is turned down and Devils Lake does, through the outlet, find its way through the Red into Manitoba?

Mr. Doer: Well, we will continue court action. We are in court. I do not want to talk about all the grounds for court cases, but, as you say, we just got a very good decision dealing with the Souris River and biota transfer from the Missouri River, and we will continue in court. We think the better route for both countries and both jurisdictions is the IJC.

* (15:40)

Mr. Murray: Well, moving right along, just on that basis, if I do understand it correctly, that the First Minister is suggesting that he will continue to exhaust legal avenues. I guess, I would just say to him, my question then is, as I asked: In the event that we are not successful, is there anything being done to deal with the issues that were raised around mercury, phosphorus, salinity, biota, all of those.

Is there anything that is being planned in the event that this proceeds? Whether it is through the IJC making a decision, ultimately, or the legal side of it, something getting thrown out of court, the fact is that that water may be coming north whether we like it or not.

So you and I can have this discussion in this Chamber about all these issues but there are a number of people that make their way of life and so there will be some issue there. I guess the question I would ask is does this First Minister have a plan B, if I could call it a plan B, but some alternative to the

fact that this (a) may get thrown out of court or (b) may get turned down at the IJC.

Mr. Doer: Well, we have plan A, it is to get it to the IJC. Plan B is to engage in court, and plan C we have, obviously, I do not want to go too far because I do not want anybody to believe, including anybody in this Chamber, that proceeding unilaterally in North Dakota would not have an impact negatively on Manitoba's water.

Mr. Murray: Well, I do not want to, sort of, go back and forth over what is known. I guess the question is the unknown and the concern of the unknown. Nobody will argue with points A and B that the First Minister just made, but I am somewhat concerned. I do not think we should be out there talking about plan C if that is what, to paraphrase the First Minister, but it does, I think, show a little frustration for those that may have the potential to be affected that we just say, well, the IJC did not see it or did not rule in favour and the courts have thrown something out and so we are faced with the water heading north.

You know, I mean, I would suggest that it is not totally dissimilar, although maybe it is on a different scale, but in principle, the issue of Rancher's Choice setting up shop in Dauphin, I think it is supported, it is the right thing to do, but somewhat surprised when there is an issue over the size of the lagoon. I mean, one has to wonder, who is managing this process? I mean, one would think that if Rancher's Choice, which has unanimous support, I believe, across the province, is the right thing to do, finds its way into Dauphin and they are sitting around saying well, we are not sure we can manage this plant because of the lagoon. Somebody has, one would suggest, somebody, it could be in the minister's office, the local MLA, that somebody has fallen asleep at the switch. So you say, well have you thought this thing through, I mean are we prepared for what is coming and what is required?

That is the basis that I frame the question. I hope it is not to be, with respect to the issues around Devils Lake, I hope it does go to the IJC. I think that would be the best solution, because then, I believe that when you look at, I think it is 53 cases they have heard, I think there is a track record there that would speak to some, if I could use the word sanity, if I could use the word commonsense, whatever it may be, but a ruling that would be in Manitoba and in Canada's favour. I hope that, and it would not be a

desirable effect by any stretch, but I would hope that there would be some sense of what happens if A and B just do not go our way and we are faced with an option C, which I think would be devastating. I just think to say well, now C has come, what are we going to do about it, I just would say, it would, I think, be perceived as, again, not looking at all the options and being prepared for the outcome.

Mr. Doer: Well, you mentioned Rancher's Choice. We are working on the lagoon. It is an issue we have to deal with. We believe, and we are working with, and I mentioned it under the infrastructure as a priority. We are trying to not only provide equity on one end, but infrastructure on the other end. Then, of course, there are proposals in Neepawa on infrastructure and for another plant and lagoons, and so we are aware of those, and we are working with various proposals to get the thing done.

Mr. Murray: I know we should not work for an acronym on that one, we could get through a little quicker. I understand that on Rancher's Choice, and I do not want to come off of Devils Lake, but I used Rancher's Choice as an example. While we are talking about Rancher's Choice, because I just happened to be up in Dauphin on Thursday and Friday, if the First Minister is aware of the issue around the lagoon, the capacity of the lagoon with respect to the kill facility, what is the government doing about it?

Mr. Doer: Well, Conservation is working with Agriculture and we are working with infrastructure to deal with the issues of the lagoon. We know it is a very serious situation with the issue of the need to slaughter more older cows. We also know the lagoon, and I am sure the investors themselves knew about the lagoon ahead of time, I do not think that they were naive on this issue. I think they were fully aware of it.

So it is a question of working with the law because there are laws in the department under The Environment Act and there are laws dealing with the lagoons. It is a matter of dealing with the municipality, the federal and provincial governments on this issue and also dealing with the investors. We know there is a need to get expedient decision-making because of the economic crisis that cattle producers face. We are trying to work, I do not have all the details, so I am sure it came up in the Department of Agriculture's Estimates. I am sure you

went over it in detail, but there is a cross-department group working on trying to get this done. I think that is the accurate answer.

Mr. Murray: It is somewhat ironic that the Minister of Conservation (Mr. Struthers) is also the local MLA. One would suggest maybe he should schedule a meeting with himself to try to get this thing solved. I just, again, find it interesting that we, on this side of the House, if it was something that was of dispute, or there were concerns, or issues about Rancher's Choice being set in Dauphin, I would understand there would be, perhaps, complications. We support it. We think it is the right thing to do.

But I am somewhat surprised frankly that with all of the discussion that took place around Rancher's Choice, and it went on for months and months and months, it became clear it was going to be moved to the city of Dauphin, supported in principle by us, on this side of the House, because we do know we need more slaughter capacity here in the province of Manitoba. That is where we want to move to, but I cannot for the life of me, figure out how a decision like that could be rendered only to find out now that it is being dissembled and moving into the community that somebody says, "Well, hang on for a minute. We have got an issue here around the capacity of the lagoon." One would have thought as they talked about it as a location, that would have been an issue dealt with immediately and said that we will make sure that gets dealt with. We have the proper lagoon capacity to accommodate Rancher's Choice.

So, again, to the First Minister, I want to come back to my initial conversation, and that is when you look at something that is obvious, you know that plant is coming, and yet somebody stands and says, "Well, wait a minute. We have an issue around the lagoon," after the fact, then I would just in that context ask the First Minister what strategy, what plan would he share with those Manitobans who would be hurt by a negative ruling by IJC or a court throwing out the Devils Lake ruling and those Manitobans that would be part of the hurt. What strategy, what plan does he have in place for those people?

* (15:50)

Mr. Doer: We did not sit down with the people of Devils Lake and come back with an alternative in our

caucus room that would have been negative for Manitoba. So we have been fighting it consistently throughout the debate. Secondly, we have taken it to court. Thirdly, we have taken it to the highest level and got it to the President of the United States. When we came into office, Minnesota did not even know about it, so we met with Governor Ventura. It was no engagement back and forth between us and them, being Minnesota. So we have got a lot of supporters onside. I have been criticized by some members of the Chamber for going to court. I do not think that is fair, but that is the way it goes.

In terms of Rancher's Choice, things were known ahead of time. Obviously, you do not build a lagoon if a plant is not going to go there, because I think it is \$15 million. So we do not build a lagoon unless we know there is an exact investment, and that is including our investment going up. On the other side of that, we are working on both sides of the street. One is the regulatory side consistent with the law, and we are also working on the investment side consistent with the need.

Mr. Murray: I am disappointed in the response for the obvious reason. If the First Minister wants to suggest that somehow we are hopeful, of the options with respect to Devils Lake, again going back to his alphabet, that C is the chosen option, clearly it is not. It absolutely is not. I would hope that this First Minister would not, in any way, shape or form, try to take any of the discussions taking place in this Chamber to suggest that, somehow, that was being an option we were looking at. I say that absolutely would be categorically false because it is not true.

I am simply asking the question, on the basis that to ignore that as a potential option, which I will go on again on the record, one would hope it does not see the light of day. But to say, and again, if the First Minister wants applause for bringing the other people on board on the American side, sure, fair enough. He has put time into this project. But I think my question deserves a little bit more of an answer than just saying that we do not sort of have these discussions in caucus and come up with the idea of what happens if the water flows north.

I am simply asking if it does. Again I am repeating myself, but only so that this First Minister does not, in any way, shape or form, try to take anything I have said and put it out of context. If it does, and I hope it does not, but if it does, what is the

First Minister's plan with respect to that decision, inevitable if the water continues to rise? What is his plan for those people who will be affected that commercially rely on their industry in Manitoba?

Mr. Doer: Well, the press conference is a matter of public record, and the statements made by one of his caucus members on Devils Lake is a matter of public record. We have, obviously, the Department of Conservation prepare work. It is not in our caucus, it is with experts that advise us all along. So we will continue to take expert advice about what our options are, but part of the advice is you fight as vigorously as you can on plan A and plan B, i.e., courts and the IJC. We have said to the people in North Dakota we do not believe they should be in a double jeopardy situation where they go to the IJC and then we still sue them in court, because the IJC is intended to deal with an independent scientific way of dealing with this.

So we will not be discussing this in, "caucus." It will be recommendations from experts similar to the Rancher's Choice situation on the lagoon. We deal with expert advice. The former Minister of Natural Resources would be aware of this. There are licensing provisions and water standard issues we have to deal with, but we also know there is a huge economic hardship here and we are trying to deal with both the law and the need. We will try to deal with both sides because we are trying to find ways to ease the costs on the infrastructure as well as easing the cost on the equity.

Mr. Murray: I do think it is unfortunate that the First Minister is either unable to answer the question or does not want to answer. That is his local decision, not mine, because I think what it shows is that the attitude is that, well, it will not be my problem and it will be somebody else's problem, which, I think, is unfortunate. I say that with all due respect.

Again, I was simply raising it, and I used the word "caucus" because the First Minister said that we do not discuss these things or come out of caucus. That is why I used the word "caucus," but I think that the issue is serious enough to warrant a bit of a discussion to get a sense from the First Minister where he might look at some of the potential downfall, the outcome of what may happen in Devils Lake. His answer is pretty clear that it is either fight it in court or go to the IJC. I hope he is correct, and I

hope he is successful. I hope we all are in Manitoba successful, that we get a positive ruling out of the IJC or that somehow the court disallows or somehow steps in and intervenes in the process and there is a stoppage.

I only say that because clearly there is no plan, there is no discussion. He is not willing to have any comment about what may be something that nobody in Manitoba wants but it may be inevitable. I think that is a very, very unfortunate position for the First Minister of this province to take.

On the issue of Rancher's Choice, again, I am very surprised that people in the negotiating process would not know the capacity that the kill plant would have. That would directly, I believe, give a sense of lagoon capacity required. I just find that what has happened here is the government of the day has decided they are going to proceed with Rancher's Choice and support it, but they forgot to do their due diligence on what other aspects are required. So now you have this thing continually being delayed. It is in abeyance. Every day we know our cattle producers continue to suffer. I say that the principle of that is the reason that I frame my questions around Devils Lake, and it is the reason that I have concerns about the potential outcome because of the inability of the First Minister to provide an answer to the question on Devils Lake.

What is the timing with respect to the expansion of the lagoon and the building of Rancher's Choice?

* (16:00)

Mr. Doer: I just want to tell the Leader of the Opposition that we do not play all our strategies on our sleeve. Maybe he might. I would strongly recommend if you are ever in this job to be a little more prudent. When we were asked questions, what is going to happen if the command and control of the disease lab goes to British Columbia, what is your contingency, we did not start going to waving the white flag and surrendering when we were fighting. If the member opposite wants to wave a white flag, go ahead. We do not. When we fight for Manitobans, we fight as vigorously as we can. We do not go to the surrender position or another alternative in terms of dealing with the best way to deal with them.

I have already said that going to the IJC is the best way to deal with the project. I have already said

that we would agree to go to the IJC. When the other projects the member opposed, the arena—I know when he opposed the arena and voted against it in this House. I think I have seen him at the arena a few times since. When one of the investors pulled out, Mr. Graves, we did not say, oh, we surrender, we surrender. We went out and worked hard to get other investors.

There are going to be lots of questions that I am not able to answer here in the Estimates process, nor should I. When people ask me, what are you going to do if you do not get money for the museum, I do not walk around with a white flag and surrender. I go out and fight for things.

When members say what are you going to do about the member from Emerson who says you should not be going to court. Well, I do not let the member from Emerson dictate what we are going to do. Obviously, the member opposite has no leadership on the issue with the member from Emerson.

To say you will not give an answer, or you do not have an answer, you are going to do that a lot of times when you want me to give answers on issues that are actually being dealt with by other credible people, other credible bodies, other quasi-judicial bodies. That old, tired song of you won't provide, or you don't have an answer, you are not thinking about it—I just want you to know, I know you are going to sing it a lot of times in the next while, but, you know, that does not apply.

In terms of Rancher's Choice, we do have due diligence, including the number of cattle to deal with. We are not going to have an Isobord plant here where the public loses \$30 million. We want to have a situation where we slaughter more cattle. So, yes, we do have due diligence, but, you know, you cannot build a lagoon, you cannot enhance a lagoon with \$15 million until you are absolutely sure that the investment is going to take place, and we have been working on it since and before we obviously knew this was an issue.

You are right. The Minister of Agriculture (Ms. Wowchuk) is from the Swan River-Parklands area. I would daresay she knows a lot more about that region than anybody. The Minister of Conservation (Mr. Struthers) and the Minister of Agriculture are from the Parklands region, and along with the

member from Ste. Rose and the member from Russell, they are very aware of what is going on.

Mr. Murray: I think the First Minister is always looking to try to put things on the record that of course, I will not get into Bill 10, but he knows it is coming. I guess the thing that I heard from this First Minister was that they are now negotiating on Rancher's Choice.

Can he then confirm that Rancher's Choice may or may not go ahead in the province of Manitoba?

Mr. Doer: There are some risks involved in the Rancher's Choice from the ranchers and there is some evidence. We are doing work, and I do not want to prejudice some of the discussions, but it is a very active, current priority for us. We had discussions with other jurisdictions as late as—I personally had discussions as late as Friday.

Mr. Glen Cummings (Ste. Rose): I heard my name mentioned a moment ago and I just ask the Premier one question: When proposed large enterprises like the Rancher's Choice and natural beef plants are proposed, very often there is an internal SWAT team that is put in place in order to assist and manage the issues and make sure that efficient decision-making is made and that the projects move forward, especially where there is environmental regulation and, in this case, two communities that know they will be challenged. There is an infrastructure challenge that is very big and government, I hope, believes they have a very large stake in this.

Has the government put together an implementation team to assist these two projects in becoming a reality? I think the Premier (Mr. Doer) would recognize that there was that type of an approach taken to encourage McCains to develop in Portage and he was, I am sure, only too pleased to participate in the opening when Simplot opened at Portage, and Maple Leaf.

All those are examples of where government, in a province the size of Manitoba where infrastructure, and particularly where communities are involved, where infrastructure, good lagoon capacity for sure, are required, does the Province have an implementation team to assist with these two projects?

Mr. Doer: Are the two projects you are talking about Maple Leaf and the slaughter, or Neepawa,

and the organic beef and the proposal and the slaughter in Dauphin? Yes, we have officials from multi-departmental people working on it, on the implementation. We also have federal-provincial negotiations on the infrastructure requirement and, at the same time, we had ongoing discussions on equity we would put in, which has been increased twice, and the commitment the ranchers would have to the cattle.

So the answer is, yes, the organic beef proposal in Neepawa will require investments in the lagoon, and that is a little bit further away than the situation in Rancher's Choice.

Mr. Cummings: I was specifically concerned when there is a third party involved, i.e., the local communities of Dauphin and Neepawa, who will undoubtedly face, know they will face, some infrastructure costs. The Province undoubtedly has a role there, not just as a regulator but, hopefully, as a partner, and I think we have heard several times we expected the federal government would participate from the point of view of environmental protection and these types of projects. Is there a qualified point team working on that aspect?

Mr. Doer: Well, there are discussions going on with the federal government, serious discussions, with the infrastructure proposal in terms of funding and with the municipality. I believe the cost is, minimum, \$15 million, and there are other discussions on the equity side with the federal government. There is an implementation team on all the costs and conditions of licensing that would deal with the need for an expedient process in terms of cattle being processed here.

Mr. Cummings: One last, brief question, and I am pleased to hear that the Premier has an implementation process in place, I am concerned that both communities have to, or have in place, hired engineering environmental consultants who should be preparing the information for licensing, and that is the first step. They have to quantify the volumes and the content of what they are going to be processing and that should be known, given it is a known entity that is going to go through the plant.

Is the Premier aware, or would he undertake to make himself aware, of whether or not these firms, on behalf of the communities, have forwarded the information for licensing?

Mr. Doer: I will double-check, but I know there were discussions, definitely, on licensing issues on Rancher's Choice. I know that there have been discussions, I have been in meetings with the mayor, I think twice, from Neepawa, on organic beef. I do not know whether using the word "organic" is—

An Honourable Member: Natural beef.

Mr. Doer: Natural beef, the natural beef product, whether that, too, has been discussed, it is a little further away, but we know the lagoon will not meet the requirements of a potential investment.

* (16:10)

Mr. Murray: Could the Premier indicate when a deal will be done with Rancher's Choice and the date that the lagoon will be completed? In other words, as the honourable member from Ste. Rose was talking about a SWAT team, I have heard the First Minister talk about ongoing negotiations. This is an issue we are all hoping can be done sooner than later. Could the Premier share when Rancher's Choice will be up and running with the proper lagoon?

I preface that so I am not looking for him to say as soon as possible. Is it going to happen in 2005, 2006? It is a very serious issue. I am not asking the question to try to embarrass the First Minister. I am asking specifically to get a sense of when Manitoba beef producers can have some faith that there will be a made-in-Manitoba solution.

Mr. Doer: I do not want to give a date that is not able to be implemented, but there is no question. I mean, we want cattle to be processed here. That is why we have upped our ante in the equity side, in the loan guarantee side. We have made this a very high priority for us in terms of discussions for infrastructure, the tri-level infrastructure program. It was discussed as late as Friday. Until you get an agreement, you do not have an agreement. It is like re-allocating rapid transit money to community clubs. The gestation period sometimes is longer than we would like. It is urgent in our view.

I will get the date. *[interjection]* Pardon? I did not want to use the gestation period of an elephant. I hope it is closer to our species.

Mr. Murray: The First Minister travelled to Washington, I believe it was somewhere around

April 8, 9, 10, something in there. I wonder if the First Minister could detail who he met with and what the agendas of the meetings were.

Mr. Doer: I believe the date was April 4, because I think April 9, we were in the House, maybe a little later. April 11, I know we were in the House. I guess it was not the fourth, but it was that week.

We met with Governor Pawlenty and Doctor Huntley. We then met with a number of people in Washington. I will double check from the ambassador, which ones I can release publicly and which ones I cannot. There were senior officials in the State Department. There were three items on our agenda. Hogs, which we had raised a year ago and we thought the decision was going to come out positively for Manitoba. beef. Obviously, it continues to be an issue and we just continue to want to make sure the people realize we appreciate the direction of the order in December of the Secretary of Agriculture. We also had the water issue, both NAWS and Devils Lake, on our agenda. Along with that, I spoke with the Canada-U.S. business organization.

There are some people I will have to get permission to give their names out, because they are third party from us. That was the genesis. I am certainly willing to provide all the names when I get clearance.

Mr. Murray: I know, at least it was reported, that the First Minister was joined by a minister from both Ontario and Québec to Washington. I wonder if the First Minister could confirm who paid for their travel.

Mr. Doer: The provinces of Ontario and Québec.

Mr. Murray: Could the First Minister let us know who travelled with him from Manitoba?

Mr. Doer: From Manitoba was the Minister of Water Stewardship (Mr. Ashton) and Diane Gray from Intergovernmental Affairs. We were joined with Riva Harrison, joined, did not travel with, but I did not want to parse the question.

Mr. Murray: Just for clarification, I know you met with the Governor Pawlenty, I believe that was in Minnesota, so your itinerary went from Winnipeg to Minnesota to Washington, question one; and,

secondly, was that group with you on the Winnipeg-Minneapolis trip, as well as the Minneapolis-Washington trip?

Mr. Doer: No.

Mr. Murray: Just for clarification, if the First Minister would just explain the travel patterns of the people that joined.

Mr. Doer: Diane Gray did not travel with me. She went ahead and met with the governor's staff ahead of time. We also met with the Consul General on this issue and a couple of other issues related to Manitoba-Minnesota relations, and then we proceeded to Washington.

Mr. Murray: Could the First Minister give a sense, in a broad sense, the meetings that he had, and I know that he is going to get permission, hopefully, to see who all he met with, but until that is forthcoming, could he give us a sense, in light of some of the issues that we, I guess, hear about, read about, I had some discussions with some officials that likewise, I do not know that I can give names, but the important point is to make the tenor, I guess, that was felt, that there is a lot more tension now between Canada and the U.S. than there has been for a number of years, and I just wonder if the First Minister, in the meetings that he had, could he give us a sense of how he felt the issues that were raised were received from his counterparts.

Mr. Doer: I felt the issues were handled with a fair degree of respect. We have some friends in the United States at pretty high levels, and they were very respectful of the views that were expressed. Are there agreements between Canada and the United States? Right now, it is some really important partnerships on NAFTA, NAFTA-plus, energy. Yes. Are there some disagreements? Absolutely.

Mr. Murray: Could the First Minister just maybe explain his comments that were reported in the newspaper a couple of days ago? The date is not important, it is more the issue I am concerned about, and it was around the notion that, if there is a federal election, some of the monies that are committed may be in jeopardy. Is that his own personal opinion, or has he been given direction about that issue?

* (16:20)

Mr. Doer: Direction from whom would be question I would ask the member opposite. I try to call it like I see it in federal-provincial relations. There are a lot of issues that a number of premiers are concerned about, that want to get these issues resolved. There are other issues that even municipal officials will raise with me that I cannot give a good answer to, such as gasoline sharing of some taxes. Some gasoline taxes could go to the federal government. There are other issues such as child care where there might be a divergence of opinion. Kyoto implementation, there might be a divergence of opinion. We just went through a civic election last year; the mayor was changed. The priorities changed. We obviously dealt with it. The rapid transit changed to recreation, and we obviously felt that that was an important priority as well, especially when the City decides its own priority. Bottom line is governments decide their own priorities.

I was asked the question what projects are in negotiations. So the direction actually came from a question from the media. I tried to respond to the questions as accurately as I could, including saying if there is an election, we will deal with it, and, whoever is elected, we will deal with that too. I would use an example, City Hall. The items in negotiations are pretty well on the public record. I do not believe that all items will be affected by a potential change if there is a federal election. Some may, some may not. Just like the mayor changed the priorities, another sheriff will change the priorities. The members opposite know that.

We will not decide this issue in Manitoba. We were asked a question. I think a lot of premiers have been asked the same question in different political parties and said they prefer to get some of these agreements signed away. I do not know what the Atlantic Canadian premiers are going to say. I have not talked to any of them recently, but there is the whole Atlantic accord. Some people are arguing that it is being held up by one government, held up with another government. Bottom line is, whatever will happen, will happen, and we will deal with it.

Any issue of federal-provincial funding for priority areas, if there can be agreements reached, such as recreation, I do not think that had anything to do with the situation in the last month with what is going on in Ottawa or, more importantly, what is going on in Montreal right now. We will deal with

whatever happens. I would like to get agreements. If an election is held, governments cannot commit money. They can make promises. For an example, we would like to get the infrastructure proposal that the member just mentioned on Rancher's Choice. We would like to get that done. I really would like to get it done because it is the best way to proceed.

Now, I am not saying that a change in government would not be just as positive about infrastructure money for that proposal or not. I do not know what the Canadian public are going to do, and I do not know what they are going to do in Parliament. It certainly seems to me that we are potentially heading for an election.

I have had experience in dealing with minority governments. In fact, I had the great pleasure of being the third party supporting a Conservative government. It was not always the easiest thing to do, I might say. I think the public actually liked that. The party that lusts for power, and I am not talking about the present situation, but I actually know that there was another person sitting in that seat who is now a senator that was pretty transparent about calling an election early. I do not think that is the best advice to give somebody. But the situation might be so enticing with what else is going on that the opportunity is there.

Bottom line is I did not get any instructions from anybody. When somebody asks me what about Jack Layton's comments about the clarity clause and saying he is going to scrap it, I say that is wrong, and I will speak for Manitobans no matter what the political party, what the political stripe. I was pretty honest about my views of my leader or our leader, rather, or the leader of the New Democratic Party.

An Honourable Member: Be careful of that.

Mr. Doer: Well, I have lots of stuff for you.

When he said something about the clarity clause, I was publicly opposed to it. When somebody asked me, "Do you want an election right now?" Honestly, no.

Then, of course, the reporter had all the agreements. I mean, the national reporter knows all of the issues in discussion. If you go down the list, I am glad the museum is done, of human rights. I am glad there was this reallocation of city infrastructure

money. I want to get the rural infrastructure money done. There are issues of child care, the potential funding of a child care program I am sure the former Minister of Family Services would have liked when she was a minister, because it means that it is not just the provincial hands carrying the load and the parents carrying the load, but there is another set of hands carrying the load and that is good.

But I was not under any—I think the member opposite, the word was, what was the term, whose orders was I under?

An Honourable Member: Direction.

Mr. Doer: Direction, okay. The reporter asked a question. I just honoured it, tried to answer it as straight-up as I could. I know right now there is a politically sensitive period of time. I am going to try to be careful about it because, as they say, like city politics, you never know when the sheriff gets changed. But I got asked a question; I answered it.

Mrs. Bonnie Mitchelson (River East): I just have a few questions for the Premier on some of the issues that he has been made aware of up at Nelson House and at Split Lake. I know that, when the Premier was up in Nelson House, I believe it was in January with the Minister of Advanced Education (Ms. McGifford), I am not sure who else was up there at the time, but they announced, I think, somewhere between \$350,000 and \$400,000 for training at Nelson House.

I think a good announcement, but, at that time, there were, I believe, some people that probably were not invited to the announcement that passed a package of information to the Premier. I know that the Premier's office has responded back to the individuals that presented it to him and indicated that the correspondence would be brought to the Premier's attention.

In that big package of information, there certainly were a lot of issues with the federal government that people at Nelson House had. But there were also some issues around Manitoba Hydro and provincial government funding and openness, accountability, transparency.

I guess I would just like to ask the Premier, given that he has seen and has had this information since, I believe it was, January 5, whether he has

looked at the package in any detail or received any briefing from officials on whether any of the allegations maybe that have been made or any of the questions that have arisen from the community were serious enough to warrant any sort of a briefing.

I guess, what has the Premier done since January to assure himself that, you know, the issues that were raised are dealt with appropriately?

* (16:30)

Mr. Doer: Well, I believe I was handed material on the way out on the steps. The issue of who is invited and who is not is decided by the elected chief and council. I believe we were in a fairly—I thought it was a fairly public forum. You know, I have been very careful about issues in that community, given that there was a referendum a year ago or a period of time ago, and then there is another referendum. So it has not been my practice to get involved in democratic disagreements.

I do have a lot of faith in the CEO of Manitoba Hydro. I thought that the idea that was offered by the minister of having the CEO and Hydro appear before the committee is a sensible one. If you ask me whether I have faith in the management of Hydro, I have a lot of faith in Mr. Brennan; I believe he is a good senior executive officer. So when I feel we have good officers in place, good CEOs in place, I let CEOs be CEOs. If I try to second guess his managerial responsibilities and his executive team's assessments of things, I just will not be able to do it in government.

As you know, with all the Crown Corporations and all the issues, you get letters every day and briefs every day and you have to have some trust in your management unless it is proven otherwise, and I have trust in Mr. Brennan.

When I went to Nelson House the first time to sign the agreement, there was quite a lot of optimism and then of course, that was followed by a referendum and now that is followed by another referendum. Certainly, to have two referendums on the same subject is a pretty democratic process.

I have run into people in the Thompson Mall that are opposed to the elected administration in the community, but I would refer the member asking those questions to the CEO of Hydro and, certainly,

the minister has indicated that debate could come before the Legislature so I would encourage us to proceed there.

Mrs. Mitchelson: I am not for one moment taking on the administration over at Manitoba Hydro. I guess the question becomes it is ministerial or Premier accountability. When information is handed to the Premier, I guess my question would be just simple and maybe the Premier could answer. Did he or his staff who responded to the organization or the individual that passed this information on to him, did he ask for any briefing? Did he send the package over to Manitoba Hydro and ask for any sort of briefing or comments back from Hydro?

I do know that there was a question around some of the training dollars too if you look through the package of information. Did he share those concerns with his Minister of Education (Mr. Bjornson) so they were aware that these concerns had been raised, and did he ask for any input back from them to ensure that the accountability mechanism was there?

This was a package that was presented directly to the Premier so I guess I am asking what did he do with that information in order for him to correspond back and say that he had received it and was doing something?

Mr. Doer: Well, I believe I immediately had another meeting, actually, in the car back to Thompson, and then proceeded to meet with Inco, I believe, in Thompson about some issues. The material was passed to my staff but I can safely say I did not have a second to read it on that trip.

Secondly, I would point out that at Manitoba Hydro we have a very good audit committee. I think David Friesen is on it. I believe Carol Bellringer is on it. And I actually believe Bill Fraser is on it, so we have created a pretty good audit committee at Manitoba Hydro. When I heard there were issues there, I was informed that issues dealing with Hydro, if there were any issues there, would be dealt with by the audit committee.

I am not sure what response is coming from my office. I can look at it. I will find out, but I get packages handed to me all the time. I walk into this building and I might get three packages handed to me. I want to be honest. I cannot read them all. I cannot. My kids would not even know me if I read

them all, so I do not read every package I get on the doorsteps.

I do know there is a dispute in the community. I have been talked to verbally by people. I know there has been a referendum. I know there is going to be another referendum, and I know that Hydro has good management. I have some trust in the Hydro management and I have some trust in the community itself to make the decisions they are going to make.

That is where I start from, but I do not read every—when I get a brief at the doorstep here, you know like sometimes I will get stuff this big on somebody's, let me assure you, I get people that have broken up with their spouse and I get their whole legal file handed to me sometimes about this track of land and that track of land. You know, the minister did not read every brief she was given to either because you just cannot. You will not have any life.

I try to spend a little bit of time with my family, not enough, and I am just trying to state that I did not, I do not—*mea culpa, mea culpa, mea culpa*—read every brief I am handed, and especially ones that I am handed coming into this building or on the doorstep, or something else. It does not mean I do not think they are serious, but I just cannot physically do it.

Mrs. Mitchelson: Mr. Chairperson, with that tirade, I mean I just want to indicate to the Premier that I was not asking whether he had read it personally. I never did indicate that the Premier should have read it personally, but when someone from his office takes the time to respond back and indicates that it will be reviewed, or whatever, I guess then the question becomes was it reviewed anywhere in government.

I have sort of been there, done that. I know that you cannot possibly read absolutely even every report, but you do expect that your staff will look through documents. If there are some hot issues, I know that anyone of us would want to make sure that we were apprised of that as politicians, because it could become a question in Question Period, that there could be something that arises a little later on. So you want to make sure that at least you are briefed if there are any issues that maybe should be brought to your attention, and that is the job of the staff in the Premier's office, the staff in the policy

secretariat. Those resources are available to a government or a party in power.

So I was just asking whether in fact anything had happened, whether there were any flags raised. Obviously not, I guess, would be the answer. It probably did not go anywhere other than the Premier's office because I did not hear that anything came back to the Premier that would have indicated that this should have been passed on elsewhere.

I will just go to one other letter that the Premier did respond to in August of 2004, and this was a letter that came to the Premier directly. I know that many of the other things in the package did not really come to the Premier. He may have been copied on them in times past, but they were letters that really did speak to the federal government and some of the issues on reserve that were federal responsibility. I know that the Premier was copied on them just for information.

This letter went directly to the Premier, and it would have been in June of 2004. There were concerns about spending of money at Nelson House on the Wuskwatim projects, and also there was the issue of money that was being set aside to build a casino. There was some concern in the community that there was going to be a casino built.

There was a letter that did go back from the Premier's correspondence office that indicated that, "given that the allegations were serious, we have contacted the Nisichawayasihk," I am not sure, Nisichi—[interjection]—I am sorry, "Cree Nation directly to inquire whether any of the allegations in your letter are valid." I want to thank the Minister of Northern Affairs (Mr. Lathlin) for that because it is sometimes a little difficult.

* (16:40)

This was in August of 2004. The Premier may not have an answer today for me, but I certainly would like an answer back on the record because the Premier's office at the time and his correspondence secretary did indicate that the allegations were serious and that "we," which I would mean the government, were going to inquire whether any of the allegations were valid. Now this is August of 2004. So I guess I might ask for an update from the Premier on whether those questions were asked. Is he satisfied that none of the allegations were valid? Was

there any correspondence following this from the Premier's office?

Mr. Doer: I will take the question as notice on the letter. The package of material was acknowledged, and some of the same information is with the Hydro audit committee. As I indicated, the package at NCN contained petitions from those opposed to the Hydro project that I was provided with

Mrs. Mitchelson: I thank the Premier for that. I believe the package was significant, but, again, I will go back and ask, then, whether I can have a commitment from the Premier to get himself briefed on the August 3, 2004, letter in which he indicated that the allegations were serious and that he was going to inquire whether any of the allegations were valid.

I would like to know the results of that inquiry and whether there has been any further correspondence on this issue.

One other thing that seems to be of some concern to some of the people up north is the whole issue of future votes on either Wuskwatim or Gull-Keeyask and the community votes that are going to have to take place. There seems to be some concern by members of the community that they are not fully informed and cannot make an informed decision or vote. They are concerned, and there have been allegations—I know that the Premier has probably heard them, too—that the votes may not be as democratic as some in the community might like.

So I would ask, as the community people have asked me, whether the Premier might be supportive of having an Elections Manitoba-type process when these votes do take place to ensure that there is a legitimate vote taken, and that the results are those that all can hold up and say with every degree of confidence that they were a fair process. So I just ask for the Premier's comments on that and whether, in fact, should that kind of a request come forward, he might look seriously at maybe asking Elections Manitoba to be a part of the process.

Mr. Doer: Well, there are probably more elections in First Nations communities, every two years at least, than there is at City Hall. There is for all of us, not necessarily now for Parliament, but there probably is a fair degree of electoral process. I understand this is the second referendum, which is

very democratic when one considers in the past that Hydro projects were proceeded with without any permission from a First Nation community, period, or they were proceeded with without any partnership. This is something that the band and council, the chief-in-council did not say, "We are going to do it"; they said, "We are going to have a referendum on it." Now there are two referenda on it.

There are processes in place to ensure that elections and referenda are held properly under the jurisdiction of the—there are different—I do not know all the conditions of it, but I am pleased they are having a referendum. I think that you could get lots of agreements signed just by chief-in-councils, or lots of agreements are signed by City Council. For example, there is no referendum on taking the money from rapid transit into recreation.

I just really believe that we should have some respect for the democratic process, whether it is the municipality or First Nations. Elections Manitoba is involved here for provincial elections. It was involved in some irregularities here. I think Elections Manitoba has been involved or Elections Saskatchewan has been called into one election on the Métis election, I believe, but that was based on evidence, not on the basis of democratic trust. I wonder if I might take one minute to visit the facilities.

Mr. Chairperson: Is there a request for a recess?

Some Honourable Members: Yes.

Mr. Chairperson: Two minutes, three. There is a recess.

The committee recessed at 4:46 p.m.

The committee resumed at 4:48 p.m.

Mr. Murray: I wonder if the First Minister could explain. We had a discussion during Question Period on some of the tragic incidents that took place in some of our schools. I know that upon raising the issue in the House about having a Safe Schools summit, the First Minister has agreed it is an initiative that is going to take place. Can the First Minister give some sense of a time line that the Safe Schools summit will take place, prior to the start of the '05-06 school year?

* (16:50)

Mr. Doer: I believe there are dates around the 10th, 11th, or so, of June. I believe the Department of Education was already working on something before the end of June, dealing with a combination of issues, including Internet issues and other issues of safety.

Of course, this is a topic of it. I know the Minister of Education (Mr. Bjornson) and the deputy are working with groups, stakeholders in the meeting. We are trying to find a date that is before the end of the school year, after the exams and before the graduations. So those are the dates we are trying to find, but I think they have some dates around that date. I will find out later, but that is what they are tentatively working at.

We believe by then we will have all-over 640 now, or 630 emergency measures in. They are following up with the schools that have not got them in, sending them prototypes that they can use if they do not have one. Some of them want to spend time with the parents on it. But we certainly will have—that is the time line we are looking at. I do not know whether it is nailed down or not, but that is the time line we are looking at.

Mr. Murray: I appreciate that there is going to be, that is a tough time of year to schedule anything. So I understand that and appreciate the effort that is being made.

I wondered if the First Minister would, through maybe discussions with the Minister of Education, if he would find that acceptable if, that the, in my capacity of Leader of the Opposition, that I might have an opportunity to say brief remarks at that safe school summit.

Mr. Doer: I believe we have a planning group of stakeholders, and I am not sure that they want to have this as a partisan event, including me. So I do not know. I saw the letter last week, so I will take that offer to the group. But if I speak, you will speak, but I do not know. I am trying to be sensitive. They do not want this to be a political event. They do not want it to be perceived as a political event, some of the people that are planning this. We will not have this as a political event. But I want to thank the member for his offer. So I am not planning on seven Cabinet ministers speaking and you not speaking.

And there have been a couple of times. I just want to talk about one. A couple of times, there has been times where people have not been invited. We tried to ask people. It was an event of the V-E Day, I think, and I really want to apologize. Protocol is supposed to invite the political parties. And I think there was another. I think the Manitoba, the awards for the farmer appreciation day, the member, the leader, the member from River Heights did not get invited, but we invited him up anyway. But he spoke too long after that. So maybe that is why he was not invited. The farmers did not want to—do not tell him I said that. He will not read Hansard.

Most times we are pretty good at that, but there is the odd courtesy issue that I do want to say is wrong. If we have a non-partisan event with stakeholders, we will keep it that way, but I do appreciate the offer from the Leader of the Opposition.

You know, we are all part of our community. We all have schools we represent, but there is a feeling they do not want to turn this into a "political event". You can understand that.

Mr. Murray: No, and again for the record, I think it would be a major, major mistake to try to politicize anything. It is a very serious issue, and I only put it out there. If there is a way to be clear about it, it would be in, really, in only capacity, to try to congratulate those people who have done such a tremendous job, and for the initiatives.

I guess those of us who from time to time, and I know that given a microphone and an audience, there is always the opportunity to throw a little politics in. I think the audience is much smarter than those that would try to be political in that it usually ricochets in a negative way as opposed to a positive way. So, no, I appreciate it. So if there is an opportunity, and I appreciate what the First Minister said about that.

And I thank you for raising the issue that took place here in the Legislature with respect to veterans. I know if there was a mix-up, I hope from the First Minister's, the Premier's office that the directive goes out. Again, that is an event. That is not a political event. It is an event for all legislators. I think the difficulty that particularly those of us who, and as the First Minister would know when he was sitting in my chair, that from time to time you are trying to get on the radar screen as best you can and nobody looks at that as being a political event.

It is an event all of us, and if a leader of a particular party is not present from time to time, you get asked, "Gee, you apparently are not interested. You did not appear." Of course, if you are not invited, you do not know about it. As those things happen, I take the First Minister (Mr. Doer) at his word that he sees those things as events for legislators rather than events for politicians, and I know that there are some very impressive and important events coming up around VE Day, for example, those type of events. I think it is a great opportunity for all of us to be there to celebrate whatever the heroes of the day may be, so appreciate that very much.

I wanted to just get a sense from the First Minister. I know that there is a lot of discussion around Waverley West. It is a big project, and I think, from some of the issues that have been raised, it is always fascinating when it appears in the media that we are somehow building the size of Brandon overnight. It would be a wonderful thing, I guess, if that kind of growth was out there, but I think that clearly, you have to plan for that, and it is great for Manitoba, great for Winnipeg, if the city grows and we see an area that is anywhere near that size to be developed.

I do know that we have some concerns, and I think we have raised them publicly in the House here on the issue of process, the Municipal Board. We believe that in terms of process that whether it is the Public Utilities Board, the Municipal Board, there is a purpose there, and I know from time to time that there is a sense that if you go before these boards that somehow there is a negativity, certainly there will be people in opposition. I get that and I understand that, but from time to time, perhaps there are some good things that may come out of it, and I know that there was a lot of concern that the Minister of Intergovernmental Affairs (Mr. Smith) bypassed the Municipal Board and went right back to the city.

On that issue, and on the issue of being both owner and conflicted, because potentially being the developer, the First Minister spent a lot of time in Intergovernmental Affairs, I think that was the title that as minister under the previous NDP government, so I think it is a file he knows quite well. Could he comment on bypassing the Municipal Board on Waverley West, and also on being the issue of being both owner and a developer of that piece of land?

Mr. Doer: Let us start with the first issue. The Province of Manitoba, in the early seventies, purchased a considerable amount of land in the Winnipeg area inside the Perimeter Highway to develop into the future, under the assumption that land and the affordability of land is one of the key conditions for affordability of housing. This land was purchased by the former Schreyer government, and it remained owned by the Province for a considerable length of time. There were proposals to sell it, but often, because it was placed at the book value, was actually higher. I think if I recall the real estate value that governments would not do it, because then they would have to show a loss on the books.

The previous government did it with the South St. Vital area, and we have amended part of that to provide more park space in that area, because it was not, in our view, incorporated properly, but the idea that serviceable land adjacent to the existing infrastructure of Winnipeg would be made available, as opposed to only developments taking place outside of Winnipeg in the Capital Region.

* (17:00)

There were proposals, for example, impinging on Birds Hill Park. The idea that this would be developed was a proposal made to the previous government, and it was approved, without going to, quote, the "Municipal Board." I do not believe everything in that plan was right. That is why we went back to building more park space with the local community and the smaller bridge that goes across the river. I do not know if the member has been down there in the Seine River area, but we worked on taking some of the proceeds from the sale, which, by the way, there was a point where the land became almost as valuable as the book value. In other words, there was no big lottery for the government to sell that land or this land because the book value was already there, because the land was against an asset. It was not just sitting there for a windfall to the Province.

Then the mayor of Winnipeg, during the Capital Region discussions, the former mayor of Winnipeg, I might point out, and I will have to get the date, argued strongly, and, in fact, I think he presented this to the Thomas commission on the Capital Region, but he argued with us. He said, "Why are you talking about the Capital Region? You own the biggest land block adjacent to the sewer and water systems and

other infrastructure in Winnipeg and we are going to have a situation where Winnipeg is going to be landlocked. We are going to have land but no development authority because you own it." It is not a question of zoning, it is not a question of planning, not a question of anything infrastructure. It was a question of who owned it.

When we looked at this, it was very similar to South St. Vital, only a larger lot, a larger area, and we got a proposal from the City of Winnipeg. Let us just deal with the issue of yes, we own the land. Yes, the Province owned the land that Gary Filmon developed, I think, with the Borger gang, or group. Sorry.

An Honourable Member: We have enough gangs in Manitoba already.

Mr. Doer: What was that?

An Honourable Member: We have enough gangs in Manitoba already. Alan will get out his hog and come down here.

Mr. Doer: He will get out his hog, yes. That is right.

So they proposed this to us, "they" being City Hall, came to us and said, "You are going to have all your development in the Capital Region, outside of Winnipeg. We are not going to get the benefit of the developments and the revenues." So this was a proposal from the City of Winnipeg to us. We did not say to them, "We are going to go out there and develop the land."

So the recommendation to sell the land and develop the land was made at City Hall, or was made by the previous mayor to us. We looked at it. It made sense. It made sense to develop it in a slow way, but make that land available. I was interested, just the other day, there was a good article in *The National Post*. It said that affordable land is crucial for affordable housing. They actually pointed to this as one of the examples of making that land available. We then had that proposal go to the City of Winnipeg for an amendment to the Plan Winnipeg act or City of Winnipeg-Plan Winnipeg. They had public hearings. They have planners. They have researchers. They have urban policy people. They have, at City Hall, a number of experts and the capacity to not only have their own views on a proposal, but have their own public hearing process.

So, last year, everybody was talking about treating municipalities in a more mature way. Well, here is an example where City Hall had planning capacity, had policy capacity, had land use authority, had existing infrastructure, had ideas on the development of that land and had proposed to do it. So is City Hall, who came to us to develop the land, in a conflict of interest when they take it to their own planning process? I do not think they were. I mean, they are looking at growth in their own community. We, then, received the proposal: (a) they had proposed that we sell it; (b) they had proposed that they have the planning process; (c) they had proposed an amendment to Plan Winnipeg.

Was there any error in law in what City Hall did? Should the Province then take it to the Municipal Board to second-guess the process that took place at City Hall? Well, former Premier Filmon did not do that with the St. Vital proposal and, I might say, Whyte Ridge was developed as an amendment to Plan Winnipeg. I approved the Cairns development as part of Whyte Ridge, without a reference to the Municipal Board. So this is not an inconsistent decision-making process from what has happened in the past, when the Minister of Intergovernmental Affairs dealt with it.

So this proposed land development, if City Hall had said no, we would not be developing. In other words, if the elected representatives at City Hall had said no to an amendment to Plan Winnipeg, we would not be developing that land. If they had proposed that we say yes, and the interesting part of this is it went through two different mayors. It went through the former mayor who had proposed the idea and then it went through the new mayor who then had the process refereed at City Hall, in the sense of being mayor. Then they had to vote after the public hearings.

There are people opposed to this, and there are people that say we should do more in the inner city. Well, we are doing more in the inner city. There is the Neighbourhoods Alive! There is more investment in the Exchange District. Waterfront Drive is an investment of the Province. And we have said that all net profits, net being net of debt on the books, will, beyond the development of this land, go to inner city housing. So this is not going to be a grab for the Province because it will allow us to invest more in the inner city. But I just want to point out this idea was initiated at City Hall.

We have similar ideas coming to us from municipalities all across Manitoba that are facing issues of growth. We have issues of growth in Steinbach. We have issues of growth in Morden. We have issues of growth in Winkler. We have issues of growth in Gimli, and, of course, we saw the R.M. of Gimli and the community of Gimli come together. We have issues of growth, potentially, in Brandon where, in 1972, Len Evans put the urban limit line well out beyond the Simplot plant. That meant the revenues from taxes came into Brandon.

There are issues of growth, and I am not mentioning all of them. The precedence for the City of Winnipeg, planned amendments to the City of Winnipeg act, I think, Cairns, and I am looking at my former chair of finance committee at City Hall, but I think the Cairns development, Whyte Ridge development, the South St. Vital development and the new development in Waverley West all happened with the proposal from City Hall to amend Plan Winnipeg, and it all happened with public hearings.

There will be certain conditions that the minister set for the City, but they have a planning department. They have an economic impact analysis. They know the sewer goes right through that location. There are proposals to extend the City of Winnipeg sewer outside of Winnipeg for areas that are not even residents of Winnipeg. I think that Winnipeg is not Singapore. There is land outside of Winnipeg that is developed all the time. And so this is a proposal to respect the planning policy and political decisions at City Hall in partnership with the Province. It is not intended to be a process, and it does not deviate from other decisions that were made with similar amendments to Plan Winnipeg in the past in terms of process.

Mr. Murray: Just to clarify, the First Minister made comments about any profits that would be in excess of net of debt would go to inner city housing, planning, infrastructure. I really raise this more because I think it was one of the inner-city councillors that I had a discussion with, and he said his concern was it is one thing to say, it is another thing to make it law, put it into the regulations, put it as part of the deal so that it does not kind of get lost in the shuffle.

Is that the intent of this First Minister's government to, sort of, I do not know if the right word is legalize it, but if it is part of a deal, it is part

of a deal, that it would be very transparent and people will be able to sort of see the flow of money from the project into the inner city. I think that seemed to be a bit of an issue with some people, particularly with this councillor, and I daresay I would be raising this on his behalf, but I am just curious because you raised the issue. I just wondered if you could comment on the—again, I am not a lawyer so I do not know if it is the legality, but just the best efforts would be made to ensure something like that is put in place so there is no sort of scratching of heads or second guessing on it.

* (17:10)

Mr. Doer: Well, given the fact that this land is going to take 20 years to develop at about 2000 lots a year, then perhaps by then there might be even a change in government. So we might want a commitment from both sides of the aisle.

So I am going to challenge the member opposite. I am putting on the record, right now, that all the proceeds that exceed the debt and the cost the Province has to incur for the infrastructure development, in other words, all the net profits or surplus, will go to inner-city housing. I want you to be on the record, sir, now that you are representing the inner city in your question, to agree to the same thing.

Mr. Murray: I am not sure, in the scheme of things, if that comes right after the hair pull or the leg wrestling match, but it is a great challenge and I think it is the right thing to do. I think it is the right thing to do. I think that is the direction we should be going. I suspect it was one of the major issues that people had about this project. So I think that—

An Honourable Member: I think you should make the business case public.

Mr. Murray: Well, that is—

An Honourable Member: What, you do not want to make the business case public?

Mr. Chairperson: Order.

Mr. Doer: To respond to the echo I heard in the Chamber just a moment ago, I would point out that that wonderful area of Whyte Ridge and Cairns never went to the Municipal Board with an amendment to the Plan Winnipeg act. I would also point out

that, I am really pleased that the Leader of the Opposition is now committing that money to the inner city. I do not believe any government can stay in power for 20 years. I do not believe that. So this is a good commitment to be made by the member opposite.

An Honourable Member: Twenty is a good start.

Mr. Doer: Unless somebody around this room looks like John Bracken there will not be that—and they are going to be a coalition government and a couple of other conditions, World War Three, which I would not recommend. *[interjection]* Well, you could have been a contender. You know, Lloyd had you all set up to be in his seat there. Times change.

I digress. We would point out that in the member's own riding, those wonderful residents that he represents in Cairns, a magnificent development made by a wonderful former Minister of Urban Affairs *[interjection]* If we had a tougher MLA, maybe we would, I digress.

Bottom line is I am glad we got the commitment. *[interjection]* Underpass, we will do it. Listen, we will get the underpass done, what the member opposite could not get done. The member opposite could not get the former Filmon government and Lloyd Axworthy to do it. Their underpass is in a little birdbath behind the Legislative Buildings, in infrastructure money. That is your legacy. We build real priorities; we build real infrastructure.

Now I know the member opposite and he is going to go on infrastructure. I want to remind him that he is the member that said the arena will never work in Manitoba. It is just going to be a puny little edifice. It will never work. The word "puny" was used by the member opposite. Does he want to apologize today for his horrible misjudgment for the future of this province?

Mr. John Loewen (Fort Whyte): Well, I can assure the First Minister that I do not want to apologize for anything I said about the arena. I just think it is unfortunate his vision was so puny that he jammed a building in a location that does not work, does not work today and did not work before he did it.

That was his political will, so 20 years from now we will let the citizens of Manitoba judge him. Well, it has not been quite 20 years, but it has been—

[interjection] Well, we know you are not going to last that long. That is a given. It has been 17 years, roughly give or take a little bit, since he, as Minister of Intergovernmental Affairs, approved Whyte Ridge, and I agree with him wholeheartedly, It is a wonderful community, full of bright, intelligent, hardworking Manitobans, raising their families, trying to do the best they can do for their community, their city, their province.

I will indicate to him that it is unfortunate that, once again, he has shown, he showed back in 1988, his lack of vision. The single biggest problem, concern, that those constituents have is the fact that the schools are jam-packed. I know the First Minister is aware of this because I know that in February he kicked off I Love To Read Month at H. G. Izatt School. He may not have asked the question; I will just take the opportunity to remind him that there is not a class size there under 28 students, not one class, sir, in that whole school. There are temporaries on that school; there are temporary classrooms on Whyte Ridge School. Those residents' biggest issue, as the minister would understand from the petitions I read in the House virtually every day, is the fact that despite having this wonderful community they have built, not the minister, but those families in that community, despite their efforts to build a wonderful community, there are deficiencies. The deficiencies lie primarily with the Premier and with his government. It is deficient in terms of schools; the roadways around there are deficient.

So it is the infrastructure in that particular development that is deficient. That is why so many people are concerned about his government, not only their conflict of interest with Waverley West, but, in fact, their whole approach to ignore process with Waverley West. That is why so many citizens are concerned because, in fact, there is such a large infrastructure deficit in that area, in the area of those new developments right now, that they are just absolutely petrified this government will do the same thing when it starts to develop Waverley West.

The government refuses to give a business plan to people. The minister makes these wonderful comments about how all the profits will go to the inner city. Well, then, I think that is fine. I think if there are profits, they should go to the inner city, but these subdivisions, sir, do not create a profit. They create a deficit. They create a deficit in terms of services. They create a deficit in terms of roadways.

The only place they create a profit is going to be in your government's pocket, because you will refuse to take that money and put it into the necessary land to provide for schools and the necessary infrastructure to provide for roads.

I should not have to remind the minister that, let me see, I think seven years ago there was a very, very serious bus accident at the corner of McGillivray and Waverley involving students who were being transported from Linden Meadows School, a K to 9 facility at the time, to Charleswood School where they had to go to take their shops class. One particular young man was in hospital for well over two months. So, when the Premier (Mr. Doer) talks about all these wonderful things that are going to happen, he needs to look back a little bit in history and understand why people are as concerned as they are.

Having prefaced that—and I apologize for taking so much time, but I did want to address some of the points the Premier raised—I would ask him if the very first thing he would do would be to table with this House and make public the business plan which demonstrates exactly how the profits are going to be arrived at. I mean, he must have a plan because he is saying there is going to be profits that are going to be sent back to the inner city. Just do the right thing, sir. Do not make it like the arena. Do not sign a deal that makes it confidential for 25 years. Stand up and be proud and be open about the whole situation and table the business plan for Waverley West on which you are basing your statements that there is going to be a big profit that is going to go back to help the inner city.

We are all for helping the inner city. We would just like to see it happen, and we would like to see hard documentation and a business plan on the development of Waverley West that proves where that money is going to be made and how it is going to flow back.

Mr. Doer: There are a lot of issues related to the member's—

An Honourable Member: Rant.

* (17:20)

Mr. Doer: Rant. I was going to use the word "rant." First of all, there is a deficit of need in school capital,

and we obviously are dealing with it as much as we can. When you spend \$20 million a year on school capital, or the last year, sort of the dying days of the regime after 11 years, and that is 11 years where Cairns and Whyte Ridge were part of the city of Winnipeg. I think the last year was \$27 million. When you spend only that much money, there was a huge deficit in terms of roofs, furnaces, windows, structures and new schools.

Yes, in our first couple of years, we have dealt with some of the growth areas that need more schools. We have not completed all the tasks. I know there is a new school in Garson and Tyndall. I know there is a new school in River East-East St. Paul. There is a new school in Beausejour. The Ed Schreyer School is being replaced. There is a new school in Winkler that is proposed. There are new education facilities right across this province, and we are now spending about \$45 million a year on new education capital.

Is it enough? No, but we have to live within a budget. Are there other needs across the province? Yes, there are. Are there decreasing needs? It is an interesting issue because you also have a situation where the Leader of the Opposition lives where they are decreasing enrolments of schools, and there is also decreasing enrolment in schools generally across the province while we have an increasing population.

Part of the problem that we have to wrestle with is the fact that the Province pays for the schools being built and then the school division may have 10, 9 schools that are either half full or vacant while we have other capital needs in some other areas.

On the issue of a business plan and numbers, there were two sets of assumptions before the City of Winnipeg council during the public hearing process. The Province's numbers which were made public at that hearing and the City's numbers. The variation between the two numbers is the City assumed that there would have to be another infrastructure investment in, I believe it was Waverley, as part of Waverley West rather than just looking at the Kenaston underpass. That is a matter that is being discussed between the different levels of planners. We have numbers now. The final configuration of this will go back to City Hall. The conditions that have been established will go back to City Hall. We will be able to get the numbers based on lots more precise.

I would point out that the numbers, the original business plan in South St. Vital did not have any proper access to the Seine River. It did not have proper access to a park area. I believe there was a bridge needed in that area, or proposed in the area, a walking bridge in the Seine River area, for the development to take place. We amended the original plan and had less revenue from that plan, from the sale of the plan, to have more park space in the South St. Vital area adjacent to the Seine River area. We did adjust it and we believe there will be sufficient green space in this development. The City Hall, I think, agrees as well. They are dealing with the issues as well, and that will determine exactly how much money and revenue will be made available.

When I said to the Leader of the Opposition, it is subject to the costs we will incur and subject to the land costs that are already in debt, that we have to square it. At one point in the history because land values became so flat for some decades, particularly the last one, the book value of the land was higher than the actual real estate value, so that became one of the reasons, I am sure, the former government did want to sell the land because they would have to sell the land and take a loss.

An Honourable Member: Who bought the land?

Mr. Doer: Well, former Premier Schreyer. I mentioned to the Leader of the Opposition, there was a *National Post* article dealing with affordable land and affordable housing, and it was a week ago last Friday. I refer the member to that. I know he reads the *Post*, probably diligently, and he should read it. It is a fine newspaper owned by a fine family. You do not have to agree with all of its philosophical views. Its content on factual information sometimes can be very useful.

Mr. Loewen: The Premier (Mr. Doer), if he is of the inclination to come clean with all the figures, he should just do the right thing and put them out in public, because it is quite obvious to everyone involved that the Province has put itself in a horrible, conflicting situation.

I appreciate the fact that the Province wants to make as much money as possible on the land, but they have an overriding responsibility to the citizens, not only of the area that I represent but to all Manitobans, to be doing the right thing and to be seen to be doing the right thing. That is their role in

this whole development; it is to be that of the regulator. So I would ask the Premier if, given that we all know his minister stood up and said two years ago, "It is going ahead, it is going ahead, it is going ahead." regardless of what anybody says, presumably, some point this week, maybe even as early as Wednesday or Thursday, the City will give its blessing to it, and it will be a done deal. Would the minister then commit to doing the right thing, immediately putting the land up for sale, reverting to its proper role in acting as a regulator and not a developer?

Mr. Doer: We have not got the final approval from the City of Winnipeg yet, so I think it would be presumptuous of me to say anything at this point. *[interjection]* Never wave the white flag.

I just want to point out that Neighbourhoods Alive! was developed as one of our first initiatives, to put money into the inner city and to put money into the West Broadway area, the inner city area, to put money into areas that were literally burning in 1999. You could wave your hand. I know you could wave your hand, but when you use the John Nunziata language of "come clean," it is the oldest 101 political trick in the book.

We have come clean with all the numbers that were before the City Hall, and there was a considerable amount of numbers. If the member does not have the numbers, that is one thing, but some of the material was made public, I believe, at City Hall, and they were all there. City Hall had a different set of numbers just based on one assumption that was different. One is the retail value of the land, and the other issue was the proposed issue of Waverley. So I would point out to the member opposite that those numbers are in the public domain. They are, quote, "available."

I would also point out that we come at this as a government that has developed 4000—we have either renovated or built 4000 homes, I believe, in Neighbourhoods Alive!, and not just in Winnipeg, but in Winnipeg, in Brandon, in Thompson. We come to this issue with some credibility, I would think, because the kind of hands-off approach to the inner city, the kind of hear-no-evil, see-no-evil that was the culture of the past has been replaced with a much more active, community-based culture of the future. I would point out—*[interjection]*

What? No, you know, members opposite, I do not shy away from comparisons. When I say to you

that you used to take donations from corporations and then we banned it, that is the record. That is action. We are not sitting back and blaming you; we are saying you are bad and we are good. That is different. That is a different comparison, because we are talking about action we are taking. We are not just talking about inaction. That is a given. We are talking about action, so we talk about the lost decade. That is not my terminology. That is the president of the MMA's terminology. We are talking about action we are taking, action to build homes, to renovate homes, to develop the inner city, and we are proud of it, but there is more work ahead.

Mr. Chairperson: One quick one.

An Honourable Member: I thank the Premier for that.

Mr. Chairperson: The Member for Fort Whyte.

Mr. Loewen: Thank you, Mr. Chairperson, and I thank the minister for that diatribe.

I just remind him that there was only one provincial elected official that had the courtesy to show up at the City of Winnipeg hearings. It was not his minister. It was me, and so that, to me, indicates the interest that his government and his party have taken in this whole issue. It is unfortunate because this is a very big decision, and I would just simply ask him this quickly: Will he agree to rescind the letter that his minister sent to the City of Winnipeg and indicate that he is willing to take it to the Municipal Board so that there can be full public dialogue on this issue?

Mr. Doer: Well, I know the member opposite is against development. He is against growth. He is the anti-development person in the government, and I know that he was against the arena and he was against Waterfront Drive, and that he is against Waverley West. That is on the record, and we are building a future. He is just—

Mr. Chairperson: The time 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 (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 25, 2005

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