

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, May 2, 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 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 Colleen Boyko, Fernando Pimentel, David Johnson and many, many others.

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

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 Doug Carr, Diane Carr, Nicole Carr and many, many others.

*(13:35)

Minimum Sitting Days for Manitoba Legislature

Mr. Kevin Lamoureux (Inkster): 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 Vasuben Modha, D. B. Sud, H. Sud.

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 Lindsay Hourie, Raquel Mason and Courtney Brass.

Coverage of Insulin Pumps

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

These are the reasons for this petition:

Insulin pumps cost over \$6,500.

The cost of diabetes to the Manitoba government in 2005 will be approximately \$214.4 million. Each day 16 Manitobans are diagnosed with the disease compared to the national average of 11 new cases daily.

Good blood sugar control reduces or eliminates kidney failure by 50 percent, blindness by 76 percent, nerve damage by 60 percent, cardiac disease by 35 percent and even amputations.

Diabetes is an epidemic in our province and will become an unprecedented drain on our struggling health care system if we do not take action now.

The benefit of having an insulin pump is it allows the person living with this life-altering disease to obtain good control of their blood sugar and become much healthier, complication-free individuals.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier (Mr. Doer) of Manitoba to consider covering the cost of insulin pumps that are prescribed by an endocrinologist or medical doctor under the Manitoba Health Insurance Plan.

Signed by Daniel Catellier, Marc Gobeil, Shirley Schroeder, Peter Verstoep and many, many others.

* (13:40)

TABLING OF REPORTS

Hon. Ron Lemieux (Minister of Transportation and Government Services): Mr. Speaker, I am pleased to table the Supplementary Information for Estimates for Transportation and Government Services.

Hon. Theresa Oswald (Minister responsible for Seniors): Excited as I am to do this in this warm

climate, Mr. Speaker, I am pleased to table the Manitoba Seniors and Healthy Aging Secretariat, 2005-2006 Departmental Expenditure Estimates.

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, I am pleased to table the Supplementary Information for the '05-06 Departmental Expenditures for the Manitoba Sustainable Development Innovations Fund, as well as the Supplementary Information for the '05-06 Departmental Expenditure Estimates for Manitoba Conservation.

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review, 2005-2006 Departmental Expenditure Estimates for the Department of Education, Citizenship and Youth.

Hon. Eric Robinson (Minister responsible for Sport): I am pleased to table the Supplementary Information for Legislative Review, 2005-2006 Departmental Expenditure Estimates for Manitoba Sport.

MINISTERIAL STATEMENTS

National Forest Week

Hon. Stan Struthers (Minister of Conservation): Mr. Speaker, I do have a statement for the House.

This white spruce tree seedling is presented to you in celebration of National Forest Week and Arbour Day, May 2 by Manitoba Conservation and the Manitoba Forestry Association, MFA. The white spruce is, of course, Manitoba's provincial tree, and these seedlings are locally grown at the Pineland Forest Nursery in Hadashville.

I would like to take this opportunity to announce that May 1 to May 7 is National Forest Week. We kicked off this year's celebrations with an event hosted by the Coalition to Save the Elms in Assiniboine Park yesterday, Sunday, which included a ceremonial tree planting honouring Mr. Val Werier and his contributions in creating environmental awareness throughout our province.

In Manitoba, the Manitoba Forestry Association has marked this annual occasion by providing white spruce seedlings to all my honourable colleagues. I commend the MFA for their ongoing efforts to

celebrate and create awareness of our valuable forest resources. The MFA, along with their partners including Manitoba Conservation, have recently been chosen to host the 2006 Canon Envirothon. This Olympic-style environmental education competition will see over 250 high school students from over 50 provinces and states compete for scholarships during the week of July 23 through 29, 2006, right here in Winnipeg.

* (13:45)

Mr. Speaker, sustaining Manitoba's forests for environmental, social and economic benefits is a priority for Manitoba Conservation. We are working to update our forest industry and using new computer modelling technology to assess wood supply availability. We are also working with our First Nations partners to complete tree planting contracts and other silviculture work, and with our educational partners to educate the citizens of Manitoba on sustainable management of our Crown forests and our urban forests. In addition, we have expanded the area of our woodlot program into the Swan River Valley which is assisting private landowners and farmers to improve the management of private forests and provide environmental improvements and income diversification.

Mr. Speaker, it is appropriate to make a note of these important accomplishments as we celebrate National Forest Week. On behalf of the people of Manitoba, I thank Manitoba Forestry Association for the white spruce seedlings and for its continued efforts to promote sustainable and wise use of our forests. We look forward to working with all those interested in sustaining our forests for the future. Thank you.

Mr. David Faurshou (Portage la Prairie): Mr. Speaker, I am pleased to see the seedlings in front of us once again this year. I do believe though, as the former Minister of Natural Resources pointed out, perhaps they are a little smaller than other years that we received. Not to say that this government is not on the path of austerity, but I do want to compliment the Manitoba Forestry Association in the good work that they do in their 85th year of operations in promotion of forestry here in the province of Manitoba and the sustainable industry that we see carrying on at present.

I know that there are a number of programs ongoing, the woodlot program, as the minister has

promoted today in his address. I also want to make mention of the co-operation the Manitoba Forestry Association has with the federal government in their forestry 2020 program where more than a thousand acres of trees were planted last year in the province of Manitoba and will go a long way to sustaining the forestry here in the province of Manitoba. That program will be continuing on.

I will make mention as well that this is the beginning of National Forest Week here in the province of Manitoba. Also, Monday is observed in National Forest Week as Arbour Day here in the province of Manitoba. This occasion is marked by many, many activities in and about Winnipeg and throughout the province recognizing the importance of our environment, cleaning up after the winter and restoring the beauty within our yards, our schools and in our parks and throughout our communities.

In fact, I do want to make mention of the co-operative effort in Portage la Prairie between the R.M., the City and the Chamber of Commerce where more than 2000 trees and shrubs have been planted in the last two years, beautifying the community of Portage la Prairie and indeed showing the way for other communities in the province of Manitoba through the planting of trees and shrubs that their communities can be enhanced and much more attractive, not only for those persons that inhabit those communities but so those that are travelling the province of Manitoba can be encouraged

So I do want to once again recognize the good work of Manitoba Forestry Association and to encourage all Manitobans to participate in activities that involve our environment by planting trees and rejuvenating our school grounds. Thank you.

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

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

Mr. Gerrard: Mr. Speaker, I join the members of the other parties in honouring National Forest Week this week. I was present in Assiniboine Park yesterday at the tree planting ceremony to honour Val Werier, a very strong environmentalist Mr. Werier is. I would point out that Mr. Werier would be one of the first to emphasize the importance of taking care of forest species like woodland caribou

and making sure that they are appropriately listed on lists like the endangered species list.

I think that taking care of our forests is clearly one of the important things that we need to do in this province. We need to do this not just for the species that inhabit the forest, but because the forests provide a lot of economic benefit. Keeping the forests sustainable is vital for the long-run future for Manitobans, for the forest industry as well as for the species which live there.

* (13:50)

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 from Springs Christian Academy 19 Grade 9 students under the direction of Ms. Cathy Klassen. This school is located in the constituency of the honourable Minister of Finance (Mr. Selinger).

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

ORAL QUESTIONS

Health Care Symposium Manitoba Participation

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, tomorrow the Alberta government is having a health care symposium. The purpose of this symposium is that there will be a gathering of international health experts from around the world to talk about innovation and successful health care systems. These health care experts will talk about how they can deliver timely access to patients in their countries.

Considering that this NDP government has released a survey showing that over 40 percent of Manitobans feel that health care has declined since this NDP government has been elected, Mr. Speaker, I wonder if the Deputy Premier (Ms. Wowchuk) can confirm that the NDP government will be sending a representative to this symposium so they can learn from it and bring something that will work back here to Manitoba.

Hon. Tim Sale (Minister of Health): What the study that the poll that the member references

actually showed was that 84 percent of those who had had any contact with our health care system in the real world thought it had provided very good care, Mr. Speaker. That coincides with virtually all of the anecdotal evidence that we have, both from members of the opposition who speak about good things that have happened in their constituents' hands and their constituents' lives, and what we experience.

It is very like studies that have been done, for example, in our education system, where the prevailing myth is the system is broken. If you ask parents if theirs is a good school, they say, "Our school is really good. We are lucky." It is because the system, in fact, is very good, but they bought the myth that there are problems out there. They should stop spreading myths and start talking about reality, Mr. Speaker.

Mr. Murray: Well, Mr. Speaker, talk about the pot calling the kettle black. Unbelievable.

Mr. Speaker, my question was to the Deputy Premier. It is very clear from the poll that was released by this NDP government that over 40 percent of Manitobans feel that the health care system, under this NDP government after six years of inaction, is going down. Forty percent of the people feel it has declined. The international health organizations that are going to be meeting in Alberta are there to talk about new, innovative ways to share ideas, and I applaud the Alberta government for bringing these experts together to try to improve the health care system in Alberta.

I simply ask this Deputy Premier if they are not going to send anybody to Alberta, Mr. Speaker, to learn how to make Manitoba's health care system better. Can the Deputy Premier at least ask the Premier (Mr. Doer), when meeting with Premier Klein for the western premiers' meeting, will he at least get a briefing from him to find out how we can make Manitoba a better place for health care?

Mr. Sale: Mr. Speaker, my understanding is that there will be observers from Manitoba at this conference, and I will welcome any information that they bring back. We have acknowledged a number of times that in spite of the very great successes we have had in cancer care where we have reduced the waiting time for radiation therapy to a week, where the median waiting time for elective heart surgery is 15 days and we have fewer than a hundred people on

the waiting list for heart surgery, nevertheless, there is more to be done, particularly in the area of hips and knees, which is why we announced \$10 million over the next period of time to put a thousand more procedures through.

But I would just point out to the honourable member opposite that, in the five-year period from '96 to 2001, 46 percent of people thought the system had gotten worse, Mr. Speaker. So the comparable numbers perhaps should be used by the member opposite.

Maples Surgical Centre Surgical Wait List Reduction Proposal

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, it is very clear that under this NDP government that the health care system has declined. Manitobans know that. It has got to the point where a medical broker now has to come into the province of Manitoba to provide timely access to care for patients that are waiting because of their failure.

Mr. Speaker, it is very clear that, six years ago, this NDP Premier (Mr. Doer) stood in his place in Manitoba and said he had all sorts of answers to fix the health care woes in Manitoba. He has spectacularly failed. We know what we get under this Premier with respect to health care in Manitoba. We get longer waiting lists for hip and knee surgery, we have crowded ER rooms, we now have highway and hallway medicine in the province of Manitoba. That is the track record under this NDP government.

Mr. Speaker, why is it that when there are offers put in front of this Premier, in front of this NDP government, an offer that would help reduce hip and knee replacements, an offer that would help to reduce pediatric dentistry, why is it that they turn their backs and continually allow seniors to suffer and children to suffer? Why will they not do something to shorten those waiting lists?

* (13:55)

Hon. Tim Sale (Minister of Health): Mr. Speaker, the waiting lists for life and death procedures have been dramatically shortened. When we formed government, we were sending patients out of the province for radiation therapy because they were waiting six to seven to eight weeks or longer. We

had heart patients waiting for surgery far beyond the medically acceptable wait time. We focussed on life and death procedures for the first few years, and we have made dramatic improvements in those areas.

We brought down the MRI waiting times significantly while at the same time more than tripling the number of procedures. We put in nine new CT scans, and we put new scanners in every part of Manitoba, more than doubling the number of CT scans available. We are working on hips and knees. We are working on cataract surgery, increasing the volume, but even there we are within the Canadian Medical Association norms for cataract surgery, and I am very proud of that record.

Methamphetamine Production Control Strategy

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, it has been one year since the state of Oklahoma passed legislation that would restrict the sale of medication used to make the deadly drug methamphetamine. Since then six other states have followed suit and nineteen others are looking at doing the same thing to curb this deadly drug. Late last week British Columbia said it would be looking to introduce similar legislation, as is Alberta, to restrict the over-the-counter sale of cold medications used to manufacture methamphetamine.

This NDP Minister of Justice ignored warnings six years ago when this was brought forward. I ask him now today will he undertake discussions with those in the industry leading towards the restriction of the sale of the cold and flu medication that is used to manufacture this deadly, deadly drug.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Mr. Speaker, unfortunately the member put some false information on the record the other day in terms of programs in 1998. So I am very cautious to accept any information the member puts on the record.

I will advise the member that there is a multi-departmental working group who is looking at the challenge of methamphetamine, and, indeed, the availability of the precursors of meth. We are looking at a number of options and one of them is that we are certainly considering how to limit the availability of ephedrine and pseudo-ephedrine in cold remedies.

Mr. Goertzen: Mr. Speaker, what a sad answer when young people are addicted to this deadly drug, when the life expectancy of somebody addicted to the drug is seven years. This minister talks about working groups after six years. There was an 80% reduction in Oklahoma with meth labs after this legislation was brought forward.

The *LA Times* announced two weeks ago that Target would be pulling these drugs off the shelves. *The Washington Post* announced a week ago that Wal-Mart would be pulling the drugs off the shelves. Now this Minister of Justice waits and waits and waits when there is a solution on the table. He has to act today. Every day that goes by is a day that young people are at risk. Why will he not do the right thing for young people in this province who are addicted to this deadly drug and move forward and pull it off the shelves?

Mr. Mackintosh: Mr. Speaker, I am certainly well aware of the initiative in Oklahoma. I have met with and listened to the Attorney General from that state, and indeed, recently attended a summit on methamphetamine along with my counterparts in western United States on this.

There are a number of issues that have to be dealt with in terms of the availability of ephedrine and pseudo-ephedrine, and we are certainly considering that here for Manitoba. There will be further discussions and a selection of some of the options that we will want to pursue and have some discussions as well with the pharmaceutical industry as well as the other outlets where this kind of remedy, cold remedies can be made available.

* (14:00)

Mr. Goertzen: Every day that goes by young people's lives are in jeopardy. Maybe the minister is waiting for a poll to come out or something cynical like that. We are talking about doing the right things. I know that he flew off to Phoenix for a conference. He has been to other conferences throughout the United States, Mr. Speaker.

For the last six years he has been off in planes going to Ottawa asking for tougher legislation, but this is something that he can do. It is not about partisanship. It is not about us, it is not about them. It is about young people in the province and doing the right thing for those young people who are addicted

to this deadly drug. Every day that he waits is a day that goes by and that another life could be lost. Why does he not do something today instead of going off to another conference somewhere?

Mr. Mackintosh: I was pleased to attend that summit along with Vic Toews, Mr. Speaker, and I think it is important that here in Canada we learn from the experience south of the border and some of the developing responses that appear to be making some difference.

In addition to our legislation that is closing down drug dens, the only one of its kind until Saskatchewan recently passed legislation, in addition to our drug-impaired driving laws, Mr. Speaker, that are setting new benchmarks, I remind the member opposite that when community organizations and individuals work together to enhance public safety like they have for the last number of months with regard to a drug treatment court, it is very unfortunate that the member opposite would try and take credit for that, taking away from the good hard work of Manitobans, our law enforcement officials and addictions officials. We are working hard and we will continue to bring in a comprehensive policy, not just a one-off policy to counter meth.

Child and Family Services Agencies Employee Gag Order

Mrs. Mavis Taillieu (Morris): Mr. Speaker, we want to commend the front-line staff of Child and Family Services for their hard work and attention to children during this most difficult and rushed process of devolution. We have heard the concerns.

Last week the minister said we have had very, very few concerns raised, Mr. Speaker. One of the minister's own staff said probably true given the hushed system we are working under. Can the minister tell Manitobans why she is so secretive and why she has placed a gag order on her staff?

Hon. Christine Melnick (Minister of Family Services and Housing): Well, Mr. Speaker, again we have the member from Morris misinforming the House on several points. I will try to clarify all the information in the 40 seconds that I have.

First of all, the Child Welfare Initiative was launched five years ago, in January of 2000. This is not a rush. August 2001, a public document was

brought forward to the people of Manitoba called *Promise of Hope: Commitment to Change*. In August of 2002, The Child and Family Services Authorities Act which provided the legislation for the devolution was passed. In April of 2003, information about the Child Welfare Initiative was brought forward in the detailed implementation plan. I had the honour of proclaiming the act in November of 2003, and I would also like to say that we have been working with the community, with the First Nations and Métis as well as the Foster Family Network whose funding was cut in 1993-94, Mr. Speaker.

Mrs. Taillieu: The staff has told us, many people have told us there is a rush on in the system with 5000 cases to be transferred between January of this year and now. The staff in Child and Family Services are frustrated with the lack of caring from this minister. I commend them for doing this most difficult and sensitive job while under enormous pressure and deadlines. Last week when the minister was questioned she said she had been working with staff. Mr. Speaker, when did the minister visit front-line workers and who did she consult with before placing a gag order on them?

Ms. Melnick: I thank the member for reminding me of another misrepresentation presented in the House, that a gag order has been placed on staff. I visited last summer at Winnipeg Child and Family Services. I did a walkabout and met many of the staff and many of the front-line workers. Knowing that change is difficult, Mr. Speaker, the acting director of Child and Family Services rolled out a plan in January of this year. There were a lot of meetings with staff and there is a support transition team in place.

One thing I can agree on with the member from Morris there are people who are acting above the call of service by working together in real teams so that we can ensure there are the back-up services needed during this time of change. I believe, unlike the member opposite who questions this process, that this will be a successful process and this will be certainly in the best interests of the children of Manitoba.

Mrs. Taillieu: Well, Mr. Speaker, we are not questioning the diligence of the staff in Child and Family Services; we are questioning the responsibility and leadership of this minister. One of the minister's own staff said that if the minister really

wanted to know what was happening she would have allowed staff to talk in a confidential manner.

Instead, she has not met with front-line staff, has ignored their concerns and then placed them under a gag order. Mr. Speaker, this minister is more concerned about protecting herself than protecting children in care. Will the minister now allow the staff in Child and Family Services to speak freely without fear of reprisal? Will she now listen to their concerns?

Ms. Melnick: Mr. Speaker, I am very aware the member is wanting to create the sense of discord in the roll out of the Child Welfare Initiative. I will remind the House that this was agreed to. There was an all-party agreement for the Child Welfare Initiative.

I have been working with staff, Mr. Speaker. I am apprised of the great steps that have been taken by the management to help the workers through this time of transition while focussing on the best interests of the children. I will remind members opposite the Aboriginal Justice Inquiry and all of the recommendations, not just the child welfare initiatives, sat on their shelves for 10 years while they did nothing.

Seven Oaks School Division Land Acquisition and Development

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, the Seven Oaks School Division has amongst the highest school property taxes in Manitoba. Instead of lowering taxes, they have used education money to acquire a large parcel of land in the Riverbend area of West Kildonan, approximately 30 acres that we know of, which is 20 acres more than what they would need for a school.

I would like to ask the Minister of Education why he allowed the Seven Oaks School Division to use education money to acquire more land than what they need for a school.

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, school divisions in their capital plans recognize trends and growth within their parameters are often engaged in purchasing parcels in anticipation of properties required for schools.

Mrs. Driedger: Mr. Speaker, all school divisions need when they buy land is 10 acres. We are talking about an acquisition of 30 acres of land. Not only has the Seven Oaks School Division bought land, it appears they are developing the land themselves.

They have hired the Lombard North Group to plan and develop Swinford Park Development and this particular development is made up of over 100 residential properties. They have spent \$2 million of school division money just in developmental costs it appears.

Mr. Speaker, why has the Minister of Education allowed the Seven Oaks School Division and their good friend and campaign manager, Superintendent Brian O'Leary, to spend education money to buy land and develop residential properties?

*(14:10)

Mr. Bjornson: Well, Mr. Speaker, again it is part of prudent planning for school divisions to acquire land for educational purposes. Of course, I can understand why school divisions would be doing that in this environment when they have seen unprecedented funding for capital projects. We have put in over \$333 million in our first six years, \$161 million more than members opposite. We continue to provide meaningful infrastructure improvements for the school divisions in this province. In fact, I was in Winkler this morning where there is a really good relationship with the town of Winkler and the school as far as a park arrangement is concerned. It is part of our ambitious capital plan, and we expect that school divisions will be purchasing property for those purposes.

Mrs. Driedger: Mr. Speaker, the Minister of Education absolutely refused to answer that question.

Not only does the Seven Oaks School Division have one of the highest school property taxes in Manitoba, they also spend well below the provincial average to educate each child and yet they appear to have over \$2 million, that we know of, to get into residential land development. The Minister of Education needs to explain this because everybody that I have talked to about this says that this is highly unusual, highly inappropriate and perhaps illegal.

I would like to ask the Minister of Education why he has allowed this flagrant abuse of taxpayers' money.

Mr. Bjornson: Mr. Speaker, the member talks about the taxes in the Seven Oaks School Division. The taxes throughout the province under their watch were going up significantly, on average about 70 percent, because they were not funding education appropriately.

We work with our partners in all areas. The Seven Oaks School Division, as the member states, we actually have an equalization formula in place to assist jurisdictions where they do not have the assessment base that puts them at a bit of a disadvantage. We have done a number of things to address issues such as that including an equalization formula.

Members opposite, under their watch, taxes were going up by, I see Interlake, 230.9 percent. Taxes went up in the 1990s because of their funding formula with education, Mr. Speaker.

So we continue to work with our partners, whether it is with the funding formula, whether it is capital projects, and we will continue to do so.

Seven Oaks School Division Land Acquisition and Development

Mr. Ron Schuler (Springfield): Mr. Speaker, the cutbacks under this government have forced schools to move from chocolate bar sales to risky land development. In all my years as a school trustee and as chair of the board of River East School Division, I have never heard of a school division taking on the role as a local land developer.

Can the minister explain how it is that Seven Oaks School Division took the mandate upon themselves to become land developers?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, I really find it interesting that the member would use the word "cutback." I mean it is simple math. When you look at the 1990s and their funding of education of minus 2, minus 2.6, zero, zero, minus 2, and we have been funding at the rate of economic growth. For the member to say "cutbacks" is absolutely unbelievable. I thought the comedy festival was in February.

We have been funding at the rate of economic growth. We put \$130 million into the school system in six years when they put \$15.2 million into the

school system in five. There are no cutbacks coming here.

Mr. Schuler: Clearly, Mr. Speaker, this minister has been caught flat-footed. He has no idea what this issue is about and he is giving answers that are not even close to the questions. Let us focus him one more time. Is this minister sending Manitoba school boards the message that education is to be funded by land speculation? As a taxpayer, are Manitobans expected to accept their school boards' risking their hard-earned tax dollars on land speculation? Please answer the question.

Mr. Bjornson: Mr. Speaker, Manitoba's school boards are using their tax dollars for educational purposes and that is something that all school boards do with due diligence. When we came into office, as I said, we saw funding announcements prior to our government arriving in 1999, of zero, zero, minus 2, minus 2.6. Now we have school divisions that are being funded at the rate of economic growth.

We do have the formula, as I said, in place to address issues such as Seven Oaks School Division where they do not have a large assessment base upon which to draw. We continue to work with our partners to find ways to address this issue, Mr. Speaker. As I have said, we have seen nothing but increases in taxes in the 1990s. We have seen taxes relatively flat since we have been in office.

Mr. Schuler: I will make this very simple for the minister. Is it appropriate that school boards take tax dollars out of the classroom and risk it by gambling it on land speculation? Is this an appropriate mandate for school boards in Manitoba? Can the minister tell Manitoba taxpayers, in the event of a money-losing land development, is the Province prepared to cover the losses? Will it come at the cost of students?

Mr. Bjornson: Mr. Speaker, once again, our record has been very, very clear with how we fund and support school divisions in this province. When I was in the classroom I would wait for those funding announcements, and I would look at those funding announcements and wonder which teachers would not be returning to the classroom next year.

We are providing predictable, affordable funding for the schools, \$130 million in six years compared to 15.2 provided by members opposite. In a very aggressive capital campaign, we have funded over

\$333 million in capital where members opposite, \$161 million more than the government previous.

We will continue to work with our partners. We continue to do so around issues such as school divisions like Seven Oaks where they do not have the same assessment base as many others so we fund and review the formula and look at issues such as equalization, Mr. Speaker.

Seven Oak School Division Land Acquisition and Development

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, the Seven Oaks School Division has hired a company to help develop some land called Swinford Park Development. I would like to ask the Minister of Education if it is his policy to allow school divisions to get into property acquisition and residential property development like this.

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, school boards routinely acquire land in anticipation of need. School boards will purchase property in anticipation of need. This has happened for a long time and it will continue to happen. The problem that we have in this province today is growth. It is a good problem to have. We did not have it in the nineties. We have it today. We are going to continue with a very aggressive capital campaign.

Mrs. Driedger: Mr. Speaker, taxpayers pay property taxes to schools to educate children. They do not put their money into land development, residential property development, over 100 residential properties. They do not put their money in so a school division can spend \$23,000 to put up a fence in the Swinford Park Development.

I would like to ask the Minister of Education why he has allowed the Seven Oaks School Division to spend money on residential property development.

Mr. Bjornson: Once again, Mr. Speaker, the member refers to taxes. Referring to taxes, with due diligence our school boards make decisions every day around the education of our children. We have seen taxes of 187.3% increase in Red River Valley. We have seen increases of 126.1 percent in Seine River. These were in the days when the Tories were announcing funding formulas of zero, zero, minus 2, minus 2.6, the dark days of the Tories.

We continue to fund at the rate of economic growth. We continue to work with our partners in a very aggressive campaign for capital. We will continue to work with our partners in all facets of funding, Mr. Speaker.

*(14:20)

Mrs. Driedger: Mr. Speaker, according to the legislation under which this minister should be acting, it does not appear that this is even allowed under the legislation. So I would ask the minister is it now his policy—[interjection]

Mr. Speaker: Order. I have been very lenient with the member with her exhibit. That is not allowed in the Chamber, but I have been very lenient. I was hoping that—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. There are two ways. If you are not satisfied with my ruling, you can challenge it, but I do not want people yelling back and forth at me from their chairs. Our rules are very clear. Exhibits are not allowed. I have been very patient with the honourable member because I was hoping that she might have shown it once and put it away, but I am asking her now to please keep it on her desk.

Mrs. Driedger: Thank you, Mr. Speaker, and I apologize for that.

Considering his own legislation does not allow school boards to acquire and develop residential property, I would like to ask the minister if it is his policy, then, that allows the Seven Oaks School Division in consultation with Brian O'Leary, the former NDP campaign manager, to move ahead and allow the school division to spend this kind of money on land property development.

Mr. Bjornson: Mr. Speaker, the policy allows school divisions to acquire land based on expected need. It allows them to acquire land for the purpose of construction of schools.

Woodland Caribou Endangered Species Designation

Hon. Jon Gerrard (River Heights): Mr. Speaker, today on National Forest Week we need to consider the woodland caribou, a very important forest

species. There are fewer than 2.5 thousand woodland caribou left in Manitoba, half the number of 50 years ago.

In 1994, Manitoba's Endangered Species Advisory Committee recommended, based on science, that the woodland caribou be listed as endangered. The NDP government promised more than five and a half years ago to designate woodland caribou as endangered, and yet nothing has been done. Why has the government not made this a priority? Why is the minister failing to designate the woodland caribou as an endangered species, as was recommended based on science more than 11 years ago?

Hon. Stan Struthers (Minister of Conservation): Well, Mr. Speaker, the Member for River Heights could not be any further from the truth. There has been a lot of work that has been done on this very issue of protecting the woodland caribou. My department, in consultation with other departments and with other stakeholders involved in protection of the caribou, have been working on a management plan for all of the herds involved in our beautiful north and eastern parts of our province. So, for the member to say in this House that nothing has been done, he is just wrong.

Mr. Gerrard: Mr. Speaker, the *Free Press* reports that the minister—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I know members in these chambers have excellent memories. I know that for a fact. I just draw to the attention of the honourable members about exhibits, and I fully expect the co-operation of all honourable members. So I would expect the co-operation of the honourable Member for River Heights.

Mr. Gerrard: Mr. Speaker, I apologize, but the minister's actions and statements in the *Free Press* are so outrageous that they are worthy of comment. The member's own government Web site says, "A provincial Woodland Caribou Management Strategy has been developed." Which is it? Have you a plan? Do you not have a plan? You are saying that you do not have a plan. Look. I table the front page of a document which is the government's own plan of the year 2000.

The failure to list the woodland caribou as endangered is yet another example of a broken, broken, broken NDP promise, poor NDP management in issues fundamental to Manitoba. The minister's excuse is lame. Why is the minister not acting and giving us lame, hollow excuses for his inaction?

Mr. Struthers: Mr. Speaker, the Liberal Leader in Manitoba might view consultations with Aboriginal people as a lame excuse, but our government does not. Our government is committed to working with all of the stakeholders involved, all of the scientific research that has taken place, to do more than just use it as a gimmick in this House.

We want to have a management plan available for decision-makers in this House to use, all of the stakeholders to be part of and the consultations that I know the member opposite would like to support, happen when we go forward to make a decision as important as this one, Mr. Speaker.

Judge Rubin's Comments Justice Minister's Position

Mr. Kevin Lamoureux (Inkster): Back in May 2002, Johndrik Tan was murdered, and I would like to give my deepest sympathy to the Tan family, in particular the parents, Mr. Speaker. Charlie was in fact a good friend of mine.

Having said that, Judge Rubin made comments that offended many within different ethnic communities. Concerns regarding Judge Rubin's comments have been raised with me personally, and people want to know what the Minister of Justice has to say, Mr. Speaker.

I believe it is not appropriate for a judge to imply one ethnic group community cares less about justice than other ethnic groups. My question to the Minister of Justice is what is the Minister of Justice's opinion on this issue and what sort of action is he prepared to take.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): Well, Mr. Speaker, I have seen media reports on aspects of the judge's statement, and I have met with the Member for The Maples (Mr. Aglugub), for example, who raised concerns from the community with me.

I advised that the appropriate way, of course, to have such comments dealt with and measured in their context is for a judicial complaint to be lodged, Mr. Speaker. There are procedures in place because of concerns that arise from time to time about statements that are made by judges on the bench.

So there is a process in place. I am glad for that in Manitoba. It is a robust process, I understand, and I would urge anyone who is concerned about that to make a complaint through that process and take advantage of the work that was done by this Assembly in putting in place that process.

Manitoba Centre on Aging Spring Symposium

Ms. Kerri Irvin-Ross (Fort Garry): Today I had the opportunity to attend the 22nd Annual Spring Symposium at the University of Manitoba Centre on Aging. Could the Minister responsible for Seniors report on this symposium and also give us details about the announcement made there?

Hon. Theresa Oswald (Minister responsible for Seniors): Mr. Speaker, I am proud to say I had the privilege this morning of attending the Manitoba Centre on Aging, University of Manitoba symposium, which has been going on now for 22 years, examining issues concerning seniors in our society and all of those issues that concern healthy aging.

Certainly, the symposium brings together academics, service providers, community workers and students who discuss these very important issues. We know, of course, that in Canada seniors make up over 13 percent of our population and, indeed, Manitoba has one of the highest populations.

Today we are very proud to announce \$500,000 as an increase to the Support Services for Seniors Program. This program focusses on community-based initiatives, congregate meals and all of those kinds of programs, Mr. Speaker, that assist our seniors in aging in place, living independently and, indeed, living with dignity. We are very proud of this contribution and we look forward to doing more.

Manitoba Centre for Labour Capital Funding

Mr. John Loewen (Fort Whyte): Mr. Speaker, once again, we see the only questions that these ministers

are prepared to answer are the ones that come from their colleagues before Question Period, and that is unfortunate for Manitobans.

Last week, we asked the Minister of Intergovernmental Affairs (Mr. Smith) to explain how appropriate it was for the government to give \$125,000 to the Centre for Labour Capital, which was going to be run by Mr. Rob Hilliard, former chair of the Crocus board.

The minister refused to answer, but we found out in the hallway that the government in fact this year committed \$300,000 to the centre and apparently another \$300,000 for each of the next two years.

I would ask the Minister of Intergovernmental Affairs if he would stand up today and identify the exact amount of funding that his government has given to the Centre for Labour Capital, from which department it has come from and for how long his government has continued to go forward with this funding.

* (14:30)

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): Mr. Speaker, as we said last week, this is an important educational program. What it is doing is providing training skills, development for labour representatives involved in the management of pension funds. I think we all agree that it is very important to have good management of pension funds and to have participation of the workers so they have the skills in order to participate fully and manage those funds. This program is to educate the people who are starting to participate in the management of the funds, and, as we all know, it is important to have proper education, proper practice so that these individuals can participate fully with good understanding of how pension plans work.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

May Day

Mr. Jim Maloway (Elmwood): Mr. Speaker, I am pleased to rise today to remind the House that yesterday was International Labour Day, otherwise known as May Day. Yesterday was a special day. It

marked the 85th anniversary of the first May Day celebration in Winnipeg. May Day was first recognized in Winnipeg on May 1, 1920, to protest the imprisonment of the 1919 General Strike leaders and the oppressive socio-economic and political conditions of the day. May Day is a time when workers around the globe celebrate their solidarity.

As such, it seems appropriate that I take this opportunity to extend my condolences to the Chilean community for mourning the loss of Gladys Marin, the recently deceased leader of Chile's Communist Party. Marin fought vigorously for equality and social justice and was a catalyst for change in her country. Marin was the first woman leader of a political party in Chile, and she spent more than 45 years of her life trying to make government more accountable to all of the people.

Mr. Speaker, I am proud to be part of a government that recognizes the importance of Manitoba workers. Our government is committed to ensuring Manitobans work under conditions that are safe, ethical and just. This commitment is evident in our proposed legislation to modernize and strengthen The Manitoba Workers Compensation Act. The proposed changes include improved benefits, increased focus on prevention and measures to allow the government to expand coverage following consultation. In addition, the legislation would 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 the working people of Manitoba for providing the foundation on which our great province is built. Thank you.

Mr. Speaker: Prior to recognizing the honourable member, I would like to advise all members that if they wish to carry a conversation, please do it in the loge or out in the hallway because it is very, very difficult to hear the member who has the floor.

Gary Filmon Portrait

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, on Friday, April 29, 2005, it was a great day in Manitoba. Friends, family, elected members both current and past gathered to witness the portrait of Manitoba's 19th

Premier, the Honourable Gary Albert Filmon, being displayed in the committee room.

Mr. Speaker, the artist, a well-known Manitoban, Mr. Andrew Valko, needs to be congratulated for his outstanding work. Mr. Filmon was first elected to the Manitoba Legislature in 1979 and served as Premier from 1988 to 1999. During his time, Mr. Filmon had many, many accomplishments, too numerous to mention during this brief time, but perhaps the most important was the introduction of balanced budget legislation. He wanted to reverse the tax and spend deficit after deficit that was the norm for the previous NDP government. Mr. Filmon respected the simple fact that government should run their finances the same way as Manitoba taxpayers had to run their homes.

Mr. Speaker, Mr. Filmon started discussions and had plans to build more hydro-electric power to sell to Ontario. I thought it was interesting that, even the current premier, Premier Doer said, and I quote, "I believe Gary Filmon has made Manitoba a better place to live." Mr. Filmon always believed in Manitoba, he always believed in the people of Manitoba. He believed in the volunteers. That is why he made sure that the Grey Cup came to Manitoba twice, the World Junior Hockey Championship, the Pan Am Games, just to mention a few.

During Mr. Filmon's time as Premier, Manitoba was graced by his wife, Janice Filmon, who in her own right was an energetic Manitoba ambassador, always putting Manitobans first. She met a Jewish Argentinian during a flight she and Gary were on, and they established a connection with the Jewish Argentinian community, and now over 100 families have come to Manitoba.

Ashleigh and I, along with members of the Filmon family, and I would like to read them into the record: Allison and Tony, their children, Alexandra and Amy; David and Catherine, their children, Spencer, Stefanie and Jack; Greg and Leanne, their children, Adam, Emma and Josh, and unfortunately, Susanna who is in Calgary, was not able to be there, but they and all their friends fortunate enough to be present, will remember the special day when Manitobans honoured Gary Filmon, a friend from the North End. Thank you very much, Mr. Speaker.

Canada Science Fair

Ms. Marilyn Brick (St. Norbert): Mr. Speaker, I rise today to congratulate three young St. Norbert

students for being chosen to attend the 2005 Canada-wide Science Fair to be held from May 16 to 21 in Vancouver, B.C.

Mr. Speaker, Nishant Balakrishnan, from Acadia Junior High School and Zexi Wang and Lynda Kong from Fort Richmond Collegiate each earned a trip to this national science fair after attending the Manitoba School Science Symposium this past April. I am pleased to say that both of these schools are located in my constituency of St. Norbert.

Mr. Speaker, the quality of the science projects that these students have created is extremely impressive. Nishant built a leech bot [*phonetic*] which is a prototype robot intended to be used in space exploration. This robot would be able to climb metal surfaces. Zexi researched plant genes for her project. She focussed on finding new ways in which plants can ingest more nitrogen to produce more protein. Lynda's project focussed on understanding and researching the genes that induce the death of certain cells deprived of oxygen. This project could help further researchers understand diseases like Alzheimer's and can eventually help people who are recovering from strokes. All three students intend to pursue studies in their areas of interest.

Mr. Speaker, I want to congratulate Mr. Nishant Balakrishnan, Ms. Zexi Wang and Miss Lynda Kong for being chosen to attend the 2005 Canada-wide Science Fair and wish them good luck.

I also want to congratulate all other students who participated in the Manitoba School Science Symposium.

Lastly, I also want to thank the teachers of both Acadia Junior High and Fort Richmond Collegiate for supporting and inspiring our students to work hard to pursue their dreams. I wish all the students of both schools continued success in the future, and I want to congratulate them for moving our world forward. Thank you, Mr. Speaker.

Manitoba Tourism Awards

Mrs. Mavis Taillieu (Morris): Thank you, Mr. Speaker, for the opportunity to put a few words on the record on the 2004 Manitoba Tourism Awards. It

was my pleasure to attend the Rural Forum gala dinner on April 29 when the Manitoba Tourism Awards were presented. It was a wonderful time to celebrate the success of Manitoba's tourism industry with industry leaders, businesses, some honourable colleagues and, in particular, the people from Morris.

Congratulations to all the nominees and winners of the 2004 Manitoba Tourism Awards. All people working within the tourism industry truly deserve our recognition and thanks for the work they are doing in ensuring people feel welcome and have an enjoyable time in our fine province.

I am particularly proud to congratulate the Manitoba Stampede on receiving the 2004 Tourism Marketing Award for an organization. This year the Stampede will celebrate 42 years as it gears up for this summer's festivities July 21 to 24. It is the only professional rodeo in Manitoba and has a wide range of family-friendly activities. The Morris community, businesses, municipality and the Valley Agricultural Society are vital to the success of the Stampede, as are all the loyal volunteers. I proudly wear this red hat today symbolizing the Stampede.

I was happy to be able to join Patti Groening, Ralph Groening, Tim Lewis, Arden Ross, Earnest Buhler, Elma Buhler and Reeve Herm Martens at these celebrations. I also want to tell this House it was the efforts of Patti Groening, manager of the Stampede, that led to this year's awards.

The Manitoba Tourism Awards recognize those who have led and contribute to the growth and success of Manitoba's tourism industry. The individuals, towns, businesses and organizations, who not only win but are honoured with the nomination, are truly deserving of this honour.

In closing, once again, I would like to congratulate the recipients on their awards, particularly the Manitoba Stampede. I look forward to the Stampede this summer and encourage my colleagues and all Manitobans to attend this Manitoba tradition and experience the hospitality of the people of Morris, Manitoba. Thank you.

* (14:40)

R.M. of West St. Paul

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Mr. Speaker, I rise today

to bring attention to and applaud the Rural Municipality of West St. Paul, which is celebrating their 125th anniversary of incorporation as a rural municipality in the province of Manitoba.

Mr. Speaker, many residents can trace their family ancestry back to the original settlers who laid the cornerstones for this community. Even though West St. Paul was officially incorporated as a municipality in 1916, its history dates back to before that time. As immigrants moved north in the 1880s, they found the land west of the Red River very suitable for settlement and many people made their homes in what are now known as the subdivisions of Rivercrest, Rivergate and Middlechurch.

The Rural Municipality of West St. Paul is a vibrant part of the history of our province. It is a quiet, rural life and friendly atmosphere that continues to draw people to West St. Paul to this day. West St. Paul proudly celebrated their heritage on February 14, 2005. Further anniversary celebration events are scheduled in the municipality throughout the remainder of 2005.

I would like to extend my deepest thanks to Reeve Cliff Dearman and the council of West St. Paul, along with the citizens of this municipality who have volunteered their time to make this year a memorable one for their community. Thank you, Mr. Speaker.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please canvass the House to see if there is leave to change the Estimates sequence to move Health, Healthy Child, Manitoba Seniors and Healthy Aging prior to Intergovernmental Affairs and Trade in 255 with the change to apply permanently?

Mr. Speaker: Is there leave to change the Estimates sequence to move the Estimates for the Department of Health, for Healthy Child Manitoba and the Manitoba Seniors and Healthy Aging Secretariat prior to the Estimates for Intergovernmental Affairs and Trade in Room 255 with the change to apply permanently? Is there agreement? *[Agreed]*

The House will now resolve into a Committee of Supply.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

**INDUSTRY, ECONOMIC DEVELOPMENT
AND MINES**

* (14:50)

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 Industry, Economic Development and Mines.

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

Mr. John Loewen (Fort Whyte): As I was entering the room, the minister indicated he had some answers from questions that he was not able to answer on Thursday, and I would give him some time to provide those if he would like.

Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines): It was not actually for Thursday; it was for the Question Period during the day today.

Mr. Loewen: Well, I will take those answers too, I guess.

Mr. Rondeau: The funding for the education program is \$300,000 over three years. It was just for the start-up, and this is the last year of the funding. It was a 50-50 cost-shared program with the feds to provide education for people so that when they participate in pension plans they are given the education, they are given the training so that they understand the terminology, the phrases, the appropriate investment mechanisms.

So that is what it was designed for. It was cost-shared with the feds. There was a \$300,000 commitment set up three years ago. This is the last year of the funding. It was basically so that people could participate in the management of pension plans.

I am sure the member opposite knows that, as time goes on, the labour representatives are having more dealings with pension plans and they have

more participation. So that was the purpose of the education program.

Mr. Loewen: Well, I would like to thank the minister for that. I just want to clarify a couple of points. First of all, he has indicated that the Centre for Labour Capital was set up for people to learn about pension funds. It was not set up for Manitobans in general to learn about pension funds. It was set up for union trustees, specifically educating union members, not the general population, not business people, but specifically funding from the taxpayer directed strictly to the development of education courses for union trustees.

Just regarding that, getting back to the funding because I want to clarify, it was reported in Friday's April 29 *Free Press* that a spokesman for the minister, I will quote from the article, "The province has committed \$300,000 a year to the centre for three years."

This differs from what the minister has indicated today, so I just want to make sure we are talking about the same thing. Just to wrap that in, last year's Public Accounts information for the year 2003, ending March 31, 2004, indicated that the Department of Intergovernmental Affairs had written a cheque for \$125,000 to the centre. So that is \$125,000 accounted for. I would just like the minister to clarify for the record if it is a total of \$300,000 or if it is \$300,000 a year. We know that \$125,000 came from last year from Intergovernmental Affairs and Trade, and maybe he could indicate where the rest of the money is coming from and if this is, in fact, the last year of any commitment.

Mr. Rondeau: From what I understand, it is IGA as far as the estimates. From what I understand it was a three-year commitment for a total of \$300,000 and that this is the final year of the project. What it was for was union trustees. Currently, many companies are starting to have representatives, especially if they have a union. They have co-managed or union reps on the pension plan advisory group, on the investment group. So, because of this trend, where you are having more and more union trustees that co-manage and work in co-operation on the management of the pension plan, then what happens is you set it up where people have the expertise, the knowledge so that they can then have a good participation in that plan, in the whole process.

So what has happened is that the federal government and the provincial government have made a three-year commitment to set up this centre so that people do get the education they need in order to fulfil their responsibilities as co-managers or on the management team of the pension plan.

Mr. Loewen: I thank the minister for that. Again, just to confirm, and if is the case that all the money came from Intergovernmental Affairs and none of it came from this department, then we will simply move these questions over to Intergovernmental Affairs, but I am just asking for confirmation that all the monies come out of Intergovernmental Affairs and none have come out of this department.

Mr. Rondeau: We can check and what we will do is we will endeavour to check to make sure that there was no money coming from Industry, Economic Development and Mines. We will make that check and get it back to the member by tomorrow.

Mr. Loewen: I just indicate to the minister that it is quite likely we will not be in Estimates in this department tomorrow, and I am just trying to clarify where to direct these questions to because that is, quite frankly, why we asked for a global look at this budget because there are issues that affect various departments' Estimates, and we have to know where to take them.

Again, it is not only ironic, but it is a real slap in the face, I think, to the unit holders of Crocus. Again, I will quote from an article written by Mr. Hilliard which he has titled, "The Manitoba Centre for Labour Capital: What It Is and What Will it Be Doing?" A quote from there again from Mr. Hilliard, and I quote, "It is time for workers to get some control of their retirement assets and to make sure that these plans are well governed and make sound investment decisions that benefit plan members."

If the minister thinks that Mr. Hilliard, who has just moved himself over from being chair of a fund that has seen its value drop over \$60 million in the last three months, and, as chair of that fund, oversaw that, if this government thinks that he is the individual that should be tasked with the challenge of setting up programs to educate union trustees on how to make sure that these plans are well governed, I think we have got the wrong man for the job, to say the least.

It is a real slap in the face to unit holders to see that their taxpayers' money is also now going forward to fund Mr. Hilliard's salary. But I take the minister at his word on this, and we will pursue this issue more when we take it up in the Department of Intergovernmental Affairs.

I would just like to follow up on a couple of other issues that we raised on Thursday, just to ensure that we have got the information we need. The minister is saying that at no time before December 10 did any board member or anyone who is associated with Crocus in any way make him or anyone in his department to his knowledge aware of the fact that there was an impending crisis at Crocus, and that the first time he found out about it and the first time anyone in his department informed him about it was December 10.

Mr. Rondeau: Well, in response to the discussion about Mr. Hilliard, one of the comments is I would wait until independent investigations were concluded. Right now, there is a MSC investigation; there is the Auditor General who is making an investigation. They are taking ongoing investigations which are non-partisan, that are investigating the management, investment practices, et cetera, of Crocus.

I do not want to besmirch a person's name. I think it is irresponsible to besmirch anyone's name until they get to plead their case and they get to explain what is going on. These independent authorities will be making presentations, they are public and they will be making comments about what happened in Crocus. I think it is irresponsible to jump to the gun, to make commentaries of anybody until these investigations have been conducted. Once they are conducted, then the public information is there and you can go from there.

As far as the information, I am sure the member remembers Mr. Bernard Wilson, who has stated that it was inappropriate for a board member to get information or give it before it became public knowledge. I assured the member on Thursday that we did not know until the close of trading, and I reiterate that it would have been inappropriate for the board members to have told us about the day-to-day operations about it and exactly what is going on in Crocus.

Mr. Loewen: Mr. Chair, just to clarify once again, and the minister wants to take this and spin it and spin it and spin it. The only thing I raise about Mr. Hilliard on the public record is that he is chair of a board of a fund that has just lost \$60 million of unit holders' and taxpayers' money. That is not something we have to wait for the Securities Commission to investigate, or that we have to wait for the Auditor General, whom he refused to call in on December 10 to investigate. That is public knowledge. The fund itself has announced it is going to fall in value for \$60 million. Mr. Hilliard, by the prospectus, indicates it is the board of directors that is in charge of the fund.

So he can try and spin these things all he wants, but that is public information on the records. I am sure there will be much more condemnation saved for Mr. Hilliard once we get the final results of the Auditor General's investigation as well as the investigation by the Manitoba Securities Commission.

With regard to information available to the minister that is not available to anybody else, and the minister under section 15, I believe, of The Labour-Sponsored Venture Capital Corporations Act does have the ability to ask the fund for any and all information at any time.

* (15:00)

Given that the fund itself has just announced in recent months that it will be devalued from just over \$10 a unit to quite likely under \$7 a unit, has the minister asked the fund to supply him with any and all information on the results of their own investigation and subsequent devaluation of the fund?

Mr. Rondeau: In regard to devaluation, loss of investments, I would like to point out to the member that \$35 million was lost in three failed investments. One was the Isobord investment, one was Winnport, and one was Westsun. These investments were under the former government. Might I remind the member opposite, but after these investments were lost, your leader and yourself said that you agreed with the valuation. I think that, if the member had been responsible and if he had information that the valuation was incorrect, he would have an obligation, a moral and honourable obligation, to provide that to the Auditor, provide that to the appropriate jurisdictional authorities, to let people know that the valuation was incorrect. I look at you, and I say, if

you think that the valuation was incorrect and you are holding a press conference, it would have been an appropriate and honourable thing to provide the information to the public, to the responsible boards which would have been the Auditor General.

We actually extended the act in 2001 to ensure that the Auditor had the right to go into the fund. If I had known that the fund was inappropriate or had appropriate information that I thought the evaluation was incorrect, I would not have gone to the public. I would not have gone on CJOB and said, yes, this is a good valuation, the system I agree with. I would not have been like the Leader of the Opposition (Mr. Murray), who agreed with the valuation. I would have probably brought the appropriate information to the appropriate authorities.

Mr. Loewen: Well, that is an interesting comment that has nothing to do once again with the question. It is the minister that has the authority to ask for any and all information, not any other member of the House, not any other member of the public. It is the minister who carries the obligation. It is the minister who carries this responsibility.

It is unfortunate for this minister that he has been stuck in this mess because previous ministers did not carry out their obligation, but it was a simple question to him. I had simply asked him if, since the period when Crocus announced that they had completed their devaluation, done their work, the minister has asked Crocus to provide him, or his department, with information regarding the specifics of the \$60-million devaluation. As for investments, we have never quarreled with the fact that it is up to the fund to make its own investments and do its own due diligence. The only thing we have quarreled with is why the government has not monitored, or taken the interest in monitoring, what Crocus has or has not done that has resulted in this situation. So I am just asking him a very straightforward question. Since the devaluation was announced, have you, as you have the right under legislation, asked the fund to give you information on the valuation of its portfolio?

Mr. Rondeau: What we have done is I have given authorization for the Auditor General to go in, conduct an investigation. As the member knows, there are independent third parties that are conducting independent audits to ensure that there are appropriate valuations. Before the fund sells, they

have to go to the Manitoba Securities Commissions. It is listed in the prospectus. So right now there is an on-going investigation through third parties who are auditing and ensuring there are appropriate valuations. There is the Auditor General and then there is also MSC. Those are all going on. As you know, the Auditor General asked for authority to make sure that he had the authority to go in and investigate any and all, and we, both the Minister of Finance (Mr. Selinger) and myself, gave that immediately upon request. What we have done is the appropriate thing. They are conducting independent third-party evaluations. I believe that is the appropriate way to proceed right now.

Mr. Loewen: Obviously, the answer is no. He just does not want to say it, I guess.

I do not know how we can make it anymore clear to the minister. We all know what is going on. It is in the public record. We do not need him to read his lines. I know he tries to disassociate himself of this. He has his own reasons why he purchased ENSIS as opposed to Crocus. We will leave that up to him to face those decisions on his own, but we have some very straightforward questions. The minister has an obligation, I think, to the unit holders and to the taxpayers to answer. So, I will take it the answer to that is no, the minister has not asked for anything.

Can the minister indicate whether there was a briefing given to him or his department by Mr. Clarkson when he left the board of Crocus in May 2004?

Mr. Rondeau: No.

Mr. Loewen: Has there been a briefing given to Mr. Waugh prior to his joining the board in Crocus in what we understand now is July 2004?

Mr. Rondeau: No.

Mr. Loewen: Just to clarify, and again the minister is indicating that nobody in the department and certainly no one has raised with him any information that Mr. Waugh brought back to government between the time he was appointed to the board and December 10.

Mr. Rondeau: One of the things we have done which we are proud of is appointed civil servants to

the board of Crocus. So, if you look at it, we have Mr. Waugh. We have Mr. Clarkson and Mr. Eliasson, who are all civil servants who were appointed to the board. They were non-political. They did not make any donations to any political party while they were on the board. We chose to make it a non-political board, and what we did was we did as appropriate to Bernard Wilson. We kept away from the day-to-day management. We did not control the board. We did not get reports from the board, and we did not get reports directly as to what was going on in board meetings. That would have been inappropriate. We did not have political interference, and we did not get reports on what was going on in the board meetings, nor did we direct the day-to-day management of the fund.

Mr. Loewen: Can the minister indicate what years Mr. Eliasson was on the board?

Mr. Rondeau: Mr. Eliasson was on the board from the spring of 2000 to the spring of 2001.

Mr. Loewen: Thank you, and prior to Mr. Eliasson, I am not sure if it was Mr. Steven Kupfer or Mr. Ian Robertson who was on the board.

Mr. Rondeau: The prior member was John Meldrum. He was appointed in 1998 from the PCs.

Mr. Loewen: Was Mr. Meldrum a civil servant?

Mr. Rondeau: He was a secretary to the Economic Development Board of Cabinet.

Mr. Loewen: And was there any briefing done to Mr. Eliasson before he joined the board?

Mr. Rondeau: No, there was not.

Mr. Loewen: Just for clarification, I did not ask if Mr. Meldrum gave him the briefing, I just asked if Mr. Eliasson received any briefing prior to going on the board.

Mr. Rondeau: I understand that Mr. Eliasson did not receive a briefing before he went on the board of Crocus.

Mr. Loewen: I believe, prior to Mr. Meldrum, Mr. Robertson and Mr. Kupfer were board members. Were they civil servants as well?

An Honourable Member: Which ones did you want done?

Mr. Loewen: I am just going back to the point where the minister seems to think that somehow his government has changed and appointed civil servants to the board. I am merely pointing out that Mr. Eliasson, Mr. Meldrum, Mr. Kupfer, Mr. Robertson, all long-term civil servants, have been appointed on the board going back at least until 1997 and possibly before that. So it is not some brainchild of his government. It is a standard practice. It has been undertaken for years and years. He should perhaps get his facts right before he puts them on the record.

Mr. Rondeau: I was basically pointing out to the member that the people who we appointed to the board had never made political contributions to any party, whereas that might not have been the past practice under the former government. There might have been members who did that, and you know that does show that they have some political connections. If you are making political contributions to a political party while supposed a civil servant representing the best interests of Manitoba, one must question whether there are direct political connections when you are making contributions.

* (15:10)

Mr. Loewen: Well, is the minister saying that Mr. Waugh has no political connections?

Mr. Rondeau: What I say is that the members of the board under our government have not made political contributions to any party.

Mr. Loewen: Is the minister aware of who Mr. Ron Waugh's brother is, Mr. Rick Waugh?

Mr. Rondeau: Yes, I do know who his brother is.

Mr. Loewen: Then does he understand that his brother, Mr. Rick Waugh, who is chairman of the Bank of Nova Scotia, does have connections with the Premier of the Province (Mr. Doer)?

Mr. Rondeau: I assume lots of people know the Premier and have connections and discuss things with the Premier. As I understand, you used to play basketball with Mr. Waugh, but I found that out last week.

The one neat thing about the province of Manitoba is that in Manitoba there are two degrees of separation between any two people in this province. Everybody knows each other; everyone has connections to each other. That is one of the interesting things about Manitoba. I think it is a strength that I have been trying to promote, especially in business because, then you can have people working together and grow our province.

Mr. Loewen: Well, the minister should make up his mind because, on the one hand, he says, you know, this government would never appoint anyone to the board who has any connection with government, has made a political donation, you know, which he probably does not know about unless he sat down with all of these board members and asked them if they have made political donations, which he would not have taken the time to do. He did not even know who they were.

The point being that, since the inception, the government has the right to appoint a director to the board. Some of them have connections and some of them do not. So, before he kind of wanders off in this holier-than-thou diatribe, he should at least understand that the current board member's brother is not only the chair of the Bank of Nova Scotia, but just happened to be a fraternity brother of the Premier of the Province of Manitoba, which is meaningless other than to say that the minister should either come here with his facts or not try and somehow indicate that there are previous board members who have been appointed simply because they have connections, because a closer line can be drawn in this respect than in anything else that has been done in the past.

So, just to clarify again, the minister has no intention of asking the fund, as he is entitled to do by the legislation, about the devaluation or individual valuations that have taken place in the fund. He is simply going to wait for the Securities Commission and the Auditor General to file their reports and hold their hearings.

Mr. Rondeau: I think it is very appropriate now that there are three things going on. One, there is the independent auditors who are going through the valuations to make sure that all the valuations from the different companies and investments are appropriately valued. We want to let that process go through. We want to let the independent Auditor

General's report go through, and the MSC investigation to go through. It is very prudent to allow these three investigations go through.

I might remind the member opposite that when we changed the act in 2001, it was very good to change the act because then the Auditor General had the right and obligation to go in and investigate. So, as of 2001, we believe, because The Auditor General Act had the provision where he could go into any organization that received cash credits and he could conduct an independent non-political investigation as to any parts of it. Now, this year, when he asked this past year for permission to make sure there would be no question whatsoever, if he had the right to go into the Crocus Fund, both the Minister of Finance (Mr. Selinger) for the Manitoba Securities Commission and myself, under The Crocus Investment Fund Act, gave him the permission.

Now, we believe that he did not necessarily need the permission from either the Minister of Finance or myself. But, just to make sure that he had the clarity to go in and investigate and do it as he saw fit, we made sure that he had it immediately. In fact, he wrote a letter of thanks because of our quick response to his request.

I think that was prudent. I think it is prudent that we do not go and have yet another investigation. I think what we need to do first is listen to the three investigations that are going on now. That is prudent. What we want to do is act rationally. We want to make sure these independent bodies get a chance to investigate appropriately, and then plan accordingly.

I think it was very important that in 2001 we had expanded The Auditor General's Act to allow the Auditor General's office to conduct his independent investigation.

Mr. Loewen: The minister indicates a number of times that there are three investigations. Is the investigation regarding a valuation, as he has so called it, an investigation, is that complete?

Mr. Rondeau: Well, there are not three investigations. One, there is valuations and then there are two investigations. One of the valuations is taking all the companies, the true value—what they are doing is going through and valuating the investments. They are looking at all the investments. They are checking it out to see if it is priced

accordingly. We do not run the day-to-day management. We do not get a report on what they are doing on a daily basis. We do not get a report from the Auditor General on a daily basis. We do not get one from the MSC. So what is happening is we are keeping hands off until the investigations, the two investigations, the valuations are complete.

Mr. Loewen: Is the minister then saying that he is expecting a report from somebody, and if so, if he could indicate who on the valuations?

Mr. Rondeau: As the member knows what has to happen before Crocus resumes trading, which will happen in due course, they will have to renew and re-file a new prospectus. This prospectus goes in front of the Manitoba Securities Commission. The Manitoba Securities Commission has to make sure they are happy with the valuations. They have to make sure the valuations are appropriate, and they agree with the way the valuations were completed.

Mr. Loewen: Once again, the Manitoba Securities Commission certainly relies on information given to them, not only from the fund, but from the auditors and from the report signed off by the lead broker as it relates to valuations. Is the minister now changing his tune for, I do not know how many times, but is he basically saying now the government will not get and will not ask for any information on the valuation process? He will simply leave that up to the Securities Commission?

Mr. Rondeau: Right now, I understand the Auditor is conducting an investigation. Part of the investigation is the valuations, how they were conducted, how the third party came through with the valuations.

As you know, it also has to deal with the governance of Crocus, and now the operations of Crocus Fund. I think it is very appropriate that the Auditor General, who is very qualified in this, can hire the experts that they need to conduct the investigation. What they are doing is investigating whether the valuations of the third party, how they were valuated, et cetera. That is part of the whole investigation from the Auditor.

* (15:20)

I think it is appropriate that we have a qualified person under the Auditor who can contract or take

people to find out whether the valuations are appropriate, how they are appropriate and how they were derived. That is part of the ongoing investigation. That is why we have to wait until the Auditor General has conducted his investigation before we go off and make some decisions. What we want to do is we want to take the time necessary to make sure the process is appropriate.

Mr. Loewen: I can assure the minister that the processes undertaken by the Auditor General's office will be appropriate. There will not, in the Auditor General's report, be a listing of what companies were in the portfolio or devalued or by how much. The prospectus does not show how many portfolios have been devalued or why. The financial statement in the past, unless something changes immediately, has shown the investment, not the value.

So I am asking the minister, who is the only one left who has the authority to ask the fund for any and all information, if he, in fact, will be asking the fund for a detailed list of valuations of every company within that portfolio, its value on the books of Crocus prior to December 10. As a matter of fact, I would suggest he go back prior to September 23 when the first 15-million write-down was announced this year, the first significant one, in any event.

Will he ask the fund to give him information on a case-by-case basis what the valuations were prior and what the valuations are today so that at least he and his office will be one external body that will have the information that will, hopefully, allow him and his department in future to monitor the fund, as has been identified as one of the goals by a previous NDP minister?

Mr. Rondeau: I have to say on the record that I have great faith in the Auditor to be able to conduct his business appropriately, professionally, et cetera. I have appointed the Auditor General as a qualified person under the act. This gives him the right to get any of that information and put it together.

That is what we have done by appointing him as a qualified person under our act, the Crocus act, and also allowing him to do the same under the Manitoba Securities Commission through the Finance Minister (Mr. Selinger). Then what happens is he is able to get any information he needs for the valuations and see whether they were appropriate, check to make

sure that all the proper systems and procedures took place.

Mr. Loewen: Yes, you did eventually and finally, after his request, appoint him as a qualified individual, something you could have done at any time subsequent to the act passing in 2001, and that is the amendments to the Crocus act, just for your own understanding of it.

I guess what I am trying to find out is if you are going to be asking the Auditor General or if you are going to be asking the fund specifically to provide you with detailed information on the individual valuations within the portfolio on a company-by-company basis so that you can see and if you so decide to make the public aware of which companies have been the problem for the fund and have caused this devaluation of over \$60 million.

Mr. Rondeau: Mr. Chair, I do not know whether the member has had the chance to read the changes we made in The Auditor General's Act in 2001. If you read the changes in The Auditor General's Act in 2001, basically it allowed the Auditor General to investigate any entity that received tax credits from the province. This meant that he or his office had the authority to go in and investigate Crocus or ENSIS or many other organizations in the year 2001. I believe strongly that he had the ability to go in and investigate Crocus. We provided the letters to ensure that he was an authorized person, just to make sure that there would be no questions whatsoever that he had the right and the obligation in order to investigate appropriately.

Now, I might also state to the member opposite, we have to be very careful with confidential third-party information. Through The Freedom of Information Act, through the disclosure of finances, we have to be careful to say what is public and what is private. I think that is something that the Auditor General can investigate, see whether it is appropriate, whether there is some confidential third-party information that might be proprietary and we do not want to get in conflict of business information that might be confidential.

Mr. Loewen: Then why did you pass an amendment to the labour-sponsored venture capital fund act which gave you the authority to ask for any information you wanted?

Mr. Rondeau: I think there is a difference between what we did in 2001, where we expanded it, where the Auditor General is allowed to investigate, and he is investigating processes, he is investigating the process of valuation. So he is checking to see the process of valuation whether it is appropriate, and that is the right thing to do.

Mr. Loewen: Does the minister understand that the amended act, as amended by his government, gives him the authority to ask the fund for any information?

Mr. Rondeau: Yes, I understand what the act says, and what you will note that we have said that the Auditor General under this case can go into the fund under The Crocus Investment Act and act as an authorized qualified person to get any and all information in his investigation or his office's investigation.

Mr. Loewen: Thank you. Are you expecting, with that information that comes back from your authorized person, and I am not privy to all the communication between you and the Auditor, I have only seen the one letter that was issued, there may be others issued, I am not sure, are you expecting that the Auditor General will provide to you and your department a detailed list of the valuations on every investment in the Crocus Fund that has led to this devaluation?

Mr. Rondeau: I do not know what is going to be in the Auditor General's report. He does not report, or his office does not report, to me. It would be inappropriate before he has submitted the report publicly or to the appropriate ministries for him to tell me all the contents in the whole document.

Mr. Loewen: I am not asking for the contents of the document. Everybody understands it is up to the Auditor General to put in the document what he wants, but you, sir, have appointed him as your authorized person which gives you the ability to ask him to bring any and all information back to you. I am simply asking you if you have asked him to bring back a detailed list of the valuations within the fund before the devaluation took place and after the devaluation took place.

Mr. Rondeau: Mr. Chair, I have not instructed the Auditor General on how to do his report or investigation. I have kept that totally separate. What

I have done is given him authorization as a qualified person to conduct the investigation as he sees fit, and I have not got involved in what he is investigating or what is in the report. I think it would be very, very inappropriate. I have faith that the Auditor General will do a thorough report of the fund. He will do a thorough report of the management, operation and valuation as he said that he would do. I think it would be inappropriate to have any political interference in any way of the Auditor General's work or the report.

* (15:30)

Mr. Loewen: Well, the minister is right on that point. It is unfortunate he wants to twist and turn everything I am asking him. It has nothing to do with the Auditor General's report. It has to do with the fact that the act gives the minister the authority to ask for any and all information from the Crocus Fund at any time, either directly or through an authorized person.

Once again, he just wants to weave and dodge and not answer questions, so I am assuming he has not asked anybody to report back to him with regard to the evaluation process, which once again demonstrates quite clearly his lack of interest in this whole file, which quite frankly, is only a slap in the face to the unit holders and only indicates further to everyone observing this sordid mess that it is this minister's opinion and his government's opinion that it is in their best interests just to appear as far as possible away from this whole issue and leave the unit holders out hanging on their own, but I will leave that up to him.

Based on that, then, I am certainly prepared in the time we have left to get into some questions regarding the department. I guess we will start with area 10.1, the Administration and Finance area. Particularly, I would like the minister to explain the increase in salaries of about \$70,000 under the Executive Support line that we have seen take place since about 2001, when the total was roughly \$400,000. Now it is about \$479,000. Is that for additional employees or what has gone on?

Mr. Rondeau: Before I do that, in response to your evaluation process, I think it is part of the proactive work with the Auditor where he is actually going out and has said publicly that he is going to do an evaluation of the evaluation process. We will talk about that and I think it is very important to talk

about that because it is the crux of the Auditor General's investigation and we did give him the appropriate authority to do that.

I will just get set for the other answer. In response to the \$70,000, it is the same staff number. There have been some salary increases and some increments that have been for those individuals.

Mr. Loewen: Can the minister provide—I mean, it is a pretty substantial number over these few years to have gone up somewhere between 18 and 20 percent, a list of what salary increases have gone through in terms of raising salaries for the Executive Support side?

Mr. Rondeau: I can give the honourable member the salary increases for this year, and we can provide him the rest of the information tomorrow, as far as from 2001. But this year we have, just through the secretarial/clerical, one person getting a \$700 increase, another one getting \$1,100 increase, another an \$800 increase, another a \$700 increase. My EA has got a \$1,000 increase, for a total of \$4,300. In the deputy minister's office, we have the deputy minister having a \$2.2-thousand increase, and one clerical, an \$800 increase, another a \$700 increase, for an \$8,000 increase total for this year.

I understand there has been salary increases negotiated through the civil service, but I can get that information on all the salary increases from the year 2001. Do you want it for the year 2000, and provide it for the member tomorrow?

Mr. Loewen: Well, I am looking for the numbers that were published in 2001 and the comparison because certainly the increase of \$70,000 is very substantial and would be more than could be accounted for by just general rate increases, so I appreciate the minister getting me that information when he can.

Mr. Rondeau: From what I understand is that there was departmental reorganization with a secretarial support at one point, I believe in 2001, covered by the department, and now it is in Executive Support where it is appropriately placed.

Mr. Loewen: Thank you. If the minister could follow through with his commitment to get me a list and include that in it, it would certainly be appreciated.

With regard to the Ottawa office that was previously housed in this department, was that transferred to another department, shut down?

Mr. Rondeau: I understand that that department was transferred to IGA because of its Trade function and Intergovernmental Affairs function, and because this is more just Industry, Economic Development and Mines, within the Province, we felt that change was appropriate.

Mr. Loewen: Could the minister indicate how much expense that would have involved transferring?

Mr. Rondeau: We will get you that information also with the package of the other information that we are providing to you.

Mr. Loewen: Thank you. If the minister could indicate when that transfer was made, what year that took place.

Mr. Gerard Jennissen, Acting Chairperson, in the Chair

Mr. Rondeau: I understand that the departments were reorganized in the fall of 2003. That is probably when the information would have happened and the transfer would have happened, and it would have been reflected in the 2004-2005 Estimates books, but again, we will give you the exact date or the exact time that that happened in the information that we are, again, providing.

Mr. Loewen: The section 10.1.(d), does this branch still support the—I guess I am just looking for where the negotiations for NAFTA and these types of advice and support have fallen within this, whether it remains work that is done within this department or work that is done within the Department of Intergovernmental Affairs, or just how that translates into practice.

Mr. Rondeau: I understand that this department has been kept intact, not broken out. The difference is it services more than one department, and so this organization would be responsible for trade negotiations but would report or would service a different minister or different organization, but it is in this budget because it also may have a function for Industry, Economic Development and Mines.

Mr. Loewen: Can the minister indicate how many FTEs are assigned to this particular activity and what costs are associated with it?

* (15:40)

Mr. Rondeau: For the whole function, there are six staff years. Did you need the names of the individuals involved?

Mr. Loewen: No, actually what I am looking for is information on which individuals within that complement of six are involved in working on the items just described by the minister in terms of negotiating regarding NAFTA and the WTO. I do not know if that is six people or four people or two people.

Mr. Rondeau: I have been informed that Allan Barber, who is the director of the department, spends a portion of this time, but it is flexible in this area of NAFTA and trade negotiations. Nevin Shaw, who is a senior consultant, would spend the majority of his time, but not all of his time in it, and David Au would also spend a considerable amount of time in this. But, again, there would also be a portion of the administrative support that would spend some time with NAFTA and trade negotiations. It would be flexible time depending on what issues were arising, whether there were WTO negotiations, what was on the agenda.

Their time is flexible and they have other issues they deal with, but, in general, I can say a portion of the time for Alan, a majority of time for Nevin and a good, considerable time for David Au.

Mr. Loewen: Thank you. Are there any charges back and forth between departments with regard to this function? It is just all housing and industry?

Mr. Rondeau: No, there are no charges between departments. We just do it for ease of accounting in one department.

Mr. Loewen: With regard to the Manitoba Bureau of Statistics 10.1.(e), is that actually a full-time employee that is reduced? Is that to allow for a vacancy? Is that a transfer? Maybe the minister could explain what has happened there.

Mr. Rondeau: It was a vacant position that was eliminated under this year's budget decisions.

Mr. Loewen: How long had it been vacant?

Mr. Rondeau: About six months, sir.

Mr. Loewen: Thank you. There seems to be quite a bit of discrepancy at times between Manitoba's statistics and StatsCan, particularly when it comes some issues regarding economic performance, and the numbers can be used one against the other from time to time. For example, Stats Canada just the other day pointed out that, in fact, Manitoba has the poorest performing economy in all of western Canada, something that would be hard to glean from the information put out by the government's department. Are there some overriding factors that result in different numbers or different evaluations put out?

Mr. Rondeau: I understand by Mr. W. Falk, who has joined us who is the director of that department, that we often have access to better data as far as more precise data, more current data and things like some of the data we can analyze on a very localized or regionalized basis rather than nationally. We are able to analyze the data more on a provincial basis which might give us a little bit different numbers.

Mr. Loewen: Thank you. So the minister is suggesting that, in all these cases, the Manitoba data is superior and more accurate than Stats Canada?

Mr. Rondeau: I have been advised that we use more current data. They often take six or eight months to revise and use the current data. We get to use it right away and incorporate into our numbers, and also, as in some months, most surveys will say they are right three out of four times, nineteen out of twenty. Sometimes there is the night a twentieth time where the data does not always fit or there might be survey problems or size problems, usually because they are aware we are a small size. We are a small component of the national data, so sometimes there might be skews, and because we are used to the Manitoba data, because they are very informed as to the local circumstances, they can usually provide you information on when they think there is something wrong with the data where it is the twentieth time 19 out of 20. That is very important in evaluating what numbers they are getting.

Mr. Loewen: I have seen a qualifier on surveys. I do not think I have ever seen it on a report issued by the department. Is the minister saying that their statistical reports are only right nineteen times out of twenty, or are, in fact, the numbers that we should be relying on?

Mr. Rondeau: I think that whenever you are doing a survey, whenever you are doing anything where you are not taking the entire number, you are not talking to every individual. You are talking about sampling size. Whenever you are talking about a sampling size, you may have some discrepancies on numbers. From what I understand is that you want to make sure that you understand where the numbers come from before you have any definitive statements.

Mr. Loewen: I am just trying to clarify this, because the statistics seem to imply something different than just a survey, and I am trying to get a feel for what type of fluctuation or valuations, differentials there would be in the reports issued by the Bureau of Statistics. Is the minister saying that, when these numbers are issued, all the numbers from the Manitoba Bureau of Statistics, they are just on surveys? I am just trying to look out for determining the accuracy here.

Mr. Rondeau: The information is gathered by a whole host of information, a whole host of sources. What they do is they try to bring that together and provide the best information available at the time of release. They are trying to gather information from different sources and bring it together.

Mr. Loewen: I thank the minister for that information. I guess I will look forward to the reports, I mean, whenever you see a survey, it will tell you whether it is 19 times out of 20 and what their percentage of error is. Maybe in those cases, we will look forward to the minister publishing that as well.

With regard to the Business Services 10.2, we have certainly seen a very significant decline in recent years regarding the amount of funds directed towards business services, which presumably are direct expenditures on supporting business, growth, small business development and immigration in the province of Manitoba. Can the minister give an explanation as to why the budget for this area keeps declining and declining?

* (15:50)

Mr. Rondeau: The basic expenditure from 2004-2005 remains stable, but the decline is part of a policy where we have eliminated interest-free forgivable loans. So the interest-free, forgivable loans program does not exist. What we now do is,

when we are loaning money to businesses or corporations, it is usually around the Crown rate, and that is the main expenditure change. So it is no longer where we would pick up the interest rate, which is the difference between the Crown rate and zero.

Mr. Loewen: Well, just by way of an example, in the Industry and Development area, appropriation 10.2.(a) Financial Services, in '01 the budget was roughly about 9.6 million and now it is about 7.5 million. Does that account for all of that difference?

Mr. Rondeau: That would be the majority of the difference.

Mr. Loewen: And with regard to Industry Consulting, 10.2.(b), in 2001 that was about 5.7 million, and now it is down to about a little under 1.3 million. Would that be the difference there?

Mr. Rondeau: I understand that would be reflected in the reorganization where we have a new department with Science and Technology and also the Industry department. So that is sort of the off-shoot there.

Mr. Loewen: So are you saying those would be transfers of employees and expenses to Energy, Science and Technology?

Mr. Rondeau: Yes, that is where that would come from.

Mr. Loewen: Can the minister give us some details on the MIOP program in terms of its current status, and the types of businesses that would be eligible for grants and/or loans under MIOP and, I guess, if the indication is, now, that all of those are at a set interest rate?

Mr. Rondeau: The MIOP program is loans, not grants. So what we do is we actually loan money to companies that are looking to expand or restructure or do something to ensure that there is economic development in our province. Generally, they are at Crown rate, but there can be changes to the Crown rate to reflect the risk or jobs or different components of the program.

Mr. Loewen: Is interest on any of these loans ever waived?

Mr. Rondeau: There used to be loans where the interest would be forgiven and other items would be

forgiven, i.e., with the call centres. Back in early 2000, this practice changed and now most loans bear interest. They also have to have the principal repaid.

Mr. Loewen: Well, that did not quite answer the question. I guess, more specifically, can the minister indicate if any of those loans that have been provided through this program, let us say in the last three years, have ever had interest waived?

Mr. Chairperson in the Chair

Mr. Rondeau: Although the interest rate can be negotiable according to jobs created, et cetera, we have not had a loan where the interest rate has been waived in the last three years, I have been informed.

Mr. Loewen: Are there any where the interest rate has been set at zero?

Mr. Rondeau: No.

Mr. Loewen: Can the minister, does he have some statistics that would indicate sort of the average size of the loans and the average interest rate they would be charged? The fact they have so many loans, was he anticipating within this budget of close to \$10 million?

Mr. Rondeau: I have been informed, I will read you all the loans that are outstanding as of 2004. Prior to year 2000, there was about \$1.704 million that was greater than nil but less than 5% interest rate. Sorry, \$1,704,175 were at nil. They were loans that were still on our books but were signed prior to the year 2000 or 2001, or prior to the change of the policies.

There were \$24,898,095 that were greater than nil but less than five percent. There were \$20,789,416 that were between 5 percent and 6 percent. There were \$31,476,140 that were between 6 percent and 7 percent. There were \$7,829,167 that were between 7 percent and 8 percent. There were about \$2 million between 8 percent and 9 percent. There were \$125,000 between 9 percent and 10 percent.

I can provide the member with all the details if you want a copy of the list, if you wish.

* (16:00)

Mr. Loewen: Yes, I would appreciate that. Do these interest rates reflect risk?

Mr. Rondeau: I understand they reflect the risk and also the prevailing interest rate at the time the deal was struck.

Mr. Loewen: Is there information available on the success rate of the program in terms of repayment? Does the government get back 70 percent, 80 percent, 90 percent of the funds that are loaned out under this program?

Mr. Rondeau: Since the beginning of the program, I understand there was \$227,882,000 dispensed over the life of the program for different things. I understand there has been a loss rate of 9.1 percent in that.

Mr. Loewen: Are the current numbers in terms of the last two or three years still in that same 9 to 10 % area with regard to losses?

Mr. Rondeau: I understand the numbers are better recently because the one failed investment which was like 20 million, \$24 million, something like that was Isobord and Isobord was \$21 million. The total losses have been about \$24 million for the whole program, and Isobord was \$15 million of the 24 million. So, with one large investment, there was a big hit on the losses. There has been \$24 million, so far, for the whole life of the program. The percentage of loss now is much better than the 9 percent.

Mr. Loewen: Can the minister give us some indication of where things are at with Vision Capital these days?

Mr. Rondeau: I understand Vision Capital is winding down right now. They have actively stopped investing about three years ago. There is one current investment and then the process of orderly divesting of and closing down.

Mr. Loewen: I was more specifically looking for what the \$600,000 expenditure is related to?

Mr. Rondeau: The \$600,000 is interest costs on the investment that is still outstanding.

Mr. Loewen: Is that expected to be recovered this year? Is there an expectation that investment will be disposed of?

Mr. Rondeau: We will get that when we can realize the actual cost of that. We are trying to divest of it. When it gets divested we will realize that.

Mr. Loewen: I guess what I was looking for is if the minister is at liberty to say whether there is any anticipation that this will be divested of in the coming budget year.

Mr. Rondeau: It is up to Vision Capital to divest. I understand that they are looking for opportunities to divest itself of the last investment.

Mr. Loewen: With regard to the third-party support programs, could the minister indicate everything that is involved in that?

Mr. Rondeau: With the third-party funds, there are six of them. One is the Vision Capital Fund; one is the Manitoba Capital Fund; one is Renaissance Capital Manitoba Ventures Fund; one is the Western Life Sciences Fund; one is the Manitoba Science and Technology Fund; and one is CentreStone Fund.

Mr. Loewen: Mr. Chair, with regard to the expenditures indicated here of roughly \$2.6 million, is that what is anticipated will be put out by these funds this year?

Mr. Rondeau: It is the interest cost against the amount that is going to be disbursed and it provides allowance for losses.

Mr. Loewen: The capital investments would show?

Mr. Rondeau: I will give you the total capitalization of all the funds. The Vision Capital Fund has a \$40-million capitalization at its peak. At the peak, the Manitoba Capital Fund had \$25-million worth of capitalization. At its peak, the Renaissance Capital Manitoba Ventures Fund had \$10-million worth of capitalization. The Western Life Sciences Fund had \$45 million of capitalization. The Manitoba Science and Technology Fund had \$10-million worth of capitalization and CentreStone Fund had \$25-million worth of capitalization.

Mr. Loewen: I thank the minister for that. With regard to the venture capital funds, both Crocus and ENSIS, can the minister indicate how much it is anticipated the tax forgiveness will be for this year?

Mr. Rondeau: I am sorry, but that is the Department of Finance. We do not have that here. We have the Crocus act, we do not have the tax act here.

Mr. Loewen: Does the department provide any information to the Department of Finance regarding the expected tax credits? Is that all housed within the Department of Finance on its own?

Mr. Rondeau: I understand that with those two funds they do their own due diligence. They pass the information to the Minister of Finance (Mr. Selinger) as to the sales season that they anticipate, and then that is done through the Minister of Finance, not through Industry.

Mr. Loewen: The budget book indicated that this year they are in anticipation of about a 6.5 percent, a million-dollar cost to the treasurer with regard to tax credit. Is the minister aware of any information to the contrary that might change that figure?

* (16:10)

Mr. Rondeau: That would be in the Minister of Finance's purview, not Industry. Again, it is a line item that would be out of Finance, not out of this department.

Mr. Loewen: I thank the minister for that. With regard to the Exploration Assistance Program for the mining industry, can the minister indicate where the expenditures go from the Exploration Assistance Program?

Mr. Rondeau: The mineral exploration program is very successful. I am very happy. It has good feedback from both the mining exploration business and the different mining companies in Canada. In fact, when I was at different mining events, they spoke very highly about this program. I am pleased we are doing that. In fact, we have a lot of positive feedback on this program.

I understand that there are two offerings. What happens is the companies submit proposals, they submit them to government or the mining branch. There is a certain amount that is offered. It is prorated. If they are successful they get a certain percentage, but it does not exceed 25 percent of their maximum costs or 35 percent in targeted areas.

I understand that what we would do in targeted areas would be something like if the mine is isolated or might be closing or whatever, we might give the extra 10% maximum in case we want to promote exploration and hopefully find something where we might extend the life of the community or the life of the mine.

Mr. Loewen: The minister indicated in his opening statement that he expected a lot more activity in this field. I am just wondering why the budget would have remained the same. I guess what we will be faced with then, from his previous statements, are a lot more companies applying for basically the same pot of dollars and getting less.

Mr. Rondeau: Yes, one of the functions of this is when prices are high more companies will be conducting ongoing mineral exploration. Because of that, as we have high prices like we do now, like we are experiencing huge increases in the price of copper and nickel and gold and all this, so that has happened over the last while. Because of that, companies have a little bit more money to spend on exploration.

Because more companies are exploring, they will receive a smaller percentage of the MIOP support or mineral exploration support. It is sort of a function of, as the prices go up the companies can afford more exploration. More companies are doing exploration, so we provide a little less as far as percentage of assistance in the program.

Mr. Loewen: There is no anticipation that this budget will get overextended as a result of the increased activity?

Mr. Rondeau: There is a cap to the budget and we will not be overextending the budget—

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

The committee recessed at 4:14 p.m.

The committee resumed at 4:26 p.m.

Mr. Chairperson: Will the committee please come to order. The floor is open for questions.

Mr. Loewen: I just want to finish off this section a little bit. Again, I guess I would say I am very concerned that, given what is going on with our labour-sponsored venture capital funds this year, the fact that, in past years, we have seen them raise as much as \$40 million to supply venture capital to growing businesses in Manitoba, this year that number is probably going to be reduced somewhere between maybe as high as 12, but quite likely closer to \$10 million when you factor in the fact that Crocus will only raise about \$2 million which will, I think, severely limit—it has certainly the capability of severely limiting the amount of venture capital that is available to grow companies within Manitoba—that there is not some kind of increase within the department to make up for the differential.

It is quite plausible in my view that businesses have relied on, particularly Crocus, and to a certain degree on ENSIS, for continuing funding. Certainly, in the case of Crocus, within the last 18 months before trading was halted, they had put out in the neighbourhood of \$15 million to \$18 million into invested companies, that is, companies where they already had an investment in order to prop them up, keep them going, help them grow, whatever the logic or reasoning behind the add-on investment was. Does the minister not think that there will need to be a substantial increase in the department's budget to meet some of the demand that will be out there for capital to help businesses grow in Manitoba?

Mr. Rondeau: I think that the former government was right when it started to invest and established venture capital funds. I think it has been a practice that was started under the former government. We continued it because it does make sense, and I think what we are doing is anticipating the reports from the Auditor General and MSC so we know how we can take action to make sure that we have people who are willing to invest in venture capital. Venture capital is important to grow the economy.

As I have said in Question Period, I think that the former government was right when they started to promote venture capital. We have a small market. We want to make sure that there are investments in our province, and we want to make sure that we grow the pie in our province.

* (16:30)

I think one of our goals as a government is to continue some of the work that was done under the previous government. I think in the venture capital they started the process of growing the venture capital. I think we need to continue to do that. What we must do is make sure that we do it and ensure that we take the steps necessary so that people feel comfortable investing in our province.

Mr. Loewen: So the minister has no concern that there will be a substantial increase in the number of businesses that are coming to his department to look for money because of the inability that they will have to tap into funds, that would have normally been approaching Crocus. Obviously, they will not have the ability to tap into that resource. The minister is not concerned that he needs to increase his budget within his department to meet that demand?

Mr. Rondeau: I think it is important to be flexible in a budget. I think what we have to do is work with not only within the government, but outside government partners with business, with labour, pension funds, et cetera to make sure there are adequate supplies of venture capital. I think the former government acknowledged the need to grow venture capital, and I think that they were right. I think what we want to do is not say that government is the only source of money. What I think we need to do is make sure that there are partners out there, to make sure there are various forms of venture capital. I think the former government started that process, and we, again, continue that process.

Again, that is where you have the Centre for Labour Capital. That was part of it. You have other things, like you have the ENSIS and Crocus funds, and you also have the other funds that were established like the Vision Capital, the Manitoba Capital Fund, the Renaissance Capital Fund. You have a number of funds that pool resources to grow the economy in Manitoba, grow the industry or research, or grow the pie, and that is what the former government started. As you know that, in certain cases, what you want to do is make sure that you know what you grow, what has been done correctly in the past. I think this is one of the things that we are continuing from the former government because I think they were right in this. I think we want to continue to grow the venture capital funds to make

sure there is adequate money to expand Manitoba's economy and continue that expansion.

Mr. Loewen: Wow, interesting diatribe.

I guess I just remind the minister that the Centre for Labour Capital does not invest in anybody. It is a not-for-profit so there is no money coming from there. In case he has not looked at the numbers, the venture capital that is going to be available is going to be down in the nature of \$25 million this year over a previous year. I guess it is obvious that, one of two things, either that does not concern him, he has no interest and his government has no interest in increasing the resources of this department to help bridge that gap; or (b) he did not think about it; or (c) we have a situation like we had in the case of the health budget last year where it just decided not to put the money in the budget, even though they knew they were going to expend it. I guess I would just ask him this: Is it (a), (b), or (c)?

Mr. Rondeau: I am sure the member opposite knows, you have been in business before, and I assume that you realize that it is not just government that provides the venture capital. It is not just the two funds. There are all sorts of capital. We are working on an angel investors' program where what we are trying to do is get people to work within the community. Again, when you start talking about Manitoba's two degrees of separation, it is easy to bring people who have good ideas, researchers together with investors together with industry, and we hope to use that closeness of Manitoba's community as an advantage to grow our economy.

It is not just government. It is not just the venture capital funds of Crocus. There is also ENSIS, and ENSIS has been growing very well. You also have institutional investors. I understand that we have had more interest in institutional investors looking at venture capital, looking at pooling venture capital. Again, I think that is something the government can encourage, but government does not have to direct everything. I find it interesting that I am saying that to the member opposite. I think what happens is we can facilitate things and we can help do our parts, but we do not have to be the director of all economic activities. I believe the private sector has done stuff like that for years, and in my former experience, I know there are always people who want to invest in venture capital. We can continue to

encourage that as government, but we do not have to necessarily be the only player or always at the table.

Mr. Loewen: I will take that answer as I do not know and I do not care. But moving on to mineral resources, with regard to the increased activity in the mines and petroleum areas, in particular, as a result of the high prices these days both in, I guess, all these resource fields, does the minister think the current staffing levels are appropriate in terms of providing for all the support and the overseeing of the legislation regarding petroleum rights and development, as well as mineral rights, within that department.

I see from the Estimates book that actually a full-time employee Estimates is declining by one. I am just wondering if we have within the department the capacity to take advantage of the current economic situation with regard to oil and gas and other resource prices.

Mr. Rondeau: I understand the staffing capacity has gone down somewhat, but this is one area where the technology has been playing a far more important role. We have a very good staff that works very well, and what they have managed to do is where one of the areas, one of the provinces that have really gone into the technology, where things are being delivered by Internet, where we have embraced technology. So the geological information is easier, it is given easier and so it is less labour intensive. I know the member might be aware of the recent articles in the *Free Press*, but what we have managed to do is use information, the IT area, to get more value added from staff and get more bang for our buck.

Mr. Loewen: Well, obviously, the minister does not concern himself with the staff complement in this area, so I guess I will just have to take on the extra work.

With regard to the revenue side of it, there does not seem to be much indication within the Estimates of revenue of any increases as a result, in terms of revenue to the Province regarding either the increase in oil and gas production or the increase in mining activity. Can the minister indicate whether his department is anticipating that there will be significant increases in revenues to the province from this sector?

* (16:40)

Mr. Rondeau: I understand the 2004 and 2005 was up from the previous year of 2003-2004, and, this year, the 2005-2006 is up over \$1-million increase, as far as the petroleum, oil and gas.

I understand that, unlike in some provinces like Alberta where most of the oil and gas is provincially owned and gets direct royalties, in Manitoba, because of a very unique situation where a lot of this area in the southwest corner was settled prior to the province existing, what happened was that we do not get directly the same amount of royalties. People have the mineral rights, so, actually it helps the people who own the land. The mineral rights have been passed on through the families so many families that are out on the farm and have control of the farms actually see the benefit directly from the increase of the price of oil. Again, through the *Free Press*, you can see that some of the families that were hit hard by the farm crisis actually saw this as a huge windfall and a very positive windfall, and it is all the best to them.

Mr. Loewen: With regard to the previous question, the minister is indicating that there is not really a whole lot of extra revenue expected to be generated by the Province in its financial projections as a result of activity in this field?

Mr. Rondeau: About a \$1.3-million increase which is about a 17% increase. That brings us to a total of about \$9,253,000 revenue.

Mr. Loewen: With regard to Section 10.4. Community and Economic Development, can the minister indicate the salary paid and the role of Mr. Kostyra in this department?

Mr. Rondeau: I understand he is the manager of the CDC or the Community Economic Development Committee of Cabinet and he is the Secretary of the board, actually. His salary is \$136,000 per year. That is the budget for 2005-2006.

Mr. Loewen: I notice this particular area within the department has expanded pretty rapidly since 1999, particularly on the Salaries and Employee Benefits side, where in '99 it was about \$570,000 and it is now well over a million. Could the minister indicate how many individuals have been added to the committee and provide a listing of those employees and what their roles are?

Mr. Rondeau: We do not have the information at the table going back to 1999. The Community and Economic Development Committee of Cabinet combines two prior functions under the former government. One was the Economic Development Board and another was the Innovation Technology Council. This Committee of Cabinet and the staff have combined those two functions and provide a support role for the Community and Economic Development Committee of Cabinet. What they do is analyze and give recommendations to that committee.

Mr. Loewen: With regard to Mr. Kostyra, I understand he attended a conference in Australia in 2002. Would this travel have been paid for by the department?

Mr. Rondeau: None at all for that conference to Australia in 2002.

Mr. Loewen: In a speech at that conference, Mr. Kostyra indicated that, and I quote from the speech, "The NDP is closely aligned with labour, and I am one of a number of labour folks that have been hired by the government." Can the minister indicate which other labour folks have been hired within his department?

Mr. Rondeau: I was not at the conference. I did not hear that, and I have not had a chance yet to talk to Mr. Kostyra regarding that. I do not know of any of these members who are directly involved in labour; however, I did not directly hire them. I do not get involved in the direct hiring of anybody, nor do I see their résumés. I do not think that would be an appropriate use of my time, or appropriate.

Mr. Loewen: Well, I can assure the minister that just because he does not hear it does not mean it did not happen. I am quoting from a speech that was published by Mr. Kostyra where he said the words, again I quote, "I am one of a number of labour folks that have been hired by government." He works within the minister's department and, according to the organization chart, he reports to the minister. I wonder if the minister could undertake to talk to Mr. Kostyra, if he has not talked to him yet, and find out who the other labour folks are that have been hired by the government.

Mr. Rondeau: What I will endeavour to do is I will try to meet with Mr. Kostyra in short order and find

out if anyone in the CEDC is another labour person and, if that is the case, I will provide the name as far as if they are—what was your quote again?

Mr. Loewen: I think the minister can get it out of Hansard, but it revolves around the labour folk that Mr. Kostyra claims to have been hired by the NDP government of which he is one.

With regard to the issue around the Centre for Labour Capital and the government's commitment of \$300,000 to that, would that have been something that Mr. Kostyra was involved in negotiating with all of the other parties and something that he would have taken forward to Cabinet?

Mr. Rondeau: I am sorry, but the Community Economic Development Committee of Cabinet does not bring things to Cabinet. That committee is a committee of Cabinet. So other ministers or departments, they develop the recommendations. That goes in front of the CEDC, and then that board does recommendations, analyzes the information and provides a recommendation to the CEDC. That, in turn, goes in front of Treasury Board. Mr. Kostyra, in no way, presents things directly to Treasury Board or Cabinet.

Mr. Loewen: Well, it could be identification. "The Secretariat provides co-ordination, community and economic development expertise and analytical support to Cabinet, the Committee, Departments and other Boards and Agencies." What I am asking is, in his role as secretary, did Mr. Kostyra take to Cabinet the proposal regarding the \$300,000-grant commitment to the Centre for Labour Capital.

* (16:50)

Mr. Rondeau: Mr. Kostyra would not take to Cabinet a grant. What his proposal would be is to analyze the information and make a recommendation on the proposal that would have been brought forward by a department. So the department would work up a proposal, a CEDC analyst would analyze it, make recommendations in front of CEDC, and then that would move forward. Mr. Kostyra would not make the recommendation or bring it forward to Cabinet.

Mr. Loewen: What would Mr. Kostyra's role then be in it?

Mr. Rondeau: His job is to analyze the information and make recommendations, but he does not bring forward the proposal to Cabinet.

Mr. Loewen: Who does he make the recommendations to?

Mr. Rondeau: What would happen is that a department would make a recommendation. What would then happen is the CEDC staff would analyze the recommendation. They would make some recommendations to the CEDC, that is, a committee of Cabinet, and then that would move forward.

Mr. Kostyra would not make a recommendation to Cabinet. His staff would make recommendations and would analyze the proposal from the department.

Mr. Loewen: I appreciate the minister wants to split hairs ad infinitum here. Did Mr. Kostyra, to put it into words that he might better understand, what role did he play in the recommendation to the CEDC committee of Cabinet with regard to the grant of \$300,000?

Mr. Rondeau: The proposal would have come from a different department, not Industry. So I would not know what role he played in this particular case. The actual discussion at a Cabinet committee, I understand, is confidential.

Mr. Loewen: Would Mr. Kostyra have been the one that took forward the recommendation regarding CentreStone Ventures and the Magellan Fund to the CEDC?

Mr. Rondeau: What happens is Mr. Kostyra does not bring forward the proposal. Each department brings forward its own proposal. Then what happens is Mr. Kostyra's staff evaluates it, and I do not know exactly which member of his staff evaluate it. Then the recommendation goes in front of CEDC where the person who put forward the analysis and the recommendations presents to the CEDC.

Mr. Loewen: So the minister does not know whether, with regard to the CentreStone Fund, Mr. Kostyra took forward analysis or the recommendation, or one of his staff—you know, he says one thing one day, another thing another day. I am simply trying to ask if it was Mr. Kostyra who got the information that took this CentreStone project, after his group had reviewed it, to the CEDC.

Mr. Rondeau: The department would have brought it to CEDC.

Mr. Loewen: Which department?

Mr. Rondeau: Industry, Economic Development and Mines.

Mr. Loewen: What role would Mr. Kostyra have played in it?

Mr. Rondeau: We understand the importance of venture capital. As a department, we know the importance of venture capital, as it was discussed just a few minutes earlier. So understand the importance of venture capital. The department brought this forward to the CEDC, and then that analyst would have analyzed the proposal, made recommendations. Then the members of the CEDC would have made the decision.

Mr. Loewen: Is there a Mr. Michael Balagus under contract to the department?

Mr. Rondeau: I understand that Michael Balagus is the chief of staff to the Premier (Mr. Doer), so it would not be in these Estimates.

Mr. Loewen: I realize who he is. The question arises because, once again, in the supplementary information of March 31, 2004, it indicates the department paid Mr. Balagus \$15,600. Can the minister indicate what that payment was for, and whether that is included in this year's Estimates, in any case, or some similar type of thing?

Mr. Rondeau: At that time, Mr. Balagus would have been staff at CDC, and that is why he received those payments.

Mr. Loewen: And those payments would have been to cover his expenses?

Mr. Rondeau: I understand that Mr. Balagus at that time was on a fee-for-service contract.

Mr. Loewen: I thank the minister for that.

With regard to Mr. Kostyra, I notice there was a payment to him of \$21,877 in the year ended March 31, 2004. Would that payment have been for expenses, and will that amount be incorporated in the Estimates of Expenditure for this year?

Mr. Rondeau: That probably would have been reimbursement for expenses, probably travel in his role as secretary to the board.

Mr. Loewen: Thank you. There was a payment in 2004 of \$110,000 to, it looks like, a Richard Walker. Can the minister indicate what that was for, and whether that is included in the Estimates of Expenditure going forward through '05-06?

Mr. Rondeau: A couple of things. Richard Walker is the provincial agent in China. I would be pleased to chat with the member about the 2005-2006 Estimates because that is sort of talking about where we are going and talking about policy. He was the Trade person. He also does some things on the immigrant investor file, and so that is what has happened in 2004. I understand he is providing good service for our province as far as making good contacts in Asia for us.

Mr. Loewen: I assume, then, the answer is that he remains under contract and will be under contract in '04-05? I am sorry, '05-06?

Mr. Rondeau: He is under contract to the Trade Branch, so that would be under their Estimates.

Mr. Loewen: Thank you. With regard to the Premier's Economic Advisory Council, can the minister provide a list of who is on that council, an up-to-date list?

* (17:00)

Mr. Rondeau: I will go through the list. There is Jim August, Lee Batren, Jamie Brown, Anita Campbell, David Chartrand, Jerry Cianflone, Elaine Cowan, Marielle, I will try that one later, Decelles-Brentnall. We have Rob Despina, Sylvia Farley, Albert Friesen, Richard Frost, Chris Hamblin, Leonard Harapiak, Joanne Keselman, Costas Ataliotis, Sherman Kreiner, Chuck Loewen, Florfina Marcelino, Allan McLeod, Irene Merie, Reid Minish, Ashish Modha, Marcel Moody, Mariette Mulaire, Judy Murphy, Roslyn Nugent, Peter Olfert, Manisha Pandya and Dale Paterson, Harvey Secter, Bob Silver, Ian Smith, Maria Soares, Guy Sumida and Robert Ziegler. I flubbed some of those names. I apologize.

Mr. Loewen: Can the minister indicate what the \$100,000 is on Supplies and Services. Is that payment for lunches?

Mr. Rondeau: It includes the operating supplies, the materials, office supplies, maintenance, other services, rentals, professional services, utilities and other fees.

Mr. Loewen: Pretty hefty expenditure for a volunteer committee.

It was reported that the Economic Advisory Council is looking at spending a considerable amount on re-branding. Can the minister indicate how much it is anticipated will be spent on this effort this year?

Mr. Rondeau: We have nothing budgeted in the '05 year in this department. What is going to happen is that there are going to be recommendations from the branding and then that will be rolled out through Culture in the normal Estimates and through the normal budget processes.

Mr. Loewen: I believe the Member for Portage la Prairie has some questions of the minister and department.

Mr. David Faurichou (Portage la Prairie): I was listening very intently about the minister's response pertaining to available sources of capital for ventures here in Manitoba. He did not mention the Grow Bond Program. Could he tell me the current status of that program?

Mr. Rondeau: It is in a different department. It is in Agriculture and Rural Initiatives. It is not into this department, so, when I started talking about different departments and different areas, there are multiple areas of venture capital and finance. So there is another program that I did not mention as far as the pension funds, as far as ENSIS, as far as the different funds for capital.

Mr. Faurichou: That particular fund was started, it originated from your department. When did it make the transfer over to Agriculture?

Mr. Rondeau: It was, I understand, started in Rural Initiatives, yes, Rural Development.

Mr. Faurschou: I do appreciate that, though, being in another department, what would be the complexities of things to make that particular venture, as the other programs you mentioned, RRSP deductible?

Mr. Rondeau: I am sorry, but it is not my budget and not in my department, so I cannot comment on it.

Mr. Faurschou: Yes, but you do have the experience of having the ENSIS or the Crocus Fund within your department. I just asked is it a complex endeavour to make that particular program RRSP deductible?

Mr. Rondeau: That is something that the CCRA or the Canada Customs Revenue Act, along with the proponents, would have to put together, and it would have to go under the Finance. Again, one of the neat things about ENSIS and Crocus, their tax status as RSP is under the tax act, not under the Crocus act.

Hon. Jon Gerrard (River Heights): My questions to the minister. The first one deals with the multimedia software firm, eZedia, which went into receivership or was announced about going into receivership, reported on about April 23. What I would like to know is to what extent there had been support through grants or in other ways from the department over the lifespan of this company.

Mr. Rondeau: We had nothing in it from Industry.

Mr. Gerrard: Is that true going back until the beginning of the company, or are you just referring to the last year?

Mr. Rondeau: There was no loan outstanding. There might have been feasibility money years ago, but there was no outstanding loan money out there now.

Mr. Gerrard: There was a significant Crocus investment in eZedia and, of course, since this company going into receivership occurred after the valuation report was done, which lowered the price of Crocus, there are clearly questions about whether it going into receivership will mean a further loss in the valuation of Crocus. Can the minister comment?

Mr. Rondeau: I understand they are undergoing investigations. Actually, one of the investigations, things that have been undertaken, is there are a number of third-party independent valuers going in

to ensure that the value of all the investments are adequately recorded, and so that is happening. That is independent of Crocus valuations. As well, the Auditor General is going through a valuation to make sure the valuation process, the process by which companies are valued, is appropriate, and we are eagerly anticipating the results of his recommendations and report.

Mr. Gerrard: Did the minister's department have any contracts with eZedia?

Mr. Rondeau: No.

Mr. Gerrard: My question, in terms of the minister, did the minister have a personal investment in the Crocus Fund?

Mr. Rondeau: I think it is important to note that my personal investments in my RRSP are private. As you know, I have a financial planning business, and it would be inappropriate to discuss either my or any of my clients' finances or their investments.

* (17:10)

Mr. Gerrard: Are those investments being made through the financial planning business now in a blind trust of some sort?

Mr. Rondeau: Yes. Actually, what I have done is I have gone over and above the requirements. What I have done is not only put it into a blind trust, but actually someone else manages the fund. Someone else manages my clients. I get two reports each year on (a) what I have in the bank, and that is it and nothing else. I think that is appropriate where I am totally hands off. I am not able to get any funds' returns. I am not able to access money from my business account. I do not know what is happening on a day-to-day business, nor do I manage it.

Mr. Gerrard: The minister, as a former financial planner, would know, as I think he has mentioned, that Crocus was a relatively high-risk investment, venture capital. One of the things that was set up in the initial establishment of Crocus was the ability of individuals to sell Crocus who had relatively brief periods of training instead of having full financial planning training. I wonder whether the minister, in terms of looking at such brief amounts of training, would consider that would be appropriate to be selling a high-risk venture capital fund.

Mr. Rondeau: I think it is important to note, for the member's information, that when anything is sold like the Crocus Investment Fund there is a prospectus that is given out to each person who buys, just like a sales contract.

It says, and I quote from the prospectus: "An investment in common shares is not insured by the Canadian Deposit Insurance Corporation nor any other insurer. An investment in common shares is speculative and will be subject to a variety of risks.

"There is currently no market for common shares, and because of the eight-year restriction on the transfer of redemption or common shares, no market will develop. The investment should not be considered a long-term investment, to be made by those investors who can afford to lose their investments. See risk factors."

Then it continues to say, "Purchasers should consider the merits of an investment in common shares as well as expected income tax benefits and should consult their own professional advisers to assess the investment and the income tax and legal aspects of investments in common shares. A copy of the fund's most current audited financial statements and, if available, the fund's semi-annual financial statements must accompany each copy of this prospectus sent or delivered."

Basically, it says that it is a risk, and it is risk capital.

Mr. Gerrard: My understanding, in conversation with a number of people who were observing the selling of Crocus shares, was that there were individuals who promoted this without giving adequate warning, even though those warnings were certainly there on some of the material. Clearly, the ability of people to sell this without having had the full training that one normally has as a financial planner would necessarily, potentially put people at higher risk of losing their investment. I wonder if the minister would comment.

Mr. Rondeau: That is something that the Manitoba Securities Commission would rule on and has. They have said that practice is in the purview of the MSC, and that is very important.

The other important factor is that if anyone thought anything was wrong, if anyone thought who

was selling it or any of the valuations or anything was wrong, their responsibility was to go to the MSC because they are the regulator. They are the watchdogs or policemen.

That is where all the regulations are enforced, is the Manitoba Securities Commission. It would be inappropriate for me to state anything on that.

Mr. Gerrard: The minister became the minister of this department on October 12, I believe. Would the minister tell us whether he was specifically briefed on Crocus and the status of the Crocus Fund at that time?

Mr. Rondeau: I received a briefing book, which is about two inches to three inches thick, and it has a simple briefing on each of the topics in the department. It is a rather a large book and it is a big department, and it takes a little while to get to know it.

Mr. Gerrard: One would presume, given the situation of Crocus, that it would likely have been one of the very first things that the minister looked at when he was briefed and that, certainly, it has turned out to be a pretty big item, in terms of what is critical for him to be aware of and to know.

I think that brings my questions to an end, and I will pass it back to the Member for Fort Whyte.

Mr. Loewen: We are prepared to vote the resolutions.

Mr. Chairperson: I will read Resolution 10.2.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,931,700 for Industry, Economic Development and Mines, Business Services, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

I will read Resolution 10.3.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,676,600 for Industry, Economic Development and Mines, Mineral Resources, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,772,000 for Industry, Economic Development and Mines, Community and Economic Development, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 10.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$145,800 for Industry, Economic Development and Mines, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

The last item to be considered for the Estimates of this department is item 10.1.(a) Minister's Salary, contained in resolution 10.1. The floor is open for questions.

Mr. Loewen: It is obvious throughout the course of these deliberations and Estimates that probably the most likely reason that the minister has been put in charge of this department, as he was in October, is because he has the unique ability to be able to stand up, not only in the House, but in the hallway and in this committee, and convince everybody around that, in fact, he actually does know nothing.

So, on that basis, for these reasons and more, I move, seconded by the Member for Portage la Prairie (Mr. Faurichou),

THAT the Minister's Salary be reduced to the cost of one native crocus plant, \$4.99.

Mr. Chairperson: It has been moved by the honourable Member for Fort Whyte

THAT the Minister's Salary be reduced to the cost of one native crocus plant, \$4.99.

The motion is in order. Debate may proceed. Shall the motion pass?

Some Honourable Members: Yes.

Some Honourable Members: No.

* (17:20)

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

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

Formal Vote

An Honourable Member: Recorded vote.

Mr. Chairperson: A formal vote has been requested by two members. This section of the committee will now recess to allow members to proceed to the Chamber for a formal vote.

The committee recessed at 5:20 p.m.

The committee resumed at 5:33 p.m.

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

HEALTH

* (14:50)

Madam Chairperson (Bonnie Korzeniowski): It has been previously agreed that this department be considered in a global manner. The floor is open for questions.

Hon. Jon Gerrard (River Heights): Last week I had asked a series of questions to the Minister of Health, for example, the rates of FAS/FAE in the Aboriginal population into the whole population.

Hon. Tim Sale (Minister of Health): Madam Chair, we can start with that one if he would like. First of all, as the member knows, the skill of diagnosing and recognizing FAS/FAE and alcohol-related neurological deficit disorders, which is the kind of omnibus term that people are using now, has developed tremendously over the past 20 to 25 years, as first recognized in the United States by a physician who has been well known and spoken here a number of times, Stein-something—what is her name, I cannot remember. She is a very eloquent spokesperson for the concern.

We have had a clinic for alcohol- and drug-exposed children in Winnipeg for a number of years now at the Children's Hospital. We have also a fetal alcohol support team in Thompson. For the years '99-2000, 2000-2001, 2001-2002, which is the most recent date that staff have given me, we have had a total of 302 diagnoses made up of 68 full blown fetal alcohol syndrome, partial, 97 and alcohol-related neurological deficit, in other words not as defined, 147 for the total of 302.

The population-wide incidents levels have been estimated by a variety of researchers, between one in three per thousand births, but there are places in Canada, for example, in the Yukon where the estimate is more like 40 percent of all births are fetal alcohol affected, which is a huge epidemic, frankly, and one that is enormously destructive. It is essentially like a whole culture being destroyed.

I think the member also knows this is a subtle effect and often not easily diagnosed unless you can try and link some of the behaviours or lack of behaviours with the mother's drug or alcohol intake, particularly, alcohol intake, and that is not easy to do in remote communities. I think we should view these rates with some scepticism in terms of their completeness. I think that, at the other side, though, we have done an awful lot in Manitoba to educate our caregivers, both in the health field and in the social services, and the judiciary around the impacts of fetal alcohol syndrome.

To significantly increase the prevention efforts and the awareness efforts, partly through the work with the Liquor Commission around advertising and through two conferences a year: one for clinicians, which is aimed at improving the clinicians' understanding and skill, and one more popularly aimed conference at a broad cross-section of practitioners, including parents.

I have been part of, I guess, three of those conferences. They are very moving and very powerful events: one in Saskatoon, one here, one in the Yukon.

I am not sure whether I can provide the member with any more specific information, but we have a co-ordinator, Dawn Ridd, whom the member probably knows. Of course, he will know the people who are in the clinic. Probably the best known physician involved is Ab Chorley. I think if the

member wants to get more up-to-date information, it would be best to get some of the clinicians involved.

One last point. We have seen tremendous success at this with the STOP FAS programs that we have had, where women who have had fetal alcohol-affected babies in the past have been part of a program where they get intensive personal support through a pregnancy. We have been able to show some outstanding clinical and statistical results where women are having babies that are not affected. They have got their own addictions under control in a very high percentage of cases. They are parenting their own children, which for all of them, there would have been for 100 percent apprehension because of their previous record.

It has been an outstanding program in Winnipeg through the Aboriginal Centre. There is a second program in Nor'West Health Centre, and then there is a program in Thompson, all of which have shown with the very highest risk moms that by providing intensive one-on-one kinds of supports, you can really make a difference. I hope that information is helpful to the member.

Mr. Gerrard: Just wondering whether the 302 diagnoses was the cumulative total for the three years. The minister is nodding yes.

My next question deals with a number of dental surgeries annually from '99 to 2004. That is for early childhood tooth decay.

* (15:00)

Mr. Sale: The numbers for total surgeries six and under, which would be the children primarily who have had tooth decay issues—there are some, as the member knows, that are not related to preventable decay, but to other conditions, but they are relatively small numbers. This is mostly decay. In '99, 742; 2000, 1799; 2001, 1809; 2002, 1850; 2003, 1976; 2004, 1799, the same number as 2000. In addition, it would appear that there are another approximately 600 surgeries a year for children between 6 and 12. The average cost per child, not including the dental fees, just including hospital costs and anesthesia, \$211.57. There is additionally a small amount of money spent on materials, mainly the printing of materials for the Healthy Smiles, Happy Child program and, of course, the standard program, the water chlorination.

The current waiting list is approximately 1200, and it has been stable for about a year now. That is why we are intending to bring that list down by a significant margin during this current year.

Mr. Gerrard: The minister mentioned the costs or the expenditures on, I think, fluoridation and on pamphlets. Did the minister have actual numbers or are there just really pretty small amounts?

Mr. Sale: I am not certain whether the number that I have is simply the cost of the chemical, which is what I would suspect it is, because, as the member knows, you do not put much fluoride in the water. The number in my notes says \$12,000, and that would not be a prorated cost of running the water systems and the staff for the water systems. My suspicion is that that is purely a chemical cost. If the member really wants that information confirmed, we can do that, but if he could indicate if he wants that information further confirmed. We have not tried to prorate in some sense because it would just be a grabbing of a number out of the sky.

Mr. Gerrard: The cost of the brochures as well, and if the minister would actually provide the confirmation of exactly what the cost of the chemical is.

Mr. Sale: We will attempt to get whether there is any further clarification on the chemical cost, or what the \$12,000 figure that I have been given refers to. I will get the member a copy of the materials, the Healthy Smiles, Happy Child materials, and what it costs to produce them. Again, the distribution and work in the communities would not be part of that cost of those brochures.

Mr. Gerrard: The minister mentioned an average cost per child of hospitalization and anesthesia of \$211.57. On to that can be added the cost of flying children down, in many instances, and the cost of keeping the children in Winnipeg where that is necessary, I would presume.

Mr. Sale: To be clear, Madam Chair, the cost that I have quoted is for the year most recently ended, 2004-2005. The total number of surgeries done during that year for children 12 and under was 2399. The cost that I referred to covers the hospital and anesthesia costs, not transport. In many cases we would not know what the transport cost is because it is being paid by the federal government. Depending on the nature of the child's status they may be staying

in a band health facility in the city, or they may be being boarded and we would not have access to most of those numbers in the case of status children coming from the North.

Mr. Gerrard: The minister has given me two numbers. One is the hospitalization and anesthesia, which, I think, was \$211.57, and then the total of 2399, which is the total of what?

Mr. Sale: The note I have been given indicates that the total number of surgeries for children 12 and under, was 2399, of which 1799 were under 6. So the cost numbers that I have quoted covering hospital and anesthesia are for the 2399 surgeries, averaged out at \$211.57. As I pointed out, that does not cover the dental fee.

Mr. Gerrard: I had asked about the incidence of diabetes for all ages, and for ages 1 to 19 for the period '99 to 2004.

Mr. Sale: Unfortunately, I do not have numbers more recent than 2002. Frankly, I am not sure why I do not. I do think we must have more recent numbers somewhere. I will give the member what I have. The incidence rates and numbers for '98-99, 2000-2001, 2002, so incidence rates in percentage terms, numbers in actual terms: '98, 4.7 percent, 5468 type 2 diabetes cases; '99, 4.9 percent, 5795 cases; 2000, 5.2 percent, 6300 cases; 2001, 5.5 percent, 6661 cases; 2002, 5.8 percent, 6777 cases.

Just to be clear, what we are giving the member is the prevalence and incidence rates for Manitoba as a whole. We do not have numbers broken down, for example, by First Nations. In many cases, we do not have the information about whether someone is a treaty or a non-treaty person. We just are not able to provide that information. We do not collect it.

Mr. Gerrard: The 6777 would be the number of new cases that year. Is that it, or they would be the total number of cases that year?

Mr. Sale: I believe it is the number of new cases in that year. We have approximately 65 000 people with type 2 diabetes at present in Manitoba.

Mr. Gerrard: I had asked about the cost per procedure for cataracts, for hip replacement and for knee replacement.

Mr. Sale: I am going to have to ask the member to wait for a day on this one because I am not clear about the information that I am being given currently so I am going to ask him to wait.

Mr. Gerrard: I had asked about the hospital. Who is responsible in terms of building the hospital in Cross Lake? Who has the lead?

Mr. Sale: Could the member repeat his question? I did not hear it.

Mr. Gerrard: Last week I had asked who has the lead if there were to be a hospital constructed on Cross Lake to meet the demands and to provide a modernized hospital wellness approach to health care in the community. Who would have the lead? Would that be the provincial government or the federal government?

* (15:10)

Mr. Sale: I thought we had discussed that in our last discussion. Obviously, it would depend on where the hospital is being built and who is most involved in the development of the case and the need for such a hospital. The largest community at Cross Lake is, of course, the First Nation with a smaller off-reserve Métis community immediately adjacent. I know the member has been to Cross Lake and knows the geography. It is virtually indistinguishable where the off-reserve and the on-reserve communities begin and end. There is, certainly, a great deal of uncertainty or confusion on the part of federal government in relation to how they carry out their mandate for First Nations health care. There is only one federal hospital left in Manitoba, and it is the Percy Moore Hospital in Hodgson, Manitoba, which is off-reserve, but is a federal facility.

Nevertheless, it operates within the ambit of the Interlake RHA. So I think the answer to the question is basically uncertain. The question of the need for such a facility, the sustainability of such a facility—We have a great deal of challenge supporting and maintaining our hospital infrastructure in communities much larger than Cross Lake in the North. Flin Flon, The Pas, Thompson always give us challenges in terms of maintaining the medical complement in particular, but nursing complement as well.

So I think the question the member asks is largely hypothetical. I do not know of any active

plan to build such a facility, but I would expect that there would have to be extensive negotiations between Canada and Manitoba to determine the answer to the question that he poses. I think he probably is well aware that, in the Island Lake renal health program, the negotiations for a community clinic took close to five years. That is for a bigger population by a significant amount than Cross Lake. Total population in that area with Ste. Theresa Point, Garden Hill, and Island Lake is in the 10 000-plus region. They do not have an acute care capacity there as he knows.

We have been very disappointed in the federal government's response on the renal health side because we partnered, we thought, with the federal government on this program in which a great deal of provincial money was spent to develop the dialysis program. We are very proud of that, but in the last few months the federal government has been pulling back from what they had accepted as their responsibility on the community prevention side to work with the community to lessen the severity of existing type 2 diabetes by proper management, and to prevent its onset wherever possible by helping people change their eating patterns and their lifestyle patterns wherever they possibly can.

The federal government has not been willing to assure us that they will indeed fulfil their part of the bargain to provide the health education dollars that were anticipated when the agreement was signed by my predecessor several years back. I must say that has been very frustrating. So the question of federal-provincial jurisdictional issues around health continues to be an area of serious frustration.

I will give the member another example in case he is talking to his federal colleagues about any of these issues. The member will probably remember that we made an announcement of a Chronic Disease Prevention Initiative with the alliance of the six large voluntary sector organizations and Manitoba's First Nations to put some significant dollars and energy and staff time into disease prevention, particularly in the Aboriginal community, but really across Manitoba.

We put that money in our budget, \$8.5 million over five years. It is there. It will be voted on. It has had its second reading. We certainly have put our money on the table.

The federal government encouraged us to do this two years ago. We worked toward this, made the agreement last summer, and we have been unable to get the federal minister to even write a letter of comfort that would say that the money is in the \$300 million that was put in David Butler Jones's budget for chronic disease prevention initiatives.

In fact, what we are asking for for Manitoba is not even quite our pro rata share. We still cannot get the money earmarked and available to announce so that we can actually put feet on the ground and work in our communities to try and lessen the avalanche of preventable chronic diseases, including two that member has talked about today, juvenile children tooth decay, infant tooth decay, and a variety of chronic disease prevention initiatives in adults, particularly type 2 diabetes, but also unidentified or badly managed hypertension.

I hope the member will understand if I am frustrated with the inability to have that kind of working relationship with our federal partners that allows us to do even relatively small things. We are talking about \$1.5 million to \$2 million a year.

We are not talking about big dollars here, and we cannot get a commitment from the federal ministers, Bennett and Dosanjh, to say, yes, what we planned with you for two years, and, yes, what we have told you is in the budget can in fact be counted on, so we can go forward together. If we are not able to even transact that level of business, I have no idea how we would be able to talk about something as significant as a hospital.

Mr. Gerrard: I understand there are patients who are under Workers Compensation Board who are being sent down to the States for MRIs because there is not quick access here. Can the minister confirm this as his normal policy?

Mr. Sale: That question is properly put to the minister responsible for the Workers Compensation Board.

Mr. Gerrard: I raised issues about standards for carotid endoarterectomy last year, and I wonder whether the minister—

An Honourable Member: What?

Mr. Gerrard: Carotid endoarterectomy, I was wondering if the minister had made any progress in standards.

An Honourable Member: Perhaps he could tell me what that is.

Mr. Sale: They are reaming out your arteries. Would that be correct?

Mr. Gerrard: That is correct.

Mr. Sale: I think the member may also be aware of a couple of very recent studies which said that when you combine heart surgery with that procedure—carotid endoarterectomy, is that what you said?

Mr. Gerrard: Carotid endoarterectomy.

Mr. Sale: Endoarterectomy, okay.

An Honourable Member: Have you had one of those?

Mr. Sale: I had one but the wheels fell off. There were two recent studies which showed that the rate of stroke, even after adjusting for severity and patient characteristics, even after that, the rate of stroke was between 6 and 8 percent increase when the two procedures were combined, and in the uncorrected data, it was much, much larger, but obviously you would want to correct the data.

Interesting that the member asked the question, because I wrote just this morning on the study, which I had quickly read, what are the current actions of Winnipeg Regional Health Authority in regard to this data. I will wait for the answer to that question, and then I will give it to him as well, but I think it is a well-known issue now.

Cardiac surgeons in Winnipeg with whom I have spoken have indicated their awareness of it. Whether there have been specific treatment guidelines changed as a result of this, I am unable to tell the member at this time, but I will ask that question. I asked it this morning, in fact.

Mr. Gerrard: My colleague from Inkster has a quick question.

* (15:20)

Mr. Kevin Lamoureux (Inkster): It is actually a couple of relatively quick questions.

Can the Minister of Health indicate—what I am looking for is a time frame. In regard to knee replacements, how long does one have to anticipate waiting in order to get a knee replaced?

The minister would likely respond with X number of weeks, which would be great. I would be interested in hearing that number, but what I am more interested in hearing is that, my understanding is that it is prioritized, so some individuals would be a higher priority than other individuals. The question I have is, an individual that is classified as a high priority needs to get a knee replacement. Approximately how much time should that individual be waiting until that knee replacement is done? That would be a high priority. Then you look at the other end where someone would be listed as a low priority, being the lowest of the low priorities. I am, again, looking at how much time that person can anticipate before they would be getting their knee replacement surgery.

Mr. Sale: I think the first thing is that I can tell the member that in the period of time July to September of last year, the WRHA's average wait time, which is where the vast majority of hips and knees are done outside of Brandon and Boundary Trails, a knee revision, which is a repair, 28 weeks, and a knee replacement, 46 weeks. Hip revisions, 22 weeks; hip replacement, 37 weeks; revision being a repair. Now, these are for elective, right, because we do emergency hips and knees every day. Someone fractures a hip or a prosthesis fails or whatever that causes a crisis, they will have surgery within a day or two or three, not a long wait. So this is elective that we are talking about here.

One of the challenges in working with our physicians is to get them to use a consistent tool for rating the severity. The member used the terms, you know, high priority. The difficulty has been that until recently there has not been a standardized clinical tool that would allow you to rate two different people by different raters and come up with the same answer in terms of relative severity of need.

So a number of things have to happen to put a wait list management program in place. You have got to have a wait list co-ordinator who is able to actually manage the wait list actively, not just

passively. Certainly, you have to have the agreement of all of the orthopods or cataract surgeons or heart surgeons, whatever it is, that they will put all of their patients on the waiting list. They will not hold their waiting list off on the side and say, you know, "No, I don't share my waiting list with anybody." So getting the physicians to agree to put their whole patient load on the integrated waiting list is a really big step.

Then the third step is to agree on consistent clinical guidelines so that we are assessing people's need on an objective a basis as possible. There is always some room for difference depending on social circumstances, for example, but at least to get agreement on the clinical side. We are just at the point of achieving that with our orthopods. We have wait list co-ordinators. We now have a common clinical assessment tool. It is not yet as widely in use as it will be in a reasonably short period of time.

So I cannot answer the member's question about critical versus non-critical because the wait list is a dynamically managed list. I can tell him, for example, that anecdotally since we announced the additional procedures, numbers of people have had their dates moved up because there is new capacity there. I gave an answer in Question Period, a number of 738 hips and knees procedures at Concordia in the past year. The actual number turned out at the end of the year to be 746, a little bit higher, which is good news.

So this is a very fluid environment, and I do not think I can give the member an upper bound and a lower bound in terms of wait times, because there is not an accepted wait time for a condition.

What we are attempting to do, and I think this is consistent with all provinces across Canada according to the last meeting of ministers of Health we had, what we are attempting to do is to bring those wait-lists down in as a dramatic a way as we can. There is not agreement, even in the best of the medical communities, about the appropriate wait time for, the member from Inkster, in a specific number. We can say that we would not want him to wait more than X, but is very hard to say, in your case, it should be no more than 16 weeks, or in your case, it should be no more 27 weeks.

The fourth component of an orthopedic wait-list management strategy is what Luis Oppenheimer, who is the head of surgery for Winnipeg Region,

talks of a pre-fit program. Numbers of orthopedic surgeons with whom I have spoken have said that, apart from people who are clinically obese, most people who have knee problems are overweight. They would not have the knee problems if they had not been overweight. So, if you can help them to reduce their weight and manage their diet, often you can lessen significantly the discomfort because they are not carrying around that extra 30 or 40 pounds. I am not talking about 5 pounds or 10 pounds, I am talking about 30 or 40 pounds.

Knees do not fail very often if you do not have a heck of a lot of extra burden on them, for whatever reason. Being ready for surgery, getting your weight down, if you possibly can, getting your muscle strength up so that the rehab process is shorter and better, is all part of an actively managed program, and that is part of what we announced a few weeks back at Concordia Hospital. There is a pre-fit component, as well as a re-fit component. That is what we are doing in that area.

Mr. Lamoureux: Madam Chair, the final question I have in regard to this is, I guess, in one sense I am disappointed that the minister makes reference to a waiting list management system. One would think, just given the hundreds of millions of dollars that we vest in health, and when it comes down to the service being delivered to people, and the reason why I ask this particular question is because here is a constituent of mine, who approaches me, who on the surface appears not to be overweight. She has been having knee problems now for the last couple of years. They have fluid drawn out. It is only last February, I believe it is, where it was determined that she is going to need a knee replacement. She goes in, and she is virtually in tears after she is told she has to endure another three years of pain. I do not quite understand why it is that it seems that our system is letting them down, why we cannot get some of those "experts" to sit around a table and resolve it.

The minister talks about the complexities of coming up with this wait-list management system, but at the end of the day, we have Manitobans who are enduring a tremendous amount of pain as a result of our bureaucracy not doing what it could be doing in terms of resolving issues of this nature.

I think what I will do is I will get the specifics on this particular case and just advance it to the Minister of Health's office and maybe get an opinion

from it based on that because I can appreciate that others have questions for the minister. Thank you.

Mr. Sale: I would appreciate it if the member does bring it forward.

Let me say that, according to CIHI, which is about the only source that I think that people have real confidence in, something around 69.7 percent of Manitobans have their surgery for hips and/or knees in seven months or less, and only under 10 percent wait more than one year. So there is no question that when somebody is waiting more than a year, unless there is some medical reason for their wait, in other words, they are not ready for surgery or they are a really bad candidate for surgery for some reason, that is an unacceptable wait time. I quite agree with that.

* (15:30)

I know of no case where somebody is told that they have a three-year wait, unless what they are being told is, "Your condition is not severe enough for you to have this procedure. It is not medically a good idea for you to have this procedure. It looks to me like you are going to be another two or three years before you really are ready for this kind of procedure." Prostheses are only good for 10 or 15 years, 20 at best.

When you start doing surgery on people in their forties or fifties, you are really looking at two surgeries under a normal life expectancy, so I would appreciate knowing the details of this particular case, and we will take it up with the system and find out more about it on behalf of the member and the citizen.

Mr. Ron Schuler (Springfield): My question is quite simple to the minister. Over the last weeks of session, he has heard a petition that I have read into the record, and I was wondering if he could tell this committee what plans there might be for an ambulance to cover East and West St. Paul.

Mr. Sale: As the member knows, there are two bodies involved here: the Interlake Regional Health Authority and Eastman Regional Health Authority. There is a close overlap in terms of service areas. We believe that there is a volume indication for the community that he represents, and I cannot give him a date, but I can tell him that we think that there is a need to provide for that volume of service in the

Springfield area. I know that the municipality has offered temporary orders for an ambulance in their garage.

Our question is, as we move into the Manitoba Transportation Co-ordination Centre, which we announced recently would be in Brandon, whether the basing of ambulances then, given some co-ordination between Winnipeg, East St. Paul, West St. Paul, Interlake and Eastman RHA, whether we have got all the information we need. I accept, on behalf of the member's constituents, the point that he has made that there is a need for improved service in that area, and we are actively working on that question, but I am unable to give him the date.

Mr. Schuler: Certainly, in the last weeks, we have seen a few instances where you have seen bipartisan-ship where the government came halfway toward where the opposition Conservatives were in regard to the pension. We have seen again on the global positioning, or the Transportation Co-ordination Centre, I am very pleased that the government looked at a suggestion made by this member and have followed through on it. We are pleased that they have done that, because that is very important. Every Escalade and Cadillac has GPS on it. Our ambulances do not, and it is time, as technology becomes more available and it becomes less expensive, it was time to proceed with that. I think that it was a long time in coming. Good to see it is there.

With the ambulance, I just point out to the minister that you do have a very heavy concentration of traffic going to the cottages, whether that be on Highway 59, Henderson Highway and Main Street. I have been assured, though I am not 100 percent on this one, I understand that Winnipeg will respond to accidents on the Perimeter between 59 and Main Street, and I do not know further than that, if there is a severe accident.

I just want to relate for this committee that there was an accident just a month or so ago; we had just started session, in fact, on Hoddinott Road. There were three individuals that had injured necks and spines. They all sat in their vehicles on the road waiting for the ambulances to come from Selkirk. When there was a call put in, they sent two right away because it was a car accident, and the rerouting of traffic. That is right where you either turn into the sportsplex or you turn to go to the school. School

buses were trying to turn, and they were rerouting traffic through the sportsplex parking lot. It was just a disaster, an absolute disaster, because they waited—I believe I timed it—about 22.5 minutes for the ambulances to arrive. That is just not acceptable. Now, we presumably will be heading into the spring and summer season, when a lot of people travel to the cottages, and the potential for a disaster insofar as a car accident is concerned, I think it is timely, I think it is warranted. I would encourage the minister to put pressure on his department and the regional health authorities to just get it done.

Mr. Sale: Well, I appreciate the member's comments. There are many citizens in Manitoba who would be delighted to have an ambulance arrive within 22 minutes. The acceptable time to definitive medical care is as much as an hour in most of North America, definitive medical care meaning acute care capacity. We beat that all over Manitoba all the time.

But I have already assured the member that this is an area of significant need, and the accident he refers to is probably within one or two minutes of where an ambulance might be stationed, if my geography is correct. It is certainly not more than five minutes where an ambulance might be stationed in that area. But there are many citizens of this province who do not have ambulances within half an hour, and for whom that is simply not possible because of the volume of calls.

It is a volume-of-calls question, and that is why we are prepared to look at this one. It is because the number of calls is such that it becomes an appropriate use of scarce and expensive resources. I just want the member to know that there are many of his colleagues' constituents for whom 22 minutes would be a very good time. That is not a happy reality. It is just a reality all across North America. It is one that we should not pretend could be otherwise given the costs and the skill question, because if an ambulance crew does not have enough calls in a year to keep their skills up, then we are talking about highly trained paramedics who are not doing anything a great deal of the time.

If you think about a call volume of even 300, which sounds like a lot, that means there are 60 days a year probably when nothing happens or perhaps, more likely, even 120 or 140 days a year when nothing happens and if one or two calls on the other days. That is not enough to keep the person's skills

well-honed. So we simply have to think about volumes and skills and response time, and those three things together have to frame how we make decisions about where we place our fleet of 160 ambulances in Manitoba.

Mr. David Faurschou (Portage la Prairie): On the issue of ambulances, I want to ask the minister. We do not currently have a helicopter ambulance service available to us at the present time, but there is the 17 Wing that does have on standby, 24-7, 365 at the 17 Wing Base at the Winnipeg Airport. Has the minister ever had dialogue with the consideration of the possibility of having a working arrangement with that particular ambulance service that is afforded basically emergency rescue as its predominant mandate or responsibility? Has there been ever any discussion as to the potential of utilization?

* (15:40)

Mr. Sale: We have a very fine medivac program. In fact, this is the 20th anniversary of our medivac ambulance program in Manitoba. It started under the Pawley government, and we are very proud of that program. There are also private providers who provide service to particularly First Nations communities under contract. From time to time, not on a regular basis, but, certainly, from time to time helicopters are used where conditions are such or the location of the accident is such that that is really the only alternative. This would be in the North for the most part, but we do not have either a plan or, as the member knows, a helicopter ambulance system. Ontario does contract some ambulances in that manner, but they have a very different topography than we do in terms of numbers of remote communities that are difficult to service.

As the member knows, we have a jet and a backup and they are much, much faster. Under most conditions, when you have somebody coming out of a community with a trauma of some kind, speed is pretty important. So, if you can get from Flin Flon to Winnipeg in 45 minutes, that is a pretty good system. I must say we do not have any plans to change that. A couple of years ago we bought a new, well not new but a replacement, air ambulance to bring it up to a higher standard. We find that system works pretty well. The only time we use helicopters is when there is really no other alternative or conditions are such that a helicopter is the only thing that we can get into an accident site. But that would mainly be in

the eastern side of Lake Winnipeg and in the northeastern corner of the province.

Mr. Faurschou: Also, on the topic of ambulance, one of the changes in Portage la Prairie that occurred is the Central Regional Health Authority took over ambulance services from the Portage city fire department which, in Winnipeg and Brandon, that working arrangement is one that continues today and I believe it is a very effective ambulance service that is afforded by those two departments.

Portage la Prairie has the only other full-time firefighting department in the province and it had the ambulance service and first responder service which complements the ambulance services was working very effectively. I know that decision was made by the Central Regional Health Authority, but I still question the true reason the change was made. I encourage the minister that we want to look at the most effective way of providing service, rather than some other unknowns that I will not elaborate on today. It is a concern to me that it was a very effective service and all personnel should be complimented on the service they provided.

The other issue I do want to raise with the minister is that there are stretcher services available here in the province of Manitoba for interfacility transfer. I want to encourage the minister to look at that particular service on the basis that it could very well be a cost-effective employment of available and existing services that would benefit not only the overall ambulance service in this province but also the patients that are being transported. It is a costly consideration to transport rural patients for whatever reason, diagnostic or operations, in tertiary hospitals in Winnipeg from rural areas. I will go on unless the minister has a brief comment in that regard. That was more for information.

Mr. Sale: I agree with the member about interfacility transfer questions. I think this is something we do have to address. Partly, that is the reason I think, if the member looks at the press release and the press stories around the Manitoba medical transport communication centre, MTCC in Brandon, one of the things we talked about was co-ordinating interfacility transfers and recognizing this is now part of a modern medical system. I think the member is correct that it is something we have said we are addressing and putting in the MTCC.

Mr. Faurschou: In Portage la Prairie, we are on the eve of the start of a program to train registered nurses through the co-operation of Red River College and the Central Regional Health Authority. I want to thank the minister for progressing on that program. I believe it is a very, very worthwhile program. I do, though, believe that we should be looking farther down the road and looking to see that registered nurses have the opportunity to train in rural areas. This may be just a stepping-stone to that program starting. I want to encourage the minister very strongly that it be considered for the future. The LPN training program also has been an outstanding success. I think the need is still there. Although the Health Department is supporting this education and training initiative, I think that more consideration, more supports, should be looked at in that direction.

Now, in the supportive and assisted living component, I did ask the question of the Minister of Housing (Ms. Melnick) whether or not there was an ability to correspond and identify needs in areas throughout the province, and whether her department could be engaged in development of these needed facilities. Currently, in Portage la Prairie, there are 31 persons identified in need of supportive or assisted living in the various categories. So we are in dire need of that type of housing.

I want to ask the minister does his department now or is it considerate of working in co-operation with regional health authorities, Manitoba Department of Housing, and, certainly, his department and perhaps some known not-for-profit organization such as the Lions Club, to make certain that these facilities are developed and in very short order.

Because we are not getting any less number of persons requiring this type of housing. We are getting more. If we are not already satisfying the need today, sir, we do have to get active in addressing this concern.

Mr. Sale: First, on the question of nurses' training. The LPN program that ran very significantly improved the LPN supply in Central Regional Health Authority and they were very clear in their praise for that program when I met with them about a month ago in Carman.

The member, I think, knows and I do not want to rehearse it too vehemently, but the member knows that in three years in '97, '98, '99, we graduated fewer

than 220 nurses in this province. So we have a huge shortfall created by decisions that were made in the nineties. We are going to take some time to repair that even though we up at the 750 graduating this year, it is going to be a number of years given the ageing workforce and the shortfall that we had to repair that damage. We will continue to do what we have been doing which is to make nursing training available in the North, in the south, and western Manitoba. We have strong programs for nursing training.

I agree with the member that, insofar as we can, if we provide training for people who live in rural Manitoba, they are more likely to practise in rural Manitoba. That has been shown in the literature. It is not just a hunch. It is not just common sense. It is actually well validated. They do not all stay, but more stay proportionately than if you train only in the cities.

So I think we are committed to that kind of training model, and I hope that the program that is starting this summer, fall will be successful for the Portage area. But also for that whole Central Health Authority, because as the member probably knows the southern part of Manitoba, whether it is the Assiniboine region, southeast or central, has the highest number of nurses over 50 and has the structural shortage that will go further into the future than any other part of Manitoba, even the North.

It is a really important issue that we should address in terms of the question of training for nurses, not just nurses, LPNs, technicians as well. If we can get them from the rural communities, then that is a good thing and we should do that.

*(15:50)

Mr. Faurschou: I hope the minister also takes under advisement my comments in regard to a co-ordinated effort to address the assisted and supported housing. Briefly, I know I am taking a lot of my colleague from Tuxedo's time here, and I do want to move on.

Mr. Sale: It is a commitment of both our departments to work together on the supportive housing issue, and certainly it is a place where service clubs can be very effective. Increasingly, seniors have resources and they are able to afford to live in something above a public housing or a pure subsidized housing model, but they need that little bit

of additional care we can provide with a small amount of money per day per month, and help people stay out of nursing homes, which is obviously to everybody's advantage. So it is a priority, I agree with the member, and if he has service clubs that are interested in coming forward, bring them on.

Mr. Faurschou: I would be remiss if I did not ask once again this year about the Portage District General Hospital redevelopment plans, sir. That particular request went forward to the minister's office as the No. 1 priority of Central Regional Health Authority in 2000, 2001, 2003, but, obviously, the regional health authority recognized there were other needs and perhaps, more palatable to the department because of the costs.

But that makes no less the importance of the redevelopment. I know the minister is aware of investments in the current hospital which has had three separate feasibility studies as to whether or not that hospital needs replacement or renovation. All of the three studies very, very definitively stated that renovation was not on and a new structure should be built.

Regional hospital concept is so necessary, so vital, and Portage la Prairie has a huge role to play. I encourage the minister, I would like to hear it from him even today that even a simple announcement, that if it was on the five-year capital, there would bring the morale of every single constituent of mine and surrounding areas plus the staff that are engaged at the Portage District General Hospital, at least if it was on the department's radar screen, I hope he can appreciate what it would mean to everyone concerned.

Mr. Sale: Well, there are a number of older facilities in Manitoba including Dauphin, Flin Flon, The Pas, Portage. We have a commitment to live within our means from a professional management of capital perspective. We have spent or committed over \$800 million in capital since we formed government which is significantly more than the previous government did in their last five years.

I can tell the member that we all know the state of Portage, we all know the state of Dauphin, The Pas and Flin Flon. All of them are facilities that need investment and we have got to live within the investment means that we have. So that is the best

response I can make to the member. He wants me to stop so his other members can ask questions.

Mr. Cliff Cullen (Turtle Mountain): Madam Chairperson, I appreciate the minister's comments and for the member from Portage's information, we did request an infrastructure proposal from the minister last time we got together. Hopefully, we will see something in writing in terms of where the Province is heading for their infrastructure monies, and I look forward to hearing that.

I do want to discuss a topic the member from Portage did bring up in terms of rural ambulance service. It is quite an issue in rural Manitoba in terms of transporting patients around, and in particular, when people are moving from some of the rural communities to some of the larger centres for testing. I know in the Assiniboine RHA for sure, we have a 24-hour turnaround. I am just wondering if that 24-hour turnaround and coverage for ambulance is in place across Manitoba for all RHAs.

Mr. Sale: That is a policy for reimbursement that was put in place a few years back so that if someone is moved twice within a 24-hour period, it is seen as a system cost. If it is over the 24-hour period, it is seen as a patient cost.

I believe as we move forward with the Medical Transportation Co-ordination Centre, we will have an opportunity to review all of those policies about who pays. Because there is absolutely no question that it is not fair for someone who lives in Swan River who would have to pay \$1,600 to get to Winnipeg, and someone who lives in Portage and gets to Winnipeg it is maybe \$250 or \$300.

It is just not a fair system at the present time and, I think, we all acknowledge that, and that we need to work it how we make use of the medical transportation centre as a way to improve the efficiency of our system. I believe we have to improve the equity of the system as well. So I take the member's comments. I believe he is right.

If I may, Madam Chair, the member mentioned very much, almost in passing, the first day we met about, I think, what he called a hub-and-spoke model in regard to regional health care or rural health care. He said that he felt this was a good model, and it was working well for them, but we did not get a chance to explore what he meant. I did not understand quite

what he meant, and I am wondering if I could ask him if he could elaborate on that.

Mr. Cullen: Yes, I would be happy to, and I appreciate your comments in regard to looking at the disparities we have throughout the province. I think that is a very important initiative that we should be addressing quite quickly.

I guess, in my regard, we had a situation where this is prior to a larger regional RHA, we had a system of, I guess, at that time, four hospitals. It was set up as a shared service. So I guess, in reality, it almost worked like a small RHA. Those four communities were able to share their services, both facilities and doctors, so that doctors were never on or had the opportunity to be on-call at the same time and have some time off.

So that smaller hub, if you will, or however you want to phrase it, seemed to work quite well. I think what my colleagues are sensing is we have been down the road of the RHAs, and they are becoming larger and larger, especially given the Assiniboine RHA. Maybe it is time we had a look at how these RHAs are working, and I am wondering if there is an opportunity for us to revisit how the RHAs are structured, and if the government is actually looking at RHAs and how they are structured, in terms of size and how they might be delivered in the future.

Mr. Sale: Well, I thank the member for the comments.

Is he sort of suggesting that maybe we should look at sub-regions? So Killarney or Virden or whatever with a circle around it that would be a sort of within the regional authority as a whole, to be able to take advantage of three or four small communities that are close together and treat that almost like a sub-region and manage it within that context.

Mr. Cullen: That might be one option that will work. I guess, we, on this side are certainly looking forward to the report that the RHA will be presenting to the minister. Clearly, there will be some input from those communities, whether or not they will share that type of an insight as to how these things might work out. Obviously, no one wants to lose their health centre, and we are certainly willing to discuss any options that might work. I guess at this point I will either turn it back to my colleague from Tuxedo.

* (16:00)

Mr. Peter Dyck (Pembina): Just a couple of quick questions. First of all, as the minister is aware and we have talked about it previously, the overcrowding conditions with our personal care home, both of course at Tabor and Salem. But I guess my question is, and I have talked to the Central RHA, the board, and I have also talked to the people who are working diligently at wanting to get plans together for Tabor and that is the one in Morden, with the waiting lists they have.

I am just wondering where on the radar screen, as far as the minister is concerned, and the capital funding for it, they are with Tabor Home.

Mr. Sale: The member knows the RHA prioritized it very high on the list. It is really the same answer that I, unfortunately, had to give to the member from Portage. We have a number of time-expired facilities or over-burdened facilities in Manitoba. We have a commitment to live within a budget, and those two things collide pretty much daily in my office. I can tell the member the RHA has prioritized the Portage hospital and it has prioritized Tabor Home, and then the list, I think, goes to another personal care facility also needing expansion in that area.

I can tell him the projects are on the list, but they are not yet in the capital plan. Whether they will get in that plan in the next 12 months, I am simply not able to say. We have not yet done, for this coming year, our capital plan review. It is a dynamic plan. Things come in, things move out as time changes, but we commit up to about \$160 million a year, which of course, adds to our debt and adds to our operating costs.

So that is the cap that I have to work within. It has to include all of our IT and all of our major capital. It is very much more than was committed on an annual basis in the previous government, but, frankly, it will not allow all the projects that I would like to go forward with to be done within the next few years, much as I might like to say it would. I recognize the priority, I recognize the problem of Tabor Home, in particular. I hope the community would be able to come forward with a significant component of the project. That would certainly help, as it always does, but I really just cannot give the member any more information than that at the

present time until we go through the capital review process for this coming year.

Mr. Dyck: Madam Chair, I do want to put on the record that at the present time, we have a waiting list of, I believe, 18 people for Tabor; we have a waiting list of 30-plus at Salem; and then, meanwhile, we have, as of last week, 14 personal care clients in the hospital. So we do need to look for spaces for these people.

I know, as I have indicated to the minister previously, it is not acceptable for people who have lived in the area all their lives to move them an hour or an hour and a half away from where they have lived all of their life. I know they are working with that, but it does present a problem.

Just further to that, I think the recognition has to continue to be there that this is the fastest growing area in rural Manitoba. It has its challenges, there is no doubt about it. We do, though, need to accommodate in the area that continues to grow, not only industrially, but also grow regarding the needs of health care. I know there are challenges out there, but we do need to do that.

Madam Chairperson: The minister has requested a brief recess. Is it agreed? *[Agreed]*

So, in 10 minutes.

The committee recessed at 4:04 p.m.

The committee resumed at 4:08 p.m.

Mr. Doug Martindale, Acting Chairperson, in the Chair

The Acting Chairperson (Mr. Doug Martindale): This meeting is called to order.

Mrs. Heather Stefanson (Tuxedo): I just have a couple of quick, several, actually, quick questions for the minister. First of all, I can appreciate that he may not have the list of shortages, by specialty of physicians, by RHA on hand, but I am wondering if he would agree to provide us with those, as well as the nursing shortages by RHA as well.

Mr. Sale: Yes.

Mrs. Stefanson: I appreciate that, you know, we are limited in the hours that we have for Estimates, and I might be jumping around a little bit here. I have tried to organize it as best I can by RHA and so on. I am wondering if the minister could provide us with the status of the Transcona Access centre, the tender process there.

Mr. Sale: The contract has been let with the owner of the land who is building the building for lease exclusively to WRHA. The expectation is that construction will start this summer.

* (16:10)

Mrs. Stefanson: With respect to the Concordia Hospital, is the minister aware of the fact that, from what we understand, CT scanners are potentially working after hours for Workers Compensation Board cases?

Mr. Sale: I am not aware of that. That is not suggesting they are not. I am simply not aware.

Mrs. Stefanson: I am wondering if the minister would agree to let us know, if he is not aware at this stage, whether or not that is, in fact, taking place right now.

Madam Chairperson in the Chair

Mr. Sale: Well, I will ask that question, but the member probably knows that the Workers Compensation Board for years and years has contracted for services that they pay on behalf of the injured workers of Manitoba, and that that system has long, in every province, been in place where hospital and rehabilitation services have been purchased by workers comp boards across this country to provide services, which, by right, workers have for the insurance that is paid for them on behalf of employers.

I am sure the member knows the history that this was an agreement reached in the early part of this century to eliminate the right of workers to sue for injury in return for comprehensive and compulsory insurance that would be paid as, essentially, a cost of wages, and so it is not unusual in any part of our system for workers comp clients to be seen in public health facilities and for Workers Comp to pay the costs associated with that. That has been the case for

decades, so this will not surprise me if this is, indeed, what is happening.

Mrs. Stefanson: I am just wondering if the minister can inform us whether or not, because the hospital is under the purview of the regional health authority as well as the Minister of Health, and just wondering if the minister could inform us whether or not it is common practice for the Workers Compensation Board cases, the CT scanner, to be running in this hospital after hours to do these cases.

Mr. Sale: Well, there are no hours. We have CT scanners that are running longer hours. We have CT scanners in our trauma facilities that run 24 hours. They are available 24 hours. MRIs are the same and ultrasounds the same. So "after hours" is a bit of a misnomer. My understanding is that Workers Comp purchases capacity in a variety of places in our system and pays for that capacity and that that has been a long-standing process, but I will attempt to find out for her the specifics around Concordia.

Concordia is a faith-based hospital, which is administered by its own board under its own CEO. It provides medical programs within the control and direction of WRHA under The Regional Health Authorities Act, so I would need to find out what the circumstances of the Workers Comp use of this facility are, but I believe it would be consistent with their use of similar facilities elsewhere in our system.

Mrs. Stefanson: I wonder if the minister could confirm for us whether or not an anesthetist resigned from duties at Concordia Hospital last month, citing safety concerns because of a lack of an internal medicine doctor.

Madam Chairperson: Order, please. A recorded vote has been requested in another section of Supply. The committee will now recess and proceed to the Chamber.

This section of Supply is now recessed.

The committee recessed at 4:14 p.m.

The committee resumed at 4:26 p.m.

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

The Acting Chairperson (Ms. Kerri Irvin-Ross): Back to order, please.

Mr. Sale: Just before I respond to the question that was just posed. I wonder if I could ask Hansard if they would go back to the section of the discussion between Doctor Gerrard, River Heights, and myself. I mentioned the name of an American physician who is a pioneer in FAS research. For the record, her name is Doctor Streissguth, S-t-r-e-i-s-s-g-u-t-h. Most of her work has been done out of Seattle. I should have remembered her name, but I could not so I wanted to do that if I could and thank Hansard for that.

In response to the member's question, we are not aware and my staff is not aware of the incident to which she refers, so I am unable to respond to her question regarding the anesthetist at Concordia Hospital.

Mrs. Stefanson: As I understand, the cost to RHAs to bring in foreign-trained doctors is approximately between \$60,000 and \$70,000 per doctor, and I am just wondering what this cost includes.

Mr. Sale: I would be interested to know how the member arrived at that question, or sorry, that total. The different RHAs in Manitoba have recruitment budgets. They differ tremendously depending on where they are recruiting from, but when a physician comes to Manitoba, typically that would include the cost of their travel here, sometimes assistance with relocation, sometimes not, depending on whether they are with a family or whether they are on their own, sometimes the cost of writing the CAPE exam that has to be written before someone can be granted a licence in Manitoba. Costs vary tremendously depending on where the doctor is currently located, whether they are already here in Winnipeg or Manitoba or whether they are in another part of Canada or whether they are in another country. I do not know where the number the member quoted comes from.

* (16:30)

Mrs. Stefanson: Let us say it just came in one of my various meetings with one of our rural RHAs, and I guess it is just one of those things that adds to the costs associated with doctor recruitments in the rural areas. Obviously, it is a fairly significant cost if that is, in fact, the cost. I guess they alluded to it being

around \$60,000 or \$70,000, but I will leave it at that. It does sort of hinder the ability for some of our rural areas to be able to recruit doctors because of some of the costs associated with it, but I will move on.

I wonder if the minister could inform us of the mandate of the Health Reform working group.

Mr. Sale: As the member probably knows, historically in Canada, it is not just Manitoba, in Canada, there has been a structural gap between the rate of growth care of health care expenditures and the rate of growth of public-sector finance. Generally speaking, that gap has been around 2 percent a year. It does not sound like a lot in the first year, but by the time you compound it out a number of years you can see that that is primarily the reason why health expenditures have grown from in the low twenties as a percentage of budgets to in the low forties over the past 25 years or so.

Madam Chairperson in the Chair

Our mandate as a government, I think, is to provide sustainable, high quality, better care closer to home sooner. Our job as a department and with the group of staff and ministers who are working on these big policy questions, I guess you would call them, as to how to bring together the fiscal capacity of government with the needs of the health care system so that we can sustain Canadian medicare, which I think the member I hope would agree is one of our most precious achievements as a country, one that we do not want to lose; but if we are going to keep it, we need more productivity from the system. As I have said to the Business Council and other groups, we need to focus on productivity. We need to focus on prevention. We need to change the trajectory of people's diseases so that they are caught earlier or prevented altogether.

The overall mandate of my department is to figure out how to provide that sustainable, better care sooner closer to home. I think the answers to that are to look at things like our Medical Transportation Co-ordination Centre where we can make better use of the ambulance fleet that we have, and to build on the announcement we made in December of chronic disease prevention, diabetes strategy, our Healthy Child program, which, I think, has already provided us with significant benefits in terms of readiness for school, reduced numbers of kids with severe special needs that are not addressed before they come to

school. If they are not addressed, then they escalate into a range of other needs, which we wind up paying for.

Broadly speaking, the mandate of the department is to provide sustainable, high-quality, accessible care to Manitobans for all their health needs, but also to improve the health status of the population through Healthy Child Manitoba and the Ministry of Healthy Living so that we have fewer demands on our system in the first place.

Mrs. Stefanson: As we understand, the ward RR4 with 28 patients in it at Health Sciences Centre is to be closing. I am wondering if the minister could indicate why this will be closing.

Mr. Sale: Would that be a ward in the Rehab hospital?

Mrs. Stefanson: Ward RR4. I am not sure which ward it is, but maybe the minister could just indicate whether or not there are doctor or nursing shortages at the hospital that could perhaps be the reason for this closure.

Mr. Sale: I will look into the question of that particular ward. I have no information on my desk about the closures of any wards at Health Sciences Centre, so I am unaware of what the member is alleging, and we will try and find out.

Mrs. Stefanson: Just in answer to the minister's question of me earlier, I believe RR in front of the ward indicates that it is the Rehab hospital. So, if that is the case, will the minister agree to look into this and indicate for us why this ward will be closing?

Mr. Sale: I will look into that. I suspect it is part of a larger regional plan, but I will look into that.

Mrs. Stefanson: With respect to the federal-provincial Health Accord that was signed earlier this year, I am wondering if the minister could explain where the money is in this year's budget that came from the feds.

Mr. Sale: The member will probably remember a sheet we handed out a week or ten days ago, the second day we were in Estimates. If the member would find that, then she would see that the '05-06 revenue numbers are \$602 million in the pre-existing funding which comes out of the Canada Health

Transfer and the Health Reform Transfer. In addition, there is \$73 million to so-call "close the Romanow gap." There is a homecare and catastrophic drugs top-up of \$18 million.

Of the Wait Times Reduction Fund, \$9 million is in this year's estimate and the remainder, because it does not carry on past '09-10, we did not put the whole fund into the one year's Estimates, but, I think the Finance Minister (Mr. Selinger) indicated that it is in the Fiscal Stabilization Fund to be drawn down over the next five years because the money is not recurring money. It is not in the base. So, for example, the draw on that money was the \$10 million for additional hips and knees because that is not a recurring plan. The idea is to pull our wait lists down to an acceptable level and then keep them there with our ongoing funding, but because this wait-time's money was not, according to the federal-provincial accord, part of the base, it is a time-limited fund. We have held those funds for time-limited initiatives. The first example of that is the \$10 million that has been announced for hips and knees. So, if you take a look at the total of \$716 million for '05-06, less \$14 million, \$702 million, in other words, that would be the federal funding that is in this year's Estimates, and it will be included.

*(16:40)

The Canada Health Transfer in the main Estimates is shown as \$726 million for '05-06, and that includes the full amount of the wait-time money, but we have taken the non-recurring wait-time money and put it into a separate fund to strategically address wait times.

So I hope that answers the member's question as to where it is. It is under section 3 of the Consolidated Revenue forecasts in that volume of the budget.

Mrs. Stefanson: I would ask the minister this why would the funds not be, that are specifically earmarked for to reduce wait lists for the '05-06 year, why would those numbers not show up in the Health Estimates budget.

Mr. Sale: Can I clarify the member's question? Maybe I am not understanding it properly. I thought she was talking about where the revenue was being shown from the federal government. Is that her question?

Mrs. Stefanson: There is revenue that is coming, but where would it show up in the Estimates of Expenditure as to where that is going to be earmarked, specifically for this year? For example, the minister had announced 10 million for hip and knee surgery. Is that included in the Estimates of Expenditure? In other words, all of that money that is earmarked for the '05-06 year, to reduce the wait lists, where would that specifically show up in the Estimates of Expenditure to reduce those wait lists?

Mr. Sale: Well, there are two answers to that question. First of all, the bulk of the federal spending, which, if the member would look at that sheet that I gave her for 2005-2006, 602 million, plus 73 million, which is 675, of the total available, that is, not including the 18 and not including the 23. All of that is simply core funding to the health care system.

So we do not delegate, we do not designate where federal dollars go and where provincial dollars go. That is just core funding. You can do a percentage allocation if you wanted to, but it would just be the same percentage across the whole system. It would not make any real sense to do that.

This, the 23 million for wait times reduction, I believe 8 million is in this year's total Estimates of Expenditure, of which 5 is for this year's component of the hips and knees strategy, 10 million over two years. So 5 of it is in this year's current expenditure budget. The remainder of the Wait Times Reduction Fund has been held in a central fund, earmarked, clearly identified as such, but from an accounting perspective, from the provincial auditor's perspective, anything that is being held will essentially be credited to the Fiscal Stabilization Fund.

Now, it is identified in there for Health purposes, and according to the federal-provincial accord, we have to spend it for those purposes and we will. But where do you park it? It is parked in the Fiscal Stabilization Fund until we draw it down.

Mrs. Stefanson: Well, how is the money then being tracked from the Fiscal Stabilization Fund to where it is actually expended to ensure that it is spent to reduce waiting lists?

Madam Chairperson: Could the Member for Tuxedo please repeat the question?

Mrs. Stefanson: How is the money being tracked from the Fiscal Stabilization Fund to ensure that, when it is drawn from the fund, it is expended on, specifically, to reduce wait lists in the province?

Mr. Sale: Well, the federal government requires us to report on an annual basis how we use the purpose-identified funds. So, for example, the Medical Equipment Fund had to be reported back to the federal government, dollar for dollar, in terms of where did you use the money, what did you do with it.

The member may remember that in Manitoba's case, we had a very clean bill of health. Nobody questioned that our money went to buy CAT scanners and bone densimeters and other priority medical equipment. There were some provinces that got challenged because they bought some things that were not medical equipment like lawnmowers, in some cases. That was not the case in Manitoba, and the same kind of principles would apply in this.

We have to report to the federal government, and we take that responsibility seriously. When a Treasury Board submission would come forward, it would say, for example, that we are proposing to spend X to reduce wait time Y, and this is a charge against the Fiscal Stabilization Fund subaccount for wait times reduction. The Treasury Board and Cabinet, if they agreed with the proposal, would make the transfer from the Fiscal Stabilization Fund medical wait times account to the Department of Health to spend according to the approved purposes. At the end of the year, we would report to the federal government and to Manitobans. This is what we drew down this year for medical wait times for this purpose. The Auditor would obviously also have a significant interest in making sure that was appropriately attributed.

Mrs. Stefanson: The 73 million under new funding to close the Romanow gap, is that not money supposed to be expended in the '05-06 year specifically to reduce wait lists?

Mr. Sale: No, Madam Chair, the Romanow Commission identified the fact that the federal share of health spending had fallen sharply over the past 10 years, falling to as low as 12 percent of total costs. Romanow agreed with the submission Manitoba made actually to his commission, that there was a structural gap between what the feds were funding as

a proportion of the total costs and what provinces were funding, and the gap was going in the wrong direction. So, when the First Ministers agreed on their plan in September, they identified a specific amount of money in two years, last year and this year, which would be used to increase the proportion of the ticket the federal government is paying for.

The wait times fund is a separate fund, as the member will see below. It totals about \$155 million over five years, and the go-forward amount that is committed under the accord is a \$9-million amount. Again, the member will see if she looks to the right hand side, you will see a recurring number of nine. That is the federal commitment to Manitoba on an ongoing basis, and the time limited fund in the first five years, running between 23 and \$44 million in various years.

Mrs. Stefanson: I do have several more questions I would like to ask in that area, but, in the interest of time, I am going to have to move on to some other questions.

With respect to personal care homes, what is the requirement or expectation that communities are expected to raise for capital projects like personal care homes? It is my understanding that communities must raise, I think, 10 percent of the projected cost. Does this have to be raised prior to the construction of the project?

Mr. Sale: The answer is no. It is, obviously, everybody is happier if it is raised first, but, no, there can be a plan in place and a commitment in place to do the fundraising over a reasonable period of time. I should also tell the member that in certain circumstances where a facility is clearly going to serve a much larger area than the town or community involved, then we amend that formula to take into account that wider area. So it is not always exactly 10 percent, but that is the maximum expected. There is flexibility in terms of when the money can be raised. I do not know whether we set a particular limit on the time. I will just take a moment and ask staff whether there is any limit on the time.

*(16:50)

The basic elements of the current policy are that it is 10 percent of shareable costs up front, or 20 percent over time interest free, or some combination of the two. So that is the current policy. In fact, in the

past it was it 10 percent for personal care homes, 20 percent for hospitals plus serviced land, and it got varied at various points to make it slightly easier, but that is the current policy.

Mrs. Stefanson: Sorry, just to clarify, earlier the minister said it could be 10 percent. That is the maximum. There is some flexibility there. Was the flexibility just in terms of when they had to reach the 10 percent, or by region? Is it different in terms of how much each region would be expected to raise for a personal care home?

Mr. Sale: There are some further elaborations of the policy. Safety and security projects are completely exempt, conversion projects to a \$500,000 maximum are exempt, and unique province-wide services such as cancer, dialysis, and blood services are exempt. The total dollar requirement is capped at \$6 million in Winnipeg and \$6 million per community in rural and northern Manitoba, so a cumulative total of \$6 million and that is it. That ends the community requirement. That \$6 million is reduced to \$3 million if the cash-up-front option is used. In other words, the community gets their fundraising done, then the cap is \$3 million for any one community. That is the total amount.

Where we are in a community such as, for example, Thompson, where Thompson acts as a regional health facility for a huge area, then the formula is amended to take into account the proportion of the community that is being served in Thompson. In the case of the Thompson Personal Care Home, I believe the amount required is between 4 and 5 percent in that facility because Thompson serves a hinterland that has three times its population and virtually no fundraising capacity in those communities for volunteer fundraising.

That is the policy. We try not to be rigidly hidebound about it and certainly we value things like, in the case of Neepawa they are building a road into the new facility. It is unserviced land, so they are going to service it. They are going to build a road into it. We take all of those things into account as well.

Mrs. Stefanson: With respect to Thompson, as the minister indicated, I guess they require a lesser percent, closer to 4 or 5 percent of the total cost of the project. I believe back in 2001 it was estimated that the project would be \$7.5 million. As I

understand, the project has yet to be completed. I wonder if the minister can explain to us why that has not been completed yet, when we can expect this to go forward, and how much the project is looking to be now.

Mr. Sale: I am not in a position to talk about the current costs of the project because the tenders are just in the process of going out, so I am not going to prejudice the tender call by talking about budget. The project manager, Akman and company, was hired earlier this winter with the expectation that it would be under construction this spring-summer and completion roughly a year after that. So the project is going forward and we are very pleased with that. The expectation is that tenders for construction will be let by the end of the spring and we will be in a better position then to talk about costs, but I am not going to speculate on costs now.

Mrs. Stefanson: With respect to the announcement, the \$10 million for orthopedic surgeries over two years: As the minister, I believe, has explained before, it is 500 this year and 500 next year, and \$5 million will be specifically earmarked this year and has been earmarked and is part of the \$23 million that he alluded to earlier, which is the wait times reduction that came from the federal government.

I am wondering if the minister could inform us as to which hospitals will be participating in this. Is this specific to Concordia to perform the 500 additional surgeries this year, 500 next year? Or, in fact, will Brandon, Boundary Trails, and other hospitals be included in the performing of those surgeries?

I just have another part of this question. I will not repeat it, but if I could get a breakdown as to where you expect those 500 surgeries to be performed.

Mr. Sale: We have received proposals from Boundary Trails to do 40 additional this year, from Brandon to do 60 additional and then a combination in Winnipeg for the additional 400, which would be primarily, although not exclusively, but primarily Concordia with some at Grace as well. Grace and Concordia are the two centres for hip and knee replacements currently, with the bulk of the work being at Concordia. So the plan comes from Winnipeg Regional Health Authority to co-ordinate, to get a total of an additional 400 done in the city.

I should also just say that this is a two-year program. If more of it gets done this year than next, that is good. If more of it has to be done next year than this because we are waiting for a new orthopedic or whatever, that is okay, too. It is a two-year target. Because this fund is a fund we have in our hands, we do not have to worry about lapsing money or whatever, so it can flow over the two-year period.

Mrs. Stefanson: Is that 60 in Brandon and 40 in Boundary Trails? Is that just for this year, and the other 400, that is just for this year?

Mr. Sale: That is in each of the next two years, that is the goal. Sorry, I should wait.

Just for Hansard, that is the annual target that they gave us that they accepted. So it would be 80 over two years in Boundary Trails, 120 over two years in Brandon.

Mrs. Stefanson: I appreciate that the minister is saying that he does not want to commit to necessarily completing the 500 for this year. I think that it is somewhat unfortunate because that is what has been out there. The people are expecting wait lists to be reduced and so on, and I hope that the minister will endeavour to complete those 500 targeted for this year because there are significant numbers of people on the wait lists in Manitoba who are waiting for much-needed hip and knee replacement surgeries. I mean, these people are waiting in pain. I know the minister knows that, but I hope that this will not just be offloaded onto next year. As the minister had already stated, there is \$5 million in the budget for this year. I would hope that those procedures will take place as indicated.

As there is a shortage of one orthopedic surgeon in Brandon where I know their target is to complete 60 for this year, a number of surgeries are being shifted to Winnipeg and transferred to Winnipeg. Of these 60, because of the shortage of an orthopedic surgeon there, is there a potential that some of those 60 will be moved to Winnipeg?

Mr. Sale: Just a couple of things, last year we had a target of 720, I believe, at Concordia. We actually are going to do 746, we did 746 to the end of March. So we exceeded the target that we set for ourselves of the additional 100 that were funded last fall, or last year rather, when we moved the new program to Concordia from St. Boniface. So I have every

expectation that they will take the new targets just as seriously.

In Brandon we have been short an orthopedic for at least a year, I think probably longer. I would have to find out exactly, but it has certainly not been months, it has been a period of time. They believe that, with the existing surgeons they have, they will be able to do the additional surgery by working collaboratively in the region to maximize the throughput. We have funded an additional 13 surgery beds at Brandon Regional Health Centre. Those 13 additional beds will help very much with the volume of surgery that Brandon is able to do.

* (17:00)

So I have had no indication from the authorities in Brandon that they plan to transfer any of that capacity. They made the proposal for the additional amount in the full knowledge that they were still recruiting a third orthopedic. I do not know whether they have expectations that they will have that person soon, but they were not counting on that person to do the additional 60. They believe they have the capacity with the two existing physicians they have to meet that target.

Mrs. Stefanson: With respect to pediatric dental surgery in Manitoba, in December of last year there was an announcement made of an additional 600 surgeries to be done at Misericordia hospital beginning in January of this year. As of March 18, only two had been completed.

I am wondering if the minister could indicate for us today how many of these surgeries have been completed.

Mr. Sale: I have just asked staff to get the most recent update. I do not have it with me here. It is in another file.

Mrs. Stefanson: I am wondering also if the minister could indicate what the cost was to renovations to upgrade the facility in order to be able to perform these surgeries.

Mr. Sale: I do not believe there are actually any renovations. I think it was simply an equipment cost for the actual dental surgery equipment itself, but I will have to get that information for the member as well.

Mrs. Stefanson: As I understand, the WRHA is flying in an anesthetist on a weekly basis to perform some of these surgeries, and it could be potentially other surgeries as well. I am wondering if the minister could indicate to us what the cost is of flying an anesthetist in on a weekly basis from B.C.

Mr. Sale: We would have to seek that information from WRHA, if indeed that is the case.

Mrs. Stefanson: I am wondering if the minister could indicate the number of surgeries per year, the number of pediatric dental surgeries done per year in Thompson.

Mr. Sale: We have repatriated about 700 over the past two years, so it would average about 350 a year. If the member wants an up-to-date number, I would have to get that from our records. That is the approximate number that has been moved to Thompson over the past couple of years.

Mrs. Stefanson: Yes, I would like to get the up-to-date numbers as well, and also the number of surgeries performed in Beausejour to date, and what the budget was for both facilities for this year, as well, to perform those dental surgeries.

Mr. Sale: We will do our best to get that information for the member.

Mrs. Stefanson: Moving on to another area, could the minister provide us with a list of the members for the Manitoba Drug Standards and Therapeutics Committee?

Mr. Sale: We will get those names. It is no problem.

Mrs. Stefanson: I am wondering if the minister could indicate for us how often this committee meets per year.

Mr. Sale: I will find that information for the member as well. I met with the committee a couple of months back and we talked about their workload and their terms of reference into the future now that there is a federal national process of drug review which changes the role of the provincial bodies somewhat.

So we have talked about the evolution of that role with the committee, but I will find out for the member how often they have met in the past year.

Mrs. Stefanson: As I understand, Manitoba continues to lag other provinces in the listing of generic drugs on the formulary. Ontario, I understand, lists within one month of Health Canada issuing a notice of compliance. I am wondering if the minister could indicate how long it takes Manitoba to list generics on the formulary from the time a notice of compliance is issued by Health Canada.

Mr. Sale: I believe that the time is reduced sharply since we have the national procedure. We recognize Health Canada's issuing of a notice of compliance as equivalent for Manitoba. We no longer go through the process in Manitoba that we used to go through prior to the national drug standards review process. I am not aware of there being any significant time lag. The difference may be that we do take the time to make sure our pharmacists have the appropriate time to stock the drugs and to get the patient information available. So we send out a notice to our pharmacies saying we are intending to cover this drug. You know, get ready for it, basically, and here is the date.

I will find out for the member what the current time lag is between the notice of compliance and listing here. I can tell her that we have made efforts to drop that time down, as have other provinces, because it is clearly in our interests to have generics covered as quickly as possible because it saves us money, frankly, and it is just as effective medicine.

Mrs. Stefanson: What has the minister done to ensure they reduce this time?

Mr. Sale: We discussed that issue with the committee when I met with them. I have also discussed it with the head of our pharmacy benefits program, Pharmacare program, exactly for the reasons that I just said. It is clearly in our interests to cover generics as quickly as possible because it reduces costs while providing the same quality of care.

Mrs. Stefanson: A new ambulance dispatch centre in Brandon was announced March 30 of this year, and I am just wondering if the minister can explain when it will be completed.

Mr. Sale: The time line that I have been given, Madam Chair, is that we expect a call for proposals for space shortly, and the centre will be operational at its first level of operational capacity a year from September. September '06 is our target date. During

that time we have to recruit and train approximately 30 skilled dispatchers, co-ordinators.

It will take somewhat longer to get the full GPS equipment in our 160 ambulances, all of which have to be fitted, and obviously you cannot take all of them off the road at the same time. You have to have a process of installing this equipment. So the full operation of the centre with all of its capacities will probably be about two years, but the initial operation with dispatch capacity, the goal is September of '06.

Mrs. Stefanson: The minister referred to GPS, and as I am sure he is aware, GPS is not available in many of our rural communities. I am wondering if the \$7 million that is earmarked for this dispatch will also include any GPS technology.

Mr. Sale: My understanding is that GPS is available everywhere in the world virtually. A satellite system makes it available. I think what the member may be referring to is that all of rural Manitoba is not fully addressed yet in terms of GPS co-ordinates for every house. Quite a percentage of rural Manitoba is, and we have been encouraging municipalities to sign on with the rural addressing program to get that done. That is part of the reason why, as I said, we will not be in a fully operational state until all of that rural addressing is completed, but the capacity to do it is there. GPS co-ordinates exist for every square inch of Manitoba at this point. It is a question of getting homeowners' co-ordinates for every address in the province addressable. That is part of the process of implementation that is going to take more than the initial year.

Mrs. Stefanson: Yes, that is what I was referring to. Will those be included in the \$7-million cost?

* (17:10)

Mr. Sale: The estimate of the operational cost includes all of the components, including fully addressing all of Manitoba.

Mrs. Stefanson: What will happen to dispatch in other rural communities?

Mr. Sale: I think that if the member looks at the current record, I think we are at about 85 percent participating in the advanced PSAP, the point of presence in Brandon. Winnipeg, of course, is fully

covered by Winnipeg, and the Brandon PSAP covers about 85 percent of the remainder.

We will be strongly encouraging the municipalities that have not signed up with Brandon to do so, so that we have 100 percent PSAP coverage, and that is actually a very low cost in Manitoba, so I am really not sure why everybody is not on it yet, but hopefully they will be very soon. Certainly, hopefully, by the time we open the MTCC, we will have a higher percentage than 85 percent covered.

The costs that we have budgeted for assume full operation with full addressability everywhere in Manitoba and GPS dispatch by the operators in the MTCC using intake from whatever source, whether it is a 911 or an enhanced 911, asking for ambulance dispatch. Our costs assume that full amount. Obviously, in the first year, we will not spend that amount, but the estimated budget that we talked about is for the full operation of the centre.

Mrs. Stefanson: Will this result in any losses of jobs?

Mr. Sale: No, the announcements have included 31 equivalent full-time positions, most of which would be dispatchers. There will be, obviously, some administrative costs and some clerical support but most of the positions are dispatchers and they would be people who would be recruited and trained from the Brandon area.

We think that the move to Shilo of the PPCLI is a large pool of skilled people and that Brandon has a good, skilled workforce and we do not anticipate any difficulty recruiting for these positions. They are well paid positions in excess of \$40,000 a year, so we think that it will be good new jobs for a growing community in western Manitoba.

Mrs. Stefanson: Can the minister indicate whether or not there will be a standard response time set for rural and northern areas?

Mr. Sale: Response times are a serious issue across all of rural and remote Canada. You simply cannot provide urban response times in rural communities. The cost to do so would be prohibitive, but even more important, the people involved would not be able to keep their skills up because they would not be responding to enough calls in a given year. So there

is always a trade-off between how remote you are and how quick the response times are.

The standard that has been suggested is that you should aim to have 90 percent of your population get to definitive medical care, and that is a term I used earlier in response to a similar question, definitive medical care meaning care that is able to prevent the loss of life, if that is possible given the injury, but to provide advanced life support kind of care within one hour.

Now, in rural Manitoba where there is road access, that is certainly an achievable objective. In the remote communities where you can be affected by weather or where travel time is simply longer, then that is an extremely challenging standard to meet, which is why we need good primary care facilities in our rural, remote communities in the North, why it is very important for the federal government to be a reliable partner with us where you are talking about First Nations communities that have significant populations, but do not have acute care facilities and are not likely to have acute care facilities because the ability to sustain them in those communities has just proven not to be very feasible. I cannot say that there is a standard.

In Winnipeg, they aim for a response time of around five minutes, but that is simply not doable in rural areas because, first of all, we could not afford to have an ambulance station that was available to 90 percent of our rural population, but even if we did, the skills of the people involved would not be able to be maintained because they would not be using those skills enough times a year. As it is, we have fully staffed ambulance facilities that respond to an average of not much more than one call a day. That is a very expensive service, and it challenges the whole question of sustaining skill.

Mrs. Stefanson: With respect to mental health workers in Brandon, it is our understanding that the WRHA community mental health workers received a 24 percent, compounded pay increase with two years retroactive pay. This increase also encompassed community health workers in Assiniboine, Central, Parkland and Interlake regions. The Brandon community mental health workers have asked whether they can expect a similar increase in pay.

Mr. Sale: Could the member repeat the last part of her question? What region?

Mrs. Stefanson: Brandon.

Mr. Sale: I would have to review the arbitration award and the reasons for the award, but I think, generally, awards that are above the normal settlement pattern usually do not then trigger people expecting them because they were not in the same circumstances. Without accepting the numbers that the member cited, I would have to find out the level of the arbitration award that was made to MGEU members some months back. I do not think that presages large awards to groups that were not part of that arbitration.

Mrs. Stefanson: Does the minister agree in principle that if mental health workers in the Winnipeg Regional Health Authority, as well as Assiniboine, Central, Parkland and Interlake regions, have received this type of an increase or an increase—and the minister can look into what has taken place in some of these health authorities—will he agree in principle that if it is taking place in some of the other regional health authorities, it would only be fair that the Brandon mental health workers receive the same kind of treatment?

Mr. Sale: I do not accept any of the member's preamble. Collective bargaining is always best done between the parties at the table. I think it is generally not a good idea for politicians to talk about collective bargaining during Estimates. I have been around the collective bargaining world a while, and I think most of it is best done at the table and not in public or in the press or between government and opposition members.

Mrs. Stefanson: With respect to the Brandon pediatrician shortage, can the minister indicate how many women were sent by ambulance to Winnipeg as a result of the pediatric shortage?

* (17:20)

Mr. Sale: I believe the most recent number we have, which was updated to April 1, is since October of 2004, 11 women have been transferred, virtually all of them prior to Christmas. One child has been transferred with bilateral pneumonia who might well have been transferred anyway because of the level of their need.

Brandon, as the member may know, provides a level 2 neonatal unit and is not equipped to handle

the highest risk or the sickest babies, and so there has always been and probably will continue to be transfers to Winnipeg for neonatal cases where the level of need is such for intubation or for long-term resuscitation work. They will always likely be transferred.

But I believe the number is that in February one mother was transferred and all the others were transferred prior to Christmas, and that coverage, I believe, is now complete to the summer so that there will be no gaps in coverage that we can see, unless we have an unforeseen problem with the current remaining pediatricians in Brandon. So I think that is the answer. I can tell them there have been no transfers since April 1 because coverage has been complete. So that is essentially the current situation.

Mrs. Stefanson: Can the minister indicate the cost of transferring, the costs incurred by the Brandon Regional Health Authority for sending these women to Winnipeg?

Mr. Sale: No, I cannot tell her the actual cost. I could tell her what the normal fees would be, but I would have to get that information from the Brandon Regional Health Authority. They covered the costs for all of these transfers from the outset.

Mrs. Stefanson: If the minister could endeavour to get us that information that would be great.

I understand in Selkirk there was an announcement to increase the number of general surgeries performed by 1400 surgeries, and wondering what the cost is of increasing those surgeries and where this cost is in the budget.

Mr. Sale: I cannot tell the member the precise budget without going and finding it in documents, but it was part of the federal wait-times reduction strategy that we budgeted for additional surgeries at Selkirk, approximately 100, 120 a month, and I think we may have that number here somewhere.

Yes, \$668,000 was the budgeted amount, and that is part of the \$8,036,000 wait-time reduction initiatives that included the \$5 million for hips and knees and included additional money at Boundary Trails announced for additional procedures, not including the additional in the \$5 million. The

community cancer programs in Deloraine and Pinawa.

Mrs. Stefanson: How many of these additional 1400 will be performed by the end of December of this year?

Mr. Sale: I cannot tell the member that. That is really something that the Interlake Health Authority would have to say what the budget for surgeries is, whether three quarters of the year is three quarters of the number, or whether there is a seasonal pattern. I really cannot give the member that number. I just would emphasize that where we are doing this kind of thing, we—

Madam Chairperson: Order, please. A recorded vote has been requested in another section of Supply. What is the will of the committee? Would we like to rise or recess?

Committee rise.

WATER STEWARDSHIP

* (14:50)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply come to order, please. This section of Committee of Supply has been dealing with the Estimates of the Department of Water Stewardship.

Will the minister's staff please enter the Chamber now. We are on page 142 of the Estimates book tabled. The floor is now open for questions.

Mr. David Faurshou (Portage la Prairie): Mr. Chairperson, I want to ask if we are still on the global questioning of the Estimates involving Water Stewardship.

Mr. Chairperson: Yes.

Mr. Faurshou: Thank you very much. In regard to the recent events concerning the Portage la Prairie-Assiniboine diversion and the failure of the west dike in and about the area of the fail safe portion near Lake Manitoba, I want to ask the Minister of Water Stewardship his plans to address this concern, not only in the short term but the long term, whereby the channel itself as well as the controlled structures

involved in the Assiniboine River diversion, what is his department planning to address the concerns in regards to this vital flood control structure.

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Deputy Speaker, I think it is important to note the difficulty that was encountered this spring was with fail safe. The fail safe was operated appropriately, as the member knows, above 15 000 cfs. The fail safe is in place to allow for additional capacities. In this particular case, there was damage to the fail safe, and we have been very active in repairing the fail safe. We worked seven days a week and, in fact, have made significant progress in terms of that. I think that is the first thing important to note.

The second thing I would note is that there appeared to be some confusion with the previous work identified in our report as being required at the Portage Diversion which dates back to the 2000 report and, indeed, the key recommendations were acted upon. It essentially dealt with the structures, and, indeed, I want to stress again this was something impacted on the fail-safe side. We are, as I say, in the position of having dealt with the difficulty that we faced this year with the fail-safe and that work, I believe, is either completed or close to completion. Indeed, that will ensure the continued operation of the Portage Diversion which, as the member knows, is a critical part of our flood protection system in Manitoba.

I do want to stress again that it was operated according to the normal guidelines that are in place, the normal capacities. This could not be foreseen. This was a technical decision, but indeed we are now in the process of, as I said, returning the Portage Diversion back to its previous capacity and the fail-safe is a particularly important part of that.

Mr. Faurschou: I want to emphasize to the minister that the Assiniboine Diversion needs more than just a quick fix. This particular structure that failed, yes indeed, was operating within the parameters to which the Water Stewardship Department operates that structure. Why it failed is because there has not been redevelopment work done on the channel over the course of the 30 years that it has been in operation, in existence, I should say.

Out of those 30-plus years, more than 20 years this particular channel has been operated. Now what

I would like to say to the minister is that I am extremely aware of this diversion structure. The diversion channel itself dissected our farmland. I saw it constructed. We were the first, also too, to get permission from the government, which we appreciate, to use waters within the channel for irrigation.

I want to state to the minister that the silting that has taken place at the mouth of the Assiniboine Diversion channel is significant insofar as that, in order to get the full capacity of the channel utilized, we have to actually see an increased velocity of water in order to get up to the capacity in the channel because the mouth of the channel is shallow, more shallow than it was engineered, because of the silting. So, in order to get the volume through, you have to have a greater velocity in order to achieve what the channel was designed to do. This makes for more pressure on the log boom that holds back the river ice and, when more pressure is exerted, the log boom breaks and all of the ice is then able to go towards the control structure, which was never designed to handle ice. The control gates themselves are difficult.

I must compliment the staff out there at the control structure that monitored this and, in fact, were able to address a very, very serious situation when a large chunk of ice became lodged in one of the control gates. They were right on top of it, and they were able to address the situation.

The reason this area—and I will give you a very specific example, the amount of silt at the mouth of the Assiniboine Diversion, Mr. Minister—is that the City of Portage la Prairie had to employ two high-powered Drotts in order to move the silt when, at low water flow of the Assiniboine, the city of Portage la Prairie's inlet for their water treatment facility was in jeopardy of not being able to get enough water into the water treatment plant. So they had to employ these Drotts in order to move the silt, in order that the inlet to the city water treatment plant was not encumbered. If the minister is trying to tell everybody that there is no need for redevelopment work out there, then perhaps he should come out and view personally, and I will volunteer to show the minister the particular area that I am very concerned needs to be addressed.

* (15:00)

Mr. Ashton: Indeed, silt is an ongoing problem. Certainly, at Delta Beach there is an annual clean-up

program. I believe the R.M. of Portage is involved with that as well. We will not get into DFO, but I do want to stress that the Portage Diversion is able to operate at the capacity it was designed for. The issues the member is referring to—it is an ongoing fact of any delta, in fact any area where we have drainage after the spring run off and throughout the year, but particularly during the spring run off, to get silt deposits. I mean, that is essentially what deltas are all about.

I do want to stress that we do have very significant capacity with the Portage Diversion that is clearly documented. In fact, it was operated within those rules. I can indicate that, in the case of large flood events, the log boom cannot handle the ice jams. I want to indicate, by the way, in 1997, the member may not be aware of this but there was a similar problem with ice damage to the fail-safe.

Indeed, as flooding and flood control are part of spring in Manitoba, when it eventually does come, so too are ice jams, so too are impacts from ice. I indicated, certainly, in Question Period that we are looking at a very promising form of equipment now that could have some significant use particularly on the Red River, but may have use elsewhere as well. We are looking at other possible uses, and may also have some potential use to deal with localized dredging, if I can use that word. It is really not dredging; it would be silt removal, but it is more generically referred to as dredging.

I want to stress again that the Portage Diversion is able to perform to its capacity. What happened this year in terms of the ice jams is not unprecedented; it occurred in 1997. We have done the necessary repairs. The Portage Diversion, by the way, remains an integral part of the flood protection system, probably unsung at times. I do not think people realize the degree to which the Portage Diversion does have a very significant impact. A lot of times we focus on the floodway, for example, but we do not look at the impact that the Shellmouth, the Portage Diversion, has on flood protection across the province.

The member will know that I am no stranger to Portage. I have inspected highways in Portage. I have been to water plant openings with the member as well. I certainly anticipate that I will, at some point in time, be able to follow up and take a look at the member's concerns.

I do think it should be stressed again that we are looking at some ways of managing ice. Ice problems have been around for decades, for centuries, as long as there has been this kind of weather in Manitoba. The ice breaker could be used at the outlet of the diversion to facilitate the movement of the ice within the diversion. That equipment we are looking very closely at now. It is called an Amphibex. The member may have seen some of the media coverage on it, but essentially it is a backhoe on floats, if you wanted to describe it in a less technical term. We are looking at that.

By the way, I want to stress that pretty well everything else that has been tried for ice control has not worked or not worked very well. Coring, for example, has not worked, various different approaches, but this is quite encouraging, certainly from the initial test runs we had. The member may have seen the media coverage of the work that was done at the Redwood Bridge, but we also did work north of Winnipeg as well where ice jams are a perennial problem.

I want to stress that we are working not only on maintaining the capacity of the Portage Diversion, I am not trying to scoop this from the Minister of Health (Mr. Sale) here, but on preventive measures as well. I think the use of this particular equipment may make all the difference in our ability to manage ice in the future, particularly at the outlet of the Portage Diversion.

Mr. Faurshou: I may have given the impression I was talking about the outlet that went into Lake Manitoba. I actually was speaking of the inlet, is where all the silting is taking place and I may use the terminology, "mouth", inappropriately there.

I will thank the honourable Member for Emerson (Mr. Penner) in allowing me the opportunity to ask a couple of questions in the Estimates for Water Stewardship. Thank you. I will turn it back to my honourable colleague.

Mr. Jack Penner (Emerson): Mr. Chairperson, I would like to ask the minister whether he could give us a bit of an overview as to the ruling on the NAWS project that the judge had indicated during the last ruling that she made. I wonder if the minister might want to put a few words on the record on that.

Mr. Ashton: Mr. Deputy Speaker, essentially there were three legal developments that I think need to

just be put in sequence here to understand the most recent court decision. The first was the legal action we took in the U.S. court, I believe, starting in 2002. The key issue there was whether we be granted standing in the court, and indeed we were granted standing. That was quite a significant element for us in the sense it allowed us to pursue the concerns that we had about the Northwest Area Water Supply project through the courts.

It is important to note, by the way, that the NAWS project was originally authorized under the Garrison Reformulation Act, 1986, and continued under the Dakota Water Resources Act of 2000.

The key element that we focussed on in the court process was the transfer of partially treated water into the Hudson Bay basin, and the second development that occurred was the court decision that resulted in the federal court judge clearly identifying foreign biota as a significant concern. In fact, the foreign biota concern was identified by the judge as even with a small chance of transfer of foreign biota, there could be catastrophic consequences. At that time, the court decision that came out earlier this year, did not have a remedy attached.

The most recent court decision essentially provides for a partial injunction. It particularly deals with an injunction of the elements of the project that would involve the transfer and treatment of the water, not the pipeline, per se, but that was a very significant victory for those of us who are concerned about the project in the sense that it clearly, again, leads back to what the judge in the ruling earlier this year pointed to, the need to do a proper environmental assessment, a proper environmental impact statement, prior to the operation of this project.

Also, by extension, to have a proper focus on mitigation if it is to proceed, and I want to stress, by the way, that our concerns here, I think, are quite significant and I think it has been very significant that in this case a U.S. district court in Washington, a federal court, has granted the injunction. I just want to stress again this deals with the construction of all the elements that relate to the water treatment, and it is very much because the court recognized the need to make sure that this was not environmentally harmful to Manitoba.

So it was a very significant court judgment, and certainly as we proceed with any further developments in terms of NAWS, I think it set a very

positive precedent and we now look forward to the Bureau of Reclamation, which is a federal agency in the U.S., to comply with the courts and we look forward to participating in any upcoming environmental review.

I want to stress again that our major concern was to make sure that Manitoba's water is protected and you cannot do that unless you have a proper environmental assessment and proper consideration of environmental mitigation.

* (15:10)

Mr. Penner: Mr. Chairperson, so my assumption of what I read the judge as saying was that she asked for more information. Nothing has stopped. The project is continuing in construction as far as my information is concerned. Is that correct, or has the project in fact been stopped until further information is presented? The judge, as I understood when I read the ruling, was saying there was not adequate information and she would like more information.

Mr. Ashton: I indicated it is a partial injunction. The most important point is that while they are continuing to construct the pipeline and the pumping stations, the ruling essentially means that until the proper environmental assessment, environmental protections are done, NAWS cannot proceed. I think that is the key element the member has to look at, both the most recent ruling, but also the ruling earlier this year which clearly identified the need for an appropriate environmental impact assessment and proper mitigation. I do think again that it points to the validity of Manitoba's concerns going back to 2000, and that is the complete inadequacy of what was being proposed, the single treatment, given the risks of foreign biota transfer that the judge clearly identified in the initial ruling back in February.

Mr. Penner: But it is correct that the judge indicated no work stoppage has been ordered and that the judge simply said she needed more information, is that correct?

Mr. Ashton: The decision of earlier this year essentially has confirmed that this will not operate until the judge gets the proper environmental assessment and looks at all of the mitigation issues. Indeed, the partial injunction does help the construction of all the elements of the project related to the water treatment, which is the key issue that

clearly the judge has recognized as being inadequate, the single treatment and the risks of a failure thereof.

I would just like to remind the member that maintenance failures do happen. I think the discharge of raw sewage in 2002 into the Red River is probably the most recent example here in our own province. That certainly created a number of concerns which have now been addressed through the CEC ruling and will be addressed through improvements to the waste water system.

The bottom line is, though, that clearly we are in a situation now where there has to be a proper EIS completed, and in fact, the direction from the judge was that the partial injunction would remain in place until the completion of the EIS. This is very significant. Quite frankly, if we had a similar court action and similar result on Devils Lake, I would be quite ecstatic because, even though there are different jurisdictional issues here, this does have funding from a federal agency, so, therefore, it is in a federal court. We certainly think it would be very appropriately applied and, certainly, in terms of the basic principles to Devils Lake because foreign biota is a very significant concern.

I think if the member reads both the February decision from the judge and also the most recent decision, the member will see that the judge has clearly identified foreign biota as an issue of concern to the court, has clearly identified the need for an appropriate EIS, and through the partial injunction, has basically ensured this project cannot operate until appropriate environmental assessment and mitigation have been completed. That is very significant.

Quite frankly, the project can continue in terms of construction. The issue is the operation, not the construction. So this partial injunction is very significant. We believe it is a major victory for the province of Manitoba in terms of protecting our water in this province.

Mr. Penner: It has always been our contention that the treatment should be done at the source of the water entering the pipe, in other words, at the headwaters. We maintain that position, have, I think, always maintained that position. What assurances can the minister give this House that, during his discussions and/or reading the judge's ruling, there will be assurances given that the water will be treated at source and in final treatment form?

Mr. Ashton: Mr. Deputy Speaker, the key element of our law suit is, in fact, ensuring that there is a proper EIS which was not done. By having a proper EIS, environmental impact statement, you assess (a) whether the project should proceed or not; and (b) if it does proceed, what mitigation would be put in place. If you look at the context of the judge's decision, clearly, the single treatment that is a part of the current plan has clearly not been seen as resulting from a proper EIS.

I certainly feel that the proponents of the project would see the court ruling as a fairly significant setback. But the reality is, in the year 2005, with so much at stake with things like the transfer of foreign biota, and in this case a project that is very much a part of Garrison, directly a part of Garrison and all that entails, you have to have a proper environmental assessment. By going to a proper environmental assessment, all of these issues will be dealt with.

But I think the judge's ruling is very clear about one thing, and that is that the very elementary treatment that has been put in place, the single treatment, is not considered to have resulted from any acceptable environmental assessment process. We would certainly be optimistic that, if we were to have the appropriate EIS done, which will happen now as a result of the court ruling, an appropriate EIS is going to deal with all those issues, including, by the way, whether the project should proceed or not, because that has to be the basis of any environmental assessment of any project. But, quite frankly, we would certainly be optimistic that an appropriate EIS would validate Manitoba's concerns.

Mr. Penner: On another issue that is also, I believe, before the courts, although I believe this is before the Manitoba courts, and that is the issue of the road between Canada and the United States from Emerson to almost Highway 32 south of Winkler, and I am wondering what the status of that court action is by, I believe, the Pembina County that has actioned that court in Manitoba.

Mr. Ashton: I could get the member a full briefing on the background. It is fairly complex, as the member knows, in the sense that we have a whole series of cross-border issues that go back probably decades, and certainly Manitoba's position has been fairly clear that our main concern here is to protect Manitoba property owners and Manitoba communities. I want to indicate that, despite the initial

elements of the law suit, a statement of defence has not been filed yet, so it is surely early on in terms of that.

I do not know how much time the member wants to spend on it because it is fairly complex. I can certainly give the member a full briefing on it, though, I know, it is certainly of interest to him as an MLA as well a critic. Perhaps, if I could make the offer that if the member is interested in a more detailed legal briefing, we will make sure that our legal counsel is available to the member.

Mr. Penner: I appreciate that offer, and I will take the minister up on that offer when the time allows.

* (15:20)

I would like to put on the record, though, that there have been numerous occasions where individuals have made the statement that it is a dike with no culverts in it. I just want to make sure that I put on the record, for those that want to read the record at some point in time, that there are significant outlets in that road and culverts in that road that flow water on a regular basis every spring, and significantly more when the Pembina River overflows.

I have said this on numerous occasions. I believe Manitoba has a case to make whereby action should be taken on the Pembina River to clean up the Pembina River from Neche, North Dakota, to Pembina, North Dakota. When one flies that area by aircraft, and that is not as easy now as it was once, but we flew that area many times by helicopter. There is significant concrete dumped into the river where old farm sites have been taken up and car bodies and whatnot all in that river. I believe it is imperative at some point in time, somebody should make the case that the Pembina River, in that stretch of the river, should get some cleaning and maybe even straightening out. I believe if we would do that, then there would be a significant amount of less water coming across.

I also want to indicate to the minister it is my understanding that he and his department drew an agreement or came to an agreement with North Dakota, also on putting additional culverts in the South Buffalo and another tributary, which I am not quite sure what that is called, but it is the South Buffalo entry into North Dakota. I understand those culverts work fairly well. It was my understanding, I

might have been wrong here, but there would be no further excavation of drainages on the North Dakota side allowed under the terms of that agreement.

It is my understanding now that there have been significant extra drainages dug on the culverts that are either just going into one of those areas, and also, the culverts that have already been installed about a year and a half or two years ago. Once those culverts are run to full capacity, we are going to have some very serious damages downstream in Manitoba. The impact of those outlets, without even a flood event, are going to have some very—I just want to say to the minister I believe we have started, we have signed an agreement that will force us to do some major work on the Buffalo channel in its entirety right from the Red River to the U.S. border. There is significant work required downstream of Highway No. 2 to the Red River that is now causing the overflow of the dikes the way they are now. They will, with the increased capacity there, I believe there will be significant additional pressures put and much of the farmland along there will be flooded. That could happen on almost an annual basis as the situation is with the new culverts in place.

So I want to ask the minister whether he and his department have given any consideration to planning the upgrade and the cleanout of the Buffalo channel from the Red River right through to the U.S. border, reworking that whole channel and putting some additional diking and culverts so that when the overflows do occur, the waters can get back into the channel via those culverts, and not sit idly on and keep the farmers from working their fields.

Mr. Ashton: Certainly, Mr. Deputy Speaker, the department is aware of a number of the issues the member has raised. There are two landowners in the R.M. that were impacted by the first phase of the South Buffalo reconstruction when they curbed flooding and erosion in the spring of 2004. This was the result of floodwaters cross-connecting between the two South Buffalo crossings 2 and 3, therefore, exceeding the design capacity.

The finalizing of the second phase, which is the second crossing, will resolve that particular issue. We have provided financial assistance to the R.M. for farm diking. It has wanted the landowners to provide protection from over-bank flooding of the Buffalo drain. The Buffalo drains downstream. The South Buffalo project is municipal drained, as the

member knows. The R.M. of Rhineland is seeking provincial assistance to improve the Buffalo drain capacity or transfer of the drain of the province. So there are some discussions there. We did contribute \$75,000 toward the dike at the Buffalo drain to ensure consistent design capacity as provided for the upstream South Buffalo improvements.

I do want to indicate, too, that South Buffalo does not involve any increase in the drainage area. I also appreciate the concerns the member has raised in terms of the capacity of the drain itself. I was going to say I will pass it on the department, but I think it has been passed on already.

Mr. Penner: Mr. Minister, it is obvious the department has briefed you. I would like to invite you down someday personally on a Sunday afternoon or a Saturday afternoon. If you have nothing better to do, we will do a tour of the area, and I will give you a first-hand look at what is happening over there. As I always say, a picture or a first-hand view is worth a thousand words.

The other point I want to make, I understand we have probably about another 15 or 20 minutes to ask the rest of the questions. By agreement, as I understand, Mr. Minister, the Pembina River has some, I believe, tremendous potential for two reasons to stop and lower the level of water on the dike at Winnipeg on major flood event. The study we had done, as I think I have told you before, could have reduced the water level on the dike, not at Emerson, because in a major flood event, the water breaks out of the Pembina River and never hits Emerson. It comes across country where I live and forms its own pathway to the Red River. It hits the Red River at Letellier and the river rises at Letellier, but not at Emerson that much from where the normal flood event is when the Pembina and the Red both crest there at the same time.

The issue is, if we would, as Canadians, approach the Americans, and suggest to them that we would build two major dams on the Pembina, one at Walhalla—I know the minister smiled because that would be difficult, but not as difficult as it was 10 years ago. Not as difficult as the criticism when I said I supported the building of the Rafferty and the Alameda dams. I am proud I did support that because they have proven to be a major asset to alleviate flooding on the Souris. We have not heard of much major flooding on the Souris since then. We have

had some major water events there, and it has added to the economic benefit of that whole region.

I would suspect that, if we did this same thing on the Pembina, there are some real opportunities to store some major waters on Pembina. It would do two things. It would give us a water supply for southern Manitoba, for cities such as Winkler which is a very rapidly growing city, and the towns of Morden, Altona, and virtually all the towns in the Red River, would give them a guaranteed supply of water. It would even cause further growth and expansion there.

However, I want to ask the minister whether he and his government are paying any serious attention to the need for water, No. 1, for drought-proofing, and the need for water to supply all those valley towns, and specifically those large growth areas, and whether the minister is contemplating having a discussion with the governor or the Water Commission of North Dakota on approaching them on building two dams, one on the Canadian side at Kaleida, and one at Walhalla to store water to flood-proof and drought-proof. If we did that, Mr. Minister, I believe the economic benefits would far, far outweigh the cost of doing a project like that.

Mr. Ashton: The reason I was smiling was just out of the member's consistency in raising this now, he is also the critic for Water Stewardship. I know he has raised the Pembina dam in the past as MLA, so it was not meant as a critical smile. It was meant as a smile of recognition that I would be disappointed if the former critic, having repeatedly raised the issue of the Holland dam, if the new critic, the Member for Emerson (Mr. Penner), was not going to reference the Pembina dam. I appreciate the member for doing that.

* (15:30)

We did discuss this, I think, in Estimates last year and maybe even the year before. Certainly, in terms of the Pembina dam, the 2001 IJC released a report, the Acres report, the viability of the dam, indicated a benefit-cost ratio less than one, which is low. If the member may wish to disagree, that is certainly the indication I received in terms of the Acres. The flood benefit is two inches less than upstream of the floodway.

I suggest that again this may be something where the member may wish to sit down with our

technical staff because in the past, this option has been looked at, and it really comes down to the cost benefit, a fairly significant cost. I am just trying to get an estimated cost going back to 2001. If you go back to the benefit-cost ratio in 2001, we are talking about a 2001 report. I know this has been around for a considerable period of time, but I certainly will be able to share the report with the member and will be more than glad to continue this discussion on the technical merits. I appreciate that the member believes this to be a solution, but, unfortunately, up until now and, I assume, for much of the last 10 or 20 years, the main reason it has not been built is the benefit-cost ratio which is both the cost itself, obviously it would be very significant and then limited benefit.

Mr. Penner: The minister and the department, quite frankly, do not have access to any numbers that I have seen that are less than 20 years old. There was a study we commissioned, the Pembina Valley water commission, an engineering study, which I have talked about before, that indicated the flood level reduction on the Winnipeg dike if those two dams had been in place, and in '97, could have lowered the water level on the Winnipeg dike by a foot to a foot and a half. That would have negated the need to build the Z-dike.

Substantial benefits, and those kinds of things we have never seen included in the impact study or the cost-benefit analysis. I think all we have done so far is use historical data that I have seen both by the Army Corps of Engineers, and I have had this discussion as of last spring or this last winter with the new colonel of the Army Corps of Engineers in Fargo. He agrees with me that the cost-benefit analyses that were done previously are no longer relevant, and there should be a new cost-benefit analysis done based on current situations.

That is all I am saying, Mr. Minister. I am not here to argue or debate you on this matter because it is a matter of somebody giving the order to do a new cost-benefit analysis on those kinds of things based on drought proofing, and we have no idea what the cost would be of the Red River Valley not having any potable water. That is currently the situation that we face.

In 1988, if it had not been for North Dakota and Minnesota releasing water out of their reservoir, we would not have had any water in the river. That

means the whole Red River Valley would have been dry, and look at the huge economic impact of that. Winkler and Morden and Altona and Rosetown and all those communities in the Red River Valley right up to Sanford would have all been out of water. That is simply not even thinkable.

What I am suggesting is that the cost of drought proofing might, in fact, be the biggest benefactor, let alone the flood protection that you get. I believe we need to look also at the Souris River and doing similar kind of work to store water for the long term, to drought proof, maybe, even is more important than the flood protection, because flood protection, we can always move stuff around, but drought-proofing, there is no movement. Once you run out of water, you are finished. The same thing on the Assiniboine River with the Holland dam. I have often wondered if we would take the same amount that we are going to spend on dumping water, faster. In other words, the flood diversion. We support the flood diversion because that is the only option that we currently face because we have allowed ourselves to sit back and not do the other projects.

When we were in government, we were as guilty as you are, Mr. Minister, in not doing that analysis properly, and taking action and building some of these projects, even though the environmentalists would have been furious with us. But, in the long term, every time we have done something with something like that, every time the project is finished, those same environmentalists will come back to us and say you can never take those dams down again because now we have created a better environment. Now we have created an environment that has both economics and sustainability to the whole aspect, and therein lies our problem. We have not done that properly.

I think it is time that we should, and I am only encouraging the minister to take a hard look at this direct to your department, to take a hard look at this. Be a minister, be the director of your department. You have the opportunity, Mr. Minister. If you and your government really want to be proactive in doing something meaningful for Manitoba, take a similar amount that you are putting into the floodway. Set it aside. What would \$600 million do in the development of water storages and flood protection? I think we would be amazed at the net outcome of that, and the cost benefit of that.

So all I am suggesting to you, Mr. Minister, I do not want to argue with you, I do not want to debate this with you, all I am suggesting is you give some direction to your department and let them do the analysis and give them some work to do.

Mr. Ashton: Those are fighting words: be a minister. That is what I am doing when I get a report that is a recent report from 2001, this follows the IGC review, post-'97, of a number of projects that shows a cost-benefit ratio of less than one. That is something that does impact very significantly, and I may take a bit of a different view than the member in terms of the environmentalists he is referring to.

We also believe we have got to do exactly what we expect other jurisdictions to do, which is make sure that any and all projects go through proper environmental assessment as well. So I would certainly disagree with the member, and I think whether the member agrees or disagrees with those he is calling environmentalists who may agree or disagree with various projects, that is an important element.

I will not belabour the point, but I just want to stress I think there is a good reason why a number of proposals have never been constructed in the last number of years and, quite frankly, it comes down to the fact that this government, the former government, perhaps the former-former government, again, has to make decisions based on cost-benefit ratios, available funding, all the things you would expect any responsible government to do.

In this particular case, the cost-benefit ratio just was not there. I would be more than prepared to provide the member with a copy of the Acres study. He may already have a copy of it as well. I will not get into any details. I could talk about some of the other elements. I know we are fairly short on available time for this department, so I will defer that, perhaps, for another opportunity to discuss the issues.

Mr. Larry Maguire (Arthur-Virden): I would just like to ask the minister, there are a number of issues in regard to drainage in southwest Manitoba that have been brought to my attention over a number of years that I have been the MLA in that area, three or four projects in mind that I have brought to various ministers' attention over that period of time. I just wanted, now that the minister in charge of Water

Stewardship, to ask him some familiarization questions, I guess, around a particular issues of drainage and water management that take place in some areas. I know I worked closely with the office in Brandon, with Mr. Stonehouse and some of the issues that have taken place there. There are locations north of Boissevain, south of Elgin, over by Waskada, some west of 83 highway, just to name a few of them, Mr. Chair.

* (15:40)

I wanted to bring specifically today to the minister's attention a meeting that I attended last week in Brandon in regard to a number of conservation personnel that were there dealing with water management and water stewardship. I think it was a pretty good meeting. There were some 30 people, I think, if I could just use that number loosely, that were in attendance at a meeting to deal with some drainage impacts on section 10-5-22 west in the municipality. I believe that would be in Whitewater municipality, or just on the edge of it. Pardon me, this would be in Cameron municipality, Mr. Chair.

There was a water licence issued to do some drainage through some land that I am fairly familiar with, given the fact that I farmed it back in about the early seventies, I guess. Before others, I rented at that time and then it was subsequently sold to others. I wanted to ask the minister some questions in regard to it.

The particular situation is that a licence was issued for a drain to go through up toward Elgin and that particular area and flow through the south side of section 36-5-22 from 10-5-22. There was a licence issued, I believe, in 2002 if my numbers are correct, if the information I have been provided with is correct. I wondered if the minister could—well, I will tell him more of the story.

The situation is that the licence was completed except for the bulldozing of some bulrushes in a particular drainage area, and that was the only circumstance that was not completed on the project some four or five miles from where the drain was in the bottom of a natural creek bed. However, it is used as pasture for one of the people downstream, and that is certainly a good use of such property.

I wanted to ask the minister, now that that has been used, there was a complaint, I guess, because that particular one little part of the package was not completed, that the department has cancelled the licence for that project. It is my understanding from the meeting the other day that there is a good deal of discussion going on again in regards to relicensing of that property, or it may be coming forward to the department in that regard, provided that some of the perhaps unlicensed drainage from before is back-filled and a number of things completed with it.

I am just wondering if the minister can give me some kind of indication as to how they normally handle those kinds of circumstances and just what process might be expected, given that the information that I have is that the two sides that have been opposing on this in the past have agreed to, at least after I left the meeting the other day, come together at some point and agree upon a process of relicensing the old licence that was there. There seemed to be agreement that some of the previous work or subsequent work that was done on drainage into a particular slough on 10-5-22 would be filled and that relicensing of those issues on the early licence of drain of '02 would be restated. Can the minister just give me any indication as to the normal process on that type of works?

Mr. Ashton: Mr. Deputy Speaker, certainly, in many cases, without getting into all the details of this particular situation, we often are dealing with difficulty related to drainage, other legal, but partially followed or illegal drainage actually impacting on downstream landowners. There are circumstances where the licence was issued, but the transfer of the licence was not complied with. That often is what complicates what happens. The upstream landowners would have contributed the costs of the drain clean-out. I think that is one of the elements.

We are trying to work with the landowners to find an equitable solution and I am encouraged by the member's indication that there may be some willingness from all parties to be part of the solution. Certainly, that would be our hope, that we could take some of the discussions and come up with an equitable solution for all parties involved.

Mr. Maguire: I would like to thank the minister for his involvement in the discussions in the department because I think there has been a lot of good work

done and I think that what you need is co-operation between the people on the watercourse to make things happen. I am looking forward to dealing with the department in the future on this particular issue and others that I mentioned earlier in regard to watercourses and management, not just drainage, but management of the water supplies that we have in our area.

Mr. Ashton: Yes, I just want to point out to the member that, indeed, reaching a compromise, reaching a co-operative solution is always the preferred option of the department. Certainly, enforcement is a last resort, although we are, as the member knows, looking at improved enforcement and more appropriate penalties because there are cases where you do have flagrant disregard for the licensing process, but our efforts in general and also in this case are to determine an equitable solution.

Mr. Maguire: Mr. Chair, I just want to thank the minister for that. I know that I look forward to dealing with it in the future and some of the other circumstances around these situations, and I just thank him for his time and the commitment to be able to move forward on it.

Mr. Penner: Mr. Chairperson, I want to say to the minister that there are many other issues that we should be raising in Estimates and I think it is unfortunate that the government has chosen to reduce the Estimates time limit down to 100 hours for all the departments. I think this Department of Water Stewardship is an indication as to how involved the issues can be when you are dealing with flood issues, when you are dealing with drain issues, when you are dealing with Fisheries matters and when you are dealing with international court actions, I believe it is three different court actions that we are into now.

I believe that, at some point in time, we should have a broader-based discussion on this matter, and I would give you the Roseau River situation whereby the Americans in Minnesota are quite prepared to get involved in a partnership to do some major storage at the headwaters of the Roseau River that would, again, alleviate significant amounts of flooding on the Roseau.

I think if we did those kind of things on many of our rivers, I think we have the Rat River is another one where there are some significant lowlands at the headwaters of the Rat River that could be used as

storage basins, and I think we have many of those opportunities if we would only allow ourselves to think from an economic standpoint and environmental benefit to all of Manitoba over the long term.

So, when I look at Minnesota's involvement in Lake of the Woods that I indicated the other day and some of the issues around there, I believe there is an opportunity for this ministry to work towards one licensing arrangement on Lake of the Woods for sports fishing, and many other issues. It takes leadership and I believe there is an opportunity to provide some leadership to the other two jurisdictions, Minnesota and Ontario, to provide the initial discussion bases to get one licence and then I think we could have some meaningful approach to proper conservation on that lake.

*(15:50)

I fear for Lake of the Woods and the fishery on Lake of the Woods because of the three-jurisdiction effect. Similarly, I think we have many issues such as waters coming in from Saskatchewan and Alberta down the Saskatchewan, and many of the other rivers and streams that flow westward into the Churchill basin. I think we should have entered into meaningful discussions on those matters.

I want to say to the minister that I thank you for the time you have spent and the way you have described some of the problems. I know that you have many. I know the floodway is one that will be long term, and we will be here again next year talking about the floodway.

It is just unfortunate the minister and his government have chosen to utilize the unions in the manner they have and try and force the whole construction industry under a unionized process. I think that will not serve us well in the long term, and will send a message internationally to those that might want to settle here to do business and develop in Manitoba. I think the message is not the right one. I would say to the minister, thank you for your time and I would ask that we proceed now to line by line.

Mr. Chairperson: Resolution 25.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,022,300 for Water Stewardship, Ecological Services, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 25.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,924,200 for Water Stewardship, Infrastructure and Operations, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 25.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,430,000 for Water Stewardship, Water Stewardship Initiatives, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 25.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,091,000 for Water Stewardship, Capital Assistance Programs, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 25.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$859,700 for Water Stewardship, Minor Capital Projects, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

Resolution 25.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,963,900 for Water Stewardship, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

The last item to be considered by this committee is the Estimates for this department's 1.(a) the Minister's Salary contained in Resolution 25.1. At this point we encourage the minister's staff to leave the table for consideration of the last item.

The floor is now open for questions.

Mr. Penner: The minister has on a number of occasions talked about the benefits of the labour management agreement on the floodway. We agree there were times when labour management arrangements have been done, but, quite frankly, Mr. Chairperson, never in the history of this province have we seen an attempt to forcefully unionize an

industry that has chosen deliberately, both the labour side and management side of the heavy construction industry, not to unionize because of the magnitude of the operational side of that construction industry and the need to train staff in a meaningful way. Some of these staff people are not only operators of big Caterpillars, but they virtually become operational engineers. They are the maintenance people. They are the people that, when a hydraulic line busts, they will pick up a wrench and repair the hydraulic line. They are a very, very mobile and versatile group of employees in that industry.

I think the minister knows that, but to try and force those people before they are able to get a job, the non-unionized work force, to go and leave their names and addresses, their phone numbers, all the pertinent information that would normally be deemed as a matter of privacy, they have to go give that to the Floodway Authority and register with the Floodway Authority. Then they will be put on a list. If those construction companies then need to hire more employees, those construction firms will have to go to the Floodway Authority and ask the authority whether they have on their list a person that might qualify to work for that company. Never have I seen an arrangement similar to this one.

Thirdly, they will force those employees then, those non-unionized employees, to pay virtually \$3 an hour for the privilege of working for the so-called socialist NDP government of Manitoba. That is almost unheard of, anywhere in the world have I seen an attempt to try and force money out of a person that comes and applies for a job. You tell him right up front that this is going to cost you \$3 an hour to work here. Never have I seen anything like that in the history of this province of Manitoba.

I want to say this to the minister. When I talked to the people, and we had a fairly large meeting the other day in my constituency, they are appalled when they hear this. The minister said, "Well, yes, those employees will be able to get benefits." Not unless they enrol in a union, my dear friend, the minister. I say to you, Mr. Minister, they cannot and you know it. I think it is time you level with the people of Manitoba. Therefore, because you have not levelled with the people of Manitoba, you have not been forthright with them. This union labour management agreement that I have before me, you said the other day I should read it. Mister, I have read this so many times, it hurts. It is almost unbelievable that a

premier would allow the minister the latitude to draft this kind of an agreement and force people in a free and democratic, so-called democratic society, I believe it was, but now it is in question because this is not democracy.

* (16:00)

So I want to move, seconded by the Member for Morris (Mrs. Taillieu),

THAT line 25.1.(a) be amended that the Minister's Salary be reduced to \$1.

Mr. Chairperson: It has been moved by the honourable Member for Emerson (Mr. Penner), seconded by the honourable Member for Morris,

THAT line 25.1.(a) be amended so that the Minister's Salary be reduced to \$1.

Mr. Ashton: Mr. Deputy Speaker, notwithstanding that there is a great tradition of a dollar-a-year people, and still having a son at university and a mortgage, I feel compelled to speak to the motion.

I, first of all, want to put on the record that I find it actually rather frightening that the member believes his own hyperbole because, again, I heard, "unprecedented," "never seen." He actually edited out most of the usual union-bashing rhetoric that the members opposite are wont to use. But you know what, a lot of people in this province know better and a lot of people, by the way, know what has been in place since the 1960s with project management agreements, with Manitoba Hydro.

By the way, Mr. Deputy Speaker, if you check the Burntwood-Nelson agreement which prescribes the situation of contractors and workers, you will find that, in fact, the project management agreement since the 1960s has actually required workers to be members of the union when they work, the relevant union.

That is not the case with this project management agreement. This project management agreement does not require anyone to join a union. In fact, it has provisions for unionized and non-unionized employees. It has provisions for unionized and non-unionized contractors. In fact, it has direct provisions for contractors to bring, on site, their

existing work force. That is something you do not find with other project management agreements.

But you know, Mr. Speaker, let us be up-front here. The members opposite are completely incapable of bringing themselves to, I would say, at least to the 1950s, because I have heard the member rant and rave about everything from employment equity through to payments for pensions and benefits. All the way through, the member seems to want to go back to the Tory version of the good old days, which, quite frankly, were not the good old days at all.

Let us be up front here. In order to build the floodway, we are going to have to pay decent wages and have decent working conditions. I think everybody recognizes that, contractors, the Floodway Authority. The member opposite can crank up all the anti-union rhetoric he wants or talking about offices of government back and forth.

What we are doing in this particular case with the project management agreement is, quite frankly, doing it in the Manitoba way, a fair number of compromises, a fair amount of flexibility in the agreement, but basically, we have had project management agreements since the 1960s with Manitoba Hydro. Many other projects, the Confederation Bridge, had similar provisions. There are many examples throughout the country.

The member can throw out all the hyperbole he wants, but the number one question that I am getting about the floodway is, when is it going to be built? The answer is, this year, this summer, no thanks to members opposite. I think the Member for Selkirk (Mr. Dewar) has asked more questions about the actual features of the floodway enhancement than the entire opposition caucus put together.

Not one question about many of the key issues that are of concern to Manitobans. We have been looking at those, ground water issues for example, many of the other design issues. No. It is like anything; it is like members opposite like to wave the red flag in front of the bull here and, of course, we know what that is. In this case, it is anything to do with unions.

The bottom line is, Mr. Speaker, in this province we have unionized and non-unionized contractors. There are provisions for both in this agreement. We

have unionized and non-unionized workers. There are provisions for both in this agreement.

The members opposite are from, I think, a political perspective where there are certain Manitobans that do not fit into their perspective of who should be included, in terms of opportunities. Certainly, we have heard it in terms of unions, certainly, we have heard the member opposite calling employment equity provisions do nothing more than ask that we have the same diversity in our workforce as we have in the province. He called it apartheid, which, I think, is quite frankly, regrettable. I will be diplomatic here. The member opposite still has not withdrawn those comments. I find them, quite frankly, offensive because there are many people, Aboriginal people, minorities, women, in this province who are just as capable as anybody else in terms of employment, just as qualified, and what these provisions ask is that we look at that.

I want to put on the record, by the way, that not once in the member's comments did the member point to the announcement we made on Thursday, where we had a \$27-million announcement, federal-provincial announcement, which is going to see the awarding of the engineering work for the floodway to two consortiums, by the way, two Manitoba consortiums doing world-class work. We have world-class engineers. Again, another positive story.

I realize, again, the only thing members opposite see when they see the floodway is this kind of anti-union rhetoric. You know what? I really think that is dated. They like talking about union bosses and all the rest. It may make them feel better, but I can tell you what Manitobans want from the floodway expansion is they want the flood protection for 450 000 Manitobans. They want economic opportunities as well. They want us to make sure we deal with the environmental issues. We are doing this and we are continuing to work hard on that, and I think I should put on the record that the Floodway Authority has been working very hard in terms of that, the design team, et cetera.

So I get the feeling that we are going to continue this but, just for once, it would have been nice to hear something that came out of the members opposite, that had floodway and expansion and, perhaps, the phrase good work, important for Manitobans, something positive. By the way, I do not expect the member opposite to give ministers any

credit. I notice this session pretty well every minister is getting their salary reduced. I feel in good company with the Minister of Family Services (Ms. Melnick) is doing a fine job and I think other ministers, Minister of Agriculture (Ms. Wowchuk).

In my case, if I did not have a kid in university and a mortgage, I might even be tempted to vote for this because I enjoy doing this job so much that some days I say to myself, "And I actually get paid for this?" But, you know, given my background and, by the way, I am quite proud of the fact that some of my best friends are involved with the labour movement, some of my best friends work for unionized companies, some of my best friends work for non-unionized companies. I have got some friends out there. I should not say how many, but the bottom line here is I do not take it personally.

I know this is all part of the members opposite, again, had one more chance to kind of rant and rave about unions, union bosses, socialists, Reds under the bed and apartheid being employment equity. This is the year 2005. I have got news for members opposite, that kind of rhetoric went out decades ago. It is not where Manitobans are at, and I suspect, by the way, one of the reasons they are in opposition is they still have not understood that that kind of rhetoric really turns Manitobans off. You can raise points if you want. You can disagree with this government. That is the democratic process, but, quite frankly, we are building the floodway expansion. We are going to protect more than 450 000 Manitobans. That is all that matters.

Mr. Chairperson: Is there a debate on the question?

*(16:10)

Mr. Penner: Just one last comment and that is that the minister refers constantly to the rhetoric. He is certainly one that knows how to put rhetoric on the record, and he does it well. Never have we said that we were opposed to the unions. We are not opposed to unions. We are opposed to this minister and his plan to unionize every member of the heavy construction industry whether they want to or not. That is not the point.

If you take the \$40 million or \$60 million that will be in those three funds that the minister is establishing under his agreement, that will be the incentive those employed people that have been

employed for the six years or so this is going to take to build this floodway or expand the floodway that Duff Roblin built. Then he will say, "Well, if you want to benefit from the monies you paid into this, you are going to have to join the unions." That is unthinkable. That is what we are saying.

He talks about apartheid. Seldom have we ever seen the boxing of employees the way this minister has in his agreement. I have never seen anything like that done in my life before. What about all the other societal groups we have that are minorities in this government? No mention of them, no mention at all. Are we setting a precedent here in a labour agreement that is drafted this way? I think we are, and I think the minister had better be honest with the people of Manitoba. This is not the way democracies work. *[interjection]* It is under the NDP administration, under the socialist administration, but this is a social democracy then, and if that is what the minister wants to leave with the people of Manitoba, so be it.

Mr. Ashton: I would like to point out to the member opposite that the project management agreement for Manitoba Hydro has had employment equity provisions in it for decades, and quite frankly, I make no apologies. This government makes no apologies for having employment equity provisions.

I am still waiting for the member opposite to withdraw the statement that it is apartheid because if he is opposed to provisions that ensure we are going to have the diversity of the workforce in terms of Aboriginal people, minorities and women employees, and then to attach the phrase "apartheid," he owes an apology to many Manitobans. We are committed to diversity in the workforce in the Floodway Authority. We make no apologies. I would suggest the member apologize for using an inflammatory statement like "apartheid." I fought, many people fought against the apartheid system. This is not apartheid. It is inclusivity and diversity for Manitobans. That is what the NDP is committed to. That is what this agreement does.

Mr. Penner: The only word I have for the minister and his floodway is "exclusivity." That is what it is.

Mr. Chairperson: Is the debate now closed? *[Agreed]*

Debate is closed. Do you want the Chair to read the motion again?

Some Honourable Members: No.

Mr. Chairperson: As many as are in favour of the motion, shall the motion pass?

Some Honourable Members: No.

Some Honourable Members: Yes.

Voice Vote

Mr. Chairperson: Those in favour of the motion, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: Those opposed to the motion, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In the opinion of the Chair, the motion is defeated.

Formal Vote

An Honourable Member: Call in the members.

Mr. Chairperson: To do that, to call the members, two members have to request a recorded vote. The Member for Emerson (Mr. Penner) and the Member for Morris (Mrs. Taillieu). A recorded vote has been requested. Call in the members.

All sections in Chamber for formal vote.

In the section of the Committee of Supply meeting in the Chamber to consider the Estimates for the Department of Water Stewardship, the honourable Member for Emerson (Mr. Penner) moved

THAT line 25.1.(a) be amended so that the Minister's Salary be reduced to \$1.

The motion was defeated on a voice vote, and subsequently two members requested that a recorded vote be held.

The question before this committee now is the vote on the motion to reduce the salary of the Minister of Water Stewardship. *[interjection]*

The motion will be read again by the Chair:

THAT line item 25.1. (a) be amended so that the Minister's Salary be reduced to \$1.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 19, Nays 31.

Mr. Chairperson: The motion is accordingly defeated.

* * *

Mr. Chairperson: We shall now resume consideration of this section of the Committee of Supply.

Resolution 25.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,169,200 for Water Stewardship, Administration and Finance, for the fiscal year ending the 31st day of March, 2006.

Resolution agreed to.

This concludes the Estimates for the department.

The next set of Estimates that will be considered by the section of the Committee of Supply is the Estimates for Transportation and Government Services.

Shall we recess briefly to allow the minister and the critic the opportunity to prepare for the commencement of the next set of Estimates?

Recess. Five minutes. Committee in recess.

The committee recessed at 4:26 p.m.

The committee resumed at 4:29 p.m.

TRANSPORTATION AND GOVERNMENT SERVICES

Mr. Chairperson: Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Transportation and Government Services.

Does the honourable minister have an opening statement?

Hon. Ron Lemieux (Minister of Transportation and Government Services): I do.

Mr. Chairperson: Please proceed.

Mr. Lemieux: Thank you very much, Mr. Chairperson. I will try to make a few brief comments prior to getting into my Expenditure Estimates.

It is my pleasure to present for your consideration and approval the Estimates of Expenditure of the Department of Transportation and Government Services for '05-06. In Part A, the Operating Expenses of the Department of Transportation and Government Services Expenditure Estimates for '05-06 is \$3,888,000 approximately, with an increase of \$5.4 million or 1.4% increase from the '04-05 budget.

* (16:30)

In Capital Investment, it is Part B.11, general assets of the department's expenditures are approximately \$34 million, an increase of \$6.6 million or 23.9% increase from the '04-05 budget.

The Capital Investment, Part B.14, infrastructure assets of the department's Expenditure Estimates for '05-06 are approximately \$94 million, almost \$100 million, representing an increase of \$16 million or 20.3 percent from the '04-05 budget.

Taking a look at the department overall, my department is really fortunate to have knowledgeable, qualified staff who are willing to put in long hours on behalf of the people of Manitoba to fulfil the mandate of Transportation and Government Services, and I would like to thank the staff of Transportation and Government Services for their efforts over the past challenging year and their continued efforts in the year to come.

There have been a number of changes in the department over the past year. While I was sorry to say goodbye to Gerry Berezuk, who is the Deputy Minister of Government Services, I congratulate him for taking on the challenge of the position of Deputy Minister of Water Stewardship, and I would certainly like to thank Mr. Berezuk for his contribution to Government Services over the years. All of us wish him well in his challenges and all the endeavours he takes in the Department of Water Stewardship.

Also, I would like to welcome Ms. Debra Woodgate to the position of Deputy Minister of Government Services. Ms. Woodgate comes to us

from Treasury Board and also the Department of Family Services with a valuable skill set that will be useful in her work in Government Services. I would like to take a moment to say farewell and thank you to all the staff who have retired over the past year from the department.

In addition to staffing changes, there have been some organizational changes in the department. In June '04 Government Services side of the department, Property Management and Accommodation Development divisions were amalgamated to form one division. The new accommodations services division officially opened its doors to provide facility management services to Manitoba government department, boards and agencies. The new streamlined organizational model is the result of hard work of staff at all levels of the organization in the development of a solution to improved delivery of services. Ultimately, the new division will provide a safe, healthy, productive physical environment in the most cost-effective manner as required by The Public Works Act and government policy. Accommodations Services is now moving forward to implement the concept of one building, one service, based on the principle of lifecycle viability and sustainability. The central tool needed for this work is the building infrastructure asset management system, which is currently in development.

Taking a look at highway infrastructure, in '05-06, the government will invest \$145 million in the expansion, improvement and preservation of Manitoba highways, a \$16-million increase in provincial spending from the last fiscal year. In '05-06 the public investment in Manitoba transportation represents a significant strengthening of service delivery in the areas that Manitobans have said are a priority, both the safety and sustainability of the highway infrastructure. This is a challenging task, considering that Manitoba's 19 000 kilometres of highway infrastructure is about a \$7.85-billion asset that includes roads, bridges, large culverts and related rights-of-way and traffic control devices.

The recent federal budget provided little support for provinces in their struggle to meet rising demands and cost pressures. The federal share of funding for these vital improvements is well below that what is needed to ensure the sustainability of the infrastructure over the long run. While we are pleased the federal government will begin to share a portion of gas tax with municipalities, unfortunately,

there are no similar gas tax investments to improve links with communities and export markets through highway infrastructure.

In Manitoba, you have highways like Highway 16, Highway 75, Highway 1, Highway 6, a number of key transportation routes that are truly important for the viability of many companies, not only for agribusiness, but also for the trucking industry and all the exports that we need to take care of and to ensure they get to the market on time. Rest assured, the Government of Manitoba continues to urge the federal government to release its grip on gas tax revenues it takes from our province with very little given back in return.

In the meantime, Manitoba Transportation has not sat idle. The data collected through our highways asset management system, initiated in the late 1990s under the previous administration, now provides solid trend information needed to inform and verify highway investment decisions to align with criteria for system viability and sustainability.

Some key examples of the infrastructure investment are areas as follows: the second phase to the upgrade of the northeast Perimeter Highway to four lanes from Highway 59, Lagimodiere Boulevard, to PTH 1 East will continue with approximately \$5.4 million for grading and base and concrete; pavement for new lanes from the east of PTH 59 to north of Gunn Road. Construction of a new \$2.3-million bridge over the CPR tracks will also be completed. It is anticipated that the new four-lane route will be open to traffic from the north of PTH 15 to the east of 59 in the near future. The twinning of the Trans-Canada Highway PTH 1 from Virden west to the Saskatchewan border continues under the joint federal-provincial strategic highways infrastructure program, called SHIP to most people, S-H-I-P.

Grading of 22 kilometres of new lanes on PTH 1, from west of PTH 83 to west of Elkhorn began late last year. The completion of the grading is expected later this summer. Grading of the final 11 kilometres of the new lanes from the Saskatchewan boundary to the 6 kilometres west of Elkhorn will also be undertaken in '05.

To date, \$6.8 million has been spent on the extending of the twinning from Virden west to PTH 83. The new lanes were opened to traffic in '03.

An additional \$29 million will be spent to complete the twinning of the final 33-kilometre portion of the Trans-Canada Highway from 83 to the Saskatchewan border. Work is underway and paving of the new lanes is scheduled for next year. It is anticipated that the new lanes will be open to traffic by the end of '06. Approximately, \$5 million in work will begin on the intersections of the Trans-Canada Highway PTH No. 1 at Blumberg Sports Complex and the Coverall/Husky intersections also cost-shared under SHIP, S-H-I-P.

Turning lanes and a divided median to separate traffic travelling in opposite directions will be constructed. In addition, an existing culvert will be replaced along with the installation of and adjustments to traffic signals, lighting and signals.

The \$25-million, three-year project to complete the expansion of PTH 59 to four lanes from Winnipeg to south of Ile des Chênes continues into its second year. Provided weather conditions permit, the completion of the grading will take place in '05. It is anticipated the new lanes will be paved in '06 and opened to traffic later that fall.

The recently approved two-year highway infrastructure program includes reconstruction on three major projects. Approximately 38 kilometres of PTH 68 from Poplarfield to Eriksdale will be rehabilitated and resurfaced to improve traffic safety and accommodate heavier truck traffic. The project was approved for \$10 million, and it was envisioned to be completed over a two-year period. Construction will commence this summer with the majority of the work expected to be completed this year. Once completed, PTH 68 will meet industry loading standards, RTAC, from Riverton to PTH No. 6. The completed upgrade will enable larger loads and removal of spring restrictions along the route.

The upgrading of PTH 16 through the town of Russell has also been approved. Approximately 3.5 kilometres of existing highway will be reconstructed to a divided highway which will improve safety and traffic operations on this important section of the Trans-Canada Yellowhead route near Russell. The total cost of the project is estimated to be \$7.35 million. Detail design, property acquisition, utility relocations will be planned for the '05-06 year with reconstruction expected to start during the summer of '06-07.

The upgrading of PTH 5 through Roblin has also been approved. Approximately \$2.5 million has been approved to improve safety on a 1.5-kilometre section of PTH No. 5 in the community of Roblin, Manitoba. An additional, \$0.6 million has also been included to upgrade the remaining 8 kilometres of PTH 83 north of No. 5 highway. Detail design, property acquisition, utility relocations will be planned in the summer of '06, with reconstruction expected to start in the summer of '06-07.

Infrastructure investment will continue to be a priority for the government as we work to renew and develop it as a central resource for growth and prosperity.

There is a whole issue related to transportation in my department that has environmental aspects related to it. Under the Kyoto Protocol, Canada is committed to a legally binding target to reduce greenhouse gas, GHG, emissions to 6 percent below 1990 levels between the years '08 and 2012. Transportation and building emissions account for over one third of all GHG emissions and will have to show their significant share of emission reductions.

With foresight, my department is undertaking a range of projects to address climate change impacts, greenhouse gas emissions, reductions, alternative fuel vehicles, building and transportation efficiency. Accommodation services, in partnership with Energy, Science and Technology, is undertaking a sustainable building initiative focussed on reducing energy consumption and greenhouse gases while achieving infrastructure renewal. Additional partners are also being pursued.

Leadership in sustainability by the procurement services branch fosters significant growth in the use of environmentally sound products while TGS is an acknowledged leader in the promotion of alternative fuel vehicles and E10 gasoline.

*(16:40)

The world-renowned Red River Princess Street Campus has garnered numerous international awards for its green building distinction. Waste-Stream Services is helping government operations effectively reduce flows of waste. Road salt management is working ahead of the curve to reduce road salt toxicity while protecting safety. The department is pursuing federal government climate change funding

for E85 gasoline testing and hybrid vehicles in Manitoba's fleet and for major renewal projects for government buildings. The department, in collaboration with Intergovernmental Affairs and the Energy Development Initiative, is partnering with the City of Winnipeg in the WINSMART proposal to Transport Canada. WINSMART is a cost-shared \$14.5 million or approximately a \$14.5-million proposal to showcase 20 integrated measures to reduce greenhouse gas emissions from urban transportation. Simply put, leadership in sustainable transportation will reward Manitobans with greater employment opportunities and new industry spinoffs, economic prosperity and better environmental conditions now and into the future.

Northern development overall is truly important to this government. We reiterate and state repeatedly that northern development is a priority for the government under its Northern Development Strategy. In terms of northern roads, major project work is planned for '05-06 on Highway 6, Provincial Road 391, and Highway 10 in Flin Flon. Another component of northern strategy is a rail passenger service review of VIA Rail services in northern Manitoba to address other problems with rail passenger service. This review will assess options and recommend a sound provincial strategy. By facilitating the transfer of the Sherridon Rail Line to First Nations, the department aims to preserve freight and passenger rail services to Pukatawagan as well as maintain the viability of forestry operations in that area.

We are undertaking a study on the Manitoba-Nunavut road initiative and route selection for a road linking the community of Rankin Inlet to the existing road network in Manitoba. The department is seeking federal cost sharing for a large-area transportation planning study for the east side of the Lake Winnipeg region in order to further advance the east side of Lake Winnipeg road.

Also, with regard to transportation, Mr. Chairperson, I have almost concluded my comments, but I think an important area that I have to touch on, which will impact I believe on Manitobans and industry in Manitoba for years and decades to come, is the Mid-Continent Corridor. An essential component of the government's northern strategy is our work on the Mid-Continent Trade Corridor initiative.

People ask, "Well, what has this got to do with Churchill? What has this got to do with northern

strategy?" We continue to pursue the development of this corridor, which can be defined as a ribbon of economic influence that runs through the centre of the continent from the Arctic down to Mexico, cutting a wide swath through the U.S. heartland. It is supported by extensive highway, rail and air networks that link the regions' economies. At the northern end we have Manitoba's Port of Churchill, which provides North America with marine access to and from global markets. The Arctic bridge concept is based on Winnipeg as a gateway from North America to Russia, Asia and Europe and leveraging both time and cost savings into a new logistics trade route.

We are negotiating a Churchill Gateway Development Initiative with OmniTRAX, the federal government and Saskatchewan to transition the Churchill transportation gateway to commercial viability. We continue to seek out opportunities to position Winnipeg to serve as a north-central point in North America and the North American continent for the collection of trans-shipment of goods shipped over the pole. There are a lot of efficiencies related to this, and the procurement and implementation of an automated permitting and routing system will enable the provision of enhanced services to the motor carrier industry as demand for overweight and overdimensional permits have been on the rise.

Intelligent transportation system funding available from Transportation Canada will partially offset the capital and operating costs associated with this system. When deployed, industry productivity will be enhanced, and it is anticipated that revenues will rise with demand. The consolidation of the permit services project will see TGS Permit Services assume responsibility for issuing truck permits on behalf of the cities of Winnipeg and Brandon. Industry will benefit from economic efficiencies derived from calling one central location for a single permit issued on behalf of three separate traffic authorities. As well, infrastructure protection will be enhanced by increased permit activity. In closing, I am pleased to report to the honourable members that projected expenditures for maintenance, preservation and enhancements to the road network for last year are 99 percent of the approved budget.

This concludes the brief comments that I am pleased to put on the record in my introduction of these Estimates. There are numerous programs and services we deliver that support the mandate of the

Department of Transportation and Government Services, and I will be happy to answer questions on those. Mr. Chairperson, I look forward to the critic's comments and indication as to how he would like to proceed, whether line by line or globally.

In my department, we have the Department of Transportation. Also, we have the Department of Government Services, and I have both staff waiting. I would be pleased to hear from my critic as to does he want to go globally initially, or does he want to go into Government Services or Transportation, or keep it more wide open? I am sure he appreciates that to have the staff sitting waiting for questions, both staffs, so I would appreciate hearing from my critic as to how he would like to proceed, but I do not want to really keep both staffs from both departments sitting here.

So I thank you very much, Mr. Chairperson, for the few minutes to allow me to explain what the department is doing in Transportation and Government Services and all the good work that the staff and the civil servants do day in, day out on behalf of Manitoba taxpayers. Thank you.

Mr. Chairperson: Before we proceed there is a little problem here. There are two critics. One for Transportation and one for Government Services. There has got to be some agreement among them whether both will speak, who will speak, and what.

Mr. Larry Maguire (Arthur-Virden): There will be no dispute on that issue. There are two critics here, but you recognize an arm if it is up. We will criticize the minister in a responsible manner as we are to move forward. I appreciate that.

I just firstly want to say that in my opening remarks to the minister that we will deal with Government Services tomorrow. If he wishes to allow them to come back tomorrow we will so instruct them. We will deal with the Transportation folks today from the Department of Transportation and tomorrow perhaps both could be available and we will deal with that at that time.

I just want to put on the record, Mr. Chair, as we begin, that I am pleased to discuss some of the issues around restructuring that the minister has put in place in regard to his department. I think that even by his own admission in his opening remarks he can see that there are discrepancies in some areas of

Manitoba in regard to his abilities to use the funds that have been made available to him. I appreciate the fact that the minister would request Ottawa for more funds in regard to his department, but I really feel strongly that if he were to have fought hard and strong for the dollars that were available from this growth in the province, and the fact that they have received some of the largest transfer payments from Ottawa that this government has ever, any government in Manitoba, has ever received, he would have found a good bit more of a responsible manner in which to prioritize the kinds of construction opportunities that are there in Manitoba. We will have some discussion on that later.

I appreciate the fact that he mentioned the importance of the Mid-Continent Trade Corridor and the fact that he will then recognize that all of our economic corridors in Manitoba need to be dealt with in regard to development and not just a few. As I have mentioned before, as my critic responsibilities for Transportation have continued, that the minister needs to look at prioritizing the types of economic activity, or the types of roads that would be built, first to RTAC levels, to twinning and to those sorts of things, according to the amount of economic activity that may take place on them. I will remind him again that if that was a priority of this government then, of course, they would, through greater economic development in the province, have the funds to be able to expand some of the other areas of Manitoba that they have chosen to put roads into that have detracted from the opportunities to keep the economic activity in Manitoba.

I want to say that my colleague from Carman, the member for Government Services, will also have some comments to some questions, I am sure, of the minister tomorrow in Government Services, if we continue on in Estimates in Transportation and Government Services tomorrow, and that my colleagues around the province, the critics for other areas who are not able to be here today, perhaps a few of them will have some questions of the minister tomorrow as well.

* (16:50)

With that, Mr. Chair, I would just request that we move forward on a global basis with the issues of Transportation today, and we will leave the issues of Government Services for another day.

Mr. Chairperson: Is that agreeable?

Mr. Lemieux: Agreed. I thank my critic for allowing the staff—

Mr. Chairperson: Today—

Mr. Lemieux: I was going to say, I thank my critic for allowing the staff from Government Services to not have to just sit here while the questions are going to be related to Transportation.

Mr. Chairperson: It is agreed then that for today Transportation will be the subject matter on a global basis.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of item 1.(a) and proceed with consideration of the remaining items referenced in the resolution.

At this time, we invite the minister's staff on Transportation to join us at the table, and we ask that the minister introduce the staff in attendance. Would the minister kindly introduce his staff.

Mr. Lemieux: Mr. Chair, first of all, I would like to introduce my deputy minister, Mr. Andy Horosko. Also, under Engineering and Operations, Assistant Deputy Minister John Hosang; Transportation Policies Assistant Deputy Minister John Spacek. Also, Mr. Paul Rochon of Administrative Services is here as well.

Mr. Chairperson: The floor is now open for questions.

Mr. Maguire: As I have thanked the minister for his opening remarks, I want to thank him for the introduction of the staff again, and I welcome you to the Estimates process of 2005.

I want to start off by thanking the staff of the Department of Transportation for the efforts that you have had through the year and for the meetings you have been at and attended around the province for the development of efforts in regard to trying to deal with the circumstances that are with us today in regard to the efforts of highways and transportation, other highways modes, air and water and bridges and roads and all of the construction efforts that are

asked for throughout the province of Manitoba on a regular basis. It is no easy issue to deal with, and I commend you and want you to take that back to your staff and departments for the efforts they have done and you have done on behalf of Manitoba citizens, and the best efforts you can deal with under the, perhaps, parameters the government may place you in, in regard to available funds or available criteria in those areas.

My only hope is that as we move forward and the minister moves aside in the next few years, we have the opportunity to work with you personally in regard to some of those areas. I know he is, believe he is tied up on some of those issues today, but my opening comments refer to priorities in regard to where Manitoba needs to go in its infrastructure. I believe strongly that there are issues of priorities that we need to move forward with and deal with in Manitoba.

I just want to begin by asking the minister a couple of questions in regard to his department. He mentioned there have been a number of changes and retirements in the department, but I wonder, first of all, if he can give us an indication of how many vacancies there are presently in his department.

Mr. Lemieux: Out of the total regular staff of 1383, there are 128 vacancies.

Mr. Maguire: The minister has indicated, then, that the balance of that, I assume, are presently employed throughout the departments. Can he give me any indication of, or would he just provide me with the details around the executive assistant staff that he has?

Mr. Lemieux: There are two staff.

Mr. Maguire: Can the minister indicate their names for me?

Mr. Lemieux: Ms. Martin-Osland and also Mr. Popke.

Mr. Maguire: Could he provide me with a list of the names of the persons, as well, in the deputy minister's office, if there are other political staff and executive assistants there?

Mr. Lemieux: Is my critic asking is there like a special assistant? Is that whom he is referring to, or

an executive assistant, that is political, to the deputy minister? I am not clear, because there is not anything like that.

An Honourable Member: I would think there is.

Mr. Lemieux: They have assistants, but they are not political.

Mr. Maguire: Thank you, Mr. Chair. That answers the question in regard to the types of personnel that will be there. Can the minister indicate whether there are any other special assistants in his department, besides the two that he has named, and who they are?

Mr. Lemieux: Mr. Chairperson, there are not any special assistants or executive assistants in the deputy minister's department or within government. I believe that there is, I am going by memory now, but I believe there is one person that is an Order-in-Council appointment within the department.

* (17:00)

Mr. Maguire: Can the minister indicate to me who that is?

Mr. Lemieux: I believe it is Mr. Laser.

Mr. Maguire: Can the minister indicate to me Mr. Laser's—the area that he came from, or his previous experience, and what his role is now?

Mr. Lemieux: Mr. Laser has been there, my understanding is, for a number of years now. I have been the minister for approximately a year and a half and his area of expertise or where he is working in is in Planning. He is a planning program analyst within the procurement branch, I believe, is the location where he is working. Mr. Laser has been there now for a number of years and is highly thought of in his area of expertise and area of work. I have been minister for a year and a half, but he has been within the department for a number of years now.

Mr. Maguire: Can the minister indicate to me just when he was hired?

Mr. Lemieux: I am sorry, Mr. Chairperson, I did not get the question.

Mr. Maguire: I wonder if the minister could indicate to me when he was hired, when Mr. Laser

was hired, just in regard to determining how long he has been in service.

Mr. Lemieux: He was hired in the spring of 2000.

Mr. Maguire: And his role is in the planning analysis department or area of highways. Can you be more explicit in regard to his role?

Mr. Lemieux: I know my critic can appreciate I am not aware of every single person that is in my department and the day-to-day work, but the area I am aware of by virtue of information supplied to me by staff here with me today has informed me that he is within the Government Services part of the department and he is a planning and program analyst within that branch.

Mr. Maguire: Was the minister correct when he indicated to me that this hiring was by Order-in-Council?

Mr. Lemieux: The short answer is yes, but my critic certainly understands, and I hope he acknowledges this, that ministers are not familiar with the duties of 1383 people and what they do every day, day in, day out.

Mr. Maguire: I thank the minister for his response. With 128 vacancies, he has 1255 that he knows here in his department. I certainly would not expect him to know all of those individuals either, but in the case of, and I respect the fact that the minister was not the minister in spring of 2000 either, but I wonder if he can check just to see where Mr. Laser came from in regard to his Order-in-Council appointment.

Mr. Lemieux: Mr. Laser, like many others, does valuable work for the taxpayers of Manitoba and is working hard day in, day out, to ensure, especially in the procurement branch by virtue of—well, I hear some calls, Mr. Chairperson, about, you know, you do not know who the person is, but how can—what kind of job they do.

I am saying in a blanket way, Mr. Chairperson, that we respect the work that civil servants do for the province of Manitoba, and we like to commend the work that people do within the department. That is what I am saying right now. Even though I do not know the specifics that they do, we know they work very hard on behalf of all Manitobans. All civil servants do so, and I am just making that comment.

Mr. Maguire: Well, there was not any question from our side of the House either in regard to the efforts of the civil service. In fact, I indicated my support and strength for their efforts in my opening comments. I guess the only thing I am asking the minister is to answer my question, and perhaps there are a few others going on at the same time. I would ask him if he could just give me some advice as to where Mr. Laser came from.

Mr. Lemieux: I will certainly take that under advisement, and I will try to get back to the member as soon as I am able to obtain that.

Mr. Maguire: I am assuming, then, that the minister can assure me that all other positions in the department have been hired on a competitive basis.

Mr. Lemieux: Yes, certainly, I have been advised to the best of my knowledge that people go through competitions and people serve the province well. We have a system that has been put in place by virtue of years and years, and of putting out competitions and having people go through those competitions. We have people in the human resources area that have expertise on screening people and passing people through the system, and selecting our civil service that we are very, very proud of. Thank you.

Mr. Maguire: Can the minister indicate to me just if there were any changes in his support staff from the executive assistant side in the last year?

Mr. Lemieux: No, there has not been.

Mr. Maguire: Have there been any reclassifications in those areas?

Mr. Lemieux: No, there has not been.

Mr. Maguire: I guess I am wondering just exactly what changes with the 128 vacancies that the minister expects to see. Is this an average number of vacancies that the minister would have in his department? I have seen in some Estimates, portions of the supplementaries here that we got today earlier, that, in the short time that we have had to peruse them, there are some areas that have not rehired, that there were vacant positions before that just have not been filled. I wonder if the minister can just indicate to us if the 128 vacancies are a normal amount for the size of his department or if he feels that it is.

Mr. Lemieux: With regard to the vacancies I referred to earlier, there is an ongoing effort on behalf of the department and human resources to fill a number of positions. The challenge that we have, of course, we have very good people within the department, and so when a position becomes vacant, you try to promote from within, but of course that creates a vacancy in a different area. If that person leaves, there is a vacancy there.

* (17:10)

So we are actively working and reducing that number. Our intent and our wish is that that be done. We are pursuing this avenue in a methodical way to try to select the best people we possibly can and continue to promote within where we have the opportunity to.

Mr. Maguire: The number that the minister has given me, 1383, with 128 vacancies, is that the number of employees solely in the Transportation Department, excluding Government Services?

Mr. Lemieux: I know that my critic has received the Supplementary Information for Legislative Review package on Departmental Expenditure Estimates. The numbers he is looking at, it is not to confuse him, but the numbers he is looking at are the regular staff years. The staff I am referring to are the Transportation and Government Services staff, not just Highways, not just Transportation staff, but the administration.

On page 17, if you look at the Administration and Finance staffing in your book, it will show you 117.25; Highways and Transportation shows 594; and then Government Services Programs shows 556.76. I do not have a calculator in front of me, but those are the numbers I am referring to when I talk about regular staff years.

There is another column there that deals with Infrastructure Works, which is dealing more with, well, construction, I guess, for lack of a better term. Those are the staffing that are used there.

Mr. Maguire: I thank the minister for that.

One of the issues that I did not mention in my opening remarks, because I wanted to ask him more here in Estimates as we move forward, is the fact that the minister has, for some time, been promising

Manitobans a vision statement. I believe it was Vision 2020 that the government had required for the area of development of a systematic plan for the province of Manitoba.

I guess I had the opportunity of attending a breakfast a year ago almost, a year ago last May, where the minister, as he had become the minister, had indicated to the crowd there in attendance that day via some questions, and I appreciate the fact that he responded to them, but indicated that the 2020 Vision that his department had undertaken would be made available last September. That was last May when he made that statement. I happened to be at the breakfast, and I just wondered in my questioning of the minister in the House, in Question Period, I have asked him about further updates on where the 2020 Vision would be at. I know that his member from Transcona was the chair of that group. They had discussions around the province in '02, I guess it would be, '03 for sure. I wanted to just ask the minister if he can tell us today when the Vision 2020 statement will be made available to Manitobans.

Mr. Lemieux: I thank the member from Arthur-Virden for the question.

I cannot remember exactly the comments that I made at the meeting, but certainly I know that I commented on the fact that we were very pleased to have input from many, many different individuals dealing with the 2020 Vision consultative process that took place. You have people who are with the Association of Manitoba Municipalities. You have people with the Assembly of Manitoba Chiefs. You have people who have a vested interest in transportation overall.

Since that time, since those consultations have taken place, you have had a number of different events taking place in Canada. One, the Prime Minister of Canada stated, I might be corrected here, but I think he said 5 cents a litre initially came out that he would be giving back to the provinces in gas tax revenues, back to the province for transportation infrastructure. That has since taken place, since those consultations.

In actuality what has happened is that now there is 3 cents a litre that has gone back to the municipalities, which is tremendous, I guess. I am sure the municipalities are very pleased with this. I am really pleased that the federal government is able

to do that. I think it was a well-known fact through not only the consultation process that Manitobans and other provinces realize the necessity to get some of that gas tax revenue, the \$165 million that the federal government takes out of Manitoba. We need to get part of that back. No one is saying we want all of it back, but we are saying we need a good portion of that back. That is not just to municipalities. That is to the province of Manitoba. We have 19 000 kilometres of roads in the province, and we need to address those links between communities as well. That was one issue.

I am not sure where the Conservative Party of Canada stands with regard to gas tax revenues, whether or not they plan on giving the province back—if I had the opportunity to ask Mr. Harper, I would ask Mr. Harper, you know, "Would you give back \$100 million to the province out of the \$165 million?" I hope if there is an election in the very near future that Manitobans will put that question to the Conservative candidates when they knock on the door and say, "I want your vote." Hopefully, they will place that question to all candidates, quite frankly, that come to the door, and say, "Are you willing to give above that \$165 million back to the province of Manitoba?"

Paul Martin, to his credit, Prime Minister Paul Martin, did deliver on the gas tax revenues back to the municipalities. To me that is only one part of the puzzle. I believe there is another portion that has to be addressed, and that is the money going to the provinces. Even though the Province of Manitoba has put \$16 million more into transportation infrastructure this year than last, it is still not enough. We all acknowledge that. I am sure my critic will acknowledge that. We need to find more dollars, quite frankly, to put into the transportation system. I believe one avenue is through the federal government.

I hope, whether it is the federal Liberals, whether it is the federal NDP—actually Prime Minister Jack Layton has a nice ring to it, but, you know, no matter who the government is in Ottawa, I would hope that they would all address this transportation deficit that we have. We will hear where Paul Martin, Jack Layton and Stephen Harper, where all these three gentlemen stand and the three parties stand on giving more monies back to the provinces with regard to dollars.

Mr. Maguire: I guess I am a bit surprised, given the new relationship that the member's party has with the federal government and the Prime Minister, I did not think he would be worried about what the federal Conservatives were thinking of because, arm in arm with the Liberals in Ottawa, I thought he would have all the confidence in the world that they would be able to continue to wring that money out to the provinces so that they could continue to build efforts.

I think the biggest issue here is that we have to recognize that this minister—and I am sure he does recognize that this government in Manitoba just received the largest transfer payment, one of the largest that the province has ever received, in \$359 million, on top of the growth that they have had from the extra taxes that they have charged Manitobans.

I guess just one small question that I would have in regard to the minister is can he recall when the Prime Minister first indicated that the statement of 5 cents a litre would be made available.

Mr. Lemieux: I am sorry, I cannot. I am not sure exactly of the specific date of when that was made, but I am sure the monies that British Columbia just recently received from the federal government, it is nice to see the Prime Minister delivering on that commitment. All other provinces are anticipating receiving their portion of that commitment he made to the provinces through infrastructure.

* (17:20)

Of course, I believe all provinces are also, certainly, hoping that the municipalities put some of those dollars toward their transportation infrastructure challenges they have. It is their decision to make, but, in conversations I have had and in meetings I have had, many, many of the municipalities would agree that they would like to and, I think, are anticipating putting some of that money towards their transportation challenges that they have in their own communities and within their own rural municipalities, cities, towns and villages.

Mrs. Mavis Taillieu (Morris): In 1993, the Municipality of Headingley and the then-Minister of Transportation and Government Services agreed on the unsafe condition of PTH 1 West between Winnipeg and Headingley. They agreed on the potential of commercial development along the highway and the benefits of upgrading that piece of

the highway. In 1996, a study and design for the upgrading was completed by your department, and I am sure the staff here would recall that. They would like to thank them for their work in that. In 1999, the first improvements were accomplished with the construction of the new controlled intersection at PTH 1 and PR 334. In 2001, a memorandum of understanding regarding PTH 1 West proposed highway upgrading and access management plan was signed by the Honourable Steve Ashton, who was the Minister of Transportation and Government Services at the time, and Wilf Tallieu, the Reeve of Headingley.

The R.M. has managed to accumulate substantial tracts of land for upgrading that area. They have extended sewer and water services and infrastructure anticipating commercial growth. At present, there are two commercial developments proposed right along that stretch, one being the eco-waterworld park, and the other, a Flying J Truck Stop. Applications to government have resulted in a bit of a problem here in that the proposal from the department is that the access to this site will have to be strategically placed at PTH 1; that is the west limit of RL 87 east property line of the Manitoba Hydro transmission line, but, more importantly—*[interjection]*

Well, okay, I will just simply ask the minister this: What are the imminent plans to upgrade that section of highway and twin that section between Winnipeg and Headingley so that further developments are not impeded, further commercial developments are not impeded in the process?

Report

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

THAT the Minister's Salary be reduced the cost of one native crocus plant, \$4.99.

Mr. Chairperson, this motion was defeated on a voice vote. Subsequently, two members requested that a formal vote on this matter be taken.

Formal Vote

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

All sections in Chamber for formal vote.

In the section of the Committee of Supply meeting in Room 254 considering the Estimates of the Department of Industry, Economic Development and Mines, the honourable Member for Fort Whyte (Mr. Loewen) moved a motion to reduce the Minister's Salary to the cost of one native crocus plant, seconded by the honourable Member for Portage la Prairie (Mr. Faurichou),

THAT the Minister's Salary be reduced to the cost of one native crocus plant, \$4.99.

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

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 20, Nays 30.

Mr. Chairperson: The motion is accordingly defeated.

Mr. Chairperson: The hour being after 5:30 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being past 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 2, 2005

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Murray

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