



Second Session - Thirty-Seventh Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable George Hickes
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	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	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 1, 2001

The House met at 1:30 p.m.

Madam Clerk (Patricia Chaychuk): It is my duty to inform the House that Mr. Speaker is unavoidably absent. Therefore, in accordance with the statutes, I would ask the Deputy Speaker to please take the Chair.

PRAYERS

ROUTINE PROCEEDINGS

MATTER OF PRIVILEGE

Pan Am Clinic

Mr. Darren Praznik (Lac du Bonnet): I rise on a matter of privilege and will have a substantive motion at the end of my comments. Mr. Deputy Speaker, there are two preconditions to the issue of a matter of privilege, one being timeliness and the other demonstrating a prima facie case.

Mr. Deputy Speaker, with respect to timeliness, the document which becomes so very critical to this matter was only made available to the public this afternoon at 12:30, and I would like to table, Mr. Deputy Speaker, three copies of it. This is from the Winnipeg Regional Health Authority with the analysis with respect to the purchase of the Pan Am Clinic.

Mr. Deputy Speaker, it is with great regret that I have to rise on this matter of privilege because I have always believed that, although there is some liberty taken by all of us in this House as active politicians, if the public is going to have a thorough debate on the issues of the day, it has to rely on those who control the information, particularly within government, that being the ministers of the Crown, to be as forthright as possible in the information they bring forward. Having worked with the Minister of Health (Mr. Chomiak) and having known him for many years, I am quite disappointed in this situation, and it is with regret that I have to rise today with this particular motion of privilege.

Mr. Deputy Speaker, if you will peruse Hansard you will find that on page 404 for April

11, 2001, in answer to a question from the Member for Charleswood (Mrs. Driedger) as to what the public were purchasing for \$4 million in the purchase of the Pan Am Clinic, the minister made very clear in his answer, and I quote: It was for the purchase of the building, the equipment and the surgical suites.

On numerous occasions, we put many questions to him asking for more information, giving him the opportunity, as is our duty and responsibility as members of the Opposition, to question public expenditures, Mr. Deputy Speaker. We asked him on many occasions to tell us the details of this particular sale. One of the few details that the Minister of Health (Mr. Chomiak) provided to the public and to members of the House, perhaps maybe the only detail, was that public money was being used to purchase a building, equipment and surgical suites. At no time did this minister indicate to this House, to the people of Manitoba, that there was more to the purchase. For us on this side of the House, in fact, for all members of this Assembly who are not part of the Treasury bench, for us to do our job to ensure public accountability it is important that we rely, or be able to rely on accurate information being provided by ministers of the Crown.

Mr. Deputy Speaker, if you peruse Hansard over the last few Question Periods in which this has been an issue you will find that, on numerous occasions, we gave this minister the opportunity to tell us what he had purchased. He chose not to assign a value, but he did clearly indicate that we were purchasing buildings, equipment and surgical suites for the \$4 million.

I would also like to table the press release issued by the Minister of Health, I believe it was on the 2nd of April, 2001, when this minister announced the purchase of the Pan Am Clinic. In it he indicates that Manitoba was buying a building, equipment and operating rooms. So the minister, in his public pronouncements, has been very clear. In fact, the only detail that he has really provided other than the \$4-million

purchase price was that it was for a building, equipment and operating rooms.

* (13:35)

In the document that I tabled, the PricewaterhouseCoopers analysis, I would refer you to page 2 of the actual document not the executive summary, but under section 2, the acquisition, under the heading "Deal Structure" and I would refer you to points one, two, three down, Mr. Deputy Speaker. It clearly indicates, and I quote: The purchase of the good will of Pan Am and all business and financial records by the Winnipeg Regional Health Authority for a purchase price of approximately \$700,000 to be paid in equal instalments over three years, contingent upon each Pan Am partner continuing to practise at the Pan Am Clinic.

Mr. Deputy Speaker, from the minister's own document, he is clearly indicating that this purchase included good will, financial records, and was part of ensuring for that bonus the continued practice of the physicians at Pan Am.

Members on this side of the House have continually given this minister the opportunity to tell us the components of this deal. He has not told us the truth, that the deal was larger than buildings, equipment and operating theatres. From his own documents, we know that there was \$700,000 for good will. The minister had opportunity to tell us that. The minister could have said one of those components was good will. He could have told this House that they were buying an active business, but he did not do that. He said very clearly that they were buying buildings, equipment and operating theatres.

Members opposite, including the Premier (Mr. Doer), may at this time now be thinking—

Mr. Deputy Speaker: Order, please. The Opposition House Leader, on a point of order.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Deputy Speaker, this is a very serious matter which we are dealing with today, and I do believe all members should be listening.

Mr. Deputy Speaker: We encourage all members to please maintain the order, but I do not think there is a point of order.

* * *

Mr. Praznik: The Premier (Mr. Doer), the Minister of Health (Mr. Chomiak) and members of the Government may make light of this, but one of the key fundamental principles of our parliamentary system is ministerial accountability. All members of this House have the right to expect that Cabinet ministers when they provide an answer will be as accurate as possible and will not knowingly mislead members of this House.

Mr. Deputy Speaker, the Minister of Health is Minister of Health. He had access to the details of this arrangement. He put out a press release in his name. One of the only questions he answered on the subject was to establish what we were buying: building, equipment and operating rooms. Never once did this Minister of Health tell this Assembly, as is our right to expect, that the deal included the purchase of good will. This is a very serious matter. Our parliamentary system works because ministers can be held accountable. It is the job of Opposition to question, particularly the expenditure of the public's money. It is not the money of the Minister of Health, it is not the money of the Premier, it is the money of the people of Manitoba. For us to question their expenditure, to ask the tough questions, we are required to have accurate information.

As I have said, in his own Pricewaterhouse report provided to the public today, it clearly indicates that part of the purchase of \$700,000 was towards good will. It does not say assets, it does not say operating theatres, it says good will. If the members opposite believe in this parliamentary democracy, if the Premier (Mr. Doer) stands by his words that he believes in open government and accountability, then surely to goodness his minister or he could have stood in this House when asked and tell us all of the components on which public money was being spent.

If we are to do our job on behalf of the people of questioning the actions of the Government, their expenditure of public money, we

have to be able to rely on the information that they provide because they control it. It is in their control. If they are going to mislead this House and deliberately mislead this House then we cannot do our job, and doing our job is essential to holding a government accountable on behalf of the people.

* (13:40)

So this Minister of Health and this administration by not telling us the truth, all of the components of this particular deal, have made it difficult if not impossible for us to do our job which is a legitimate job in the public and democratic parliamentary process to hold the Government accountable. Members opposite may laugh, the Member for Interlake (Mr. Nevakshonoff) and others may make comments, but no government should be left on its own without being held accountable. We need to know that ministers when they bring information to this House will be accurate.

I would move, seconded by the Member for Kirkfield Park (Mr. Murray), THAT the Minister of Health (Mr. Chomiak) did break the privileges of all members by misleading this House when he said, and I quote: when we announced the agreement in principle to purchase the Pan Am centre, it was to purchase the building, the equipment and the surgical suites. Both in this House on April 11, 2001, and in the press release of April 2, 2001, when he announced the agreement in principle to purchase the Pan Am centre the minister failed to inform members of this House that he was paying \$700,000 to purchase an ongoing business, the good will of that business, and that this matter be therefore referred to a Committee on Privileges and Elections for the committee's consideration.

Mr. Deputy Speaker: Before recognizing any other member to speak, I would remind the House that contributions at this time by honourable members are to be limited to strictly relevant comments as to whether the alleged matter of privilege had been raised at the earliest opportunity and whether a prima facie case has been established.

Hon. Dave Chomiak (Minister of Health): Mr. Deputy Speaker, I think it is extraordinary that members opposite are trying to twist and turn in

the wind with respect to this because they cannot find legitimate arguments to make. As they embrace the American private system, they will look for anything. What else would answer the fact that this Member for Lac du Bonnet, when questioning us on the deal—

Mr. Deputy Speaker: A point of order being raised, please state your point of order, the Opposition House Leader.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): I am sure that you clarified to this House that they were to be dealing with whether this was a prima facie case or the time limits. This member is just attempting to create more debate within this House, and he is provoking debate. He is only trying to cover up the issue.

Mr. Deputy Speaker: On the same point of order?

Mr. Chomiak: Mr. Deputy Speaker, the member was characterizing a number of comments. I am attempting to deal with the prima facie case by virtue of dealing with a whole series of comments on this issue by both the Member for Lac du Bonnet and myself dealing with this issue.

Mr. Deputy Speaker: Our rule states that it shall be limited to whether the issue had been raised on time and whether there is a prima facie case. The honourable minister, please confine yourself to those two matters.

* * *

Mr. Chomiak: Numerous questions were asked by members opposite following the announcement of the agreement in principle. There was an agreement in principle, Mr. Deputy Speaker, when the deal was announced by an agreement in principle. Following that, there was a series of discussions and questions back and forth. In addition, we indicated that the Government, pending final signing of this agreement, was doing due diligence.

That due diligence was released today. That due diligence which points out that, through the

review they concluded the base financial case for the existing facility, the acquisition is economic and fair. That is what that due diligence indicated, that the deal was economic and fair.

* (13:45)

Mr. Deputy Speaker, when I was asked in this Chamber by members opposite about this issue, let me quote what I said in the House, in Hansard, page 404, April 11: As we indicated when we made this announcement to agree to the agreement in principle, we were finalizing due diligence and the information will be provided to the House and to the members opposite. Later on, I said: Unlike what was done during the previous decade of deals like Smart-Health, deals like Connie Curran, deals like frozen food, I indicated at the press conference—

Mr. Deputy Speaker: A point of order being raised, the Opposition House Leader. The Opposition House Leader, on a point of order.

Point of Order

Mr. Laurendeau: Mr. Deputy Speaker, I do believe that you have already called this minister to order once. He should be referring to matters that are already before the House, and he should not be provoking debate.

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

Hon. Gord Mackintosh (Government House Leader): On the issue of points of order, Mr. Deputy Speaker, would you please provide some instruction to the House as to whether points of order are going to be recognized when a matter of privilege is before the House.

Mr. Deputy Speaker: There has been a ruling by Speaker Hickes, that if the point of order is relevant to the matter of privilege, it can be raised.

Mr. Chomiak: Mr. Deputy Speaker—

Mr. Deputy Speaker: Is that on a point of order?

Mr. Chomiak: No.

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please. I have to give a ruling on the point of order raised. The rule is clear. Comments should be limited to timeliness of raising the issue and to the matter of prima facie case. If the facts are relevant to the prima facie case, it should be clearly so. If it is not, then we are on a matter of order.

* * *

Mr. Deputy Speaker: The honourable Minister of Health, on the point of order?

Some Honourable Members: No.

Mr. Deputy Speaker: I have dealt with the point of order. I am recognizing the Minister of Health on the matter of privilege.

Mr. Chomiak: Mr. Deputy Speaker, if I can continue without interruption, I would hope, from the House Leader, and as I said on April 11: We will be making all these materials available when we sign the final documents of the agreement.

Mr. Deputy Speaker, prima facie, I indicated in this Chamber that documentation would be provided. We have documentation that we would provide on the final signing of this agreement. Further, members opposite said all kinds of things about this deal.

It is very clear they did not know a lot of aspects of basic common sense of business. You have (a) an agreement in principle, (b) one normally suspects that in a normal business transaction there are certain business assets and certain business good will that goes with the purchase. That is basic business sense.

I am sorry that members opposite—

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

* (13:50)

Mr. Chomiak: Thank you, Mr. Deputy Speaker. It is a basic business practice, and I am surprised. Maybe I am not so surprised that members opposite are not aware of that. I stood up on many occasions in this House and have already quoted. [*interjection*] If the members opposite really took it seriously, I think they would listen to the response which only indicates that it is a tactic.

Mr. Deputy Speaker, it is surprising that when one tries to get one's point on the table, members opposite either drown it out or do not listen and that goes to the heart of this matter which is not a matter of privilege, which is a dispute over the facts and which is an attempt, in my view, by members opposite to try to make a point that they have not very effectively made in the House previously.

In addition, I would like to say that we indicated (1) agreement in principle, (2) documentation would be provided both at the press conference and in this House. We are in a position where today the due diligence was tabled. It was provided, something that never happened before, which is an indication of our forthrightness in providing this information of the public's money.

At this time, Mr. Deputy Speaker, not only did the due diligence that was referred to by the member opposite indicate some of those factors, but it also said that the acquisition is economic and fair from a financial point of view to the WRHA, with a net benefit of \$1.2 million on this deal. So it is very clear that information was provided. The information was provided. The member opposite is trying to make an issue, I believe, that he is stretching the rules in order to try to make a point. I think it is ironic. I think it is ironic that that same member who was circulating in the hallway last week on this issue, making spurious allegations, would have the gall to stand up in this House, the member who was quoted on CBC as saying the Premier (Mr. Doer) goes on regular fishing trips with Brian Postl and with several of the Hildahl brothers on a regular basis. The member who said that, and is quoted on CBC, would have the gall to stand up and say we are not providing the information that we are providing, that we did provide, we promised to provide and will continue to provide.

Mr. Laurendeau: On the issue of the matter of privilege, Mr. Deputy Speaker: a prima facie case and time limits. On the prima facie case, let me read from the minister's own words: "as we indicated at the press conference when we announced the agreement in principle to purchase the Pan Am centre, it was to purchase the building, the equipment and the surgical suites." This is part of the prima facie case.

On the time limits, Mr. Deputy Speaker, we received today a news release from this minister. In this news release which we received today, and that is the timeliness on this matter, the purchase of the good will of the Pan Am and all business and financial records by the WRHA for purchase price of approximately \$700,000, it is very clear that he spoke mistruths on the record in this House when he said that he did not pay anything for the good will. In today's words that he gave to us, it says that he paid \$700,000 for good will. There is an agreement between him and his friends, and we can now see it clearly. There were also only two proposals put to get it. We are waiting to see what else this minister has put on the record that was misinformation.

Mr. Mackintosh: On the matter of privilege, I will be certainly making the argument to you that this certainly is no matter of privilege. It does not come near it, Mr. Deputy Speaker, and in fact it does not even come near a strong or valid argument.

First of all, with regard to whether the matter was raised at the earliest opportunity, I will not deal with that. I will move to the issue as to whether there could be some prima facie case here, and I want to talk about just how pathetic this presentation was by the former House Leader opposite.

First of all, Mr. Deputy Speaker, *Beauchesne's* makes it clear that a matter of privilege is a very, very special form of procedure, a way of raising the attention of the House to breaches of ways that the House does business and members are able to conduct the business on behalf of constituents. *Beauchesne's* says that the privileges of Parliament are rights which are absolutely necessary, absolutely necessary for the due execution of its powers. *Beauchesne's* then goes on to say at Citation 31 "A dispute

arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege."

* (13:55)

Now what we have here is the rule book, and there was such concern on the part of members that have gone before us in this Assembly that they put also in the rule book that very same citation, that allegations of facts and disputes arising on those do not fulfil the conditions of parliamentary privilege. I will be making the case that what we are talking about here is simply some dispute and I would say a very weak dispute from members opposite.

There are, of course, precedents. I believe the member opposite had a chance to put his best foot forward. We heard his best foot, and I believe now it is incumbent on us to deal with the matter of privilege, if it is indeed a serious matter, if it is, as the members opposite allege.

Mr. Deputy Speaker, first of all, there have been precedents in this House by Speaker Rocan, going back to 1992-93 and to Speaker Dacquay in 1995 that regarded matters coincidentally of allegations about the Minister of Health making information available outside the House. What the rulings of this House have held is that, for example, Speaker Rocan said that the Minister of Health in dealing with the matter of allegations that the Minister of Health provided information to persons outside the House but withheld same information from members of the House—*[interjection]* Well, I think that is what the allegations were about, information being made in the House and information being made outside the House which members opposite are saying somehow there was some disparity.

Mr. Deputy Speaker, I wonder if the members opposite actually believe this is a serious matter because all I hear are the cackles over there. One thing has been said over and over again in this House in Question Period over the last week or two and that is the Minister of Health saying that the full details of this arrangement would be made known to Manitobans and members opposite. I want to quote, for example, on April 11, the minister

said: "As we indicated when we made this announcement to agree to the agreement in principle . . . we were finalizing due diligence and that information will be provided to the House and to the member opposite," referring to the Member for Charleswood. "I hope she will read it carefully when it is done and that will be shortly."

He then went on to say: "as I indicated at the press conference, we will be making all these materials available when we sign the final documents of the agreement. I hope the member will have an opportunity to review them. We will have a discussion at that time."

All we have heard is an openness, an agreement to fully disclose all aspects of the agreement, to table the documents, not do something behind closed doors like we had with SmartHealth, not like with frozen food, but to be entirely forthcoming to Manitobans and members opposite. So, Mr. Deputy Speaker, what we have are allegations now that somehow the Minister of Health got up and misled the House. First of all, the motion on the matter of privilege alleges that the minister misled the House. That would not, even if proven true be a matter of privilege. It is not a matter of privilege. Perhaps deliberately misleading, intending to mislead, but misleading the House has never in the history of this institution been anything near a matter of privilege, and then going on to complain that the minister failed to inform members. All we heard was his agreement to inform members fully, fully, fully and he has done that today.

I want to just conclude that if there are to be allegations made about misleading the House, it is incumbent on the Opposition or the person alleging that so-called breach of privilege to show clear evidence, prima facie evidence that there was a deliberate attempt to mislead and indeed it has required in the past, Mr. Deputy Speaker, as you well know, essentially an admission from the minister. What we have here is the complete opposite. We have an agreement to fully disclose and inform. There is no prima facie evidence whatsoever.

If members opposite want to continue to use matters of privilege to interrupt the proceedings

of this House, to use a matter of privilege rather than get into a debate in this House which there are plenty of opportunities to do so, I think that is unfortunate and I do not think that reflects well at all on their respect for the rules and the orderly conduct of the business of this Legislature.

Thank you very much.

* (14:00)

Hon. Jon Gerrard (River Heights): Mr. Deputy Speaker, I rise to support, on this occasion, the Member for Lac du Bonnet (Mr. Praznik) because I think that there is, in this instance, a prima facie case, that this subject which has been intensively discussed and debated during Question Period over the last number of days, that there has been less than transparency, there has been clear intent here to put on the table a purchase price which was larger than the buildings, the surgical suites and the equipment. We now have an explanation for why the purchase price was so high, that there were things which were not revealed early on and which could have been revealed very easily.

It is perhaps understandable why the Minister of Health (Mr. Chomiak) would want to hide this deliberately from us. I think that, in part, this is a reflection of the fact that the present government and the Minister of Health do not really have a framework for what they are doing in health care; that the fundamental problem here is that we have a government which is taking over private clinics with a great deal of enthusiasm and excitement, as the minister has said yesterday; and that the logical extension of this policy which the minister is so enthusiastic about is the takeover of the dozens of other private clinics which exist in this province, a procedure and an approach which, quite frankly, Mr. Deputy Speaker, does not make any sense. The illogical approach that the minister has taken is part of the reason that we have ended up in this circumstance where there are facts which have been hidden.

I believe, as we saw yesterday, one of the things that happened here is that the minister does not have a clear framework for what he is doing. He does not have a clear framework for

what he will do in terms of taking over an individual clinic. So we have the minister saying initially that he was going to buy a building, equipment and surgical suites. Today, the minister is saying that he is going to buy not just building, equipment and surgical suites but good will, and provide incentives for people to keep on working there because he is concerned that if he did not provide some financial incentives that people would be frightened about the Government takeover and they might well go elsewhere, establish another clinic or leave the province.

It is clear that the minister perhaps had some reason, because he has not got his act in order. He has not had a framework for being somewhat deceptive in this instance, but that does not explain nor does it allow the minister to be deceptive to this Legislature in the fashion that he has been. Clearly, what this Legislature needs is, starting at the top, a coherent framework for whether this is a government which is going to have a consistent policy of taking over all the private clinics or just do a little bit of ad hoc management as they seem to be doing. Is this a government which actually has a framework for how it is going to purchase a clinic and where it is and what it is going to pay for? Clearly not. All this ad hockery that we are seeing is the underlying reason for this deceptive approach. It is sad to see the Government doing this and sorry that this has happened, but I think quite clearly there is a prima facie case, and I hope that you will rule that there is, Mr. Deputy Speaker. Thank you.

Mr. Deputy Speaker: A matter of privilege is a serious concern. Therefore it requires a little bit more study. I am going to take the matter under advisement to consult the authorities and will come back and return to the House with a ruling.

PRESENTING PETITIONS

Manitoba Hydro Lines Routes

Mr. Ron Schuler (Springfield): I beg to present the petition of D. Brotchie, G. Hanks, G. Heft and others praying that the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230 kV

and 500 kV lines proposed for the R.M. of East St. Paul.

Kenaston Underpass

Mr. John Loewen (Fort Whyte): Mr. Deputy Speaker, I beg to present the petition of Fred Anderson, George Waters, Scott Johnston and others praying that the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

Mr. Frank Pitura (Morris): Mr. Deputy Speaker, I beg to present the petition of Brian Murphy, Linda Champagne, Earl Geddes and others praying that the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

READING AND RECEIVING PETITIONS

Manitoba Hydro Lines Routes

Mr. Deputy Speaker: The honourable Member for Springfield (Mr. Schuler), I have read the petition and it conforms to the privileges and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

Mr. Deputy Speaker: The Clerk will read the petition.

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

THAT the R.M. of East St. Paul has the highest concentration of high voltage power lines in a residential area in Manitoba; and

THAT the R.M. of East St. Paul is the only jurisdiction in Manitoba that has both a 500kV and a 230kV line directly behind residences; and

THAT numerous studies have linked cancer, in particular childhood leukemia, to the proximity of power lines.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of

Manitoba request that the Minister responsible for Manitoba Hydro consider alter-native routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Harry Schellenberg (Acting Chairperson): Mr. Deputy Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again. I move, seconded by the honourable Member for Riel (Ms. Allan), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Drew Caldwell (Minister of Education, Training and Youth): Mr. Deputy Speaker, I would like to table both the Department of Education, Training and Youth and the Department of Advanced Education Supplementary Information for the 2001-2002 Expenditure Estimates.

INTRODUCTION OF BILLS

Bill 14-The Consumer Protection Amendment Act

Hon. Scott Smith (Minister of Consumer and Corporate Affairs): I move, seconded by the Minister of Education, Training and Youth (Mr. Caldwell), that leave be given to introduce Bill 14, The Consumer Protection Amendment Act: Loi modifiant la Loi sur la protection du consommateur.

Motion presented.

Mr. Smith: We are proposing amendments to the consumer protection provisions for Internet transactions that were passed in the last session. The amendments recognized that the 30-day grace period for delivery of goods or services is not appropriate for travel products or other such similar time-sensitive purchases. The amendments propose that for these types of

Internet transactions, the buyer can cancel the agreement if the goods or services are not provided by the date agreed upon. The bill also makes a number of corrections to the French version of the consumer protection provisions for Internet transactions.

Motion agreed to.

* (14:10)

ORAL QUESTION PERIOD

Pan Am Clinic Purchase—Surgeon Bonuses

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Deputy Speaker, we have heard from the Minister of Health (Mr. Chomiak) regarding the purchase of the Pan Am Clinic. He indicated that the Government had bought the building, the equipment and the operating suites for \$4 million. Today we have learned that a report released by the WRHA said in fact that the Government has paid \$700,000 good will and a bonus for the surgeons of the clinic.

Can the Premier please tell the House why his Government is paying a bonus of \$700,000 for the surgeons, who will do the same work today once the deal is closed? They are getting paid the same amount today as they will after the deal is closed. Why is he spending \$700,000 as a bonus?

Hon. Gary Doer (Premier): Mr. Deputy Speaker, as was indicated at the initial announcement of the memorandum of agreement that was initiated by the health authority and announced I believe it was April 2, we indicated at that time, or they indicated at that time, that there was due diligence that was performed. There was a further due diligence outside report conducted beyond that. I would quote members to the economic conclusions: The base case net present value of the five-year cash flow projections for the existing facility is \$5.175 million, comparing the purchase price of 3—

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Doer: Mr. Deputy Speaker, I did not interrupt the Leader of the Opposition. Perhaps you can get some control on his members to listen to the answers.

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Doer: Thank you, Mr. Deputy Speaker. The report made public today indicates that the purchase price of \$3,959,000 to this value indicates a net benefit of the acquisition of \$1.216 million, which indicates that the acquisition is economic and fair from a financial—

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please. I cannot hear the First Minister.

Mr. Doer: Thank you, Mr. Deputy Speaker. The acquisition of \$1,216,000, which indicates that the acquisition is economic and fair from a financial point of view to the Winnipeg Regional Health Authority, that is the conclusion of the due diligence. The real rhetorical question is: Why did you not raise that issue in your question about the value of the deal that was made?

Mr. Murray: Well, Mr. Deputy Speaker, the Premier and the Minister of Health (Mr. Chomiak) made it clear. They said they bought a building, equipment and operating suites for \$4 million. Never once did the Premier tell Manitobans that he was using their tax dollars to buy a business.

As a matter of fact, I would like to quote what the Minister of Health said in Hansard. He said: When we announced the agreement in principle to purchase the Pan Am centre, it was to purchase the building, the equipment and the operating suites.

Can the Premier please explain to Manitobans why he spent \$700,000 of their hard-earned tax dollars to give a bonus to a bunch of surgeons?

Mr. Doer: Mr. Deputy Speaker, the Leader of the Opposition is not dealing with the conclusion made by the external report that deals with this

facility. The conclusion dealing with all the issues, the net benefit of the acquisition is \$1.26 million. It is economic and fair from a financial point of view to the people of Manitoba through the Winnipeg Regional Health Authority.

I would also point out, and something that I know members opposite do not care very much about, but today the health authority in dealing with this decision that they had made said that this external due diligence verified the numbers that they had made prior to the announcement on April 2, the CEO of the Winnipeg Health Authority: We can direct people to the right place for care based on their needs. The savings to the hospital system will be an operating room time freed up from other procedures, allowing us to serve more patients. Through this deal, the Pan Am Clinic will get expanded and updated facilities they want, and that will be assured at seeing enough patients to make the cost of the expansion recoverable.

Mr. Deputy Speaker, by removing the cap, this also improves what should be the most important issue here, and that is the number of procedures available for patients in Manitoba. This is good for the patients of Manitoba.

Mr. Murray: Mr. Deputy Speaker, the rambling diatribe of the Premier is somewhat hard to follow, so I will ask it very directly to him: Why is it that the Premier will not give Manitobans meaningful tax relief, but he will give \$700,000 bonus to a bunch of surgeons? It is a direct question. Please answer it.

Mr. Doer: A direct answer: We did give tax relief in the last budget. We reduced. That is the problem with members opposite. They cannot handle the truth. We reduced personal income tax by 10 percent. We reduced corporate income tax for the first time since the Second World War. We reduced small business income tax and raised the threshold for small business. We reduced the property tax credits by \$75. We reduced four taxes. We also reduced by millions of dollars the tuition fees for Manitoba students, which in turn is a reduction. So that deals with the first part of his fallacious question.

Dealing with the second part of his fallacious question, this is a net benefit of \$1.2 million. We will have more patients available for procedures, less procedures in hospitals, more procedures available in the clinic at less cost to the taxpayers.

Mrs. Myrna Driedger (Charleswood): This Premier has avoided answering all these questions. He appears to be very embarrassed by this. I would like to ask the Minister of Health, who in his news release about the Pan Am Clinic and in this House has said repeatedly that for \$4 million all he bought was the building, the equipment and the operating rooms. Today we learned that he misled Manitobans by not telling them that he also bought—

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

Point of Order

Hon. Gord Mackintosh (Government House Leader): Mr. Deputy Speaker, the Opposition made a decision, before they came into this House today, to raise a so-called matter of privilege, which was nothing but an interruption and indeed an abuse of the rules. I would argue, having made that decision and to make the allegations that they did in the matter of privilege, they chose to take that route, and therefore, when the matter was raised and you took it under advisement, it is now improper for them to continue to ask questions about the matter essentially raised in the matter of privilege. It is under advisement. They cannot have it both ways.

Mr. Deputy Speaker: The Opposition House Leader, on the same point of order.

* (14:20)

Mr. Marcel Laurendeau (Opposition House Leader): On the same point of order, Mr. Deputy Speaker, the only matter that you are looking at on the matter of privilege was whether or not the Minister of Health deliberately misled this House, which we believe he did. So it has no relevance to what the House Leader is bringing forward at this time.

Mr. Deputy Speaker: As I understand the rules of the House, if the subject matter or issue under the heading Matter of Privilege is precisely the same question, it cannot be asked again on another occasion. But it does not mean that other questions not precisely the same matter that is taken into consideration, it can still be asked. But it does not mean if the member's question is precisely the same and it is ruled that she cannot ask it, she can still ask other questions not precisely on the same question.

An Honourable Member: Conrad, does that mean she gets called a liar?

Mr. Deputy Speaker: I do not use that word in the House because it is unparliamentary to call anyone a liar. This is precisely the same question; therefore, it is already under advisement, and she can proceed to ask other questions.

Pan Am Clinic Purchase—Surgeon Bonuses

Mrs. Myrna Driedger (Charleswood): I would like to ask the Minister of Health if he could tell us what right the Doer government has to spend hard-earned taxpayers' money on paying good will?

Hon. Dave Chomiak (Minister of Health): Mr. Deputy Speaker, the fund will be paid over three years, conditional on the partners' continuing involvement in the clinic and a non-competition clause. The \$700,000 divided amongst 11 partners over three years averages to \$42,000 per partner per year. Part of the move on Pan Am was an attempt to retain surgeons in Manitoba. We need to retain surgeons. This was a process to retain surgeons here.

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Chomiak: The due diligence report released today indicated: Through our review, we have concluded that based on the base financial case projections for the facility the acquisition is economic and fair from a financial point of view to the WRHA.

Mr. Deputy Speaker: The honourable Member for Charleswood, on a supplementary.

Mrs. Driedger: Mr. Deputy Speaker, the minister did not answer my question. I would like to ask him: Can he tell us what right the Doer government has to spend taxpayers' hard-earned money to pay bonuses, to pay good will to doctors at the Pan Am Clinic?

Mr. Chomiak: As I indicated earlier, the fund will be paid over three years, conditional on the partners' continuing involvement in the clinic and a non-competition clause.

Further, the report that was tabled today says, quote: The base case net present value of the five-year cash flow projections for the existing facility is \$5.1 million. Comparing the purchase price for 3.9 to this value indicates a net benefit of the acquisition of \$1.2 million, which indicates that the acquisition is fair from a financial point of view to the WRHA.

In addition, we will be able to do day surgeries in a cheaper setting, within a day surgery setting, and free up space in more acute care facilities. We are not going to go the way the members opposite went, like close Misericordia Hospital.

Mr. Deputy Speaker: The honourable Member for Charleswood, on a second supplementary.

Mrs. Driedger: Mr. Deputy Speaker, I would like to ask the Minister of Health if he can tell us why he bought off the doctors by having them sign a five-year, non-competition agreement. I even question the ethics of such an action when we have the health care crisis that we have, that he is preventing this non-competition. These doctors have a right to work wherever they want. Why has he done this?

Mr. Chomiak: Mr. Deputy Speaker, hearing talk about ethics from members on that side of the House raises a lot of questions. The members cannot have it both ways. On the one hand, they want us to retain surgeons. We want to retain surgeons; we want to do more surgeries. We will do anything that we can to retain surgeries. Doctors have indicated to us they like to work in surgical centres. They wanted a surgical centre,

so we are melding a surgical centre within our system.

I might add, just to raise a point, members opposite, in an article where the member opposite is quoted in the *Winnipeg Free Press*, February 3: The deal sees the province buy out Hildahl, a partner, who owned the clinic, the building, and buy out the nine surgeons who operated the surgical centre at the facility. The member is quoted in that very article.

Pan Am Clinic Purchase—Surgeon Bonuses

Mr. Mervin Tweed (Turtle Mountain): Based on the comments made by the Minister of Health, we probably now have the most expensive retention plan in Canada and probably North America. The minister has committed today to spending \$700,000 more for the same services of doctors that he would have paid for yesterday through Manitoba Health.

Can the Minister explain to the people of Manitoba, why \$700,000?

Hon. Dave Chomiak (Minister of Health): Yes, Mr. Deputy Speaker, as I indicated earlier, the fund paid out over three years is conditional on the partners' continued involvement in the clinic in a non-competition clause. The \$700,000 divided amongst 11 partners over three years averages out to \$22,000 per partner per year, which is based on their original investment in the clinic that they provided in terms of buying the clinic in the first place.

Mr. Deputy Speaker, yesterday the members wanted us to fund private hospitals; yesterday the members wanted us to give money to private clinics. Today somehow when we take a made-in-Manitoba approach—we do not want to go the Ralph Klein-Mike Harris way—we cannot maintain the status quo. We are trying something innovative. It is an innovative first and made in Manitoba that will provide services, resources to reduce waiting lists, to provide services to Manitobans.

Mr. Deputy Speaker: The honourable Member for Turtle Mountain, on a supplementary.

Mr. Tweed: We are talking about a \$700,000 bonus to doctors. I ask the minister why would he not tell us that last week when he was asked the very same question?

Mr. Chomiak: I just want to add, if the member had occasion to read the April 3 *Winnipeg Free Press* where the Member for Charleswood (Mrs. Driedger) is quoted, he would have said that that very point was made in the April 3 *Winnipeg Free Press*.

The due diligence independent third-party review of this particular subject says comparing the purchase price of 3.9 to this value indicates a net benefit of the acquisition of \$1.2 million, which indicates the acquisition is fair from a financial point of view to the WRHA. It was reviewed by Pricewaterhouse, it was found fair by Pricewaterhouse, found fair by the WRHA. Members opposite have a choice. They can go the private American way or they can come and look at some innovation.

Mr. Deputy Speaker: The honourable Member for Turtle Mountain, on a second supplementary.

Mr. Tweed: It would appear that a group of private doctors did benefit from this Government to the tune of \$700,000. I ask the minister again. We asked in the House last week and he refused to answer. What was he hiding? Seven hundred thousand dollars, what are you hiding?

Mr. Chomiak: Mr. Deputy Speaker, perhaps I should have forwarded the newspaper article to members sooner. If they had read it, they would have reviewed that.

I indicated in this Chamber that we had agreed to an agreement in principle, and we undertook independent third-party analysis of this deal. The independent Pricewaterhouse review of this deal, independent third party, stated and I quote: The base case net present value of the five-year cash flow projection is \$5.1 million. Comparing the purchase price of \$3.9 million to this value indicates a net benefit of the acquisition of \$1.2 million which indicates that the acquisition is fair from a financial point of view to the WRHA. Further, it says, through our review we have concluded that based on the base case financial projections for the existing

facility, the acquisition is economic and fair from a financial point of view to the WRHA. Innovations, a made-in-Manitoba way to deal with surgical centres. We are not going the Mike Harris-Ralph Klein, U.S. way. We are trying a made-in-Manitoba approach to the benefit of Manitobans.

* (14:30)

**Pan Am Clinic
Purchase Price**

Mr. Leonard Derkach (Russell): Mr. Deputy Speaker, it is obvious this Government has some choices. This Government could have expanded the work that was being done at the Pan Am Clinic without having to spend \$4 million of taxpayers' money, including \$700,000 which went directly into the pockets of a few surgeons for their own personal gain.

I want to ask this Minister of Health because I asked him this question last week. I asked the minister what else he bought besides the three components that he talked about in the House, and he did not answer that question. He said he bought the building, the surgical rooms and the equipment.

Today I want to ask the Minister of Health: Why did he not come clean with Manitobans last week when he was asked about the question? Why did he hide the \$700,000 that went directly into the pockets of a few surgeons as a bonus?

Hon. Dave Chomiak (Minister of Health): A discussion of this that occurred in the *Winnipeg Free Press* April 3 is hardly hiding. A document that was provided to the public today is hardly hiding.

To deal with the member's point, we pay over a million dollars a year to Pan Am to do services on a yearly basis over that. We are one time paying capital of about \$4 million that will provide us with the opportunity to have these services, to provide these services, expand these services.

According to an independent review by Pricewaterhouse, we will have a net benefit to the province of \$1.2 million. That is in addition

to all of the benefits of having an operating surgical facility, the best of its kind in Manitoba and maybe in the country.

Mr. Derkach: I would like to ask the Minister of Health, seeing that he has just indicated to the House that the Manitoba taxpayer used to pay the Pan Am Clinic a million dollars a year for services, is he saying now that for a cost of \$4 million, including \$700,000 that went into the pockets of a few surgeons, we in fact will not have to pay a million dollars anymore for procedures that are done at the Pan Am Clinic?

Mr. Chomiak: The value of the business and the investment was approximately \$769,000, which was provided today. This particular arrangement was done so that the fund will pay over three years, conditional on the partners' continued involvement in the clinic and a non-competition clause.

The independent Pricewaterhouse report found that over a five-year period the net benefit to the province financially alone of this capital investment would be \$1.2 million.

Mr. Derkach: I want to ask the Minister of Health or the Premier (Mr. Doer) of this province whether they will admit that this deal was one that was cooked in the back rooms of their offices and has no value to the province of Manitoba and the residents of this province.

As a matter of fact, it has cost this province dearly for the purchase of this facility.

Mr. Chomiak: I would have expected more from a seasoned member of the Legislature than the Member for Roblin.

This deal was negotiated by the WRHA. When it came back to us we asked that third-party, independent due diligence be done by a world recognized firm, Pricewaterhouse. That due diligence was done. That due diligence concluded, quote: The base case net present value is 5.1. Comparing the purchase price of 3.9 to this value indicates a net benefit of the acquisition of 1.2 million, which indicates that this acquisition is fair from a financial point of view to the WRHA. Through our review we have concluded that based on the base case financial projects for

the existing facility the acquisition is economic and fair from a financial point of view to the WRHA.

Mr. Deputy Speaker, I will accept the advice and the recommendations of the WRHA and Pricewaterhouse and individuals who did independent assessments before I will accept the comments and the attempts by members opposite to try to confuse an issue which is very basic. Either we are going to have to change and be innovative or we are going to go private, U.S., like Ralph Klein and Mike Harris.

Pan Am Clinic Purchase-Property Appraisal

Mr. John Loewen (Fort Whyte): In the information released today by the Minister of Health, he indicates that the Doer government has paid over \$2.8 million for a building, a building that is appraised by the City of Winnipeg at approximately a million dollars, a building that cost approximately \$1.1 million to build.

I would like to ask this Minister of Health to explain to the people of Manitoba why he paid so much to Poseidon Enterprises and who the principals are behind Poseidon Enterprises who benefited to the point of \$1.7 million through this transaction.

Hon. Dave Chomiak (Minister of Health): Mr. Deputy Speaker, I would have thought the member opposite would have had a better understanding of the assessed value of the City of Winnipeg versus the appraised value. Today, the WRHA also released two independent appraisals that were done of this property which values it within the range of \$2.6 and \$2.8 million.

Mr. Deputy Speaker: The honourable Member for Fort Whyte, on his first supplementary.

Mr. Loewen: Mr. Deputy Speaker, the Minister of Health failed to answer the question, so I will answer it for him. The principals behind Poseidon are Dr. Hildahl and Dr. Lukie.

Point of Order

Hon. Gord Mackintosh (Government House Leader): The member knows full well he has

been repeatedly breaching the rules of the House in terms of supplementary questions. *Beauchesne's* says in Citation 409 and again 410 a supplementary question should need no preamble.

Mr. Deputy Speaker: Under our rule 409 it says there: "A preamble need not exceed one carefully drawn sentence. A long preamble on a long question takes an unfair share of time and provokes the same sort of reply. A supplementary question should need no preamble."

On the point of order, since this is the first supplementary, there is a point of order.

* * *

Mr. Deputy Speaker: The honourable Member for Fort Whyte, please put the question.

Mr. Loewen: I would ask the Minister of Health to confirm that the principals behind Poseidon Enterprises, Dr. Wayne Hildahl and Dr. Brian Lukie, benefited to the extent of \$1.7 million when one compares the purchase price versus the assessed value of that building.

Mr. Chomiak: Mr. Deputy Speaker, there were two independent appraisals that were provided publicly, independent appraisals that value the property, one \$2.65 million, one \$2.85 million, that were provided by the WRHA. I will accept independent experts in this field rather than the contentions of members opposite who have not been very accurate at all during the course of this debate.

Mr. Deputy Speaker: The honourable Member for Fort Whyte, on his second supplementary.

* (14:40)

Mr. Loewen: I would ask the Minister of Health to explain to the people of Manitoba why he paid over \$2.8 million for a building when, according to the appraiser's report, he could have rented the space for \$24,736 a year. Why did he pay \$2.8 million when he could have rented it?

Mr. Chomiak: Mr. Deputy Speaker, we have—

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Chomiak: Thank you, Mr. Deputy Speaker. We have an opportunity in Manitoba to go a different course with respect to—we could stay the way the system is. I could do what members opposite do and go to a U.S.-style, profit-driven health care system. Yesterday they wanted us to fund profit-driven clinics and private hospitals, or we could try a different course of action. As I told the MMA on Saturday, doctors had approached me and said: If we could function in a surgical centre, we could get more surgeries done, and we would stay in Manitoba. Doctors approached me and asked us to do that. We took that course of action. We went through an independent review by Pricewaterhouse which indicated a profit over the next five years of \$1.2 million for a one-time investment. Even the member who wants us to invest \$32 million in an underpass would understand that is a fairly good rate of return.

Health Sciences Centre Out-patient Pharmacy

Hon. Jon Gerrard (River Heights): My question is to the Minister of Health. It is May 1 today, and today the minister has acted precipitously to close the Health Sciences Centre out-patient pharmacy. The confusion and the problems are huge and parents of children with cancer are yelling Mayday. It is a disaster. I ask the minister what on earth moved him to close the out-patient pharmacy at the Health Science Centre and cause such problems for children with cancer and their parents, as well as for the many other people who use this pharmacy.

Hon. Dave Chomiak (Minister of Health): As I understand, the WRHA made the decision because of retention of pharmacists. They have a lack of pharmacists. As I understand it, they wanted to utilize the existing pharmacists that they had to be able to deliver those drugs to patients, et cetera, and they were forced, regrettably, to have to close the out-patient pharmacy at the Health Sciences Centre.

Mr. Deputy Speaker: The honourable Member for River Heights, on his first supplementary.

Mr. Gerrard: My supplementary to the Minister of Health: Why is the minister moving our province into the wonderful world of NDP

inefficiency, where some patients have first to go to the CancerCare Clinic, then they have to go to the Misericordia to get their chemotherapy drugs, and then they have to go to the Shoppers Drug Mart at the Manitoba Clinic to get the GCSF, the Granulocyte Colony Stimulating Factor, and then they have to go to Taché Clinic in St. Boniface to get the low molecular weight heparin? This is an incredible merry-go-round. It is a disaster that the minister has brought upon us. I ask the minister to sort this out posthaste and give us an answer as to why he has done this.

Mr. Chomiak: Mr. Deputy Speaker, I know the Leader of the Liberal Party asked the question, but I think the Conservative opposition would have the decency to at least listen to the answer, or they do not care.

Mr. Deputy Speaker: Point of order being raised by the Opposition House Leader. State the point of order, please.

Point of Order

Mr. Marcel Laurendeau (Opposition House Leader): Mr. Deputy Speaker, *Beauchesne's* 417: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate."

Mr. Deputy Speaker, this side of the House does care. We are not the ones who closed that clinic.

Mr. Deputy Speaker: The honourable Minister of Health is just beginning to answer, and I cannot say that he had violated the rule.

* * *

Mr. Chomiak: On the same point of order, Mr. Deputy Speaker, I will withdraw those words.

To continue my answer, Mr. Deputy Speaker—

Mr. Deputy Speaker: On the substantive issue, the honourable Minister of Health.

Mr. Chomiak: Because of the retention difficulties with respect to pharmacists, the out-

patient pharmacy had to be closed. All options were pursued. All options continue to be pursued. Unfortunately, in order to retain pharmacists where they provide the service within the hospital, regrettably, the out-patient pharmacy had to close.

We recognize that it causes inconvenience and difficulty, and we would do anything within reason if options could be offered with respect to how that other service could be provided.

Mr. Deputy Speaker: The honourable Member for River Heights, on his second supplementary.

Mr. Gerrard: I ask the minister why he has acted so precipitously with little notice, without adequate consultation and without adequate attention to safety issues when dispensing chemotherapy drugs for children is one of the most difficult areas of pharmacy responsibilities and errors can be devastating. Is the minister not in fact giving us an example of "build an excellent service and the minister will close it"?

Mr. Chomiak: Mr. Deputy Speaker, I think the member should give more credit to the doctors and nurses who are working over at the WRHA, who worked on that decision, and not leave the impression that he is the only one that seems to understand these issues. It was worked on for some time with respect to retaining pharmacists, and everything that possibly could have been done was done in order to do that. Unfortunately, because of the difficulty in retaining a pharmacist, it was regrettable it had to be done, and other options were explored and looked at before the decision was made on an operational sense to do that.

Pan Am Clinic Purchase—Property Appraisal

Mr. Darren Praznik (Lac du Bonnet): Mr. Deputy Speaker, my question is for the Minister of Health. The minister and the Premier (Mr. Doer) have both said many times that the purchase price of approximately \$2.8 million for the building was a good deal. I would like the minister to confirm that that is really based on the Government now getting into the property rental business and that the reason they are

paying that money is because they actually became a landlord. They are spending taxpayers' dollars to simply be a medical landlord, not a provider of service.

Hon. Dave Chomiak (Minister of Health): Mr. Deputy Speaker, the member opposite may not understand it, but when the member opposite was in the position of Minister of Health, he was paying tens of thousands of dollars a month in penalties to the federal government because private clinics were charging facility fees.

The member then entered into contracts with private facilities and has paid millions of dollars. Millions of dollars have been paid to private facilities to pay facility fees to offer that service. We wanted to try a different option, a made-in-Manitoba option. It was not the private, for-profit route, but there was a meld of some of the efficiencies that could be offered, and that is why there is a one-time capital investment with respect to operating. Members opposite ought to know that the Pan Am Clinic has an excellent reputation for the kinds of services it offers right across the province of Manitoba.

Mr. Deputy Speaker: The honourable Member for Lac du Bonnet, on his first supplementary.

Purchase—Operating Costs

Mr. Darren Praznik (Lac du Bonnet): Mr. Deputy Speaker, I want to ask the Minister of Health: Given that he says that he is paying a one-time fee instead of a regular payment, can he tell us then if they will be doing cleaning, maintenance, regular repair and all of the other day-to-day costs that were included in those facility fees? Will they still be doing them, or will the building not be cleaned?

Hon. Dave Chomiak (Minister of Health): Mr. Deputy Speaker, the Department of Health of the Province of Manitoba owns hundreds of thousands of square feet of facilities. In some cases, in fact, the member opposite entered into leasehold arrangements for some of that space.

Mr. Deputy Speaker: The honourable Member for Lac du Bonnet, on his supplementary.

* (14:50)

Mr. Praznik: Mr. Deputy Speaker, I want to ask the Minister of Health again. Given that he tries to create a public impression that somehow by putting the money up front he will have no ongoing operating cost, I want to ask him: Is it his intention to pay the cost of at least cleaning and maintaining this clinic? Will he not at least admit that there will be ongoing operating costs to those buildings that he is denying in his own analysis?

Mr. Chomiak: Mr. Deputy Speaker, in the most comprehensive analysis that I have ever seen since I have been in government of an arrangement—and there were many arrangements entered by members opposite. There was frozen food. There was SmartHealth. There was Connie Curran.

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Mr. Chomiak: Mr. Deputy Speaker, before the deal is signed, we provided the due diligence. The due diligence of Pricewaterhouse says the base case net present value of the five-year cash flow of projection is 5.1 compared to the purchase price of 3.9. This value indicates a net benefit of the acquisition of 1.2.

Mr. Deputy Speaker, members opposite want us to pay profit, U.S.-based kinds of clinics. We think there is another way, a made-in-Manitoba way, that the people of Manitoba will be proud of and will provide reduced waiting lists and access to facilities and services that would set up a different tone and would preserve medicare as we know it.

Mr. Praznik: On a new question, Mr. Deputy Speaker.

Mr. Deputy Speaker: On a new question.

Mr. Praznik: Yes. The \$2.8-million purchase price was premised from the minister's own documents on having a whole host of tenants.

I want to ask the minister: Why is he spending again? Why is he spending valuable, needed taxpayers' dollars to simply go into the property rental business at the Pan Am Clinic?

Mr. Chomiak: Mr. Deputy Speaker, it is clear that we have to change the way we do some things in our health care system. It is clear that there is a move towards day surgeries. The volume of day surgeries has gone up dramatically. It is also equally clear that if we have capacity in our public system to do day surgeries in places like a surgical centre, we can do more surgeries in day surgeries, free up the very expensive high-tech, high-acuity hospitals and be able to provide more services to Manitobans.

Rather than close 1400 beds, as was done by members opposite, rather than fire nurses, rather than cut back the Faculty of Medicine, we are expanding in all those areas to try to provide services for the people who need it. I think it is unprecedented to provide a due diligence third-party report to the public that outlines the entire agreement, that outlines it by the health authority. If the member opposite has a better acuity or business sense—

Mr. Deputy Speaker: The honourable member for Lac du Bonnet, on his first supplementary.

Mr. Praznik: Mr. Deputy Speaker, I want to ask the minister: How does he justify to the taxpayers of Manitoba, to the people who need health care, how he could buy a building that cost a little over a million dollars for 2.8 and spend it just to become a landlord for the tenants who are there?

Mr. Chomiak: Mr. Deputy Speaker, when that member opposite was the minister responsible, he was paying tens of thousands of dollars a month in penalties to the federal government for private services. He then entered an agreement that spent millions of dollars on overhead through facility fees to provide those services on top of the fee for service that was paid.

We think we should be innovative, we should look at another approach. We do not want to go to the same rigid, ideological, let-us-go-to-the-U.S., let-us-pay-profit approach of members opposite. We thought we would try a different variation, a made-in-Manitoba approach that would see an investment, would see an expanded facility. I think the member opposite ought to review carefully the Pricewaterhouse report which concludes, that is based—

Mr. Deputy Speaker: Time for Question Period has expired.

MEMBERS' STATEMENTS

May Day

Mr. Ron Schuler (Springfield): Mr. Deputy Speaker, today is May Day and again the Minister of Labour (Ms. Barrett) has ignored this day. That is two years running. Shame on her.

Today we celebrate International Labour Day. Unfortunately, on a day when the accomplishments and achievements of hardworking individuals across the globe should be celebrated, not all workers have reason to celebrate today. Amnesty International reports that over 100 union leaders were killed last year in Colombia. Closer to home, violent and irresponsible protesters attempt to co-op May Day for their own purposes.

In our own case, members of police forces around the globe will risk their safety as they try to maintain order. Even in Manitoba, workers recognize that this Government has violated their right to a secret ballot and the democratic process in the workplace. But not all is dark. In Bahrain, workers await the introduction of trade union legislation to validate their activities. Article 28 of the European Union's Charter of Fundamental Rights is being incorporated into legal systems across the continent to provide further protection to the rights of working men and women.

Mr. Deputy Speaker, we in this House often disagree on issues affecting Manitoba workers, the Government siding with the leadership of the unions and members on this side of the House siding with the workers. Regardless of our differences, I believe all members of this House recognize the tremendous achievements of all workers in Manitoba.

Every day thousands of Manitobans go to work to support their families. The Minister of Labour in 1996, when she was the Member for Wellington, urged the Filmon government to follow the lead of Premier Klein in Alberta. Members on this side of the House echo her comments.

The best way to honour the sacrifices made by workers every single day is to let them keep their hard-earned wages. Workers have fought long and hard for increased wages, and a government that respects workers will let them keep these hard-earned dollars. Special interest groups and protesters may try to co-opt today for their own narrow ends, but today is a day to celebrate the workers who have gone before us, today's workers and those yet to come.

Mr. Deputy Speaker: The member's time has expired.

Wellness Fair

Ms. Marianne Cerilli (Radisson): Mr. Deputy Speaker, I want to tell the House and all Manitobans about a successful event this past weekend in Radisson.

I was pleased to support and attend the first Transcona Community Preschool Wellness Fair at Bernie Wolfe School this past Saturday. It was open to all children aged three and four and their parents who live in Transcona. This was an initiative of the interagency group in Transcona, soon to be the Transcona Neighbourhood Network.

I want to recognize and thank the organizing committee; the leadership shown by the Transcona-Springfield School Division staff; the regional health authority staff; Child Guidance Clinic; the City of Winnipeg Community Services Department; the parent councils in many schools; the Transcona Youth Justice Committee; and many other participants who were there to provide fun and educational information on health and developmental screening for pre-school children.

It is very important that we identify problems prior to children entering school. These are the types of community projects that our Government wants to encourage and facilitate as part of our early years focus. Mr. Deputy Speaker, it fits in very well with the vision we have through our parent-child centres, the increased emphasis on child care, and through programs like Neighbourhoods Alive!

It was also great to be there, as a parent with a three-year-old, to get access to many professionals, to discuss my daughter's development issues, ask questions, get answers and be directed to further resources in areas like dental health, fine and gross motor skills, vaccinations, literacy, creative activities, hearing, nutrition, vision and language development, and community resources, or, as my daughter calls them, play places. It was helpful to the parents that were there to get assistance in parenting and developing their children's self-esteem.

I hope that this is the first of many pre-school wellness fairs for Transcona. Thank you.

Child Care Providers

Mr. Glen Cummings (Ste. Rose): I rise today in honour of the Week of the Early Childhood Educator, Mr. Deputy Speaker.

There are thousands of children in Manitoba who benefit from some form of child care service. These are highly dedicated caregivers that work daily to assure the health and proper development of the children in their care.

Early education research has long demonstrated that proper physical and emotional care during the first years of a child's life are crucial to his or her social development, not only social, but emotional and cognitive development. For this reason, assuring that our children are well looked after during this critical stage of their life is an extremely important task.

Thankfully, the childhood educators of our province have chosen to take on this enormous responsibility, and countless Manitoba children are the better for it. Not only the children reap the benefit of these child-care providers, but the services offered by our child-care professionals contribute significantly to the social and economic well-being of our families and society as a whole.

Governments of all stripes have promised universal, affordable, competent day care. The hopes have been raised many times but have never been delivered. Thankfully, for years these dedicated individuals, a majority of whom are women, have continued to provide care and

nurturing to our children in spite of minimum wages and very little public recognition.

For those reasons, I want to take this opportunity to thank the child-care providers of our province for the work they do and thank them for the benefits that they provide to our children and society.

* (15:10)

Meals on Wheels

Mr. Doug Martindale (Burrows): Mr. Deputy Speaker, I would like to pay tribute to a wonderful organization, namely Meals on Wheels. Meals on Wheels is a home delivery of nutritious meals to those in the city of Winnipeg who are unable by reason of infirmity or circumstance to provide adequately for their own nutrition. Each weekday, volunteers deliver between 650 and 700 meals to people in the community. This amounts to a very large number on an annual basis, in the year 2000, 167 932 meals. It takes quite a large number of volunteers. For example, they have a roster of 720 volunteers or 44 drivers each day. For the last two-and-a-half months I volunteered once a week to provide this service. It was an interesting experience which I am glad I had.

I recently attended their annual general meeting, and I was amazed. There must have been at least 200 people at their annual meeting. They honoured people that have been long-service volunteers including 4 people who have volunteered for 30 years, which is absolutely amazing. This is an excellent organization. I would encourage people to consider volunteering. Their phone number is 956-7711, and they can always use more volunteers. We also look forward to their celebration of volunteers event in June of this year.

Health Care System

Mr. Frank Pitura (Morris): The Doer government and certainly the Minister of Health (Mr. Chomiak) have been using a catch phrase to describe their random attempts at improving Manitoba's health care system. It is a made-in-Manitoba solution they keep saying. An increase in patients being treated in hospital hallways; a policy known as Code Purple which discharges

patients well before they are ready; purchase of an efficient and successful private clinic for an exorbitant amount of money; the denial of viable health care options for Manitobans by refusing to allow The Maples Surgical Centre to take on Workers Compensation and MPI cases and reduce the pressure on the current system; the admission that this Government, this Health Minister, has no long-term plan for health care, these are the realities of the Doer government's handling of health care in this province.

How depressing it is that these initiatives are being sold to Manitobans as a made-in-Manitoba solution. A made-in-Manitoba solution would be one crafted and supported by the people of this province. It would be one that recognized the tremendous pressure now pushing our current health care system at all its seams. It would be one that would include viable options to the current system which would ease the burden and reduce waiting lists for many Manitobans. The Doer government's handling of our health care system is not a made-in-Manitoba solution. In fact, this Government's lack of a long-term health care strategy is unfortunately a made-in-Manitoba crisis.

ORDERS OF THE DAY

Hon. Gord Mackintosh (Government House Leader): Would you canvass the House to see if there is an agreement to waive private members' hour today?

Mr. Deputy Speaker: Is there an agreement to waive private members' hour today? *[Agreed]*

Mr. Mackintosh: Mr. Deputy Speaker, would you also canvass the House to see if there is an agreement for the section of Supply meeting in Room 255 to finish at approximately 5:30 while the sections meeting in the Chamber and in Room 254 continue to sit until six o'clock. That is to prepare for this evening's committee meeting.

Mr. Deputy Speaker: Is there such an agreement for the Supply committee meeting in Room 255 to finish approximately at 5:30? *[Agreed]*

Mr. Mackintosh: Mr. Deputy Speaker, I move, seconded by the Minister of Consumer and

Corporate Affairs (Mr. Smith), that Mr. Deputy Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

CONSERVATION

*(15:25)

Mr. Chairperson (Harry Schellenberg): 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 Conservation.

Does the honourable Minister of Conservation have an opening statement?

Hon. Oscar Lathlin (Minister of Conservation): Yes, Mr. Chairman. I have a brief statement to make.

Mr. Chairperson: Please proceed.

Mr. Lathlin: Thank you, Mr. Chairperson. I am pleased to present the 2001-2002 Estimates of the Manitoba Department of Conservation. I trust that members have had the opportunity to review the supplementary information for the department.

Before proceeding with my opening remarks, I wish to acknowledge the efforts of staff and recognize their service and dedication to enhancing the well-being of Manitobans. They have faithfully worked to fulfil the mandate of the department and ensure the sustainability of our natural resources for present and for future generations.

Last fiscal year was extremely busy and very productive. Numerous initiatives were undertaken and tasks completed. Today I will highlight our progress and touch on some of the continuing and new initiatives for this fiscal year.

I want to talk about the department as a whole. As members are aware, the former departments of Environment and Natural

Resources and the Petroleum and Energy Branch were consolidated into the Department of Conservation. Recently the Petroleum section was moved under the responsibility of the Minister of Industry, Trade and Mines. I would like to express my thanks to the staff of the Petroleum branch for their fine work during their brief tenure with Manitoba Conservation.

Our vision, however, remains the same. As a department we will strive to ensure present and future Manitobans enjoy and prosper in an environment that is healthy with an abundance of diverse natural resources and sustained energy.

We continue to focus our efforts on ensuring the sustainability of Manitoba's natural resources. We are protecting our environmental integrity, biological diversity, addressing the issue of climate change and conserving energy. We continue to protect the health and safety of Manitobans and minimize the effects of natural disasters. We are working hard to address the needs of our Aboriginal communities and create opportunities for environmentalists now and sustainable economic development for all Manitobans. We continue to pursue integrated planning and local decision making.

Our commitment to responsible management includes an enhanced recognition of the need for public participation, local community involvement and the unique place of Aboriginal peoples in planning, conserving and harvesting *[interjection]* Where was I? Do I start from the beginning?

Mr. Chairperson: Excuse me. Please put off all your phones. They do disrupt the meetings.

Continue, Mr. Minister.

* (15:30)

Mr. Lathlin: Our commitment to responsible management includes an enhanced recognition of the need for public participation, local community involvement and the unique place of Aboriginal peoples in planning, conserving and harvesting our natural resources on a sustainable basis.

When the Government announced the establishment of the Department of Conservation we set about the task of integrating the various functions and activities of the former departments. A steering committee was established along with issues, teams to carry out a two-phased plan of action. Phase one was completed in early 2000 and focussed on reviewing and identifying immediate integration opportunities. Phase two is implementation and is well under way. Early this year the teams were established to take action on a variety of tasks. These included integration of the regional operations, integration of the department's various water units and completing the integration of the Environmental Stewardship Division. In total over 150 staff are participating on these teams.

The assistant deputy ministers of the department's four divisions have now been appointed. Harvey Boyle is our ADM for regional operations. Serge Scrafield heads the Environmental Stewardship Division. Dave Wotton is ADM for Conservation Programs, while the Corporate Services Division is led by Wolf Boehm.

Other appointments have also been made. Blair McTavish is the director of Sustainable Resource Management. Brian Gray has been appointed the director for Climate Change. A number of other important recruitment processes are also under way, including the filling of the regional director positions and the directors for the Aboriginal Relations, Financial Services and Information Technology Branch.

I would like to take this opportunity to thank Bill Podolsky and Merlin Shoemith for their dedicated service to the people of Manitoba. These two members of our departmental executive have just recently retired. Their professionalism and experience will be greatly missed.

We are continuing to consider an act on the physical integration of office staff and newly created branches. A number of initiatives are actively underway in Steinbach, Portage la Prairie, Thompson and The Pas. The physical integration of certain Winnipeg operations is still under active consideration. Various other integration opportunities are still being explored and will be

implemented soon. The Environmental Stewardship division consists of the Aboriginal Relations, Environmental Approvals and the Sustainable Resource Management branches.

Among other things, this division is responsible for promoting environmental stewardship, leading, in conjunction with the Department of Intergovernmental Affairs, the implementation of the COSDI report dealing with issues that require interpretation of treaty rights in the context of provincial legislation; promoting the effective involvement of the Aboriginal communities in resource planning, use and management; leading our broad area and planning initiative; supporting municipal and southern Crown land planning and facilitating and co-ordinating legislation and policy development; administering The Sustainable Development Act; providing staff support to the Manitoba Round Table on Sustainable Development and the Aboriginal Resources Council; administering environmental licensing and co-ordinating intergovernmental affairs related to environmental and sustainable development matters.

Over the past year a number of significant accomplishments have occurred and a number of new and continuing initiatives will be pursued this fiscal year. Currently, the department is initiating an amendment process to effect some major changes to The Environment Act, primarily to implement the COSDI report. These changes will facilitate a broader assessment of proposed developments, provide opportunities for more comprehensive consultation processes and provide for a collaborative decision-making process as an alternative to a traditional environmental assessment.

A major planning initiative for the east side of Lake Winnipeg was initiated last year. In this regard a series of meetings with First Nations, local communities, stakeholders and nongovernment organizations was held to discuss the boundaries of their planning area, their roles and responsibilities of an east side round table and other planning resource and land use issues. We will continue with this planning effort this fiscal year.

I expect to receive the results of those meetings shortly. We will then begin the process

of defining terms of reference and formally establish the east side round table, so they may begin their work towards the preparation of an east side Winnipeg plan. The Province has been involved in co-management arrangements with First Nations and communities for a number of years. Co-operative management is a tool to address resource management issues and opportunities. It allows government and users to negotiate shared roles and responsibilities and decision making.

Last fiscal year, a memorandum of understanding was negotiated between Manitoba and the West Region Tribal Council that will lead to the creation of a management plan for the Dauphin Lake fishery to ensure the protection of fish stocks. This fiscal year, I anticipate that other agreements and co-management arrangements may be reached. In particular, we are considering a proposal with the West Region Tribal Council. Such an agreement would facilitate joint management focused on consultation, education and collection of harvest information while working towards the long-term sustainability of the Dauphin Lake fishery.

The Opaskawayak Cree Nation and the OCN Resource Council have proposed an agreement for a joint management plan on lands both on and off reserve. It envisions the ability of the First Nations to have some authority in the issuance of licences and permits with greater enforcement capabilities by passing by-laws and regulations. We have also held discussions with the Manitoba and Métis Federation regarding co-management of resources. We have agreed to work towards developing a province-wide arrangement that may focus on the areas of hunting, fishing and trapping, although other resource sectors may be included in the future.

I tabled the Manitoba Sustainable Development Strategy on June 29, 2000. I noted that the Government had formally accepted the COSDI report recommendations at that time. These actions were the first steps to ensure the implementation of sustainable development principles and guidelines into the everyday workings of government. Other steps in the strategy include the establishment of a renewed Manitoba Round Table for Sustainable

Development and the Aboriginal Resources Council.

Last December, I was pleased to announce the appointment to the Aboriginal Resources Council of 14 very committed individuals who will service us as an arm's-length advisory group on co-management issues, provide recommendations for supporting First Nations in adopting their own environmental protection and resource management by-laws and make recommendations on priority issues such as the east side of Lake Winnipeg. We have established an Aboriginal Relations Branch to guide the department's activities with Aboriginal people. As I mentioned earlier, we are in a process of recruiting a director and will be adding two more staff during the year.

I am also pleased to report that the Manitoba Round Table for Sustainable Development was renewed in July of 2000. Twenty-three members were appointed, including six cabinet ministers. I have the pleasure of chairing the Round Table along with my co-chair, Mr. Jack Dubois. The Round Table was able to set a new direction focused on the implementation of sustainable development policies. They are actively working on a number of tasks, some of which I will briefly mention.

As required under The Sustainable Development Act, public consultations on a proposed set of sustainability indicators were held last year. A "What You Told Us" document will be released this fiscal year. The Manitoba Round Table will be submitting a final report to Government by July outlining a set of sustainability indicators for the Province. Manitoba Round Table also released last year the "What You Told Us" fish strategy and wildlife strategy documents. At the direction of the Round Table, a working group reviewed public feedback and made suggestions for amending those policies earlier this year. The Manitoba Round Table will be finalizing their advice to Government respecting provincial fish and wildlife policies and revision of The Wildlife Act this fiscal year.

As I noted earlier, we have accepted the recommendations from the report of the Consultation on Sustainable Development Implementation, that is the COSDI, working group. A

working group has been established to spearhead the implementation of those recommendations. A draft implementation plan is under review, and initiation of that plan will commence this year.

While the Drinking Advisory Committee report came out last year under the office of the Chief Medical Officer of Health, this report was a joint effort of a number of departments, with Manitoba Conservation having a major role. The committee was established to conduct a review of reporting and follow-up procedures for bacterial testing of all water systems in Manitoba. The committee made recommendations to address issues such as the need for a drinking water co-ordinating centre, enhanced private well water testing, regulations and monitoring of semi-public water systems and improved education and training and standards. We have accepted the report, and Manitoba Conservation will, in conjunction with other departments, be moving forward on a number of the report's recommendations to ensure the safety of our drinking water.

* (15:40)

Our departmental Conservation Program Division is comprised of eight branches. That includes Crown lands, forestry, wildlife, fisheries, water, terrestrial quality, climate change and pollution prevention branch. Their overall focus is to ensure the sustainability of our natural resources, protect environmental integrity and biodiversity, address the needs of Aboriginal communities and optimize opportunities for environmentally sound and sustainable economic development.

The accomplishments over the past year have been significant for this division. I will highlight just a few and outline some of my expectations of the division for this fiscal year. The Department's Water Branch is responsible for licensing water use and water power projects, planning and development, service and ground water management and water quality management. We have redesigned the branch Web site. It is now more comprehensive, user friendly and is an excellent source for information on such topics as flood forecasts and daily flood reports.

Of particular interest is our ongoing water project work, studies and agreements, including the work we are doing with our many international and intergovernmental commissions, boards and agencies.

The licensing section has implemented water allocation plans for the Winkler, Assiniboine Delta and the Oak Lake aquifers. They have also developed a computerized water balance module for use in allocation planning for service of water resources. Our water planning activities will continue this fiscal year and will include the development of a provincial water strategy. In this regard, a discussion document will be prepared. The strategy will include a vision statement, discuss the importance of water to Manitobans, provide a summary of water-policy-related issues facing Manitoba and discuss water legislation and watershed planning. We will also initiate the preparation of a draft management plan for the Assiniboine Delta aquifer. We will work closely with our stakeholders in a consensus-building process. A draft framework for the Pembina River Basin Management plan was completed for public consideration. Implementation of the Oak Lake aquifer and Winkler aquifer management plans was also facilitated. A consensus-building process with Saskatchewan and stakeholders was initiated to draft an interprovincial management plan for the Swan Lake watershed. In the past year, the Water Branch, in partnership with the governments of Saskatchewan and Canada, completed a comprehensive study of water management issues affecting the upper Assiniboine River basin. The department will undertake a review of that report and prepare a response to the study conclusions and recommendations.

We anticipate a restructuring and reactivation of the Assiniboine River Management Advisory Board. This board was originally created in 1994 in response to issues raised by the many diverse interests along the Assiniboine River. Since its inception the board has held public meetings on the long-term strategy for water management of the Assiniboine River. The board has also submitted a number of reports and made recommendations to Government.

Flood events in Manitoba have and continue to cause severe social and economic and

environmental stress because of the high soil moisture in southern Manitoba at freeze-up last fall and the associated high flood potential. We prepared and distributed in January an early flood outlook report. We followed up with updated outlooks in February, March and April. Thankfully, the flood situation is easing. We have developed a database of flood protection works in the Red River Valley which will provide details and elevations to the public and government agencies.

Manitoba Conservation has a significant role to play in protecting the health and safety of Manitobans and preventing and mitigating the adverse financial and environmental effects of flooding. In the past year the Water Branch initiated a study of options to increase the level of flood protection for the city of Winnipeg. Those study results should be available this summer. Important refurbishment work on the Red River Floodway, the inlet control structure and on the Assiniboine River dikes will also continue.

We will continue to be very active in the floodproofing along with our partners in the federal government. In this fiscal year we will continue with home and business floodproofing activities. Our community diking program will include, depending on the project, the voluntary buyout of properties, dike construction, construction of pump stations, internal drainage works and riprapping. We will continue to upgrade our flood forecasting network, data gathering and support negotiations toward a phase three agreement for the Red River Valley flood protection program.

If we are to have sound water management, whether for flood protection, environmental maintenance or sustainable economical development, we need good information. To that end we intend to establish 18 new hydrometric stations in the Red River Valley under the Canada-Manitoba Partnership Agreement.

We will also complete the first phase of the establishment of a new weather monitoring network. This fiscal year the Manitoba Water Commission will undertake a study on the Lake Manitoba regulation and downstream impact. The purpose is to publicly resolve concerns

about high water levels on Lake Manitoba in the mid-1990s, erosion on beachfront properties around the southern shore and flooding concerns of First Nations residents downstream from the Fairford Dam.

In Manitoba there are an estimated 50 000 dug or drilled water wells supplying water to more than half the communities in Manitoba. As our rural members know, these wells provide drinking water for families and institutions such as hospitals and day care centres as well as water for commercial, farm and industrial purposes. To protect and ensure that we manage this precious resource in a sustainable manner, over the past year approximately 1500 well construction reports were reviewed and added to our ground water database. The ground water quality in Manitoba's aquifers was also inspected with over 1000 water samples tested.

* (15:50)

The livestock initiative ground water program continued this past year. Two additional farm spreading fields were instrumented and sampled. Detailed ground water and soil monitoring was completed for manure spreading fields near the village of Brookdale. These fields overlie a thin sand aquifer where impacts on ground water quality are a concern.

This fiscal year work is set to continue collecting data from the test sites, lagoons and farmland under the livestock waste program. We also plan to establish two more farm test areas which have different soil and geologic settings. We continue to manage and monitor over a hundred provincial dams and many miles of dikes, drains and water conveyance channels.

This fiscal year \$1 million will be used for improving provincial waterways and for waterways in conservation districts. In addition to our water management activities the department will continue to monitor water quality throughout Manitoba. We will do this in co-operation with volunteer organizations, local lake and stream stewardship groups and others. It is our intention to also complete a detailed review of Manitoba's water quality standards, objectives and guidelines.

As part of our overall study of the Assiniboine River, the first year of a three-year water quality study will also be initiated this fiscal year. Our Parks and Natural Areas Branch is responsible for preserving unique and representative areas offering a broad spectrum of year-round recreational opportunities and integrating a diversity of uses in a natural setting.

The branch fosters an understanding and appreciation of our heritage through interpretative and environmental education, while coordinating the protected areas and Canadian Heritage Rivers initiatives.

In the past year, the branch worked to have the Hayes River nominated and accepted as a candidate under the Canadian Heritage River System. A draft management plan for Grand Beach Provincial Park was prepared this year in consultation with the Norway House, Oxford House and Shamattawa First Nations and York Factory. Work will begin on a management plan for the Hayes River. We also anticipate the plan for Grand Beach will be finalized, and a management plan for Duck Mountain Provincial Park will be started.

We remain committed to the establishment of a system of protected areas for Manitoba. Some of our recent accomplishments include creation of the Birch Island and Fisher Bay Park Reserves which total over 170 000 hectares and protection of roughly 40 000 hectares of land within existing wildlife management areas. We are also very committed to the involvement of Aboriginal communities in the implementation of this program. In that regard, the memorandum of understanding on protected areas between First Nations and the Manitoba government has been extended for another three years.

The Parks Branch will continue to enhance the system of protected areas and will create new park reserves and protected additional lands within existing wildlife management areas for mining, logging and hydro-electric development. This fiscal year, we expect to start the process of establishing the following park reserves: Sturgeon Bay, Pinawa Bay, Pelican, Grand Pemmican [*phonetic*] and Goose Islands, and Walter Cook uplands caves. This could result in about 30 000 additional hectares of protected

operation with the Nature Conservancy of Canada, we expect to open a new park of about 180 hectares in the Pembina Valley.

We are also continuing to review a number of ecological reserve proposals. We hope to conclude consultations on Caribou, Amisk, Manigotagan, South Atikaki and Trappist Monastery Park Reserve and make decisions on their suitability as protected provincial parks.

We will also be undertaking the first phase of a three-year drinking water program. We will be evaluating and upgrading drinking water supplies that are available to the public in provincial park campgrounds, cottage subdivisions and day-use areas. The first phase of the program is anticipated to cost approximately \$100,000.

Manitoba Parks operates more than 5800 campsites offering transient and seasonal camping opportunities. Last year, we experienced over 5 million park visitors, including day users, campers, cottagers and organized groups. Camping has rebounded. Last year, reservations were up 15 percent over the previous year. This season, demand is 23 percent ahead of last year. Seasonal camping unit nights are also climbing with several campgrounds experiencing demand in excess of supply. It is very rewarding to see more Manitobans and visitors out enjoying our provincial parks. Satisfying growing demand does, however, create many challenges including striking a delicate balance between the competing interests of transient and seasonal campers.

The Government remains very concerned about the risk we face from climate change. My department continues to be engaged with our federal, provincial and territorial partners in a national process to work with stakeholders and the public on climate change. In addition to the very grave consequences we and future generations face from the impacts that may arise from climate change, I recognize the need for us to take careful and well-informed actions. As a resident of northern Manitoba, I am particularly concerned about the potential impact of climate change on the boreal forest. We need to ensure we do not disadvantage important Manitoba industries in the agriculture, energy and

transportation sectors. We also want to ensure our hydro potential is used to replace dirtier forms of energy. At the same time, we will ensure hydro developments benefit those who live in the area.

Despite the potential economic risks of curbing our emission of greenhouse gases, I believe the cost of doing nothing will be far worse in environmental, public health and economic ways. Therefore we organized our air quality and energy units into a new Climate Change Branch to emphasize our commitment to addressing climate change issues. We have and continue to participate in Canada's national climate change committee. We have negotiated a federal-provincial agreement to support research into climate change impacts and adaptation. We have established the Manitoba Climate Change Action Fund and have begun the task of evaluating proposals and disbursing funds.

To further our efforts, the Premier (Mr. Doer) announced in March the creation of a Climate Change Task Force to help develop our strategy on climate change. The task force will be chaired by Lloyd Axworthy with support provided by our Clean Environment Commission. The task force will begin its public consultations shortly, and we anticipate receiving its report this summer.

In addition to the work of the task force, our Climate Change Branch will finalize and implement a greenhouse gas emission reduction plan for government operations. The Climate Change Branch will continue this fiscal year with air quality monitoring and reporting to the public, along with various energy conservation activities.

Our Forestry branch is charged with ensuring the sustainability of our forests, supporting our forest industry and assisting the management of community forests. Their accomplishments this past year include a new forest inventory for the Pine Falls Paper Company's forest management licence area and initiation of a new inventory for the Pineland Forest Section in southeast Manitoba. The branch also completed a wood supply analysis for key portions of Crown land within the Pine Falls wood supply area.

In co-operation with the forest industry the branch completed a report recommending a contemporary forest lands inventory system for Manitoba. The branch developed an agreement with Louisiana-Pacific Canada to implement the forest land inventory system in the mountain forest section. The branch developed forest practice guidebooks for the pre-harvest surveys and understore protection in consultation with the forest industry. They also reviewed and amended forestry practices related to brush disposal, fuel storage and timber harvest operations.

Development of a proposed ground stump-age model for Manitoba was completed, along with a survey of First Nations and Aboriginal involvement in the forest industries. Over four million trees were planted on approximately 2100 hectares, and approximately 1800 hectares of cutovers were site prepared for this fiscal year's planting program.

To help control Dutch elm disease, we co-operated with the municipalities in the removal of over 15 000 diseased trees from 38 communities and a buffer zone around Winnipeg.

* (16:00)

The department's Fisheries branch is responsible for the ongoing management of our aquatic resources. They are involved in the management of habitat, fish culture and sport and commercial fishing. This past year the branch worked with the Freshwater Fish Marketing Corporation and the northwest fisheries co-op to develop a business plan for local processing and marketing of new and unmarketed fish products from the Leaf Rapids plant. The branch also worked on and will complete this fiscal year the Canadian council of fisheries and a aquaculture ministers freshwater fish strategy.

The branch continues to administer the Fisheries Enhancement Initiative which awarded \$325,000 in grants to 35 projects last year. In regard to the branch's responsibility for the fish culture, over 18 million walleye fry were stocked in Lake Manitoba and Lake Winnipegosis, 800 000 trout fry fingerlings and catchable size trout were also stocked in over 100 sports fishing waters throughout the province,

106 000 sturgeon fry and 12 000 sturgeon fingerlings were stocked into the Winnipeg River for conservation goals. Our stocking efforts will continue in this fiscal year.

Construction of the Minnedosa fishway at the Minnedosa Dam on Little Saskatchewan River was completed this past year. This is the highest pool and riffle fish patches facility in Manitoba.

In partnership with the Wildlife Federation, Fish Futures, City of Winnipeg and Sturgeon Creek stewardship association, the Fisheries branch assisted in the design and funding of a fish ladder at Grant's Mill on Sturgeon Creek in Winnipeg. Our habitat management activities will continue at the establishment of in-stream flow reserves for maintaining fish and fish habitat on the Assiniboine River, an enhancement of the fish habitat in the Whitemud River, Stony Creek and Brokenhead River watersheds.

Along with the Wildlife Federation, Mid-Canada Marine Dealers Association and Recreation Connections, the branch piloted Manitoba's recreational fishing league to promote angling to Manitoba youth. In conjunction with the urban angling partnership, the branch helped raise over \$20,000 to lease a van, hire an instructor, purchase fishing rods and take over 400 youngsters fishing during the summer. The partnership also put on "learn to fish" clinics for families in the city of Winnipeg and ran a family fish festival at The Forks. That festival was attended by approximately 5000 people. I would like to note that this program received one of five Canadian Recreational Fisheries Awards presented by Fisheries and Oceans Canada. We will continue to support and participate in this very worthwhile project, worthwhile youth- and family-oriented program.

We will this fiscal year also work with Chemawawin Cree Nation and the community of Easterville to develop a Cedar Lake management plan to ensure conservation and help rationalize the fishery. The branch will also work with Sagkeeng First Nation on sturgeon management in the Winnipeg River.

Our northern communities are faced with the increased financial cost associated with fishing

remote lakes and escalating transportation costs to deliver their fish to the Freshwater Fish Marketing Corp. These increased costs are becoming an overwhelming burden to northern fishermen to the point that these fisheries are becoming less and less viable and risk collapsing. These communities have few employment opportunities and depend in many cases almost solely on their local fishery for employment income. Our Government is sensitive to their problems and the possible collapse of the industry.

We have, therefore, taken action to promote, protect and ensure the continuation of this very necessary northern fishery, a position I might mention that is supported by the Manitoba Round Table for Sustainable Development's fish strategy which I mentioned earlier. To that end we will continue and expand funding for the Northern Fishermen's Freight Assistance Program.

Our Wildlife branch has the responsibility of ensuring the sustainability of the province's biological diversity, diversity of wild plants and animals, and land resources. Their activities include protecting the health and safety of Manitoba's big game and game bird management, problem animals, fur management, biodiversity conservation, conservation data centre, rare and endangered species, wildlife planning and land use, habitat stewardship, non-game bird management, and alien and invasive species and wildlife research.

While we are being cautious in Canada and in Manitoba so as not to bring here the tragedy of the hoof and mouth disease that farmers in Europe are presently battling, there are other diseases we must also be vigilant against. Bovine TB is a contagious bacterial infection that can affect cattle, bison, deer, elk and sometimes humans. Manitoba was given bovine TB-free status in 1986. In 1991 a cattle herd south of Riding Mountain was found to be infected with TB along with an elk shot by a hunter. Since then an additional nine cattle and eight elk have been found to be infected.

Manitoba Conservation has been co-operating with Manitoba Agriculture and Food, Canadian Food Inspection Agency and Parks

Canada to monitor the extent of the infection and control its spread. We will implement a joint action plan developed co-operatively with the partnering agencies. Activities will include an aggressive disease surveillance program which includes the collection of up to 500 elk, deer and moose samples from hunters in the Riding and Duck Mountain area and testing them for TB. An important control of the disease between domestic stock and deer and elk is the installation of deer- and elk-proof fences around cattle feeding sites and stored domestic forage. This will also be pursued under the action plan.

Additionally, an improved system for monitoring the status of the elk population will be developed. Studies will also be funded to learn more about the movement, behaviour of elk and their interaction with domestic cattle around the periphery of Riding Mountain.

The other disease issue of immediate concern is chronic wasting disease, which is a relative of mad cow disease and infects members of the deer family. This disease has been found in farmed elk and wild mule deer in Saskatchewan. The disease is always fatal, and there is no test that can be given to live animals. We have no indication of whether that disease can infect humans, but we are being extremely cautious, as Health Canada is not yet ready to issue a statement that the disease cannot infect people.

Chronic wasting disease has not been found in Manitoba, and we are taking steps to prevent its introduction. In this regard, we do not allow deer into the province under The Wildlife Act permit, and regulations are being drafted to control the import of deer from anywhere in the world. Manitoba Agriculture and Food is also controlling the import of farmed elk. We are co-operating with Saskatchewan and Alberta in surveillance and prevention measures.

* (16:10)

Samples taken in connection with bovine TB will also be tested for chronic wasting disease. All of these endeavours and program costs will be shared by our partners. This past year, the branch established a wildlife Aboriginal liaison manager position to assist in developing and

implementing co-operative wildlife management programming with the Aboriginal community. This fiscal year, we will develop, in co-operation with the Aboriginal community, a wildlife-based cultural education awareness gathering with the theme "learning from the elders the relationship with the land" for Wildlife branch staff and various non-government organizations.

Sound wildlife management depends upon accurate and scientific information. For many years, big game information was not available for northern Manitoba. Last year we started to correct that problem by focussing a large portion of the big game aerial survey program to the north. This will allow, for example, the department to monitor the response of moose populations to fires, forest cutting and harvest requirements for First Nations communities.

We intend to build upon our survey capabilities and continue to improve aerial survey technology to ensure Manitoba's system remains one of the most efficient in Canada. Our abundance of wild plants and animals has both its benefits and associated problems. Too many animals for too little habitat can result in crop and property damage. The introduction of non-native plants and animals often lead to competition with native species.

The branch developed and improved the problem beaver removal problem, focusing on winter subsidies to solve the low prices paid trappers for beaver pelts. This fiscal year, we plan to implement the winter beaver harvest subsidy program to encourage trappers to take beaver in chronic problem areas, as this continues to be the main wildlife concern of many rural municipalities.

A new Waterfowl Crop Damage Prevention Agreement with the federal government was also initiated. We will also develop and implement a new predator and a wild boar control program. We intend to address the issue of wild boar by declaring the province a wild boar control area and target eradication efforts to problem areas.

The Wildlife branch redesigned a trapping guide to make it more user friendly and conducted a two-day workshop for community-based resource staff in First Nations regarding

the European Union-Canada Agreement on humane trapping standards. We will also translate into Cree, Dene and Ojibway those parts of the trapping guide related to the types of traps that can and cannot be used. We will also work with the Manitoba Trappers Association and other partners to develop an agreement for the delivery of Manitoba trapper education programs.

The existing Wildlife Act is over 20 years old. Our views and values have changed since it was written. We are embracing ecosystem management, traditional and local knowledge and ensuring our activities are consistent with the principles of sustainable development.

Our Manitoba Round Table for Sustainable Development has, as part of the wildlife strategy, raised the issue of revising the act to make it more in line with contemporary views, values and our understanding of wild plants and animals. Once the Round Table has finalized the recommendations, we will start the process of reviewing and redrafting the act. This activity will be initiated this fiscal year.

We participated in the federal habitat stewardship program for species at risk this last fiscal year. A number of projects under this program were delivered by Manitoba Conservation and the Manitoba Habitat Heritage Corporation. One of the accomplishments of the stewardship program included an inventory of the status of prairie habitats in the mixed grass region.

The department also conducted, last fiscal year, surveys of six rare plant species in south-western Manitoba and continued botanical inventory in the Hudson Bay coastal region. We continue to have concerns for a number of our at risk native wild animal and plant species. We will protect habitats in agri-Manitoba by identifying priority areas and conducting inventories to build our database. We will enhance information and extension efforts and enter into conservation agreements with landowners to protect priority areas.

We will continue efforts to survey rare plant and animal species and produce new and updated status reports for the Endangered

Species Advisory Committee. We will co-ordinate implementation of the 2001 international piping plover survey in Manitoba and a volunteer-based dragonfly survey. We will enhance and expand the Manitoba Conservation data centre, database, to track occurrences and information on alien invasive species in Manitoba. We also intend to evaluate the potential for the reintroduction of musk ox to Manitoba.

The woodland caribou conservation strategy for Manitoba was released in September 2000. This report identified four woodland caribou ranges as being at high conservation risk due to human disturbance. Management programs to assess the habitat needs of woodland caribou in each of the high-risk ranges have been established along with management teams. This fiscal year we will co-ordinate implementation of the strategy and develop action plans for the four high-risk ranges and monitor caribou populations in habitat.

This year the Wildlife branch will complete a comprehensive land bird conservation plan. The work will include consultation with provincial biologists and bird enthusiasts, wildlife and land managers. This strategic plan will identify bird species of high priority and strategies for their conservation. Manitoba's nocturnal owl survey was completed for the tenth year. This survey is co-ordinated by the Wildlife branch, drawing on over 120 volunteers. We will continue in this activity in the year.

The Wildlife branch is responsible for the management of over 2.5 million hectares of wildlife habitat protected in more than 70 wildlife management areas throughout Manitoba. We continue to improve hunting opportunities on these lands through habitat management, including the restoration of prairies and renovation of forage fields in several wildlife management areas. Wildlife viewing opportunities are also being enhanced through the development of a boardwalk at Whitewater Lake and improvements to the facilities at the Narcisse snake dens.

The Heritage Marsh Program was established in 1985 to designate Manitoba's larger and

more important wetlands as heritage marshes, the purpose being to protect and manage them for environmental, economic, recreational and educational value. This year a number of capital works have been planned. For example, the Saskeram marsh is scheduled to receive a feature sign. At Oak Hammock Marsh there will be construction of shorebird feeding islands, dike maintenance and installation of a control structure. The Terrestrial Quality Management Branch will conduct a breeding bird study and monitor the vegetation of a flood plain forest ecosystem along the Assiniboine River east of Portage la Prairie.

* (16:20)

We will evaluate the success of native versus domestic plant species in revegetation trials on recently repaired dikes along the Assiniboine River. The branch will monitor permanent study plots in the Thompson area to determine the ability of clay soils to hold heavy metals. We also will assess the fate of heavy metals emitted into the air from the Inco smelter. In partnership with the Fort Whyte Centre, we will conduct an ecosystem monitoring study to enhance the scientific knowledge of undisturbed areas within the centre's property.

The role of our Pollution Prevention branch is to promote a shift in environmental protection from control and remediation to prevention. The branch manages The Waste Reduction and Prevention Act and The Ozone Depleting Substances Act and takes the lead in promoting practices that reduce waste and avoid the creation of pollutants.

Procurement: In this past year the branch co-ordinated the preparation of sustainable development procurement guidelines, which were adopted by Government as required under The Sustainable Development Act. This will strengthen our practice of acquiring and using goods and services in an environmentally responsible manner. A procurement implementation committee will work with departments to integrate the guidelines into manuals and procedures across Government.

A list of environmentally preferable products that are recycled, remanufactured, non-toxic

chemically-safe, will be prepared for use by departments. A list of environmentally preferable services for government purchase will also be established. The branch will continue this fiscal year to review and make recommendations on business plans for the Manitoba Product Stewardship Corporation, as well as the entire stewardship board. We will also initiate a process to develop a waste management plan and begin implementation of a new household hazardous waste management program. We have also renewed the Sustainable Development Innovations Fund. A wide variety of community and business projects were supported by the fund in the area of environment, sustainable development, climate change and orphan mine site rehabilitation.

The Lands branch is responsible for the administration of The Crown Lands Act and The Wild Rice Act. The branch reviews the applications for Crown land users and allocates lands by permit, lease, licence, easement, sale or exchange. The branch also allocates Crown land water loss for the culture and harvest of wild rice.

Mr. Chairman, I know I am running out of time so I am going to stop there.

Mr. Chairperson: Two and a half minutes.

Mr. Lathlin: Two and a half minutes. Oh, thank you very much. I am talking about the Crown Lands Registry now. The branch also maintains the Crown Lands Registry and records vault which houses secure and accurate records of current and historic disposition of Crown land in the province. The registry is an authoritative source of original grants of land and mineral rights from the Crown, including dispositions made by the dominion government.

The branch reviews and transfers Crown lands selected by First Nations under the Northern Flood Agreement. To date the branch has reviewed 550 000 acres of Crown lands selected for transfer under these treaty obligations. The responsibility of the branch in this regard is to ensure the sites have been reviewed by provincial departments and agencies and are consistent with the various settlement agreements. The branch also ensures

a provincial position is formulated on each site, and discussions are held with Canada and First Nations to resolve the conditions under which the lands would be transferred to Canada.

On September 1, 2000, we issued the first exclusive-use Crown land permit for Crown land selected by Rolling River First Nation in accordance with the Treaty Land Entitlement Framework Agreement. We will continue to work closely with Canada and the Treaty Land Entitlement Committee in the review and approval of sites for survey. We expect that additional exclusive-use permits will be issued this fiscal year.

We also intend to review and revise all Crown land policies to ensure they are relevant and consistent with the provincial land use and other departmental policies and sustainable management principles.

Mr. Chairman, I know I could go on and on, but I think I will stop there. The Department of Conservation is really a department that is many faceted so therefore requires a lot of work. There is much work to be done. We have done a considerable amount of work in the 18 months that I have been in Conservation, and I am telling you there is more work to be done and we will continue to work hard. Thank you.

Mr. Chairperson: We thank the Minister of Conservation for those comments.

Does the Official Opposition critic, the honourable Member for Arthur-Virden, have any opening comments?

Mr. Larry Maguire (Arthur-Virden): I do not have too much of an opening statement. I want to congratulate the minister on bringing forth the presentation that he has today. I understand that he had a good deal more material that he would like to have put on record, and I am sure that we will have that opportunity through questions over the next while to try to flesh that out. If he has more comments on some of those items that we may miss even, I would welcome him to bring them forward at that opportunity.

Certainly we have a whole host of issues in regards to conservation that need to be looked at

in the province of Manitoba. I as the critic for the environment will be dealing with a number of those issues, and our Member for Lakeside (Mr. Enns) will be here as well from time to time in regards to being the critic responsible for natural resources.

I also have colleagues that will be coming and going and coming in to ask questions in regards to specific issues on conservation, perhaps in their areas of concern. Particularly right now we are looking at flooding in the province of Manitoba. Hopefully, most of it is either subsiding or under control but there are still a few hotbeds in the province, and we need to just get an update from the minister perhaps on where some of those are at as well. I appreciate the fact that he has been providing, he or some of his colleagues when he was not able to provide, some of the updates during the House as we have begun each day, to give a ministerial statement on the flood conditions in the province of Manitoba during this spring. We will look forward to looking at some of the issues there and perhaps some advice from the minister on how he sees us improving some of those opportunities as we go.

I think one of the things that we would like to discuss today in beginning the process of Estimates, Mr. Chairman, is to begin with looking at the Assiniboine River situation and dealing with it. My colleague from Portage la Prairie certainly has some questions in regards to that area, and I wonder if we could just begin to proceed with that. I would like to proceed on that area this afternoon for a bit if we could. Then I guess the normal procedure would be to go through the Budget, the Estimates here, on a line-to-line basis. We could proceed under those auspices for now. I would be prepared to begin that process.

Mr. David Faurchou (Portage la Prairie): I wonder if we can perhaps canvass committee here. I know the minister had opening remarks that he was not able to provide to the committee within the time frame allotted. Perhaps the committee consensus could be reached that the minister's remarks be submitted to committee and taken as read and entered into Hansard.

Mr. Chairperson: Would the minister like to table his comments?

Mr. Faurchou: I believe if you just canvass, we could have leave of committee to submit the balance of the minister's remarks so that the Hansard could be complete.

Mr. Lathlin: Sure, I will do that.

Mr. Faurchou: I believe the committee is in agreement.

Mr. Chairperson: We are agreed? *[Agreed]*

* (16:30)

Mr. Faurchou: Mr. Chairman, I understand that the committees have different structure in Estimates than we do in regular operations of the House. Could the minister perhaps guide us as to how much longer he has to complete his remarks before we make that decision?

Mr. Lathlin: Mr. Chair, I understand I have run out of time. Do I understand that the member is asking me how long it would take to go through the remainder of my presentation?

An Honourable Member: There might be some good stuff in there.

Mr. Lathlin: I know. I would like to give it out. I am also a pretty fast reader.

Mr. Faurchou: I appreciate that a lot of work has gone into the preparation of the minister's opening remarks and do perhaps allow for elaboration on certain points that perhaps we may end up questioning on. The remarks may answer some of our questions in advance. I am only one committee member here so I would appreciate if you were to canvass. I am looking to other committee members as to whether or not leave can be granted for continued reading of the minister's opening remarks.

Mr. Chairperson: Order, please. Is there leave to extend the minister's time to complete his introduction? *[Agreed]* Would the minister like to complete his address?

Mr. Lathlin: Yes, I really appreciate the time that is being extended.

Mr. Chairperson: Proceed, Minister.

Mr. Lathlin: I come now to the section dealing with geographical names. The section has worked hard to improve communications with Aboriginal communities. The branch participated on the Aboriginal names working group of the geographical names board of Canada. As a result, Manitoba initiated direct communication with all band councils with the goal of revising procedures for naming and renaming Indian reserves, features and places on reserves. That work will continue in this fiscal year.

Geomatic sensing is responsible for our remote sensing and topographic and cadastre mapping capabilities. In particular, importance was placed on mapping in the North to support the many activities of the department, including the land claims process for Treaty Land Entitlement and the Northern Flood Agreement, for mining explorations, forestry operations, and mapping for the east side of Lake Winnipeg. The primary function of the cadastre mapping section is to develop and maintain a province-wide property database. This information is a fundamental component of a province-wide land information system. The data is suitable for supporting a variety of geographic information systems, that is GIS applications. Primary users of that data include Manitoba Hydro with the Department of Intergovernmental Affairs, Water Resources, Lands branch, and municipalities, including the cities of Winnipeg and Brandon.

The Corporate Services Division is the major support group to the ongoing operations of the department. This division has a wide range of responsibilities, including administration and finance, library services, disbursements, licensing, contract and revenue management, human resources, information systems and computer graphics and surveys. The division has been extremely busy with the integration of the functions of the two previous departments. It has addressed a number of management problems and supported a number of branch programs and activities.

I would like to highlight some of those accomplishments and goals for the fiscal year. The division administered over 600 new contracts for construction consulting and fee-for-service agreements. The Corporate Services Division provided advice to program managers on contract technicalities, tendering policies, bid opening practices, insurance and bonding requirements. Our Contract Management Section will work on a comprehensive contract database system. This system, when up and running, will allow the department to prepare upon request specialized financial reports.

Our Licensing section managed a network of over 800 private and 100 departmental licence vendors. A total of 777 private vendors are located in rural areas. Through these vendors, convenient access is provided to the public for angling, hunting, migratory water fowl, park vehicle entry, trapping and various other licences and permits. Last year over one and a half million licences and permits were issued, for a combined revenue of just under \$11 million. As part of our integration process and goal of continual improvement, we will be looking into various opportunities to make the service delivery even more efficient and effective.

Our information system technology branch provides the department with information. We acknowledge their service and expertise. This branch supported the Forestry Branch in implementing a silviculture information system. They also implemented phase one of a fish database system and developed a tree mapping replacement application to support the Forestry Branch tree improvement program. The branch will assist the Operations division with the evaluation of a new enforcement and district occurrence and reporting system. The intent is to make this information accessible to all department locations. The branch will also implement phase two of the fish database.

This past year our Computer Graphics Branch supported the department's waterway maintenance program. They prepared engineering plans for the maintenance and refurbishment of water control infrastructure. For example, plans were prepared for the South Buffalo meadows and Poplarfield drains. Additionally,

the branch prepared site plans for Dominion City and the town of Warren.

The branch also provided geographic information system services to Water Resources to create a Web-based flood information management system. Preparatory work is underway to create a very detailed base map that will be used to disseminate flood-related information to the general public and government staff. This type of service will continue this fiscal year. In particular, the branch will, among other things, provide services in the preparation of engineering plans required to support waterway infrastructure construction and maintenance programs, along with other capital works projects in the department.

* (16:40)

Our product distribution centre completed its first year in running its Canada Map Sales e-commerce site. By all accounts, it was very successful, servicing over 500 customers and having sales of over \$18,000. We will continue to support this activity and ensure the Web site is updated and new product lines are added.

Our Regional Operations Division co-ordinates the delivery of departments, programs and services at the community and regional level. The responsibilities of this division are varied and numerous and include field activities for research management, enforcement of legislation, operation of provincial parks and waterways and the water control works, emergency response to forest fires, floods and drought, co-ordination of hunter safety, training and guide licensing, and problem wildlife control. These programs and activities are delivered in six regions which have been divided into 54 districts.

I would just like to highlight a few of the successes and accomplishments this division had last year and outline some activities we plan for this fiscal year. In head office, we developed a new operational guideline on handling problem black bears, along with a comprehensive manual on regulatory forms and procedures for officers. In co-operation with the Canadian Wildlife Service, we have completed our obligations under a memorandum of understanding with

Environment Canada; that is, we undertook the training of all Natural Resources officers in the application of The Wild Animal and Planned Protection and Regulation of International and Interprovincial Trade Act.

The department completed restructuring of the Special Investigations Unit to place more focus on regional investigations capability. The Special Investigations Unit has also successfully completed a two-year undercover investigation into illegal trafficking in bear parts. In this fiscal year, we will complete negotiations with the Department of Fisheries and Oceans on an enforcement protocol. We will complete the review of the disabled hunter permit system and developing comprehensive search and rescue protocol with co-operation from the regions, the fire program, Office of the Fire Commissioner, Emergency Measures and the RCMP.

In the northeast and northwest regions, we expect to conclude a new co-management relationship with Fox Lake, Marcel Colomb and Mathias Colomb First Nations. We will also continue to improve consultations with First Nation communities on new land resource allocation requests.

We will also establish a waste oil depot in the city of Thompson. We will initiate an orphan minesites program to begin the process of cleanup and stabilization of old mining sites. We will also develop a strategy and implement a soil sampling program in the city of Thompson as a result of concerns expressed by Thompson residents regarding heavy metals residue in soils from the Inco plant.

Some of our environmental activities in the south-central regions included the elimination of unauthorized burning at all regional waste disposal sites. We reviewed all contaminated and impacted sites on regions registry to ensure appropriate actions had been taken and environmental damage limited.

In regard to our public health programs, last year we tested the water supplies in food services facilities served by wells. We monitored all municipal domestic water systems with immediate follow-up when problems were detected and conducted a chlorination workshop

for our municipal clients. We will undertake research on manure application methodologies, the impacts of water runoff and undertake research on mass animal mortality disposals. We also intend to review our biosecurity protocols in light of recent foot and mouth concerns.

In the western regions we have successfully implemented the bears and bees project with the result that we dramatically reduced bear mortality through a co-operative effort with the bee-keeping and outfitting industries.

We also work with the Mountain Timber Quota Holders Association to produce the annual operating plan for the north half of the mountain forest section.

In the central region we co-operated with Manitoba Hydro, Manitoba Highways and a local advisory group and installed four tunnels underneath PTH 17 adjacent to the Narcisse snake dens. The project appeared to have successfully reduced snake mortality during the fall of 2000 migration. Three more tunnels are planned for 2001.

Our forestry activities in the central region included the planting of 846 000 trees on 311 hectares of forest cutover and burn areas and vegetation maintenance on 40 hectares. This fiscal year the region will plant 370 000 trees on 148 hectares of forest cutover and carry out vegetation control on 88 hectares of forest plantation.

In the fisheries area, we intend to re-establish the Lake Winnipeg Fishermen's Advisory Board and work toward the establishment of an annual quota system for the Lake Winnipeg fishery.

As we head into this year's fire season, I would like to note that last year over 350 fires burned over 100 000 hectares of our forested lands. To suppress these fires, over 360 people were employed as fire rangers and initial attack crews. In addition, 3200 certified, trained emergency firefighters were available when needed. They came from communities in the forested areas. We estimate that 60 percent of our firefighting crew members are of Aboriginal and First Nations ancestry.

What our situation in respect of wild fires will be this year, only Mother Nature knows for sure. For us, we will have to wait and see and then respond as we have in the past, with determination and professionalism.

Approximately 70 percent of Manitoba's service water flows to us from other jurisdictions. We therefore continue to work closely with our upstream neighbours to ensure sufficient volumes of good quality water continue to flow into Manitoba. We have a close working relationship with Environment Canada, Foreign Affairs and International Trade on international and interprovincial water issues.

We will continue to be diligent in our ongoing transboundary activities to protect water in Manitoba. In that regard, we will, among other things, monitor closely and actively oppose two controversial water projects in North Dakota, that is, the proposed outlet to Devils Lake and the Garrison Diversion.

Mr. Chairperson, that concludes my opening remarks. I thank the members for having given me the extra time. I look forward to the detailed review of these Estimates and I thank you for the opportunity to highlight the many accomplishments and future goals of Manitoba Conservation.

Mr. Chairperson: I thank the minister for completing his remarks. I would also like to take this opportunity to thank the critic from the Official Opposition for his remarks previously.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly we shall defer consideration of this item and now proceed with consideration of the next line.

Before we do that, we invite the minister's staff to join us at the table. We ask that the minister introduce his staff present. The honourable minister, would you introduce your staff, please.

Mr. Lathlin: Mr. Chairperson, I would like to introduce our Deputy Minister of Conservation Norm Brandson; Assistant Deputy Minister

Serge Scrafield; Assistant Deputy Minister Dave Wotton; Assistant Deputy Minister Wolf Boehm.

Mr. Chairperson: We thank the minister for that. We will proceed to line 12.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$458,800, on page 42 of the Main Estimates book. Shall the item pass?

I will read again, page 42, 12.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$458,800. Shall the item pass?

Mr. Faurchou: I appreciate the opportunity to join the minister and appreciate his opening remarks. I would like to propose to the committee that we discuss this particular section in this department in a global nature, rather than line by line. Then we would be prepared to pass the line by line after global discussion of the department has concluded.

Mr. Chairperson: Is there leave to have a global discussion on the entire department first and then we will pass all lines afterward, as well as resolutions?

Mr. Lathlin: I do not have a problem with that. I think that is what we did last time anyway.

Mr. Chairperson: Is there leave to do a global discussion first and then we will pass line by line later on and resolutions later? Is there leave?

Mr. Lathlin: As long as—after we do the global discussion, then we go line by line. We do not start repeating what we had already covered in the global part. Then it is not a problem.

Mr. Chairperson: Is there leave? *[Agreed]*

Mr. Faurchou: I do appreciate the minister's response and also would like to reiterate the opening remarks of my honourable colleague from Arthur-Virden regarding the information brought to the House on a daily basis. I want to commend not only the minister but the minister's staff in preparation of those reports. It was certainly appreciated.

I would like to ask the minister, in regard to the Assiniboine River, I know there have been ongoing studies currently and in the past, but I would like first off to ask the minister the status of the Assiniboine River Management Advisory committee, and that particular committee was chaired by Dr. Ian Dickson, and whether or not this particular committee is in fact continuing to advise the minister.

* (16:50)

Mr. Lathlin: Yes, I am familiar with that particular advisory group. I would like to advise the Member for Portage that, in fact, I had the opportunity to meet with the committee actually not that long ago. They told me about their history, how they got to be and all the good work that they had done advising the Government at that time. They also told me that they knew with a change in Government there would probably be a bit of a lull. So they understood that, so they told me.

First of all, they asked me what would become of the advisory committee. I made a commitment to them that we were in the process of reconstituting or reviving, getting them going again. They were quite happy with that. Once we really get going on the Assiniboine River study, that particular group will be asked, although they had done quite a bit of work previously on the Assiniboine River and the surrounding area, the water system, they will be asked to participate in that review. I look forward to their continued good advice.

Mr. Faurchou: I appreciate the minister's response to that question. I do want to reinforce to the minister that nobody knows the river better than those who are stakeholders in the river. The quality and continued maintenance of the waterway is paramount to each and every individual who serves on that committee. I hope he will value their input, because it is in fact their livelihood in some cases that are dependent upon the river.

In regard to the Assiniboine River and the water quality study that is underway at the present time, I would like to ask the minister whether or not he has a longer range plan for the

river basin. I want to allude to the 1988 very comprehensive study that was done in conjunction with the federal government. It was called *The Assiniboine River South Hespler Water Management Study*. It was complete insofar as looking forward to not only the domestic but residential, industrial, agricultural. All of those components were considered in this river study and how in fact the management and overall undertakings, if I can use that term, and in construction of levees, dams, water retention, distribution channels. If the minister could comment as to whether or not he and his department first off are aware of that study and, if aware of it, making use of that very valuable information so as not to reinvent the wheel because a lot of effort and expense has gone toward that study.

* (17:00)

Mr. Lathlin: Perhaps I could start by advising the member that if he recalls during the public hearings on, I believe, it was The Water Rights Act, we made a commitment at that time that we would somehow eventually come up with a—because that is what I have been trying to do ever since I got here I hesitate to say comprehensive, let me just call it a good water management plan for Manitoba. I know that there have been studies before. Some of them were probably looked at and the recommendations implemented, but I would hazard a guess that a good number of them were just left sitting on the shelf because maybe Government did not accept the recommendations or there was lack of funding to fund whatever project that they may have been recommending.

But one way or the other we are going to have a provincial Manitoba water management plan. What we are going to be doing is not necessarily recreating the wheel, as you say, but just putting a bunch of those reports together and see if we can make use of whatever they had recommended at that time. Times have changed. Maybe some of the recommendations have become irrelevant, outdated, but we will nevertheless look at them.

I understand the 1988 Assiniboine South Hespler study focussed on water impoundments on the river at dams. It was apparently a useful

study but apparently did not include a wider range of interest. So we are going to be using those results in this more thorough study that I keep talking about.

Since I have been minister, it is frustrating because when you talk about drainage, for example, you just want to contain everything just for one day and let me get at this and see what I can make of it and maybe produce a plan at the end of the day. But it seems like every time we get going another issue arises or maybe another group comes in and they want to do this. So that is why I have been very interested in trying to get a handle on the water issue, whether we are talking about drainage or storage of water or for industrial purposes or even the health of the rivers, lakes and streams, water level management, all of those things, because I really believe that unless we address it in a comprehensive way then we are just going to keep on going from one crisis to another.

We are going to keep having floods, when industry comes in they will not have enough water, and more importantly, pretty soon we are going to run out of good water. That is why I think it is very important for us to try to get a handle, get a grip on the issue, and let us fix it once and for all, at least in terms of getting a management plan in place.

Mr. Faurschou: I share the minister's frustration on the basis that as a stakeholder in the river, as a producer of agricultural products, I am concerned with the river water quality and the overall river health, but we do have to make some progress. The time that we spend studying and studying is soon to pass us by here.

I speak specifically of the pending development of the J. R. Simplot potato processing plant in Portage la Prairie. That plant will require upwards to 40 000 irrigated acres of production to satisfy its processing demands. If you consult with the best practices of crop rotation, they require four years of crop rotation, different lands used. So once every four years that irrigated piece of property comes into potato production. In essence, you are asking for 160 000 acres of irrigated acres to satisfy that plant's demand, so it is not just the 40 000 but it is four times that amount. This plant will, as

plans are at the present time, come into full production of the first shift requiring 20 000 in 2003, so we do not have a lot of time here to look at what we have.

I personally believe that the department does have, for the most part, information that we can make some decisions on as to water retention, water quality that would develop out of water retention. As the minister is probably aware, the depth of water behind a retention structure improves the quality of water because algae growth does not take place where sunlight cannot penetrate, and the greater the depth of water you have the less algae development that takes place.

If the minister has some comment in that respect, I would appreciate it, but I know our time is not great here and I have other colleagues that want to ask the minister questions. So if the minister could acknowledge some of what I say here and that the department is conscious or cognizant of those challenges ahead of us in the very near term, I would appreciate it.

Mr. Lathlin: Yes, I know where the member is coming from, and I think I have an appreciation of the issue that he is raising. The Simplot water demands, and I guess we were raising the same questions as he is just raising here today, but currently the Simplot water demands are being examined. Water sources such as the enhanced use of the Shellmouth Reservoir, for example, are being looked at. This would require raising the gates, and we are negotiating with the federal government currently as part of our activity there. If we were to do that, this would meet the Simplot needs for water.

Yes, we are studying, but we are also looking at the real needs of the various stakeholders that are involved.

Mr. Faurshou: I do appreciate that it involves the federal government in large expenditures, and then this is an international waterway with the tributary being the Souris River. I believe that if the minister were to use the tactics of approaching more than just one minister at the federal level that this impacts on Western Diversification, value-added processing, that water

source for the production of potatoes is very, very important.

In regards to the original design of the Shellmouth Dam and then ultimately the Assiniboine floodway control structure and dam there, there was a reservoir that was constructed and designed to retain almost 15 000 acre feet of water. Now I believe the department did ultrasound and surface topographical surveys over the winter months here to determine how much silting had taken place, but I would suggest to the minister that this would be one of the priority areas as to refurbishing that reservoir for a water source for domestic and agricultural production, industrial uses and agricultural industrial usages.

I would appreciate it if the minister has any information as to the conclusive nature or findings of those surveys.

Mr. Lathlin: Mr. Chair, I can advise the member that as far as trying to work with the feds it is certainly a priority and I think we are making good progress and getting the feds on board on that file. As far as the tests question goes, I right now do not have any direct knowledge of those tests but I will endeavour to get some information, some detailed information for the member and, who knows, maybe I will even get it by the time we meet again tomorrow.

Mr. Faurshou: Mr. Chair, I appreciate the minister's response because the information that will be forthcoming from those surveys will indicate essentially how much water retention capacity we have there and potentially how much refurbishing work that is going to be necessary to take the silt out of the basin, the reservoir.

Leading on to the reservoir refurbishment, the channel to the Assiniboine Diversion as we know it in Portage la Prairie and the floodway to Lake Manitoba, it is silted significantly and the depth of the channel is very shallow, so ultimately to make the greatest use of the Assiniboine River floodway to Lake Manitoba the water has to travel at a very fast pace because the channel is so shallow and ultimately that fast-flowing water puts additional pressure on the boom that is across the channel holding back

the ice. When you get this extraordinary pressure because of the fast-flowing water, the boom ultimately fails and you have a significant amount of ice flowing down the channel to Lake Manitoba but it does not always get to Lake Manitoba. It gets hung up at the spillways, along the different bridge structures, across the Trans-Canada Highway, provincial roads. The channel itself was never designed to have ice flowing down it. In fact, that is right in the specifications, the channel design and capacity are without ice-flow in the channel.

* (17:10)

I would also like to mention to the minister, I want to thank him for his support for the construction of the drainway and control structure for surface water to enter the Assiniboine River floodway. I know that he was instrumental in supporting this project to move the K and G Mushroom composting away from Dakota Tipi proper, and that particular control structure worked extremely well. I want to compliment his department and his engineers that provided for that structure. It flowed at capacity and even though I believe it was designed over specs, I believe it was 160 cfs. It was flowing full and it just shows that we did the right thing. It is in the right spot and maybe now we should have considered even having it a little bigger.

I really want to stress at this time the minister's support for that project, because without that support that would not have happened and for everyone's benefit we are glad to have had that structure this year, especially with all the flooding that was around Westbourne and the Whitemud. I just shudder to think if that water had not entered into the Assiniboine floodway how much more water would have been up at Westbourne and ultimately more damage. So, in any event, I just share that information with the minister and also want to say that if he wants a little added first-hand knowledge, because I grew up on the river, when he wants to look to his federal counterparts for support in any activity that involves the Assiniboine, I am willing to assist in his calls for assistance as well.

Now, moving up channel, the question I have for the minister regards the fail-safe portion of the Assiniboine River floodway, that is a lower west side dike where the channel widens just prior to the entry into Lake Manitoba. This was a design feature that when the channel perhaps became plugged at the entrance maybe by ice or by restriction of flow, going into Lake Manitoba this depressed area or fail-safe would allow the water to flow into the Delta Marsh.

Now, I would like to ask the minister's consideration of hard-topping, hard-surfacing that particular area because year after year after year this fail-safe comes into play because of the demands of the water capacity, and we keep having erosion. We had large rock on top, and still that was washed off.

So I would like to ask the minister's consideration of hard-surfacing the fail-safe area and the potential of moving the fail-safe area a little further to the north where the water would flow over the west dike and into the natural waterways, natural channels of the Delta Marsh, rather than where it is at the present time. The water, once it exits the Assiniboine floodway over the fail-safe, it travels across farmland, arable farmland. If this area was to be moved further north into the area of the Delta Marsh proper, we would perhaps not have to pay compensation each and every year to the farmland owners.

So I am wondering whether the department has consideration on these two points, please.

* (17:20)

Mr. Lathlin: Yes, I know the area that the member is talking about. During the winter months, I guess towards spring, I made it a point to, you know, rather than just talking about—because I am sure if the member came to The Pas and if I told him where Frog Creek was, he probably would not have any idea where it was, or maybe he does, I do not know. So, likewise, when I am down south here, I am not really familiar with the geography down south, the places where I have never been to.

So I made it a point to go and visit the places so that, when people talk about it, I will know that that is the building they are talking about. When I was touring the floodway structure, the control structure, staff took me all the way down to that, not all the way down but about halfway. I looked at the gates and that is where I saw a very good picture of this Assiniboine River, the diversion channel to Lake Manitoba. It is true that the diversion has, you know, in low areas, it overflows whenever there is high flow, like what he is talking about.

This is very similar to the area that I also viewed from the helicopter ride, the Netley Marsh and the lower Red River towards the mouth. My first reaction was why do we not cut a channel right across and help the poor Netley—what is the name of that river? *[interjection]* Netley Creek, yes, and I saw the cottages. They were just ready to get flooded. As a matter of fact, some of them were flooded. People were standing around, and, you know, I felt sorry for them. So my first reaction was, well, why do we not just cut a channel right across here, where the bend was. Of course, people said you cannot do that for environmental reasons. We cannot just go and cut a channel there.

But that is similar to what you are talking about, the Red River, and then there is the lower area. The Netley Creek comes in, and they were saying once the ice jam clears up, the water will go through. Otherwise if there is a flood situation, it just goes over the banks and into this marsh area.

I cannot promise the member that that is what we will do right away. I hear him, though, and I will definitely have a look at it. I will talk to staff. I want to know—when you said hard-topping, I thought you meant asphalt. You were going to pave the road or pave the top of the—but I know what you mean now. So I am going to have a look at it.

I want to let him know, as well, that the budget that I have is not nearly where I would want it to be. I am not going to say how it got that low either, but let me say we managed to get additional money for this budget, and there is a capital plan that is in place. I am going to have a look at that, and like with everything else, I am

going to have to decide to spend money where the highest priority is. I am sure the member will understand that. I will definitely have a look at that and see what we can do.

Mr. Faurschou: I thank the minister for his comment. I do appreciate what he says about getting the lay of the land. Definitely I share his background insofar as being very much in touch with the land and the environment and appreciate making decisions that preserve that environment for our children.

Yes, as far as the minister's question about The Pas, I had a chance to spend four months in The Pas in the services of the RCMP when both the minister and I were much younger. I believe he was the Chief at the time and I looked to him for his guidance. I do not remember if he remembers meeting me or not but anyway, if the minister wants to perhaps consider asphaltting right down to the lake, the University of Manitoba and their field station staff would be very appreciative. No, it is a little lesser than asphalt, it is a different vitreous in space there or involving oil and gravel to surface it over.

I would like, though, to ask the minister to take the opportunity perhaps to come to Portage la Prairie, and we will take the afternoon to just get the lay of the land and the control structure. I will leave the minister with the one thought pattern though, thoughts that were shared by the control structure personnel of his department. To gain entry one has to bring along a dozen donuts, otherwise the door remains locked to unauthorized personnel. This is just to keep good relations with the department.

Following along the Assiniboine, there has been a great deal of work done on re-establishing the diking between Portage la Prairie and Winnipeg. I encourage the minister to continue those good works but also to keep in consultation. Sometimes I have to refer to the incident in Portage la Prairie where dike rebuilding was taking place without true consultation with the people that live on the river. People that have lived there for their whole lives understand the river and how it flows. Even though they may not have the three letters behind their name, they do understand how the river reacts to diking and channel maintenance. I

encourage the minister to encourage his staff to involve those that live by the river in dike design. I think we will all be beneficiaries of that type of ongoing dialogue.

The amount of money that was allocated to the minister and made light of in the Budget here: Can I ask on the Flood Proofing, the \$40 million for Flood Proofing? Was that exclusive to the Red River basin or is the Assiniboine River going to receive some of these monies for enhancement of diking and maybe refurbishing of control structure or the diversion basin?

Mr. Lathlin: While staff is getting the information, I can advise the member that last year when I was trying to get a handle on the Budget because I had intentions of going to Treasury Board and trying to get additional money—having been in Treasury Board sometimes I would have second thoughts—and then the last time I thought, damn it, we are going to go in. So we did our homework. One of the things I found out while I was doing that homework was, I believe there was something like \$3 million or \$4 million allocated to water-related expenditures. Only when you took away all those other expenditure items and you got it down to the pure water drainage expenditures, I think there was something like \$500,000 pure drainage money.

One of the places to start from, I thought. Anyway we went to Government and we managed to get an additional half a million dollars to our half a million that was already in the Budget. So now we have \$1 million. In addition to that, Government also allocated, approved, another half a million dollars to Intergovernmental Affairs; they fund the conservation districts.

So what we are going to do in the next couple of days or few days is Intergovernmental Affairs and myself and the staff will get together, and we are going to look at this \$1 million that we have in Conservation, plus the half a million that Intergovernmental Affairs has in their budget. We are going to say: Let us get this \$1.5 million together and prioritize in a strategic way where we should spend the \$1.5 million.

So I can advise the member of that, but I am also getting some information here from the staff. Apparently there has been some work, but there is a lot more to do. As far as the \$40 million that was announced, it was earmarked for outside the Red River Valley, but, again, Canada has not entered into a floodproofing agreement on the Assiniboine, which of course hampers our ability to move money in that direction.

We do have a cost-sharing agreement in the Red River Valley. We are also increasing our expenditures on the Assiniboine dike by about \$200,000. So, given those resources I know it is not the level that I think should be there, but little by little I think we can bring it up.

I keep saying if we do it in a strategic way rather than going to that place where there is the most pressure from the community coming, if we can look at it with our professional people and say, look, where can we go so the money will go the farthest and be most effective rather than going in this area where it might only benefit that one little area there. So that is what we are trying to do.

* (17:30)

Mr. Faurschou: Again, I appreciate all of what the minister is challenged with. That leads me to the point I would very much like to stress with the minister, that being a channel authority as it pertains specifically to the Assiniboine River. When we went into a decision-making process that involved a dike on the Assiniboine, I was just absolutely astounded as to the number of departments and branches of departments that are involved in any one decision, whether it be forestry, because you alluded to that in your own opening remarks, that forestry is just part of the Assiniboine River valley.

Then there are water quality issues and then also too persons that are in your Engineering Branch. That is duplicated once again at the federal level, because the feds have an interest in the Assiniboine. Then you bring on the local officials, the municipal councillors. I think that we have to streamline our decision-making process, the process of prioritization, bringing under one authority, if I may use that term, where the decisions are made quickly but under

one roof rather than all of this running around and the time-consuming efforts that go.

I will say that the Assiniboine diversion, for instance, required five different branches to give the yes or no as to whether any water could travel down that channel to the irrigation pumps that were licensed under the department. There is a hydro line across there, there is highways department as well as the people that were involved with water in your department there, not only the Water Resources Branch, but Crown Land Branch as well, because they rent out the dikes so that you can harvest the alfalfa and the grass that are on the side.

So by the time you get around to asking all those departments, you have lost significant time before that water is released. I am glad to say that I believe there is now a comprehensive body that takes care of that, but I would like to see that same type of process duplicated on the river proper, where your licensing for water extraction, like for irrigation purposes as well as water quality, monitoring of discharge and that from water treatment facilities, the whole nine yards, but under one umbrella where you can get some decisions made in a timely fashion, yet allowing for a very broad base where the stakeholders could convey their interests to this one authority.

I am not trying to diminish the minister's responsibility in any fashion or different department heads, but I think it is very crucial that we have this type of channel authority in everyone's best interest. So I am wondering whether or not the minister is considerate of that type of authority and decision-making process?

Mr. Lathlin: I understand what the member is saying. I could not agree with him more. The reason that I came to understand this a little bit more, I think, is when we started the integration process, amalgamating two former departments into one department it became very clear to me that even in Government here, you know, there are so many functions and responsibilities housed in Agriculture but they are also in Conservation, they are also in Intergovernmental Affairs. I said, you know, why do we not do a common sense thing here guys and try to streamline, not just for management, easier

management purposes, but also like you say, if we can make decisions more quickly it would help. I think our integration process clearly is pointing in that direction. If we can streamline our operations, we can make decisions a lot quicker and the public would be the beneficiary of such an improvement.

In the area of water, for example, we are looking at managing water on a watershed basis. That could involve a change in the management authority, that could streamline the decision-making process. After having said that though, it is fine to theorize, you know, you are going to do this and why it is going to work well. I would like to caution the member that when you have so many interests in such a vital and important resource, it becomes a challenge after awhile as to how, particularly to managing the resource. So, sometimes if we make it too simple, I guess, it could inadvertently work against us, especially when we try to manage the many interests that go after that resource.

* (17:40)

I hear the member. I think it is a good suggestion. As I said earlier, in many areas in Conservation we are already trying to move that way. For example, in health, I am trying to move the function of Health Inspection to the Department of Health, because I think that is where it rightfully belongs. But because of the way things were done for so many years, you know, and when you try to make changes people will say, well, why do you want to make changes? That is the way it has been done for many years, and it has worked. The old adage, people say if it is not broken do not fix it, but for easier management and for consistency, for streamlining, I think it makes all the sense in the world for us even in Government, look at the departments where the same function is not housed in four or five departments and thus contributing to inefficiencies. So I agree with you.

Mr. Faurschou: I thank the minister for that, and I am glad that he appreciates the sometimes cumbersome decision-making process. I think I left out the Engineering branch, Highways, Water Resources, Crown Land branch. I do not know whether Hydro, I think Hydro had begged off on the basis that their lines that as long as

Highways was satisfied I think that they were not involved with the last.

I want to recognize the importance of the conservation districts. Half of my constituency is covered by the Whitemud Watershed Conservation District, and it is a district that I think functions well but its mandate originally was for drainage.

Now with the understanding that that is only half of the scenario in management of water, there is also the retention of water as well, I do not know whether the latitude is given to the conservation district within their mandate to look at that side of the equation. I know that is under Intergovernmental Affairs. I believe conservation districts are still under that ministry, but as you say when we talk about where different branches or departments should be, Natural Resources, I think, is more applicable because it is handling water, which is part of your mandate, sir.

So I cite this as a problem because it was raised by individual producers that wanted to make use of a Whitemud Watershed drainway to convey waters to irrigate, and the conservation district was saying no, the drain was designed and constructed for that sole purpose of drainage, not to convey water to your water retention pond for your irrigation equipment. There was a long, laborious process undertaken to effectively overcome many of the concerns. The project did go ahead. In fact, it involves transfer of water from the Assiniboine River through the conservation district drainways to Rat Creek and ultimately Whitemud River and Lake Manitoba. The construction took place last year, and this year should be the first year of usage, dependent upon Mother Nature as to the requirements of irrigated waters.

I want to stress that point again. In the decision-making process, one has to understand the mandates of different boards and commissions, that we have to maybe widen them a little bit to understand that there is more to it than just draining water. We have to now consider the retention of water as well. I know now you have got Waterway Maintenance, an increase in the Budget there, but I think one has to look at how the flow of water takes place. Maybe it might not be so bad to retain or work

with producers to put in some storage areas and not overburden your waterways. There has been a lot of ditching done over there, and a lot of waterways that your department is responsible for now are well over capacity. It is causing a lot of concerns.

I think the minister might want to make comment on a couple of those points that I have made, if you care to.

Mr. Lathlin: Yes, in the spring and also last fall I visited some communities in the south part of Manitoba, and this spring I visited more communities, particularly those communities that were in danger of being flooded or were busy holding back the water. I know, for example, in St. Laurent and Ashern, when I visited those communities the people there told me that they had never seen it that bad. So when we got up on a helicopter and invited some of the civic leadership to come up with us on the helicopter ride because I wanted them to point out to me where the major problem areas were, I could see even from—you know, I am not an engineer, I am not a water person—but looking at it from the air, you can see where the natural waterways go. But it seems to me that because everything was done in such an ad hoc, non-planned way, the works that were done were not really planned, I asked the question give me an area or region. I asked the water guys where would this water go? Where else could it go? I was asking the question why is this water, where else can it go? Of course, it has to go across the highway, but they also showed me other places. I kid you not.

We went over to this one place and there is a drainage coming across from a natural waterway or drainage and then there is a real drainage which goes underneath the highway by way of culverts, and then it goes further towards Lake Manitoba. I could see where this person—I do not know if he was a farmer or not, it looked like it was a farm to me—he had built a little road across this ditch. Well, I guess he had to go back and forth across the ditch, so he made himself a road there, but he flooded out everybody else. You could see right from the air.

As a matter of fact, I told the guys next time I go by there by vehicle, I am going to go visit

the guy, because I know where it is. I have travelled that highway lots of times and I know where it is. I am going to go and ask him why has he got that road across the ditch, because he is causing a lot of problems?

Anyway, you are right. The Intergovernmental Affairs Department, as I said earlier, has received additional funds for conservation district support. When I first came here one of the questions I asked myself was why is this in IGA. Why is it not in Conservation? Well, I got answers, but I do not think they were the answers I was looking for, because IGA with that money is managed by the Water Services Board. So I have been thinking that way ever since. I have not given up yet.

Talking about streamlining or putting the right functions in the right places, I think, coming back to conservation districts, the water management strategy that we have underway now will be looking at the mandate of conservation districts, so that water can be managed more comprehensively on a watershed basis, in other words at the local level. I also want to make sure, given the scarce resources, as I said earlier, we want to be very strategic in our funding decisions. That is why I want to get together with the Minister of Intergovernmental Affairs (Ms. Friesen), to see if we can make funding decisions in a more strategic manner, so that wherever the money goes it will have more impact.

* (17:50)

Mr. Faurschou: I also want to make mention, as well, I appreciate the level of understanding the minister has about the conservation and that other department, but the surplus water initiative that was established between the federal and provincial governments in the Department of Agriculture is another consideration, because within that funding you can develop water retention sites to store water. I think that also needs to be incorporated into the strategy that you are relating to, that when water is being drained from fields and ultimately into provincial waterways, maybe there is development that can take place that will retain water, reduce the demand of the capacity on the

waterways or drains, and, ultimately, retention can be balanced off with the need for drainage.

So that is another department, another program I do not believe that has yet been signed because we ended at the end of March 2001, when the previous program came to its conclusion. I know there are ongoing discussions to re-signing or renewing that agreement, but maybe it is not the proper place for me to ask that question. But that is another consideration that I would like the minister to take in advisement.

My honourable colleague from Arthur-Virden has a couple of questions that he would like to ask. I know the hour is short today, but I am hoping the minister will be back again tomorrow. So I yield to my honourable colleague from Arthur-Virden.

Mr. Maguire: I guess one question that I would have in regard to my fellow member from Portage la Prairie here, if I could get just a little bit further on the Assiniboine diversion.

Mr. Minister, could you give us a bit of an update in regard to the structural situation of the facility, certainly the gate structures as well. As well I am interested and concerned about, not the structure so much, but the physical being of the diversion itself in regards to flow capacities and that sort of thing at the outlet in particular, if you could give us an update there.

I think probably the most important issue is present structural capabilities of the waterway itself in regard to bank structures and that sort of thing. Could you give us an update in regards to the physical aspect of the banks and the facility itself?

Mr. Lathlin: You know, during the updates I gave to the Assembly, I had that capacity number, but it is gone. I was always interested in that capacity because, you know, how far do we have to go before it goes over? I remember that it was not long before we reached capacity, because I remember thinking it seemed like a big structure to me when I first saw it, and then I thought, well, geez, it fills up pretty fast. So I will get those numbers for you, and I will make them available during tomorrow's Estimates.

The inlet structure I understand has received significant maintenance in the past few years. We believe it is in good shape, at least the main structure. The channel itself still retains good capacity, but the Member for Portage la Prairie (Mr. Faurshou) I know says it is silting and it is starting to be shallow. But we think that where it requires more work is on the banks as the Member from Portage has pointed out for us. This I understand has been scheduled for the next few years, a little at a time, we are going to upgrade or strengthen the banks. I think that is where most of the work is needed. As far as the rest of the structure is concerned, it seems to be in pretty good shape.

Mr. Chairperson: Order. The hour being 6 p.m., the committee rise.

FINANCE

* (15:20)

Madam Chairperson (Bonnie Korzeniowski): Good afternoon. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Finance. Consideration of these Estimates left off on page 84 of the Estimates book, Resolution 7.3.(e) Internal Audit and Consulting Services. The floor is now open for questions.

Mr. Ron Schuler (Springfield): Madam Chair, I direct my questions through you to the minister. Just having gone through the Estimates of the Department of Labour, there were a lot of questions that came up. The minister and her staff had indicated that perhaps some of the questions would be better and her staff had indicated that perhaps some of the questions would be better asked at this committee because they did not necessarily have the answers. So the question I would have to the minister, through you, Madam Chair, if one looks at the Department of Labour, and I understand that this is now a new procedure, there is a line called Less: Staff Turnover Allowance. I do not know if the department has the Supplementary Information for Legislative Review 2001-2002 Departmental Expenditure Estimates, Department of Labour. On page 21 it starts, and there

is—Executive Support, for instance, has a Less: Staff Turnover Allowance of \$13,900, and I was wondering why that was instituted this year in the Department of Labour.

Hon. Greg Selinger (Minister of Finance): Just a point of clarification, are we going line by line in these Estimates review, or are we open for general questions?

Madam Chairperson: Yes, we had originally agreed to go line by line with some flexibility. If you wish to diverge from that now, we will require a leave from the committee.

Mr. John Loewen (Fort Whyte): I just ask for the minister and the committee's indulgence on this. We have a number of other members that have been involved in other Estimate committees, and there are going to be some questions arising out of that. We also have a few other members who have some questions for the minister. If we could get those out of the way, it would be helpful.

Mr. Selinger: I would suggest we finish Internal Audit and Enterprise System Management for which we have officials here, and then that will give us time to get Treasury Board officials here if you want to deal with a matter which is coming up quite soon under Treasury Board 7.7. That way we can co-ordinate the use of our staff resources. That would be my suggestion if you want to proceed with questions that are not related to the lines we are reviewing right now.

Mr. Schuler: I would also have some questions of the way the Budget has been set up for the Office of the Fire Commissioner. I was wondering if that then would be the most appropriate time to ask questions on that particular area.

Mr. Selinger: I believe Treasury Board Secretariat would be the best place to ask all of those questions.

Mr. Loewen: I have no problem with finishing off the Audit and the Enterprise Management prior to asking those questions. I think we were just about complete with the questions on the Audit. In any event, I would just ask the minister if he would table the sheets that he read off yesterday with the percentages of time that was

spent on the various audits, either that or if he would read them totally in the Hansard and get it from there.

Mr. Selinger: I think I only have one of those sheets here right now. I will provide the Member for Fort Whyte (Mr. Loewen) with a copy. For 2000-2001, of the total audit hours recorded, internal audit hours: 50.8 percent were for financial and management practices; 18 percent were value-for-the-money-related projects; 13.1 percent were advisory and consultation projects; 9.5 percent were for test audits; 2.6 percent were for investigations; and 6 percent were for other types of activity.

The member also asked me yesterday for an indication of the number of audits. I have that information for him. I have three copies that I could distribute. Just before I give him the number of audits that were done in 2000-2001, I should point out that the number of audits is not necessarily an indicator of productivity because an audit can be anything from 100 hours and up. So you could have, widely, I mean you could have a very intense audit that takes a lot of time. So with that qualification, I would just point out that there were 65 audits in each of the last two Budget years, and I think the member can see the break out there: 34 financial and management practices; 9 value for the money; 6 advisory consultations; 7 test; 3 investigations; 6 others. You can see the difference from the previous year.

* (15:30)

Mr. Loewen: I thank the minister for that. I would just indicate, I am prepared to pass 7.3.(e), but I would just advise the minister, I would like to come back and have a discussion on the allowance for staff turnover as well. This is really the first place that it showed up in the line-by-line, but there is a fairly significant number overall for the department, I think in the range of \$540,000, which I would like to have some discussion in a general context of how that is made up. It may take us back to the individual departments. But based on that I am prepared to pass 7.3.(e).

Mr. Selinger: Fine. I think you can read them out.

Madam Chairperson: 7.3. Comptroller (e) Internal Audit and Consulting Services (1) Salaries and Employee Benefits \$1,788,800—pass; (2) Other Expenditures \$241,200—pass.

3.(f) Enterprise System Management (1) Salaries and Employee Benefits.

Mr. Loewen: Madam Chair, with regard to the Enterprise System Management, can the minister indicate if part of the contract covers the Crown corporations as well, or is it just the Government?

Mr. Selinger: This only reflects services for the government entity. Crown corporations have their own budgets and resources for their SAP systems or similar systems.

Madam Chairperson: Could I please just take a moment to clarify with the honourable minister if he intended to table this?

Mr. Selinger: Yes.

Madam Chairperson: Thank you.

Mr. Loewen: With regard to the Enterprise System Management and SAP, there was a substantial amount allotted last year, I believe \$8.5 million, for an upgrade in the system. Could the minister give us a description of where his department is with regard to that upgrade? Is the upgrade installed and up and running in all applications, or is there still some left?

Mr. Selinger: Madam Chairperson, the upgrade was successfully completed in time to issue the T-4 slips for tax season. We are still working to extract its full functionality with respect to reporting and other capacities that it can undertake to provide information to Government with respect to things like inventory and personnel or human resources. Some of those functions need to further be developed, but the basic 4.6 version of SAP is installed and doing its job.

Mr. Loewen: Just in comparison to last year, the full-time equivalent given in the Estimates for 2000-2001 was four employees and \$8.5 million. I understand that over the course of the year that a number of employees involved in the support

of this system have been transferred into that department. I believe our discussion at the time indicated that that \$8.5 million was really set aside as a payment to SAP for the upgrade, but I do not see a comparable figure in the numbers that have been restated this year. I would ask the minister if he could give us an explanation of that.

Mr. Selinger: The \$8.5 million indicated in the last year's Estimates was for the four base programmers, but in addition it was for 28 staff years, valued at \$2.187 million to undertake the full services required with the SAP Enterprise System Management.

In addition, within that \$8 million was \$6,860,000 for operating costs of the system. That was the composition of the \$8.5 million last year in the main Estimates of Expenditure.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Mr. Loewen: I am curious then as to why the Estimates book last year only showed four full-time equivalents. I am wondering where the other 28 would have been shown in the Estimates book.

Mr. Selinger: At the time the Estimates were tabled, the other positions and the roles they would play had not been worked out. This was a fairly new function inside the Comptroller's department and had been part of the BSI initiative before in its development phase. As it moved to its implementation and stabilization phase, the configuration of staff had yet to be sorted out. So the total number was put in there with the known full-time equivalents and the new positions were sorted out during the course of the budget year.

Mr. Loewen: Is the minister saying he hired 28 more full-time staff last year than was in the Estimates book?

Mr. Selinger: At the time, four were the base programmers; they were known with certainty, and the remaining staff were hired to make the system fully operational across the entire government entity. As those positions were firmed up, they were added to the FT establishment.

Mr. Loewen: I appreciate that. I guess the conclusion I draw from the minister's answer, maybe he could clarify, is that there were 28 new people hired in the Enterprise System Management department who were not there and were not identified in last year's Estimates.

Mr. Selinger: There had been many people seconded to this project from various departments in its development phase. These 28 positions became part of the permanent establishment for the ESM operation inside the Comptroller's office. Many of those secondments were then permanently located in those positions. The positions they were seconded from were then freed up back in the departments for further use.

So you had a situation where you were developing this project, you seconded people to work on it, and then as it rolled out and stabilized they had to make long-term decisions about staffing this system. That is when the new positions were created to permanently provide roles for the people who had been working on it through a seconded basis.

Mr. Loewen: Just for clarification, if I understand the minister right, last year in the \$8.5 million there was \$2.187 million of that \$8.5 million allotted for the projected hiring of staff. Most full-time equivalents were not included in last year's Estimates, so at some point during the course of the year 28 full-time equivalents moved from other departments within Government into this subappropriation, into the Enterprise System Management department, and out of other departments in Government. Is that an accurate reflection of what transpired?

* (15:40)

Mr. Selinger: You had people who were seconded from positions within home departments who were working on the project. It was a decision to permanently house this project in the Comptroller's division because of the emphasis on financial management across the wider entity of government. There had to be a decision made how to house those individuals that were running that system. The decision was made that it would be better to locate them in

one place under one manager, than to have them seconded from various departments on an ongoing basis. So it was, in effect, a reorganization that allowed the Enterprise System Management to stabilize within the Comptroller's department and to provide permanent job descriptions for people that had been working on this project.

Mr. Loewen: I guess I would just want to clarify what the minister is saying, because if the money had been budgeted in this Enterprise System Management department and the employees came from elsewhere, a conclusion I would have to draw is that in the Estimates book for other departments last year there were employees, full-time equivalents, identified, but no money in the Budget because they were seconded to Finance. Is that accurate?

Mr. Selinger: As I understand it this project had initiated and developed itself by seconding people from home departments to work on it, but the home departments were allowed to backfill those positions to provide the services that the home departments continued to need. So at the point of stabilizing this project the new positions were firmed up and the money had been allocated in the Budget until the configuration of those positions and which individuals would fill them were all sorted out. So the money was allocated with the four full-time equivalents. Then as the system was stabilized and decided to be housed in the Comptroller's department the remaining positions were made permanent with respect to the people who had been seconded that were working in those posts.

In the meantime, during the course of the project the departments from which the people came had backfilled those positions. So instead of having people double-bunked on one position, you had to create new positions to make this establishment perfect for the Government-wide entity. That is why you had the 8.5 million attached identified in last year's Budget.

Mr. Loewen: I appreciate what the minister is saying. I think it would have been a little more transparent to have identified somewhere in the Estimates process that there was going to be the secondment of these employees. I guess just what I am trying to make sure I understand and

that I get clarification from the minister is that if 28 employees moved from various departments across Government into this department, and the minister has said that those positions in the other departments were backfilled, then we have as a result of this 28 new full-time equivalent positions somewhere within Government. Is that accurate?

Mr. Selinger: Yes. I must remind the member that this project was one that we inherited and reviewed and had to decide how to stabilize it. The previous government had seconded people to these positions as part of the development phase. When it was decided to locate it in the Comptroller's division because of the strong emphasis on financial management that the SAP system provides for, the positions had to be made permanent. They had not been identified by the previous government as full-time positions, they were seconded positions to get the project up and running. But when the previous government decided to allow the backfilling of those positions, they knew at some point they had to locate these people somewhere into a permanent job. So the \$8.5 million was put into the Budget to allow for that. Then the Comptroller, who took over this project in effect as the senior manager for it, had to sort out the staffing patterns and how those people would be permanently assigned to duties of running the system.

Mr. Loewen: I appreciate the clarification on that. Can the minister tell me how much money has been paid directly to SAP in terms of fees and services in total? I am talking all in with regard to training and professional fees and services and I guess a total of everything that has been paid to SAP?

Mr. Selinger: My officials will dig that and compile that information for you. If you want to move on with another question, we will get that for you as soon as we can.

Mr. Loewen: Thank you, I appreciate that response. Last year we asked whether SAP had any employees housed in Manitoba on the SAP payroll. The answer at that time was no. I guess it is the same question: Has SAP established any office presence in Winnipeg or in Manitoba, and

are there any SAP employees housed in an office if they have opened it?

Mr. Selinger: The short answer is no, they have not established a permanent presence here.

Mr. Loewen: Last year it was indicated that quite a bit of the support was being provided by Deloitte and Touche. I am wondering if Deloitte and Touche is still under contract to support services of the Government of Manitoba, and if so, if any of those employees are housed at the Deloitte and Touche accounting offices in Winnipeg.

Madam Chairperson in the Chair

Mr. Selinger: There are currently no Deloitte consultants or employees working on the SAP project. Their terms of service have been completed.

If I might return to the previous question about SAP, the amount of money they received. They got \$11,698,000 and change in '97 to '99, another \$713,000 and change from '99 to 2000, and from 2000 to 2001 \$23,643, for a total of \$12,435,211. That was the total amount paid to March 31 of this year to the SAP organization.

Mr. Loewen: Are there any significant amounts included in this year's Estimates of Expenditure to be paid directly to SAP, or are there amounts projected now for following years that are significant?

Mr. Selinger: There is an ongoing maintenance fee paid to SAP for the system, as installed, in the amount of \$1.77 million.

Mr. Loewen: Is it still the practice to capitalize staff who are working on this project, or are they expensed on an ongoing basis now?

Mr. Selinger: This I think explains in part. What happened is in the early development phases staff are capitalized, but then when the system becomes operational that is no longer allowed and the staff have to be made permanent. So that is why you saw the transition there last year. The staff are seconded and included in the total rollup of the capital expenditure, and then when the program becomes operational you

have to decide where you are going to place those staff within your system.

Mr. Loewen: Could the minister advise when the capitalized costs for both the software and the staff will be fully written off?

Mr. Selinger: The amortized life of this project is 15 years.

Mr. Loewen: Does the minister expect that the life cycle of this software, given the history and the rapid change we are involved in now, does he expect that the system as it stands now will have a life span of 15 years?

* (15:50)

Mr. Selinger: I am just going to refer the member from Fort Whyte to Appendix B in the main Estimates book, Estimates of Expenditure, page 161. This is the Accounting Policy for Capital Expenditures. If you look at point 10, Computer – major application, its useful life is by policy identified as 15 years, so that applied in this case.

Mr. Loewen: Any intention within the Finance Department to review that policy?

Mr. Selinger: This policy has been reviewed and supported by the Provincial Auditor, and if there is a desire to review that, if we think that that is somehow inappropriate, it could be looked at again.

Mr. Loewen: I thank the minister for that. With regard to the training, can the minister identify what training has been provided off-site, and, if so, where and what the Budget was for off-site training for this department?

Mr. Selinger: For this branch, you are referring to?

Mr. Loewen: Well, I am on page 62 where the Expected Results describe that "training will be provided in 13 different courses through 56 class offerings scheduled throughout the fiscal year."

I am just wondering if that is all taking place in-house, or if there is training, people are having to travel to the United States given that

SAP has limited resources in Canada. If people are travelling for those courses, if I could get a budgeted amount for travel and the courses.

Mr. Selinger: My comptroller informs me that the training identified here on page 62 is for staff, and it is intended to be provided in a Winnipeg setting.

Mr. Loewen: Is there other training where people are taking training courses out of the province or in the U.S., and, if so, is there a budget for that?

Mr. Selinger: This training here is end-user training that is identified on page 62, but the folks who have the expertise in running the SAP system do from time to time go to other settings to get that training on an as-needed basis, and some of the courses and some of the educational opportunities are clearly outside of Manitoba that they attend.

Mr. Loewen: Could I ask the minister to give me a bit of a feel for where outside of Manitoba those courses take place and if there is an overall budget for that?

Mr. Selinger: The training sites for the SAP experts are cities such as Toronto, Vancouver, San Francisco, Philadelphia, and the amount of money dedicated to that kind of training is in the order of \$200,000.

Mr. Loewen: I thank the minister for that. That pretty much concludes the questions I have on this section prior to passing. I guess once again my comment to the minister would be that it is unfortunate—and I realize he inherited the system—that in a time when we need to build this type of industry within our province and build some expertise in this industry in our province, I think we all need to look at how we can maybe look to finding local suppliers as much as possible to provide these types of services to the Government of Manitoba, particularly since it is an opportunity for businesses to use that base to expand their business and provide further opportunities in Manitoba.

Having said that, I am prepared to pass 7.3.(f).

Madam Chairperson: Item 7.3.(f) Enterprise System Management (1) Salaries and Employee Benefits \$2,566,800—pass; (2) Other Expenditures \$6,334,700—pass.

Resolution 7.3: RESOLVED that here be granted to Her Majesty a sum not exceeding \$15,141,500 for Finance, Comptroller, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Mr. Selinger: If the member or any of the members want to ask questions about how budgets were developed in other departments, I was wondering if he would like to move to section 7.7. right now. We could deal with that, because that is the branch of Finance that handles all of that. If you want, we could skip up there and then come back to Taxation, Federal-Provincial Relations and Insurance and Risk Management. I have some Treasury Board officials here now, if you want to move that way. It would seem to me it would be better to sort of keep it within a line, and then you can deal with it all as one piece, if you wish.

Madam Chairperson: Is there leave from the committee to skip ahead now to 7.7?

Mr. Loewen: I think that is a reasonable route to travel. I just want to make it clear I do not really intend to pass 7.7. until we have had a discussion on the taxation issue. So while we do have some questions in 7.7., I would like to deal with those questions and then move back before passing 7.7.

An Honourable Member: Taxation issues in Treasury Board?

Mr. Loewen: No, what I am saying is I do not want to pass on the Treasury Board Estimates of Expenditure until I have come back and asked some questions on Taxation. So, if we can deal with some of the questions resulting in 7.7. without passing 7.7., and then move back to 7.4.

Mr. Selinger: I was going to suggest if you wanted to move to budget-type questions, we could deal with all the Treasury Board-related matters while I have the staff here, get that done, and then we could go back. I am trying to keep it

in sort of general categories, instead of jumping around all over the place, just in terms of having staff around.

Mr. Loewen: Yes, I appreciate that.

Mr. Selinger: If you want to ask me some other questions later on, I am okay with that.

Mr. Loewen: That is fine. I just want to make the minister aware that I may have some further questions on 7.7, and may have to come back to it at some point.

Mr. Selinger: Okay, let us go to 7.7.

Madam Chairperson: Is there leave to skip ahead to 7.7? Leave of the committee? *[Agreed]*

Item 7.7. Treasury Board Secretariat (a) Salaries and Employee Benefits. Shall it pass?

* (16:00)

Mr. Schuler: I actually have questions in three different areas. The first one that I would like to address is the issue of the way Estimates of Expenditure from one year are carried forward into another year. I do not know if it is more of a comment than a question, but I do not know if the minister's department has the Supplementary Information for the Department of Labour 2000-2001. For instance, on page 21, if one would have a look, as compared to the Supplementary Information for Labour 2001-2002, if one were to look at the 2000-2001 category, the estimate of what the Government planned on spending for the year in the old book, and then look at the same number in the new book of 2001-2002, the number has changed. It goes from \$579,800 up to \$590,300. I guess what I find, and I take it this is probably something that has taken place for a lot of years, but in the new year, why would that not then be revised Estimates of Expenditure 2000-2001, because clearly the number has changed?

What makes it very difficult, when one goes to these books, is that unless you have the books going back multiple and multiple years, clearly 1999-2000 Estimates of Expenditure is then not a real number either because it would then reflect the increase that the department had spent

from the year previous, which then, again, it is not reflecting because you are not comparing this year's estimate to an actual. What you are trying to compare is this year's estimate to last year's estimate, but the numbers change because the numbers are brought forward in a changed fashion. You do not actually have the real estimate; you have a revised estimate. I am surprised, as a rather new MLA to this Chamber, that somewhere here it does not state very clearly that this is a revised estimate of expenditures because then you would know that you are actually comparing this year's Budget to revised numbers from last year.

I guess, to get more to the point, where I have difficulty with it, I do not know if the minister has the two books from the Department of Labour in front of him, but what it does is it actually skews the numbers and the percentage change from year to year, so bear with me on this one. For instance, if you go to, and I will try to get an exact example. I spent a considerable amount of time with the Minister of Labour (Ms. Barrett) on this one, so I have all the numbers calculated out. If one would go to page—*[interjection]* Yes, I am not finished.

Mr. Selinger: Could I maybe cut to the quick for you on this? With the leave of the member, I do not have the detailed Estimates of the Department of Labour in front of me, but what I would like to do is show you how they set it up. It is an important question.

In the Main Estimates book on expenditure, which is the book I am working off here, if you go to page 121, there is Labour. I will just wait till you get there. At the bottom of the page, there is a Reconciliation Statement, which reconciles last year's with this year's and the changes that were made during the course of the year. The major adjustment that was made, at the time last year's Budget was done, it was not determined the final outcome of how the GSI, the general salary increase, would be allocated, so that was done after the Estimates had been tabled, and they reconcile at the bottom of this page. Then if you go to page 6, on the introduction, for prior year's Estimates of Expenditures, they do an explanation of that to show how it is all put together so that there is

transparency. So, on that page 6, it indicates prior years Estimates of Expenditure.

"The estimates of expenditure for the previous year include both the estimates of expenditure and any supplementary estimates of expenditure that may have been approved by the Legislature by way of a supplementary appropriation act."

"In order to make year over year comparisons meaningful, adjustments to the previous year's estimates figures may be necessary. These adjustments reflect organizational changes, as well as any other adjustments that may be required to provide comparability. Generally, the total of the previous year's estimates of expenditure does not change as a result of these adjustments. For 2001/02, the most significant adjustments to the 2000/01 estimates relate to the reorganization of departments implemented in January, 2001 and the allocation of funding to departments from the Internal Reform, Workforce Adjustment in General Salary Increases Appropriation for the 2000-2001 general salary increase."

So it is somewhat complicated, but the Treasury Board sets up the Estimates of Expenditure with a reconciliation statement for each department to show how that movement occurred to accommodate those adjustments.

Mr. Schuler: I would like to thank the minister for his comments. I guess I still have a deeper problem with it. Number 1, I believe it should state on top "revised" because then it states very clearly what happens. The greater issue that I have is again if you compare—and unfortunately I only have these books, I could have probably brought just a photocopy. But when we look at the percentage increase for departmental spending, what we do is we compare this year's estimate not to last year's estimate but to last year's revised estimate, because if we were to compare this year's estimate to the actual last year's estimate, the increase is around 6.6857, and yet what we are seeing is an increase of 5.6. I guess that is where I am having a little bit of difficulty because, in fact, it is misleading that the estimate of what should be spent this year is actually not compared to the estimate that was set down in last year's Budget. It was revised

through the process, and I understand that revisions do take place, but that is why I would be more comfortable if there was somewhere just in brackets "revised," that you know that the 5.6 is based on the revised numbers and you have the reconciliation statement right below it but that actually the change from 2000-2001 is actually 6.6857.

I calculated over two years. I believe the change is somewhere around 12.63 for two years, and that certainly is not reflected in the books because what you are always doing is you are comparing this year's Estimates to last year's revised Estimates and not last year's real Estimates. It is not the most earth-shattering point in the Budget, but I do think it bears some comment. It is just something that I have found somewhat strange because in normal financial statements if there is a number that has been changed, it would actually have in brackets "revised." I would then wait for the minister's comments.

Mr. Selinger: For the edification of the member from Springfield, if he will go to his Labour Supplementary Estimates, the yellow book, 2001-2002, to Schedule 3 on page 10. Got it? That is where they show the reconciliation, and you will see Estimates of Expenditure for 2000-2001 adjusted. They are completely transparent about that there, and then they carry that over into a reconciliation statement in the Main Estimates on page 121 which is what I was referring to. They show a schedule of the adjustments were made. They make it clear that is what they are doing on page 6 in the general overall sets of Estimates of Expenditure. This reconciliation statement in your detailed schedule is exactly the same as the reconciliation statement in the 2001 and '02 Estimates.

Now my officials inform me that this is a widely accepted procedure by accountants in the field for how the transparency is illustrated for government budgets, and we are simply following the practice that had been used by the Government before we took office.

Mr. Schuler: Thank you. I would like to move on to my next point. That was just something that I found was odd.

I would like to move on to the staff turnover allowance. I understand from the Department of Labour that this is the first year—and again the supplementary Labour budget of 2001-2002, page 21.

Through you, Madam Chair, to the minister: There is a line called Less: Staff Turnover Allowance. Now that is a new line, and it seems to run throughout the whole Budget, page 25, Staff Turnover Allowance \$21,600, page 27 \$35,600, and it goes on and on. I have not compiled it comprehensively, but I come up with that it is up to 10 percent of the actual Department of Labour's budget. Why is this done?

* (16:10)

Mr. Selinger: If the Member for Springfield would go to page 75 in the Labour and Immigration Estimates 2001-2002, bottom of the page, they have the Staff Turnover Allowance identified there. This is apparently standard practice in previous budgets, simply once again using the same mechanisms that were used previously. It is part of the overall glossary that is provided at the back. Staff turnover allowance is described as an adjustment made to a salary's account to allow for attrition and staff turnover. It is a negative adjustment to enable the organization to more accurately display salary requirements. I hope that is sufficient.

Mr. Schuler: Could the minister confirm for this committee that that is the first time it has been done in the Department of Labour?

Mr. Selinger: We would have to check the specifics on that, but it is apparently standard procedure throughout the government entity. I would have to check the specifics for the Department of Labour but this is regularly done.

Mr. Schuler: Could the minister advise this committee: Is this now being done in every department, and in which departments did this just start in the last year? Or the other way around, Madam Chair, which departments have been doing this over the past years?

Mr. Selinger: The Member for Springfield (Mr. Schuler) also has the 2000-2001 Estimates, the

green book. On page 36, it also was done last year, in the middle of the page, staff turnover allowance. This is not the first time. I am informed that it was done the year before as well. This apparently seems to be a standard operating procedure.

Page 35. The middle of the page, staff turnover allowance, minus 14.4 in brackets.

Mr. Schuler: That seems to be about the only incidence. Page 35 is the one that I did not see it on. Is it now something that is being done by department by subappropriation throughout the entire Government?

Mr. Selinger: I am informed by my director of administration that in his 10-plus years, it has always been a part of the practice of budgeting across the wider government entity.

Mr. Schuler: Is it now something that is being done more exhaustively throughout the departments because again, other than page 35 in last year's Estimates, it seems to be now every subappropriation in the Department of Labour has it? Is it now a policy that every subappropriation will need to have that kind of a line in it?

Mr. Selinger: I am informed that this has been a standard practice for several years in the way budgets are prepared, and the degree to which it is applied is contextual in the context of the fluidity and dynamism in labour markets. Some years it is more important than others, but the adjustment is always made. We cannot think of anything untoward in the way it is done here.

Mr. Schuler: Does the Department of Finance track this? It is almost an income line. You are depending on, for instance, if we look at—and I will take the minister back to the current Budget. If, for instance, we go to page 21, Staff Turnover Allowance of \$13,900, if that is not achieved, then automatically the department or that subappropriation has overspent. Is it tracked as an accumulative number, because it is almost an income that you count on because it is taken off the actual labour number? The actual salaries for that subappropriation are \$534,000. However, when you take off the staff turnover allowance, it is \$521,000. So if that were not to occur, then

you have automatically overspent in your department. Like, is that number tracked?

Mr. Selinger: I am informed that this device that is used in the Estimates—and I want to emphasize the word "Estimates"—is to more accurately reflect trends and patterns with respect to personnel within the various departments and their subcomponents. I would not describe it as an income line, as the member has. I would describe it as a more accurate tool to reflect the Estimates of Expenditure which are expected to occur every year. It allows departments to be more accurate with respect to—I mean, after all, retirements, job changes and people coming and going is a normal feature of a large organization such as the Government of Manitoba.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Mr. Schuler: I then want to move on to a third area of concern that I had. If the minister would go to page 63 of the current Budget and approximately page 65 of last year's Budget, and it deals with the Office of the Fire Commissioner. In last year's financial statements—or however you want to word it—page 66, Office of the Fire Commissioner income statement for the year ending, and what they do is they give March 31, 2000, 2001, 2002, 2003. The projection for March 31, 2001, is that there should be an operating profit of \$276,216. We go to today's Budget, March 31, 2001, and that would be on page 63, and we see all of a sudden there is an operating loss of \$791,173. That is a change of a million dollars.

Can the minister indicate why such a dramatic change in the Fire Commissioner's office?

Mr. Selinger: This is an agency that is the responsibility of the Minister of Labour (Ms. Barrett). If the member wishes, we can take it under advisement and work with that minister to prepare a response on the specifics of what is happening in that agency.

Mr. Schuler: I suppose, to a degree, the minister could instruct his political staff or his department to look at Hansard, because the minister was not very clear on this. They really did not have the

answers. For instance, if I may direct the minister to page 62 of the new book and page 65 of last year's book, for instance, if the minister were to look in last year's financial statements, there is an item called Permits and Plan Review. For March 31, 2001, the estimation was \$1.1 million and some change. If we go to this year's financial statements, Permits and Plan Review, the number is down to under a million dollars.

What is interesting is that in this year's financial statements, in the year 2002 that number moves from \$995,000 up to almost \$1.3 million. Yet, we look at the Estimates from last year, it was supposed to be \$1.1, and now they have reduced it down to under a million. All of a sudden, optimism reaches a new height where the feeling is that it should go up to \$1.3 million, which is well above what they had projected last year at \$1.1 million.

* (16:20)

I guess my comment is that I believe the revenue is far more optimistic than necessarily should be. I point the minister out to page 62 of the current financial statements where in March 31, 2002, all of a sudden, tuition and contract revenue goes from \$766,000 to over \$1.2 million. What I am trying to get at through you, Mr. Acting Chairman, to the minister is actually we may not be looking next year at a \$430,000 deficit, but well over that, because I find the numbers are incredibly optimistic and that maybe there is not a real sense of reality here.

My question to the Minister of Labour (Ms. Barrett) was how you overcome this year almost an \$800,000 deficit, next year based on wonderfully optimistic numbers a deficit of almost half a million. I would suggest we will be sitting here next year and looking at a far greater deficit, and so on and so forth. I was told there is a \$4-million fund, and they could not quite answer that one. In no time at all these kinds of numbers you would eat away that fund. Who then funds that liability?

Mr. Selinger: I think we have to recognize that we are into the detailed Estimates of another minister and one of their agencies. I would be willing to work with that minister to get a clear set of what is going on here in terms of the

business plan of this organization, the Office of the Fire Commissioner. That Minister of Labour and Immigration (Ms. Barrett) can then provide that information back to you. But it is quite unrealistic to expect me at this table to be able to have a detailed knowledge of this agency which is not directly under my purview. But I have no problem working with that minister through my Treasury Board officials to clarify the points that presumably you have raised in both sets of Estimates now. I think they would properly be answered back through that minister, who is responsible for this agency.

Mr. Schuler: Again, like I initially stated, the Minister of Labour indicated that some questions would be best answered here at this particular committee because the answers were not necessarily that forthcoming.

I raise this issue because I think it is a matter of public money, and I think it is a serious one, a \$791,000-deficit projected from March 31, 2001, when the operating profit projected for last year was \$276,000. That is well over a million dollars. That is really substantial, and I think alarm bells should go off. I think somewhere along the line maybe the department is trying to do too much. Maybe there should be something differently done. Salaries and benefits certainly have gone up, and there are a lot of different areas where that has taken place, where the expenses have gone up considerably.

But to just allow, I believe this is called a special operating—

Mr. Selinger: Agency.

Mr. Schuler: SOU? No?

Mr. Selinger: SOA.

Mr. Schuler: SOA, a special operating agency—to allow them to run these deficits. I would point the minister out to the book: 2001, almost \$800,000, \$430,000 deficit, \$492,000 deficit, \$575,000 deficit, all including change based on numbers that are fairly, fairly optimistic. I would appreciate it if the minister would work with the Department of Labour on this. Perhaps there is

something that needs to be done, because if there is a \$4-million cushion somewhere, that cushion will not last very long. That in no time will be eaten up by the SOA of the Office of the Fire Commissioner.

The Minister of Labour advised that this might be a place to raise some of the questions. Certainly I have taken the opportunity. I appreciate that the minister will look at this. I am wondering if I can appeal to the minister through you, Mr. Acting Chairman, if we could get a response to this, if I could get a response, into how this is going to be dealt with as soon as some kind of conclusion has been met. I understand it takes some time for everybody to get together and meet on this, but certainly I would appreciate some feedback on it if that is possible.

Mr. Selinger: The Member for Springfield (Mr. Schuler) has raised three questions, two of them related to how the Budget expenditures are presented and made transparent. We have dealt with them, as those rules are ones that Treasury Board and the Minister of Finance operate under. With respect to the specifics of the business plan of the Office of the Fire Commissioner, those questions are properly addressed by the minister responsible for that agency. I will certainly talk to that minister and ask her to—I am assuming the same questions have been asked here that were asked there. I think that would be the proper place for them to be forthcoming.

I am quite sure the critic for Finance would agree with me that we have more than enough areas to cover here under my own Estimates, but we will undertake to assist, if required, and it may not be required—the Minister of Labour (Ms. Barrett) to address those concerns you have raised with respect to that particular special operating agency.

Mr. Loewen: I do have some questions in this section regarding Treasury Board. Maybe I will proceed with that now, but I think I will probably have to come back to them at some point after we get through the Taxation section.

Mr. Selinger: Are you wanting to move to Taxation now?

Mr. Loewen: No, while we have staff here, I think we can deal with quite a bit of it. There may be some who have to come back. Maybe while I get organized here in this section, if the minister could identify who is on Treasury Board, the individual Treasury Board committee? I know there have been some changes recently.

Mr. Selinger: You are asking who the elected members of Treasury Board are?

Mr. Loewen: Yes.

Mr. Selinger: The deputy Chair is the Member for Wolseley (Ms. Friesen). Other members include: Ron Lemeiux. I am trying to think of his constituency

An Honourable Member: La Verendrye.

Mr. Selinger: La Verendrye. The Member for Swan River (Ms. Wowchuk); the Member for Fort Rouge (Mr. Sale)—who am I missing?—the Member for Brandon West (Mr. Smith), and, of course, myself, the Member for St. Boniface.

Mr. Loewen: I am sorry, I am missing one. Friesen, Lemieux, McGifford, Smith—

Mr. Selinger: No, not McGifford. Fort Rouge would be Tim Sale.

Mr. Loewen: Oh, sorry.

The Acting Chairperson (Mr. Nevakshonoff): Honourable minister, would you like to repeat that for the Member for Fort Whyte?

Mr. Selinger: I will do it by name. You have the Honourable Scott Smith, the Honourable Ron Lemieux, the Honourable Tim Sale, the Honourable Rosann Wowchuk, the Honourable Jean Friesen, and myself.

The Acting Chairperson (Mr. Nevakshonoff): It is correct that you identify by their constituencies and not by their names, sir. Would you go that route, please?

Mr. Selinger: Okay. Well, I attempted to do that. Brandon West (Mr. Smith), La Verendrye (Mr. Lemieux), Fort Rouge (Mr. Sale), Swan

River (Ms. Wowchuk), Wolseley (Ms. Friesen) and St. Boniface (Mr. Selinger).

Mr. Loewen: I thank the minister for that. Sorry for the confusion. Can the minister confirm that the Treasury Board still meets on a weekly basis?

Mr. Selinger: That is the normal procedure, but we often do more work than that. There are occasions when, for various reasons, we will occasionally defer a meeting.

Mr. Loewen: Can the minister indicate whether there were any meetings that had to be cancelled because there was not a quorum?

Mr. Selinger: I do not recall any that were cancelled due to a lack of quorum.

Mr. Loewen: Maybe if I could ask the minister just to verify that with his staff. If that is the case, then that is fine. If for some reason there was a meeting where there was not a quorum, if he could advise me, I would appreciate it. Would the minister be able to table the attendance records for all meetings called during the year?

Mr. Selinger: We have agreed to do that, and we have tabled the attendance records recently. I think it was to the end of October that we did it most recently, and we will endeavour to bring them up to date over and above that and make them available to you, if you wish.

Mr. Loewen: I appreciate that. Would that include all of the meetings or just the regularly scheduled weekly meetings that the minister is reporting on?

Mr. Selinger: That includes all the regularly scheduled meetings.

Mr. Loewen: Could I ask the minister to expand upon that and table the attendance records for all meetings called throughout the year?

* (16:30)

Mr. Selinger: There are several meetings with respect to things like the Budget where attendance records are not maintained. We simply maintain them for the regular meetings. A lot of

those other meetings are on short notice, weekends, and in our view, they are less formal. All the formal decisions come back to the regular meetings.

Mr. Loewen: If there is not a quorum at those meetings, are the meetings cancelled or do they proceed?

Mr. Selinger: I do not recall there being a case where there is not a quorum. If there is not a quorum, theoretically on a hypothetical basis, no decision can be made. You cannot make a decision without a quorum, but I must say I do not recall any lack of quorum when it came to getting the business done.

Mr. Loewen: Again I would ask the minister if his staff in going through the records find that there has been meetings of any type called where a quorum was unavailable and a meeting could not proceed. If you could table those, I would appreciate it.

Mr. Selinger: Once again, there are not formal attendance records kept at other than regularly scheduled meetings and so there would be not a formal record of whether a quorum was achieved.

Mr. Loewen: Could the minister provide any staff changes in the area of the support staff for Treasury Board?

The Acting Chairperson (Mr. Nevakshonoff): Would you repeat the question, sir?

Mr. Loewen: I asked the minister if he could identify any staff changes with regard to support staff for Treasury Board?

Mr. Selinger: Yes, the new analysts that have come to join us in the last year are Diane Dempster, whom I have not actually met yet. I understand she is quite new. Mike Kubasiewicz; if you want the spelling of that, I will provide it to you; Karen Shibley; Doree Sabourin and Brad Tabac. Just for further clarification, all but one of those were hired through competition and one was a 20-year employee in Conservation and was appointed directly.

Mr. Loewen: I thank the minister for that. I believe last year an individual by the name of Lloyd Schreyer was seconded to the department. Could the minister advise us whether Mr. Schreyer is still seconded to the department?

Mr. Selinger: Yes, that individual continues on a secondment arrangement with the Government.

Mr. Loewen: Just for clarification, what is the Treasury Board Secretary?

Mr. Selinger: Yes, his FT is within the Treasury Board Secretariat establishment.

Mr. Loewen: I believe last year it was indicated he was seconded as a result of a maternity leave? Did the individual who took maternity leave return? I think it was identified as Katherine McQuarrie. Is that right?

Mr. Selinger: I think there must be some misunderstanding. There was an individual named McQuarrie who was on a maternity leave, but there is no connection between her maternity leave and this other individual being brought into the Government.

Mr. Loewen: I thank the minister for that clarification. I guess with regard to the Treasury Board Secretariat, has there been a review? I guess, when was the last review of the Crown corporation capital spending?

Mr. Selinger: That was reviewed as part of this Budget cycle. It is an annual procedure.

Mr. Loewen: Has that review been completed?

Mr. Selinger: Yes.

Mr. Loewen: So then any Crown corporation capital spending would be included in the Budget that the minister tabled?

Mr. Selinger: Yes.

Mr. Loewen: Was there representation by the Crown Corporations Council when the review of the capital spending was undertaken?

Mr. Selinger: Yes, they presented their views on it.

Mr. Loewen: Just to stick with the Crown corporations for a while here, the minister indicated last year that he had sent staff to Saskatchewan to review how they were able to take dividends from Crown corporations in the province of Saskatchewan. I am wondering if the minister got a report presented to him as a result of that.

Mr. Selinger: I do not think this is the proper line for dealing with the Crown Corps Investment Council. None of the staff are here. For greater certainty, I never sent staff anywhere to look at dividends. The trip undertaken by the senior officer at that organization was on his own initiative. He is guided by a board of directors.

Mr. Loewen: My understanding from reviewing Hansard last year was that the minister had actually instructed staff in his department. I assume they would have come back and reported the Treasury Board on a review of how Crown dividends were taken from Crown corporations in the province of Saskatchewan. Maybe the minister could clarify that for me.

Mr. Selinger: Once again, the role and activities of the Crown Corps Investment Council are properly dealt with when we have them in front of us. I did not instruct them to do that. The trip that that individual took was on his own initiative. We do get reports from the Crown Corps Investment Council that are approved by the board of directors. They have reviewed issues such as dividends with respect to Crown corporations.

Mr. Loewen: Could the minister advise who the senior officer was that did the review.

Mr. Selinger: The senior officer for the Crown Corps Investment Council, the president and CEO, is Garry Hoffman.

Mr. Loewen: I realise that. Was that the individual the minister was referring to in his state-

ment that a senior officer went on his own advice?

Mr. Selinger: That was the individual who made the trip to Saskatchewan early after we were elected.

Mr. Loewen: Did that individual report back to Treasury Board on the results of his trip?

Madam Chairperson in the Chair

Mr. Selinger: No, again that individual reports to a board of directors, as appointed by the Government, and then the board of directors tables a report with myself as the minister.

Mr. Loewen: Was such a report tabled?

Mr. Selinger: Once again, I do receive reports from the Crown Corps Investment Council, and I would be happy to discuss that when we have that body in front of us.

Mr. Loewen: What I am asking the minister is if that report was filed with the Treasury Board Secretariat. It seems to me that, with the staff here, the secretariat should know if the Crown Corporations Council filed a report with Treasury Board regarding the possibility of dividend payments from Crown corporations in the Government of Manitoba.

* (16:40)

Mr. Selinger: Yes. Once again, that CEO or president reports to his board of directors. That board of directors files their reports with the minister responsible for the Crown Corps Investment Council. I am not aware of that report being tabled in front of Treasury Board.

Mr. Loewen: With regard to the Crown corporations council, the minister issued an order, the minister responsible, the new minister responsible—maybe I have that wrong here. The Honourable Gord Mackintosh instructed the Crown corporations council to review, as a result of the Government's dealings with MPIC, the way in which senior officers are remunerated within the business plan associated with the various Crown corporations. Has any report come back to Treasury Board regarding that?

Madam Chairperson: Just a reminder, the honourable member is not to use names in the committee.

Mr. Selinger: Once again, I have to remind the member we are dealing with the Treasury Board Secretariat. This question is completely unrelated to the Treasury Board Secretariat. But just to tell him what is going on, the Minister of Justice (Mr. Mackintosh) or the Member for St. John's does not have the responsibility nor the authority to instruct the Crown Corps Investment Council to do anything. Only the minister responsible can request of the Crown Corps Investment Council that they undertake a certain activity, and therefore it was myself, as Minister of the Crown Corps Investment Council that asked that body to look into compensation arrangements for senior officers in Crown corporations.

Mr. Loewen: I thank the minister for clarifying that. The Order-in-Council is issued by the minister. Is the minister expecting that that report will come back to Treasury Board?

Mr. Selinger: I am expecting it will come back to the Minister responsible for the Crown Corps Investment Council.

Mr. Loewen: Then would the minister expect to take that report to Treasury Board for discussion?

Mr. Selinger: I have no plans at this moment as to where I am going to take it. First, I will receive it and review it and then decide on my course of action after that.

Mr. Loewen: Maybe, given that, we can revert back to section 7.4 Taxation.

Mr. Selinger: You have no other questions for Treasury Board.

Mr. Loewen: As I indicated before, I will have more questions for Treasury Board, but I would like to go back to the area on Taxation to clean up some issues there before asking them.

Mr. Selinger: Okay, then we will have to call you back when we need you again.

Madam Chairperson: Is there leave by the committee to revert back to section 7.4? Is there leave?

Mr. Selinger: I would just like to get the attention of the Member for Fort Whyte for a moment. I am trying to be flexible here, but I do not want to be bouncing around line to line and keeping staff coming back and forth. I mean, I do not know if you have any other questions that you have prepared or you want more time to think about questions for Treasury Board. Have you exhausted all of the questions that you are aware of right now, because I would rather not be calling them back unless it is absolutely necessary? I would rather not leave that particular line open unless there is a specific reason or you need more prep time. I need a clearer rationale for why we are bouncing around here. I moved to this section specifically to accommodate the member from Springfield and yourself and your request. I am wondering if there is any reason why we cannot dispense with this now at this stage.

Mr. Loewen: Well, I had indicated at the time that I believe as a result of the committee looking at the Estimates for the Department of Labour, some questions had arisen that the Labour critic had been informed that would have been maybe more appropriate to ask those questions of the Minister of Finance during this Estimates process. So we were just really trying to accommodate him, and I appreciate that. Will I have more questions for Treasury Board? I anticipate that there will be, but as I said then my preference is to keep going line by line through the Taxation before we finish off Treasury Board.

I appreciate that the staff has had to come back and forth, and we are certainly trying to keep that to a minimum. I do not expect that there will be any other areas where we are bouncing around, but I would like to get back to the orderly flow that we had started with at the beginning at this point.

Mr. Selinger: I will support leave to revert as long as this is not abused and we do not have a second full-dress rehearsal of Treasury Board. We tried to move and deal with that as much as possible here.

Mr. Loewen: I appreciate that. I mean, again, it is my intention to go through the items line by line and when we get to the section of Treasury Board there may be a few more questions. I do not think we are looking at a long period or an extended period, and we certainly do not intend to abuse the process. We will have some other issues to deal with quite likely when we come back to Minister's Salary.

Mr. Selinger: I will support leave to revert to Taxation.

Madam Chairperson: Is there leave of the committee? *[Agreed]*

Item 7.4. Taxation (a) Management and Research (1) Salaries and Employee Benefits.

Mr. Loewen: I do not intend to abuse the process and appreciate that the staff has left and maybe the answer is not available right now, but just going through the additional notes that were given to me last year on the Enterprise Systems Management, I am trying to reconcile or determine where the—I think it was \$2.71 million that the minister had indicated was in the \$8.5 million and it does not match identically with any numbers that I have on last year's reconciliation. So, maybe, if I could just direct that to the minister and at some point they can come back here. There is a consulting fee number of \$2.66 million, and maybe it is that number that has been upped but if staff is not here maybe at some point if the minister could just give me a reconciliation of those numbers I would be appreciative.

* (16:50)

Mr. Selinger: We have passed this section but for greater certainty and clarification of the information, the \$2.187 million was for the new positions. The four positions identified in the Estimates were valued at \$211,000, and then there was a capitalization reduction of \$758,060 for \$1,639.40 plus operating of \$6,860.60 for a total of \$8,500,000. I know that it is a lot of detail but really what happened here was that you had your four positions identified for \$211,000. You had your new positions that were worked on and established throughout the year, 28 positions at 2.187, and then you had a

capitalization deduction. Then operating in addition to that, 6.860, and that gives you your 8.5 million.

Mr. Loewen: Well, I would ask the minister if I could just submit back to him the Budget breakdown of subappropriation 7.3.(f) for the 8.5 million that the staff gave me last year, and maybe they could just do a reconciliation of that because the numbers are different.

Mr. Selinger: We will do that for you.

Madam Chairperson: I would just point out that, if we are reverting back, this item has already been passed. We will need will of the committee.

Mr. Selinger: Madam Chairperson, I would recommend that we not open it up. I will just undertake to get the clarified information for the member, and if there is an issue then we could consider whether we need to open it up again. Okay. I am ready for Taxation.

Mr. Loewen: I am ready for Taxation, too. Thanks. Just with regard to the Taxation, I guess the removal of the exemption that is proposed in the Budget with regard to what has been referred to as the green tax on herbicides and pesticides, which I believe is indicated in the Budget, will result in \$2 million of revenue to the Province of Manitoba. I guess it is referred to as exemption for non-farm chemicals being terminated. Could the minister indicate if there is a one-time cost associated with introducing the necessary systems adjustments to handle that change?

Mr. Selinger: A number of low-cost procedures were used to implement this. First of all, a fax was sent out to all the retailers who had the codes for the kinds of products that are being identified here. Secondly, the officials in Taxation are doing follow-up visits to those sites as part of their regular tours of duty to see that the RST is properly administered by retailers. Thirdly, a circular was prepared and included to the retailers as part of the regular mailouts that go on from the department. What this does is many of the retailers operate also in other provinces and this measure that was taken in the Budget brings our practice in line with other provinces. So for those retailers operating in

multiple jurisdictions this would be a straight-forward thing for them to do because they are already used to doing it in other provinces.

Mr. Loewen: Was there a one-time cost pegged to that, or is it so minimal that it is just really informing retailers?

Mr. Selinger: It is very minimal. There was no specific cost broken up for that. It was just worked into the routines of the Taxation officials.

Mr. Glen Cummings (Ste. Rose): Given the question that the minister just asked, I wonder if he has given any thought to the consideration of any extension of exemption on sales tax on agricultural production buildings.

Mr. Selinger: Those decisions are considered on an annual basis in budget preparation. It will be considered in the future when representations are made.

Mr. Cummings: Does he have a figure that the department perhaps has, that they can share with us about what the total revenue might be, or the loss of revenue might be, if agriculture, if livestock production buildings were exempt?

Mr. Selinger: My senior official in Taxation will take the specific number as notice and see what he can do to compute that for you, but if those production facilities were exempted, he indicates that it might trigger demands for similar exemptions by other processors and producers of products, so there is a wider implication that would have to be considered here and in the deliberations around that specific item.

Mr. Cummings: Yes, I thank the minister for that answer. What I would be interested in is if the department could share the number down the road and the construction of new livestock production facilities. That would include all livestock and feedlot equipment and material. When you expand on the answer, that raises some concerns. It seems to me that the neighbouring jurisdiction already has an exemption so the implications probably can be learned from there. I am talking about Saskatchewan.

Mr. Selinger: Other jurisdictions have handled it in their fashion. Once again, I am just making clear to the member what the ramifications would be. That does not say that it should or should not be done. It is simply part of the considerations that would have to go into making that kind of policy decision, and we will undertake to identify what the approximate cost of that would be.

Mr. Cummings: I will leave the point with one comment to the minister. Obviously, my interest is in the competitive aspects of where the livestock industry is going to develop. Given the debate we are having currently with the Minister of Agriculture, the committee that is travelling, certainly taxation issues more around land taxes, I guess, have been raised. But in fact other competitive issues, where people are investing heavily in multi-million dollar facilities, there does become a competitive aspect just the same as it becomes a pro and a con in terms of your access to markets. Given our geographic location, there are certainly strong reasons to at least give it a passing glance in future consideration.

Mr. Selinger: It has been considered in the past. It will be considered in the future on its merits.

Mr. Jack Penner (Emerson): Following along the same lines, I think most of the provinces, am I correct in saying that most of the provinces have, in fact, exempted livestock buildings from taxation. Is that correct?

Mr. Selinger: My officials do not have the specifics of that at their fingertips, but they will follow up and get back to you with the details. They do recall some kind of sunset provisions with respect to those tax exemptions but we will check and give you the specifics.

* (17:00)

Mr. Jack Penner: We have talked for many years about the harmonization of many of the processes, regulations, legislation and taxation in this country, specifically in western Canada. I am wondering whether your officials have apprised you of some of the discussions that have gone on in the past and what the results of those discussions have been. Have you, sir, had

any discussions with your provincial counterparts in western Canada about the harmonization of some of the tax issues to allow for a greater degree of competitiveness and free flow of products without impediments of the tax system? I referred to road tax and all those kinds of things, whether it be licensing or those kinds of things, in a much more harmonized and equalized manner in western Canada.

Mr. Selinger: The Minister of Transportation and Government Services (Mr. Ashton), I think, has discussed this in the House. He probably will discuss it in his Estimates. The harmonization initiative in the last year or so has focussed on the IFTA and the licence harmonization for the trucking industry, so that they can move freely among other jurisdictions without having to pay several fees as they enter different jurisdictions. We have undertaken and embarked on that initiative. My officials have been key players in bringing that initiative forward and setting up the regime and the software and the administrative overheads that are required to make that work. That is the one initiative.

Ministers of Finance have not focussed on that specifically when they have gotten together. They have been spending more time on issues related to the CHST, a proper escalator, issues related to not having an artificial cap on equalization, issues related to how the new revenue collection agreement is going to work and how the federal agency will administer those and the charges that will be related to those. Those have been the main focus of our discussions in the last few meetings we have been at.

Mr. Jack Penner: The agricultural community, whether they be the industrial side of the agricultural community or the primary producer, have had some significant concerns in recent years about the various support levels in other jurisdictions, whether it be on the American side and/or the Saskatchewan and Ontario side. The issue that I hear from the industrial side is the builder of grain bins, transporting his grain bins to Saskatchewan, gets stopped by the road inspector and is charged \$1.50 a mile for the transportation of Manitoba product into Saskatchewan.

I do not know whether that is their law and application of the law when our product enters Saskatchewan and whether that is a charge that is also charged as a through charge if you are transporting through Saskatchewan. I am wondering whether you, as Minister of Finance, have any concerns in that regard, or whether you are having those discussions with your counterparts in Saskatchewan as a revenue issue and/or charge to our manufacturers when they in fact transport into and/or through another province, because it can be a very costly venture for those manufacturers. Some of them are saying they will try and avoid transporting through Saskatchewan if that continues. If you have not had the discussion, I am wondering whether you could have those discussions, or your officials could have those discussions with the Saskatchewan officials.

Mr. Selinger: The majority of those issues were intended to be addressed through the International Fuel Tax Agreement, what I called IFTA before, that would avoid all these noxious charges as you cross borders. Where a transporter is not part of that regime, he is charged on a per trip basis. Where that individual is a regular carrier, they can join the IFTA regime and avoid all those cross-border charges. The Minister of Transportation (Mr. Ashton) is the lead minister on that initiative.

We are supporting, obviously, in terms of the administration of it, through the Department of Finance, Taxation division, but if you have a specific incident where somebody seems to be having these charges levied on them we would, first of all, have to determine whether they should participate in IFTA. If they are not participating because they are just a casual carrier or whatever, then there might be these additional charges that would probably not be well received by the carrier. So there might be a solution within the IFTA regime. I would encourage you to discuss it with the Minister of Transportation to see what could be done there. Of course, if there is anything our officials can do to check that out, we will. If you have a specific, it would be helpful.

Mr. Jack Penner: Could you give us, Madam Chairperson, or could the minister probably give

us a bit of an overview of what the IFTA regime is? Sorry, I am ignorant when it comes to that.

Mr. Selinger: The way the International Fuel Tax Agreement works is that a carrier will register in his own jurisdiction and then his fuel taxes are allocated by the number of miles he drives in the various jurisdictions. So it is all handled through one agency in their home jurisdiction, instead of having to go through all the paperwork every time you cross a border. I think it is all the American states and all the Canadian provinces are entering into this agreement. We decided to enter into it last year because, even though we thought we would lose some money in the short run by not being able to ding people as they came across our border, we thought in the long run it would create greater opportunities to use our jurisdiction for transportation in and out of goods, and we would not be sort of outside the tent on how this system was being established in the United States. So we made a go-forward decision on a competitiveness basis to enter into this regime and to put the appropriate software in place to be able to do those allocations by jurisdiction. So we are part of a larger system now throughout North America, which we believe will be to the advantage of our transporters of goods and services.

The obverse of that is that if we did not enter into that regime, every time we went into somebody's jurisdiction we would be layering charges on top of our carriers. They would be getting, you know, bills every time they entered into those regimes, so we have moved into that. If you want further details on how it is going to be administered or rolled out on the transportation side, I encourage you to discuss it with that minister from Thompson. If you want details on how the specific taxing will be applied, we can discuss it. You could certainly discuss it with my ADM of Taxation if you want details.

Mr. Jack Penner: Thank you very much for that answer, Madam Chairperson. It is shifting gears a bit, and before I leave this subject I concur with you. There are some people who feel dinged when they come into this province. I think it is a good idea to enter into an agreement

that will cause a level of taxation to be applied and equally in the jurisdictions, if that is going to be the case. I am not sure whether that is in fact the case, whether there will be equal taxation within all jurisdictions that are participants in the agreement.

Mr. Selinger: It will be a proportionate form of taxation. You will get charged for the actual miles travelled in that jurisdiction at the rates that jurisdiction levies, rather than having additional charges just for coming in. So each state or province will have its own tax regime maintained, but they have agreed not to have additional nuisance charges but to apply their regime on a sort of a really continent-wide basis through this agreement with only one person administering it. So you do not have to deal with tax officials in several different jurisdictions. It will all be administered in their home jurisdiction.

In the case of our rather large substantial trucking industry, they will have the comfort of being able to deal with officials in our Government who they know and work with on a regular basis to address all those charges anywhere they travel in North America. So I think there will be a greater efficiency there.

* (17:10)

Mr. Jack Penner: Thank you very much, and I certainly concur that that would be an advancement from where we previously were, especially within Canada. Those of us who live close to the U.S. border know what that means to have those additional charges levied when you cross boundaries.

On revenues, I should put it this way, Madam Chairperson. The farmers have had significant discussions recently about the amount of revenues that are generated by some of the products that they market, some of the raw products that they market and once the processor takes over and the provincial and federal taxes are applied to products such as our beer market and our liquor market. Can you give us a bit of an overview, Mr. Minister of Finance, as to what the provincial and federal revenue would be on a 40-ounce bottle of whiskey produced in Gimli?

Mr. Selinger: Regrettably, we do not administer The Liquor Control Act. That minister is by happenstance at the table here, and he might undertake to give you the breakdown there. We are of course happy to receive the revenues from those products, but we do not administer the details of that.

Mr. Jack Penner: Madam Chairperson, I would have thought that the Minister of Finance would have an absolute number on those products because they do generate, I understand, fairly large amounts of revenue to the Province and therefore might have the numbers at hand that are applied to, for instance, a 40-ounce bottle of liquor and/or a case of beer. So if you could share that with us, I would appreciate that. Maybe your staff does have those numbers and might share them with us.

Mr. Selinger: My officials inform me they are prepared to pay close attention to those products and what the markups are on it and work with the minister responsible to provide that information if you wish.

Mr. Jack Penner: I thought that the Minister of Finance might have some of those numbers because it would be interesting to have the actual numbers. There are all kinds of numbers that are being thrown around although most of them are relatively close to each other, but I would like to have the real facts, that if we do those kinds of calculations we can do the accurate ones.

The final question is: Has the minister had any discussions with the federal Minister of Finance in regards to the removal of the excise taxes from farm-used fuels? There is a 4 cent a litre excise tax applied to diesel fuel used on farm, and there is also a 10 cent a litre excise tax on gasoline used on farm. The current financial situation as it is on the farm and the huge increases in cost I thought might have encouraged the minister to have some discussion with his federal counterpart. Would you apprise us of any discussion you have had or whether you have had discussions?

Mr. Selinger: I must say this is the first time I have had any representations in that regard from any organization to ask the federal Finance Minister to consider that. You are the first one to

ever raise it with me, and therefore I have not had any discussions with the federal Finance Minister in that regard. Presumably some of the farm organizations may have made direct representations to the federal level, but I have had no indirect representations asking for my support on that.

Mr. Jack Penner: A final question then: Would you entertain a discussion of that nature with the federal Finance Minister and take this as a request that you do that? Would you entertain such a discussion with the minister?

Mr. Selinger: I would certainly take it under advisement. If you have any details or information you would like us to consider, we could certainly take it under advisement. I am in discussions with the federal Minister of Finance, particularly on equalization, which I travel to Ottawa to make representations on. We have some very serious impacts to Manitoba and six other provinces if they rebase the cap back down to \$10 million. We could lose up to \$100 million. So that is a big-ticket item that I have been very assertive on in putting our views forward to the federal government. I provided a brief to my critic over here, and he could share it with you on the implications. I would draw your attention in particular to page 35 in that brief that we have put forward, where we show that rebasing the cap to \$10 million could cost roughly what we gained on the improvements to the CHST—so that there would be a wash in Manitoba on additional federal transfers in the short run. But, if there are other angles I can pursue with the federal government to treat Manitoba and its citizens more fairly, I would be happy to consider them.

Mr. Cummings: I am sure the Member for Fort Whyte thoroughly enjoys having a couple of his country cousins come in and mess up his schedule. I have one question for the minister.

Mr. Loewen: I am enjoying it. I will be back later.

Mr. Cummings: Jack and I are old enough to remember when the excise tax was rebated. Ask the minister if he would like to reinstate that program if you are interested in supporting the ag economy at this particular time.

But on a serious note, and this is a policy question and not a taxation question, but unless I wait till concurrence, I will not have the chance to ask the minister this question: As a senior member of Treasury Branch, is he involved or can he point to any committee of Cabinet that is involved seriously in supporting the Versatile impasse and the huge impact that could have on this city?

The light sort of came on in my corner today when I realized that this would be the last tractor manufacturing plant in Canada, and a huge impact in terms of just depreciation of the value of the equipment that a lot of us have out there, given it still wears the Versatile or Ford New Holland name plate. So I wonder if the minister could address that in terms of what he can share as a senior member of Cabinet whether or not there is an active undertaking on the part of Government to try and break this impasse by whatever means?

Mr. Selinger: I should just first say, as a historical note, I remember—and I might be dating myself—when Versatile first came into business. I worked in an equipment dealership in Saskatchewan, and we provided many of those Versatile parts to those new pieces of equipment as they rolled out. They were very cost-effective at that time, but some of those Japanese bearings did not last very long, and we had to replace them on a regular basis. Some of you might recall that.

On a more serious note, that issue has been in the hands of the Minister of Labour (Ms. Barrett) as it is a labour dispute, and she has made several attempts to try and bring people together through the appointment of a mediator, Wally Fox-Decent, well known and regarded by, I think, all parties in the House.

We were very supportive of a local owner taking over that factory and keeping it in business. As you know, it was an asset that was required to be disposed of as part of a larger consolidation in the industry that occurred in the States. That particular plant was one that had to be disposed of when the consolidation occurred, so we were happy that we could find an able business person that was willing to take over that plant.

It is obviously very regrettable that the union and management in that situation have not found a way to work together to keep that plant alive. I know the Minister of Labour has spent a lot of her time trying to find a way to bring the parties to a mutual understanding of the benefits that would be gained by keeping that facility operating and in Manitoba, not only in terms of the equipment that is provided to the farming community, but also the jobs. I personally have constituents in my area that are affected by that 25 years of service in that organization who are having a pretty tough go right now. So I think we would all agree that if there is a way we could get people to stop butting heads against each other on that one and find a solution, but, you know, it is a very difficult situation. The personalities involved seem to not be meshing at this stage of the game.

* (17:20)

Mr. Cummings: I appreciate that this is still off topic, but I would just reiterate to the minister that this may well be going beyond just a labour issue, and I would encourage him to talk to his colleagues about expanding whatever involvement they can have, not just settling the labour impasse, but to provide some input into keeping the future, not just the jobs, not just the line of machinery—we will all survive without a line of machinery—but there are obviously alternates.

But the expanded impacts from this coming off the rails for the long term is bad news for the treasury, I would suggest, and for this city and for all of other companies that are suppliers. I cannot list verbatim the list of companies, but very quickly it is going to be a multiplier beyond the number of jobs that are associated with the direct engineering and construction of the equipment. I would urge the minister to use his best efforts to drive home the gravity of the situation with his colleagues, and perhaps it does require expansion beyond just the Minister of Labour's portfolio to consider the ramifications of this not being a productive state of affairs.

Mr. Selinger: I take the comments of the member very seriously. This might be one issue where we might be able to find some bipartisan

mechanism to express the concerns of all the members of the House. I mean, I do not have an immediate mechanism, but there might be some way that the Minister of Industry and Trade and Labour and Agriculture, and critics on the other side—we might be able to work on some joint resolution to try and encourage both parties to find a made-in-Manitoba solution rather than a solution that moves jobs and opportunities outside of Manitoba, which is being suggested at the moment. So I share the concern of the member, not only on the labour side, but on the larger impacts on the agricultural community and the future economic well-being of the province. If there is some constructive role the members of the whole House could play on this, I think we should explore it.

Mr. Cummings: I do not object with anything the minister has just said, but I was thinking more of direct work by various interested parties within Cabinet as to what influence or what direct involvement they might be able to have. Another debate in the House would be seen as publicity at this stage, and certainly, when negotiations are ongoing, might be counter-productive. Nevertheless, I would encourage him to talk to his Premier and his colleagues. Thank you.

Mr. Jack Penner (Emerson): We have probably a half an hour left before some of us have to trudge off and prepare for committee tonight. I think that committee might well sit till three or four in the morning, maybe even later. There are a significant number of presenters there, and the reason those people are going to be here is in large part because of what is happening right here in Manitoba, and driven in many aspects by outside forces that we have no control over.

I refer to the NAFTA agreement and the GATT agreement and how some countries have found their way around contravening, I think some of the agreements—the processes that are in place. I think also one of the reasons they are going to be here tonight, indicating what the result of the natural disaster that we had in 1999 in the western part of the province and much of the eastern part of the province as well. Central Manitoba was not quite as dramatically affected, but the eastern and western portions certainly

were. I think it is fairly evident now that the income losses that were incurred that year, in 1999, by the southwestern and western provincial producers, had a very, very dramatic impact, and I wonder whether the Minister of Finance might give us an indication as to what your revenue streams show in that part of the province, as to whether they, not only from the agricultural side, but as well as from the commercial side. When one listens to presentations that we heard in Brandon and Dauphin, and when we look at some of the towns that I referred to, what was said about Souris—there were 13 business closures in Souris and there were 40 homes for sale in Melita—would indicate that there is a very significant downturn in the income side and much of it still related back to 1999. It was always our opinion when we governed we made the decision to pay \$50 an acre, an unseeded acreage payment, to try to help them through a period when they would have no revenues, that eventually that investment would pay some big dividends.

It was unfortunate that this current Government chose not to do what had been done in the Swan River during the 1998 flood when the then-Filmon administration—and I was the minister then in charge of resources and in part responsible for the decision that was made in Swan River to immediately make the decision to rebuild, and then later on to do the negotiations with the federal government which took some five years before we convinced them to pay their share of the damages that were caused in the Swan River area.

Similarly in the Interlake, when the fire caused huge amounts of damage, the same principle applied, and it took many years before the federal government finally came with their share of the money. They finally did however, but it took the provincial initiative and the provincial government to take the initiative and make the payments to those producers and to those business people and homeowners that were affected by both the fire and the flood in 1998. And I found it was rather unfortunate that this Government chose not to take similar action in the western part of the province and parts of the eastern part of the province, because I think had you made that investment, sir, you would now see the results of it.

That is why I ask whether you can tell us whether your revenue streams show the downturn that must have occurred and whether they have had a significant effect in your department in that sense.

Madam Chairperson: Just for clarification, some committee members may not be aware that it was previously agreed that the committee will rise at 5:30. Did you wish to respond before—

Mr. Selinger: I will see if I can, if you give me another minute.

Madam Chairperson: Honourable minister, one minute.

Mr. Selinger: My ADM of Taxation informs me that they do not track revenues for retail sales tax, et cetera, on a province-wide basis, so there is not an established procedure for breaking it out regionally or by areas of the province. Generally, in the last few years there has been an overall growth. He is not aware of any dramatic declines in that specific area. It may have flattened out, but he is not aware of any dramatic declines of retail sales tax, for example, in that area.

Madam Chairperson: As previously agreed, the hour being 5:30, committee rise.

JUSTICE

* (15:20)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with Estimates of the Department of Justice. Will the minister's staff please enter the Chamber.

We are on page 114 of the Estimates book, Resolution 4.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$521,500. The committee has agreed to having a general global discussion.

Mr. David Faurshou (Portage la Prairie): I appreciate the opportunity to once again ask questions in regard to Justice as it pertains to my

constituency and specifically the women's correctional facility that is located in Portage la Prairie. The *Portage Daily Graphic* reported last Friday a commentary from the Minister of Justice (Mr. Mackintosh) in regard to the Portage la Prairie women's correctional facility, and I appreciate that much of what he had stated here in the House was reiterated to the press in Portage la Prairie. However, the last paragraph in the article that appeared in the Friday, April 27 issue of the *Portage Daily Graphic* stated that the minister made reference that there was no guarantee that if a decision was made to provide for a new facility for women's corrections here in the province, there was no guarantee that it would be located in Portage la Prairie.

* (15:30)

I want to have the opportunity to stress, on behalf of the community and those employed by the Women's Correctional Facility in Portage la Prairie, that indeed this facility is an integral part of employment opportunities in Portage la Prairie and does generate significant economic benefit to the constituency of Portage la Prairie; to ask the minister to respond in recognition of this, and that all of these considerations will in fact be weighed in any decision as pertaining to renovation versus reconstruction for facilities in the Corrections branch of his portfolio.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): The question that has to be addressed is whether the facility should be refurbished or replaced. That decision has not been made. If a decision is made—this has to be made, too, within the fiscal climate that we have, and considering all the pros and cons of different approaches to addressing the shortcomings of the current facility, of which there are many. The member sure knows that. Everyone knows that. If there is a decision that a replacement is required, that would be down the road. At that time then, there would be a consideration at my desk and in the greater community about what options are attractive and should be pursued. We have not got to that stage at all.

As I have told the member, there is no quick fix that is available at the current time. There is no money in this year's Budget, and in the budget of the Minister of Government Services

and Transportation to do this. Of course, it does involve two departments and prioritizing of the many capital needs throughout the province, let alone Justice.

I think what the member is hoping to hear from me, and I will say it right now, is that if indeed we get to the stage of considering options for replacement, certainly the socio-economic issues surrounding the current location of the facility would be taken into consideration.

Mr. Faurichou: I appreciate the minister's careful choice of words in this regard. I am hoping, though, that the minister can bring some assurance at this point in time that when one is evaluating these choices, involvement is requested for input from the persons employed at the facility that have first-hand experience and would offer up very viable suggestions as to improvements with renovation is considered; as well, to involve city officials and economic development officials of Portage la Prairie that can in fact provide the minister's department a long-term view of continued operations of the women's correctional facility in Portage la Prairie.

I truly believe that our community will address any concerns that the department may have in regard to programming. There are numerous opportunities in our community that I believe the Department of Justice can fully appreciate and benefit from. So, on those two points, being the personnel currently employed in the facility as well as persons within the community that could be a valuable resource in planning for the future and especially in the programming component which is cited in this article of February 27 in the *Daily Graphic* where the opportunities of those incarcerated in that facility to garner skills that will provide for them once released from the correctional facilities. I want the minister to assure this House that those two resources will, in fact, be consulted and utilized in the deliberations that will result in decisions that he alludes to in the article.

*(15:40)

Mr. Mackintosh: The role of the Justice Department vis-à-vis the Department of

Government Services and Transportation is to provide some technical and operational advice. In the course of providing that advice, there is reliance on some of the experiences of staff, and I am advised that some of the staff would certainly be consulted in providing some guidance and formulating views that can be useful to the other department. In terms of the city of Portage la Prairie and people who can have or who can share insights in terms of the socio-economic issues, it would be my expectation that Government Services would have that as part of their study, should we get to that point.

I say to the member that there are a lot of significant and competing priorities. I also have to remind him that we do have a new jail in Manitoba, the Headingley facility that has attracted, of course, a very significant investment of capital dollars. I am sure those are concerns on the part of Transportation and Government Services as well in terms of the capital needs of Justice and vis-à-vis other competing priorities. I think the one thing we all recognize, and I have had a discussion with the other minister on this one, is that there are serious shortcomings at Portage with that facility. Whether there will be some renovation or more than that is something that is yet to be seen that there has been no decision made whatsoever.

Mr. Faurichou: I appreciate the minister's response to the question. I just want to make certain that the opportunity is given to persons in Portage to provide his ministry with the advice and act as a resource, that if there is certain programming that the department is looking at I am certain that you will find the resources in Portage la Prairie to implement those programs.

Now moving to another article in yesterday's paper, Mr. Chairman, and that being the restructuring, reorganization of the Central Region RCMP headquartered in Portage la Prairie. Inspector Nason made the announcement yesterday that he was restructuring or perhaps D Division was restructuring and he was implementing the division, once again, of highway patrol, rural, and city detachments. They will still be taking benefit from a common administrative process; however, staffing and assignments will be

delegated under a very divided decision-making process, which once again hopefully will provide the service to the respective areas of rural, city, and highway patrol.

On the business of highway patrol, the concerns that have been raised over the past regarding enforcement of the Highway Traffic Act, and now last Friday we learned more of the development of the graduated driver licensing legislation which is before the House; I take with great concern the actual enforcement of The Highway Traffic Act and additions that obviously this legislation will provide for. Currently, by observation of a very important positioned individual in this province, that being Mr. Paul Allen [*phonetic*], who is a safety officer with the Manitoba Public Insurance Corporation who has been known to state his concern on behalf of that corporation, the rather lax enforcement of The Highway Traffic Act. In fact, it has been quoted that it is perhaps better known as the highway traffic suggestion book, rather than The Highway Traffic Act.

I am wanting to hear from the minister today any of his thoughts giving guidance and instruction to the enforcement of the laws passed by this Chamber, that in fact these rules of the road will be vigorously enforced and that all persons travelling the highways and roadways of the province will benefit from safer driving conditions.

Mr. Mackintosh: I take from the remarks that the issue revolves not around the municipal contract with the City of Portage la Prairie and the RCMP, but rather the rural detachment. The members are nodding that that was the case. I am not familiar with what the internal changes are. Of course, the RCMP have the authority, and indeed the sole authority, to make deployment decisions based on the volume of charges or incidents in different locations and according to the different type of incident.

The issues regarding the deployment and changes there are ones, of course, that fall to this federal force and under the agreement; and if the member wishes, it may be more direct actually for him to raise that with the RCMP, or we could pass on the issues from the Estimates here and ask for a response. We have been a conduit

between organizations or municipalities or individuals and the RCMP on a fairly regular basis, but under the agreement that is in place, a long-term agreement, there is a clear understanding and delineation of responsibility that how officers or management is deployed is within the ambit of the RCMP which then accounts to the Solicitor General for Canada.

* (15:50)

Mr. Faurichou: I do not want to imply by any of my comments here in regard to enforcement as to the lack of professional conduct of RCMP officers. They are very diligent in upholding the law of the province. It is more a matter of the manpower that I am concerned about. I know there were announcements in the Budget pertaining to more dollars allocated to law enforcement in the province.

However, it is well known in Portage la Prairie, and for the minister's benefit, that it was highway patrol that gave up officers in redeployment during a shortage of manpower within the central region of this province. The highway patrol component of the detachment was significantly depleted for an extended period of time. Ultimately, we are all aware that when enforcement is not obvious, for whatever reason, drivers on the roadways and highways of our province do become more lax in their usage of the rules of the road, ultimately exercising a recognition of The Highway Traffic Act. I do not know whether the minister was aware of how redeployment takes place when staff shortages come to be for whatever reason, and I was wondering whether the minister has any comment in this respect.

Mr. Mackintosh: We are very pleased that, for the first time in recent Manitoba history and at least a decade, we can see from our records that the RCMP are at their full level, at their full complement of 622 now which, by the way, is also their largest complement in Manitoba history. We do have in Manitoba today the largest police contingent ever in this province's history. This has made a real difference to the RCMP.

Indeed, as I visit different detachments here and there in Manitoba, individual officers have

come up to me over the last number of months and thanked us and congratulated us for making it a commitment and a priority to invest in RCMP policing at this historic level. It does not mean that all needs are met. Not at all. We recognize that there will always be a need for enhanced policing presence in different communities, and with that in mind it is important that we continue to try to expand our commitment to policing in this province, and as well look at how policing can be complemented, whether through auxiliary constables or through citizen patrols, for example.

I just was pleased as well to get a letter from the mayor of Melita just this week. I just want to read into the record: As Mayor of the Town of Melita, I wish to commend your department on fulfilling the staffing obligation at the Melita RCMP detachment. With the recent arrival of this one particular constable, we have now been returned to our full complement of three members stationed here. Your commitment to the continued protective services for the residents of Melita has not gone unnoticed as the local media is up-playing the move and the members themselves continue to be very visible in the town.

But that is the kind of reaction we are getting. I know that last year at my first meeting of AMM, there were so many complaints and concerns from different municipalities and towns including Melita which had come to our attention and which we did our best to deal with in the short term, but in the medium term we were working as a result of last year's budgetary commitment on moving towards full complement. We did not announce that last year, I might add. We announced it when we attained full complement. This is a two-year commitment, and it is not just the Government that is responsible for getting to this. It is also, of course, a good partnership I think, a rekindling of a good partnership initiative with the RCMP whereby they have been very successful in a very active recruitment program to make sure that they obtain the recruits that were being funded from depot.

In speaking with officers in the detachments, I should also tell the committee that I think there is a new morale within the RCMP, and that

comes not just from having the necessary staffing resources, but I think also a commitment of the Government to law enforcement.

It is not just RCMP either. Of course, we are continuing our commitment with the Winnipeg Police Service, a \$2-million agreement and new partnerships that are ongoing, indeed one announced yesterday with regard to Lighthouses, where the police have been so helpful working with us to build on the strengths of police athletic clubs. Dakota Ojibway Police Service, as well, of course, has a new agreement, a stronger agreement. As well, with Brandon, there are two new officers that the Province has funded specifically with the foot patrol or the community-based police officer and a new officer for the youth unit.

So it represents an enhanced recognition of the need for law enforcement and recognizes the need to meet the objectives, as the member has outlined, the importance of law enforcement. We cannot simply have laws. We have to have law enforcement, but we also have to have law enforcement in the way that we collect our fines. Coming into office, we were—well, here I can say that I was more than surprised if not shocked at the actual extent of the outstanding amount of fines. I certainly knew that there was a significant amount outstanding, but it was confirmed to me that it was as much as \$26 million outstanding. Indeed, there had not been a real effort to collect and back up the hard work of police and prosecutors and the judges in coming to determinations in the courts.

So, having said that, the member raises questions about how particular resources are deployed, and as I said earlier, though, that is a matter with the RCMP. They are familiar with the demand for services and the resources available across the whole province, and they make those decisions based on that information. They have gone through some restructuring over the last few years, and I think there have been some real challenges identified as a result of that restructuring.

I think it was done, though, at a time when the number of officers was also down. That coincidence, if you will, I think was unfortunate. I certainly heard loud and clear from certain

communities that they felt they were not getting the necessary policing services that were required. But I think we have turned the corner, and I think that what we are seeing now is a new way of working together. I hope we will continue to see a decline in the complaints we have seen because this year at the AMM meeting, the concerns and complaints certainly were down, both directed at the department and at the RCMP.

I will just add in conclusion that we are also exploring with the RCMP other methods to assist in how officers are deployed, whether there are changes that may be possible in the way that accident reports, for example, may be taken. Those are things we are willing to work with the RCMP on, and we will see where those discussions go. We are at a preliminary stage, but what there is is certainly a good will to recognize that we need those officers on the front lines of public safety and road safety.

Mr. Faurschou: I appreciate the minister's recognition of it. I know that the determination and due diligence that is offered to us as citizens of Manitoba by the RCMP is exemplary, and I appreciate always their concern for their responsibilities. It is, though, unfortunate, this suspension of the operations at the depot in Regina by the lack of resources afforded the force for training that was heard to be stemming from the inordinate amount of monies that was going to be required for the administration of gun control that the federal government had undertaken and that the previous administration and again the current administration here in the province had followed through the court process to test the validity of that undertaking.

But it was not the RCMP who were the ones responsible for this short staffing. It was, in fact, the lack of resources afforded them by the federal government. I want to make certain the record reflects that because the depot operations were suspended and ultimately resulted in this.

I appreciate the minister's recognition of the Lighthouses program in Winnipeg and now being named, I suppose we could say that we now have that program in Portage la Prairie as well. We have been undertaking that type of programming and affordable activity in Portage

la Prairie for quite a number of years, both inside and outside public facilities, for opportunities for young people to have those resources afforded them for recreational and supervised types of activities. All the minister does have to do is look to Portage la Prairie for innovative and constructive programming that perhaps he can in the future benefit from.

* (16:00)

Having said all of that, there was one last question and then I would like to defer to my honourable colleague from Lac du Bonnet, that being in reference to the actual Crown Prosecutions branch. The minister alluded to staffing as a main concern. Could he perhaps, for the benefit of the House, tell the House how many vacant positions one still has within that particular branch, and maybe elaborate on any reclassification or redeployment of staffing within the Prosecutions branch to address what we had discussed last week?

Mr. Mackintosh: I was not clear on some of the member's remarks on Lighthouses, but I know that certainly there have been some good examples of community-based youth programming in Manitoba, some for many years. It was that kind of experience that we built on, including recognizing the review by Prairie Research Associates that suggested some improvements to that program, and those were incorporated as we moved ahead. So it is our hope that we will have up to 21 sites. We hope we will have 21 sites. There is one in Thompson that is up and running this month, I believe, and one that is coming on in Brandon, the rest in Winnipeg.

I do recall yesterday there was a criticism that, well, there are other communities that need this as well, and Portage is one that was given as an example. If there certainly is the infrastructure of a community-driven committee, a network in Portage la Prairie, that city certainly may be eligible to apply as we continue to grow this program. By the way, we will look for innovative ways to continue to enhance the funding to this initiative. I just want to make it clear to the member that what is required to ensure that this is community-driven is a community steering committee, which must be

comprised of a minimum of two youths and ideally a law enforcement individual and others as the community determines. That is to ensure that the program, of course, is designed in part by youth and managed in part by youth, but as well to ensure that the programming meets the needs of the local community.

In terms of Prosecutions, would the member clarify whether he is asking about Prosecutions in Portage itself or whether he is asking about—he is indicating that he is looking at Prosecutions overall. The advice I have from the assistant deputy minister is that if there are current vacancies, that all vacancies have either been filled or are in the process of being filled now. In other words, there is no vacancy for which there is not action for a timely filling.

Further, I just note, I have a note here from the department stating that the net permanent change in Prosecutions' full-time employees since October of '99, which is a relevant date, is 26.8.

So just to indicate that similar to the RCMP we now have the highest complement of resources in Prosecutions in this province's history, but more importantly than that, and this is what Ernst & Young said, that we are going through a significant restructuring in the department, in the Prosecutions Division, and we anticipate that there are some significant reclassifications as a result of that. So that is another issue, and perhaps that is what the member may be getting at. But as we change the duties and responsibilities and the accountability issues are dealt with, there will be those kinds of changes.

Mr. Darren Praznik (Lac du Bonnet): Mr. Chair, I just have a couple of comments to make to the minister. Then I think we can proceed to comments and a couple of questions before we can proceed line by line and pass through the Estimates.

Mr. Chair, I would wonder, I have a list of questions regarding details in the department. I would like to read them on the record. If staff would undertake or if the minister would undertake to have his staff provide me the details by way of a letter sometime in the next month or

so, I think that would expedite things. If I may, if his staff could provide me with the following, what I will do is I think I will follow up with a letter then to the minister just to confirm this, or we can read it on the record if his staff can take it off the record. I just do not want them having to make all these notes and things to it; it will be on the record.

If the minister could provide me with a list of all departmental and political staff, including name, position and FTA that are in his office; a specific list in his deputy minister's office as well; the number of staff currently employed in the department; the number of staff employed by the department for the year 1998 through 2000; the names of staff that have been hired since 1999; including whether they were hired through competition or direct appointment; a description of any position that has been reclassified; a list of vacant positions at the current time; if he could indicate the details of what types of contracts are being awarded directly and by his department as opposed to those going for tender and the reason for that; as well if any positions have been relocated within his department since taking office, i.e., from rural or northern Manitoba into Winnipeg or vice versa.

It is a fairly extensive list, but it is, let us put it this way, I would say to the minister, if I had that in the next month in writing, a month or two would be fine.

Mr. Chair, my comment to the minister, and I feel even bad doing this after my accusing him of taking on so much and not being able to deliver on many things, so I want to preface this by saying I am not expecting him to launch a major initiative in this area, but it is one that is near and dear to me because I have personally gone through that process and know many others and probably join about half of adult society that goes through it as well, that is, the Family Court procedure, having gone through a separation and divorce. Others have gone through it as well.

I only offer this by way of comment, because I do not expect the minister, this is an initiative that perhaps I am putting on the record today because it is one of those things you never know how long you are going to be Justice critic or have the opportunity to talk about this, but I

want to put on the record today just my thought. I say this only to the minister as the musings of a colleague and Opposition Justice critic and a former cabinet minister, but I have really come to the conclusion, working with constituents, having gone through the process as well in a fairly amicable divorce arrangement, probably one of the few that are, that our whole process of dealing with it in a court related setting is really in need of reform, that so much of the issues between couples who chose to separate and divorce are decided in law already.

* (16:10)

Our family, our property, marital property legislation is fairly clear on how assets are to be divided. Our federal legislation is very clear on the amount of support payments to be made, that there is a growing movement for awarding joint custody. Most of the details that used to fuel litigation just a few years ago are very much decided today. The law is very clear. If people choose to separate and to divorce, most of the decisions are made for them already legislatively. My experience in going through this is that the amount of paperwork, the amount of legal expertise, that is required to do what really requires, in my view, some accounting services, some counselling, and the ability to get parties to sit down and keep their personal issues away from what, quite frankly, are not the matters at hand when making that decision, are very much needed.

I just wanted to plant that seed in the minister's mind. I am not going to say I am demanding reform in this area, because I know he has taken on many things to do. After the discussions about the victims' rights bill, certainly that is a priority in his department, but there really is a need. I would suggest to him that he might consider at some time in the future in the life of this Legislature, this might be an area for an all-party effort, for a committee of MLAs to explore, to perhaps hold some hearings and explore ways we can take family law reform the next step, which is to make it a less litigious, less formal process that would have parties concentrating on dealing with their matters in a more civil way, and not have to incur necessarily the tens of thousands of dollars in expense of having necessarily to go fully through the court

system. I know there have been some initiatives in this way in the past.

I was very fortunate because my former spouse and I were able to work out many of the arrangements between us. The law was very clear. So it was not as onerous as I have seen many others go through, but even in that circumstance one found often that the system itself was not geared to helping people to solve their problems at an individual level. We were fortunate because we had legal counsel who had been through this many times and were much stronger on working out arrangements and getting things drafted up and dealing with it. We were both very fortunate, but for so many others that is not the case. I appreciate there is acrimony often involved, and other issues, but I often, having gone through it myself, think that there has to be a better way.

I want to talk a little bit about child, the maintenance program, Maintenance Enforcement, and we have all made great strides. I was part of a government that made strides in ensuring that maintenance payments were collected and forwarded to the party in need. I am very, very supportive of that, but a couple of observations from experience of constituents is that the ability to make adjustments based on changed circumstances in maintenance becomes very onerous for people to access a court to be able to make that change. In two particular cases that have been brought to my attention, I do not have the people here in the gallery today, so the minister does not have to worry about that, but two that were brought to my attention was one who was a constituent, an individual who had three children. His former spouse and children moved to the United States and had been lost to him. He has no idea where they are. He is a very low-income individual who pays a significant portion of his income and, quite frankly, lives with his mother in Beausejour, continues to pay child support through the Maintenance Enforcement Program. His oldest child is now, I imagine, 20 or 21. At the time the child turned 18, he had no way of knowing whether that child was alive. He did not even know if that child was still alive. He did not know if that child was in school. He did not know anything about that child, and because of his very limited means available to him he was advised—and the minister

was not in government at the time; it was my party that was in government. I remember writing to the then-Attorney General, Mrs. Vodrey, about this issue. This individual was paying the support based on the age of the child—the child now had turned 18, and it was past the end of a school year—but absolutely no way to know if that child was still in school, et cetera, or even if that child was alive.

When I wrote to the Attorney General about this problem, one would have thought that, given that the child now had triggered an 18th birthday and the end of a school year, at least there should have been some automatic requirement to confirm that the child was in school and still entitled to maintenance. That individual's only option, the then-Attorney General, Mrs. Vodrey, advised me, was to go to court. Well, this gentleman did not have the \$1,000 or \$2,000 that they might have needed to be able to go before a judge and ask those questions.

The irony of it, of course, is it may have turned out that the child was alive in a community college and still entitled to the full maintenance payment. It may have been, but that gentleman would have had to spend 2,000 bucks or \$1,500 whatever, just to find that out. That troubled me, because certainly the order had reached a point where it should have been evaluated, and the individual who did not have access to the information, did not even know where to find the family, which was a whole other troubling, could not do it. That concerned me a great deal. So that is an area that I raised at the time with my own colleagues. It was not addressed by my party in government, and it is one that I just plant that seed that it is something that, if it has not been addressed to date, I think it certainly should.

Another case of the same vein brought to my attention as Justice critic—and I think these people may have even had some contact with the current minister when he was in opposition—but it was a case where there were three children in the family. The individual had a maintenance order awarded for the three children. Two of them now live with him, and the third one, it turns out, he has recently discovered, is not his child, biologically, right. Now to have the maintenance order adjusted requires him to

secure legal counsel and to go before a judge and incur that cost.

I know that there is a fine line and that people might abuse that and bring information that is not there, but surely to goodness there should be a mechanism for a change in circumstance, such as the child is no longer living with the receiving parent. There should be a way to just file the document, in essence, particularly if it is acknowledged, and have it done as a matter of course, something that is simple and easy. If it is challengeable, if the other party says it is not true, you know, to have an appropriate hearing.

In this particular case, he brought to me evidence from his former spouse, who has now indicated clearly that this child was not his—he is not the biological father; he did not know that at the time that the order was made—and the other two children are now residing with him. Now he does not pay a great deal of maintenance, because he does not earn a lot of money. He cannot afford a lawyer, but he comes to the justice system and he would like to make a reasonable change. Yet it requires counsel; it requires motions, court; it requires going before a judge.

So otherwise there is an existing order, and even if his former spouse agrees not to accept the money, there is still that over his head. So I am not saying I have all the answers to this, but I certainly just want to plant that seed today with the Attorney General that this is one area that—and I am not trying to add to his very full plate—but it is one that has troubled me as a critic. Some are long term; some are short term; but it is an area that can be proceeded with.

Mr. Chair, I want to thank the Attorney General for his answers and comments during the course of Estimates. Perhaps he would like to say a few things on that family maintenance issue, and then I will wind things up.

* (16.20)

Mr. Mackintosh: Yes, if I can just deal with some issues raised, and then I just want to deal with some of Mr. Jasper's issues that were brought to my attention, so that it is on the record and part of the same record as yesterday.

The member may know that we will be bringing in some legislation this session as the first part of a program to enhance maintenance enforcement, for one; and, as well, looking at how we break down interprovincial barriers. As the member may hear from time to time, that if it is sometimes difficult to get maintenance collected within Manitoba, when both of the parents live in this province, that problem is intensified a monthfold to say the least, when the payor leaves Manitoba.

So we have been working at that at the national level, and, as well, we will be bringing in legislation this session. But I also look forward to the insights of the member on the changes that will be introduced to maintenance enforcement, which also will tend to address the information that is known, and the information that can be garnered from the parent that can be very important in terms of the operations of the maintenance enforcement program. We certainly recognize the challenge of the need for easier adjustments, and there is some ongoing work in that regard, and what we envision is a second round of amendments to deal with that.

Of course, over the last few years there developed in Manitoba the mediation options and the custody and access program, and the federal government has been very active in helping to fund experiments, if you will, across the country including, in Manitoba, different ways of dealing with the family law challenges that the member has alluded to. I think it is an important insight that he shares that it appears that the court system generally does not appear to be geared to helping people solve the difficulties, and it may be that there can be some potential in working across party lines and addressing this some time in the course of our mandate. In the meantime, though, I certainly look forward to hearing his insights with the maintenance enforcement legislation we will bring in.

I just wanted to put on the record some of the initial findings of the department, and just a reaction to some of the issues that the allegations that were raised yesterday with regard to the dealings with, in particular, Mr. Jasper; just to advise the member, the critic, that Mr. Finlayson and Ms. Hamilton have a meeting scheduled

now with the Jaspers for Monday, and, as well, I had a brief discussion with him yesterday, just to confirm that there would be a communication to him in that regard and Mr. Finlayson, as well, confirmed that.

With regard to the victim impact statement issue that was raised, and the transcript indicates that the court said to Mr. Jasper, and I quote: You have been informed by the Crown—according to Mr. Cutler who was the Crown, I should add—of your right to make statements or to express your views and feelings concerning this crime. You know that. And his answer was: yes, and then they go on to talk about that issue further. I think it is important that the court was very thorough in ensuring that Mr. Jasper was told, and had the opportunity to complete a statement, and no way it looks like he was being restricted or advised that he could only provide a written statement. It would appear that the information was available to him, but if there is any further information we will certainly explore that.

Having said that, with regard to the allegations about the conduct of the Crown, the Crown asked for a prison term, as the member knows, of two years less a day and, in the course of making that submission, provided a case book to the judge. In other words, contrary to what I understand from the concerns raised by the member, a statement was not simply made asking for that but the detailed case book, a case book, was provided to the judge, which of course as the member knows requires a great deal of research and work. The record clearly indicates that case book was submitted to the court.

As well, the court was asked to order a period of prohibition and, by the way, a significant period of driving prohibition was requested, and we will continue to look at the issue of the interface between The Highway Traffic Act and orders of prohibition.

The Crown went to great lengths to distinguish cases where a conditional sentence had been imposed and emphasized the importance of the Supreme Court case *Queen v. Proulx*, which is one of several cases where Manitoba had intervened in arguing the

conditional sentence issue and argued vigorously. Proulx did provide some guidance that the department hopes will be important in Manitoba case law. I just note, for example, that it was argued by the Crown, and I quote: In Proulx, despite the absence of a prior record on the part of the 18-year-old accused, who himself had been seriously injured in the accident and who had consumed only one and a half to two beers, Justice Keyser imposed a sentence of 18 months in jail. While the comments of the Supreme Court suggest that the particular court may have viewed a conditional sentence as appropriate, the court did not interfere with that sentence and indeed allowed the Crown's appeal from the reversal of that decision by our Court of Appeal and upheld the sentence of 18 months' incarceration.

I stated yesterday the Crown is reviewing Justice Schwartz's decision as to whether an appeal is appropriate. We will certainly review the record and determine what actually transpired in court according to the transcript of proceedings. The fact that Mr. Jasper did get an opportunity to speak to the judge about the victim impact statement is also I think very important and relevant.

The Crown attorney in this case is a very experienced Crown attorney with over 25 years of experience. From the information that we have, it appears that clearly he did a very thorough job in presenting to the court all of the relevant case law, including of course the case book, but attempting to distinguish certain cases relied on by the defence. He, of course, did specifically request a significant period of driving prohibition.

So I just wanted to leave that on the record, given that I know we are not dealing just with systems here; we are dealing with people and some serious allegations of conduct of individuals. It is important that we make the record complete.

Having said that, if the member has any further questions. I can say though in answer to his questions about staffing issues, it appears that is quite a significant task, but we will begin to undertake that now. I cannot guarantee a month or two. I cannot do that because there will

certainly be some searches required, and so on, but I will be pleased to continue to answer questions about the relative salaries of Mr. Haasbeek and Ms. Bermel.

* (16:30)

Mr. Praznik: Well, Mr. Chair, for the salaries of the staff who are here today, having to put up with the minister and I going back and forth with each other, they certainly earn their pay

With that, I just want to thank the minister again for the Estimates. I think the points that we wanted to express about the need, when he takes on these tasks, to get on with them and not to overburden his agenda so that he cannot achieve many of the good things that we agree on that need to be done.

I also want to say to him, in the spirit of the moment, that there is certainly a great deal of work to be done in the Justice area, and he certainly tends to show a great deal of energy. We hope that he is able to achieve some of the goals that he has set out, certainly with the full concurrence of this Legislature, particularly the victims' rights bill.

I want to thank the staff for their time.

Mr. Chair, I think you can proceed to pass through the Estimates, and I will have no questions for the minister when his salary comes up. I think that is part of the free and open discussion that we agreed to. With that, I will conclude my comments, and I understand there are others who want this space. Thank you.

Mr. Chairperson: We are on item 4.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$521,500—pass; (2) Other Expenditures \$97,100—pass.

1.(c) Prosecutions and Criminal Justice Policy (1) Salaries and Employee Benefits \$273,200—pass; (2) Other Expenditures \$135,300—pass.

1.(d) Financial and Administrative Services (1) Salaries and Employee Benefits \$866,400—pass; (2) Other Expenditures \$241,300—pass.

1.(e) Human Resource Services (1) Salaries and Employee Benefits \$821,900—pass; (2) Other Expenditures \$195,700—pass.

1.(f) Computer Services (1) Salaries and Employee Benefits \$532,400—pass; (2) Other Expenditures \$349,600—pass.

Item 4.2. Criminal Justice (a) Administration (1) Salaries and Employee Benefits \$734,800—pass; (2) Other Expenditures \$168,700—pass.

2.(b) Prosecutions (1) Salaries and Employee Benefits \$8,860,000—pass; (2) Other Expenditures \$1,937,700—pass; (3) Witness Program \$552,000—pass.

2.(c) Provincial Policing \$63,631,200—pass.

2.(d) Aboriginal and Community Law Enforcement (1) Salaries and Employee Benefits \$406,800—pass; (2) Other Expenditures \$174,200—pass.

2.(e) Public Safety (1) Salaries and Employee Benefits \$1,703,000—pass; (2) Other Expenditures \$577,100—pass; (3) Grants \$976,400—pass.

2.(f) Compensation for Victims of Crime (1) Other Expenditures \$3,361,700—pass; (2) Less: Reduction in Actuarial Liability (\$100,000)—pass.

2.(g) Law Enforcement Review Agency (1) Salaries and Employee Benefits \$226,300—pass; (2) Other Expenditures \$43,100—pass.

2.(h) Office of the Chief Medical Examiner (1) Salaries and Employee Benefits \$596,900—pass; (2) Other Expenditures \$1,578,800—pass.

2.(j) Aboriginal Justice Implementation Commission (1) Salaries and Employee Benefits \$77,400—pass; (2) Other Expenditures \$135,200—pass.

2.(k) Sophonow Inquiry \$1,836,000—pass.

Resolution 4.2.: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$87,477,300 for Justice, Criminal Justice, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

* (16:40)

Item 4.3. Civil Justice (b) Manitoba Human Rights Commission (1) Salaries and Employee Benefits \$1,145,100—pass; (2) Other Expenditures \$405,600—pass.

3.(c) Legislative Counsel (1) Salaries and Employee Benefits \$1,443,500—pass; (2) Other Expenditures \$396,900—pass.

3.(d) Grant to Manitoba Law Reform Commission \$60,000—pass.

3.(e) Family Law (1) Salaries and Employee Benefits \$741,300—pass; (2) Other Expenditures \$123,800—pass.

3.(f) Constitutional Law (1) Salaries and Employee Benefits \$806,900—pass; (2) Other Expenditures \$185,300—pass.

3.(g) Legal Aid Manitoba (1) Salaries and Employee Benefits \$7,051,300—pass; (2) Other Expenditures \$7,157,200—pass.

Resolution 4.3.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$19,516,900 for Justice, Civil Justice, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Item 4.4. Corrections (a) Administration (1) Salaries and Employee Benefits \$533,800—pass; (2) Other Expenditures \$340,300—pass.

4.(b) Adult Corrections (1) Salaries and Employee Benefits \$43,486,800—pass; (2) Other Expenditures \$7,327,600—pass; (3) External Agencies and Halfway Houses \$427,800—pass; (4) Less: Recoverable from other appropriations (\$80,000)—pass.

4.(c) Correctional Youth Centres (1) Salaries and Employee Benefits \$14,526,600—pass; (2) Other Expenditures \$1,516,500—pass.

4.(d) Community Corrections (1) Salaries and Employee Benefits \$10,036,200—pass; (2) Other Expenditures \$2,560,000—pass; (3) Program Development \$3,635,800—pass.

Resolution 4.4.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$84,311,400 for Justice, Corrections, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

* (16:50)

Item 4.5. Courts (a) Court Services (1) Salaries and Employee Benefits \$3,821,500—pass; (2) Other Expenditures \$1,352,500—pass.

5.(b) Winnipeg Courts (1) Salaries and Employee Benefits \$5,949,700—pass; (2) Other Expenditures \$1,239,700—pass.

5.(c) Regional Courts (1) Salaries and Employee Benefits \$3,497,100—pass; (2) Other Expenditures \$1,932,200—pass.

5.(d) Judicial Services (1) Salaries and Employee Benefits \$9,012,900—pass; (2) Other Expenditures \$1,510,000—pass.

5.(e) Sheriff Services (1) Salaries and Employee Benefits \$4,138,600—pass; (2) Other Expenditures \$1,169,400—pass.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$33,623,600 for Justice, Courts, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Item. 4.6. Amortization of Capital Assets \$1,591,800—pass.

Resolution 4.6.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,591,800 for Justice, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Now we are reverting to item 4.1. Administration and Finance (a) Minister's Salary \$28,100—pass.

Resolution 4.1.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,062,500 for Justice, Administration and Finance, for the fiscal year ending the 31st day of March, 2002.

Resolution agreed to.

Mr. Chairperson: This completes the Estimates of the Department of Justice.

The next set of Estimates that will be considered by this committee, this section of the Committee of Supply, is the Estimates of the Executive Council.

Shall we briefly recess to allow the minister and the critic the opportunity to prepare for the commencement of the next set of Estimates? Shall we recess?

An Honourable Member: No. No recess. ITM.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

The Acting Chairperson (Mr. Rondeau): Is there leave of the committee to recess and allow the Speaker to resume the Chair after the short recess? [*Agreed*]

IN SESSION

The Acting Speaker (Mr. Rondeau): The Government House Leader, on House business.

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Acting Speaker, I wonder if there is leave of the House to vary the order of Estimates set out in the order that was tabled in this House to allow the Department of Industry, Trade and Mines to follow the consideration of the Estimates of the Department of Justice, which have now been completed for today only.

The Acting Speaker (Mr. Rondeau): Is there a leave of the House to vary the Estimates?
[Agreed]

The Committee of Supply will resume the consideration of the Estimates in the Department of Industry, Trade and Mines.

INDUSTRY, TRADE AND MINES

* (17:00)

Mr. Chairperson (Conrad Santos): Committee, please come to order. May we invite the staff of the minister's department into the Chamber?

Mr. Mervin Tweed (Turtle Mountain): I just want to reference the minister, if I could, to page 71 in the gold book, schedule 13. I am asking: Has the minister—obviously the five-year staff history would show that currently the minister, or since '99, the minister—filled every vacant position in the department?

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): No, we have not filled every position in the department.

Mr. Tweed: Could I ask the minister to explain what that graph actually means?

Ms. Mihychuk: The graph on schedule 13 indicates from the years '98, '99, and 2000, actual number of employees. For 2001 and 2002, these are estimated positions, SYs. We have approximately a 10% vacancy rate at the present time. There are a number of recruitment processes underway.

Mr. Tweed: Then the actual number of employees in the department in 1998-99 was just over 260? Yet the numbers for 2000 and 2001 and '01-02 are just potential? I guess I would question it. It seems like an odd graph that you would show one part of it being actual employment and then explain to me that the last two lines are just available.

Ms. Mihychuk: There is a significant increase, ramping up of the size of the workforce in ITM.

That is related to the incorporation of the Petroleum branch in 2001. So the actuals actually reflect the number of staff years, and we had a significant vacancy in '99-2000. Because those years have now been concluded, we can accurately reflect the number of SYs that were actually filled. The other two are still estimated because when this was printed we did not know the final numbers for 2000-2001, and we project for 2001-2002.

Mr. Chairman, this is the regular practice of government departments to represent staffing allocations, so this is the normal procedure used by the department.

Mr. Tweed: I guess then what you are saying is it is the normal way for this department, because I know in other committees we have asked the same question and we have gotten different answers. So I am giving the minister a chance to say that this is probably more relevant just to her department. Is that the case?

Ms. Mihychuk: That is interesting information, because the member probably has a broader base of information than I do. For our department, it is my understanding that this has been the traditional way of reporting SYs and staffing. Clearly there seem to be different processes in different departments, but this has been the way it has been in ITM.

Mr. Tweed: So then the minister is stating that in 2000-2001 her department will employ very close to 280 people, give or take the 10 percent that she is trying to fill.

Ms. Mihychuk: That is correct.

Mr. Tweed: Could I ask the minister to just outline where that 10 percent of staff is not in, or where they are not working at this point? What areas are open, and how many?

* (17:10)

Ms. Mihychuk: The breakdown of the vacancies is three for small business, ten in the Mineral Resources division, six in trade, two in financial services, six in RIT, three in Access Manitoba, two in CEDC and one in Executive Support.

Mr. Tweed: The position that is available in Executive Support, is that a minister's assistant or is it in the deputy's office?

Ms. Mihychuk: That is in the minister's office, the secretarial support.

Mr. Tweed: Based on that graph then, is the minister saying that these positions were vacant last year also?

Ms. Mihychuk: No, these are not the same positions that were open. There has been a turnover and we have seen some people leave the Mineral Resources division. We have seen some people in industrial support and financial services and in trade go to the private sector. There has been a considerable sort of expansion in our economy, and of course there is competition for excellent people. So some people have chosen to move into the private sector. Last year we had a vacancy rate of 7 percent, and it was not the same positions at all.

Mr. Tweed: Can the minister just advise us what the ten mineral positions are?

Ms. Mihychuk: There are seven positions in Geological Survey and three in the Mines Branch.

Mr. Tweed: Can the minister explain for information why there would be seven vacancies in the geological department?

Ms. Mihychuk: The history of the department is one that goes through periods of fairly large ramp-up of employees, and it was in the '70s that there was a significant hiring of geological staff. We have lost some of those people because of retirement options. They have left, and we are probably going to see quite a few of those decisions as people decide to retire. It will open up a considerable number of spots in geological services.

We have also lost one relatively new employee, a young individual, very bright, to the private sector for the same reasons that an opportunity became open and the private sector approached this individual, and he decided to take the offering. So primarily the bulk of them

is because a number of geologists that were hired all at the same time are reaching the age of retirement and making that choice, and so we see a fairly significant turnover.

Mr. Tweed: So of the 10 in minerals that you are short, 6, 7 are retiring? Is that fair comment?

Ms. Mihychuk: One individual went into the private sector. The rest of the positions are due to retirement.

Mr. Tweed: Is there an increased cost with severance for those people?

Ms. Mihychuk: Yes, there would have been costs of severance and pension or holiday. Those costs were incurred in the previous year's Budget.

Mr. Tweed: How long have they been vacant?

Ms. Mihychuk: Of the positions that are available in geological services, there is one position that has been vacant since October 1, 1997; another one, January 12, 2001; another one, April 1, 2000; another one, January 2001; another one, October 6, 2000; January 2001; December 11, 2000. Some of these positions we are able to fill under a term basis for prioritized or special projects or special areas of emphasis and provide some flexibility, but we are interested in recruiting permanent staff and are actively engaged in doing that.

Mr. Tweed: Is it fair to say that the people that retired in 2001 would show up in this year's financial statements for severance?

Ms. Mihychuk: No, even those that were retired in 2001, actually the expenditures were incurred in the previous fiscal year.

* (17:20)

Mr. Tweed: What is the process for these types of positions? Are they advertised, and is it a challenge or is it just a matter of finding who is out there?

Ms. Mihychuk: The process is the same for all civil service positions. They are first bulletined internally, and then after that they are opened for

public tender or public advertising in papers and on the Web page, et cetera.

Mr. Tweed: Is the minister or the department currently advertising these positions? Can we see verification of that?

Ms. Mihychuk: At the present time we have two positions in Geological Services that are recruiting, and there are notices out.

Mr. Tweed: Are those notices within the department or are they public?

Ms. Mihychuk: They are being advertised widely in the public domain.

Mr. Tweed: Could I get a copy of the ads?

Ms. Mihychuk: Yes, we would be glad to provide that and give the information to the member.

Mr. Tweed: Mr. Chairman, I have some friends in that business. Maybe I can find you some people. It is probably getting harder and harder to attract those professionals to the province with the tax regime that we have, but I will just leave that there.

I notice in the statements under Administration and Finance, Executive Support, it has been reduced by roughly \$5,000. Can the minister explain that?

Ms. Mihychuk: The appointments secretary that the member would actually be familiar with and worked with in the past has taken an early retirement. So her level of seniority and classification as well as having a new entry position and sort of the moving of the staff within that front office has netted in a reduction of cost, \$5,000, because of those changes.

Mr. Tweed: Can I ask the minister how many political staff she has?

Ms. Mihychuk: I have one SA and one EA

Mr. Tweed: May I ask their names?

Ms. Mihychuk: The Special Assistant is David Markham. The Executive Assistant is Audrey Paynter.

Mr. Tweed: I am looking at the Estimates for this year, and it is showing a total of executive support of 492.3, is that correct?

Ms. Mihychuk: Yes, that is correct.

Mr. Tweed: That has been reduced, I guess I am looking at last year's Estimates of 497 and then adjusted of 412 from last year's totals. Is that correct?

Ms. Mihychuk: If you look at the expenditures for last year, it was 412.7, then you add the other expenditures, that brings to a total last year of 497.7. This year, it has been adjusted because of the staff turnover to 492.3.

Mr. Tweed: I thank the minister for that clarification. We will pass this line.

Mr. Chairperson: 10.1. (b) Executive Support (1) Salaries and Employee Benefits \$407,300—pass; (2) Other Expenditures \$85,000.

Mr. Tweed: I am just wondering if the minister can explain what the Other Operating and Title includes at \$32,000.

Ms. Mihychuk: In the glossary on page 86 of the yellow book of the Estimates is the definition of Other Operating. They include accommodations, food and beverage, computer-related charges, insurance costs, publications, et cetera, which are all included under that component.

Mr. Tweed: What page? Of the glossy?

Ms. Mihychuk: Page 86 of the Supplementary Information for Industry, Trade and Mines. The yellow-covered book. It is a standard accounting procedure for all expenditures under that category.

Mr. Chairperson: 10.1.(b) Executive Support (2) Other Expenditures \$85,000—pass.

1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,059,900.

Mr. Tweed: Can the minister advise us of any changes that have taken place in the financial department?

Ms. Mihychuk: There have been no changes in this unit.

Mr. Tweed: Are there any vacancies in the department? I see you said there were two in the financial when you were giving your report. Are there still two vacancies?

Ms. Mihychuk: Under this section there are no vacancies, and the two in Financial Services are further on in the Estimates.

Mr. Tweed: I know it is probably somewhere in the book, but could the minister just advise me who the manager is of that department? I know there is a chart somewhere.

Ms. Mihychuk: Page 31 of this Estimates book is the Financial and Administrative Services Director is Craig Halwachs.

Mr. Tweed: We will pass this.

* (17:30)

Mr. Chairperson: 10.1 (c) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,059,900—pass; (2) Other Expenditures \$365,400.

Mr. Tweed: I am sorry, Mr. Chairman, yes, I will....

Mr. Chairperson: 10.1 (c) Financial and Administrative Services (2) Other Expenditures \$365,400—pass; (3) Computer Services.

Mr. Tweed: Computer Services; can the minister just briefly update me on what all that includes. Is that the purchasing of the equipment, or leasing, or assistance, technical?

Ms. Mihychuk: This is for within the department system development and maintenance. This is in addition to the desktop units for the EDS contract that the previous government set up, and includes software upgrades.

Mr. Chairperson: 10.1(c) Financial and Administration Services (3) Computer Services \$1,535,300—pass.

1.(d) Policy, Planning and Co-ordination (1) Salaries and Employee Benefits.

Mr. Tweed: I am wondering if the minister or any of her staff attended the meetings in Québec in the last three weeks, or whatever it was, four weeks?

Ms. Mihychuk: The answer to that is no. Provincial representatives were not invited to the Québec Summit. In fact, at the trade ministers' meeting, there was expressed some concern about provinces being excluded from that forum. However, we did have a conference call with the federal Minister of Trade, giving us an update of his position and what the negotiation stance was.

Mr. Tweed: Did the department or any other—I guess you maybe cannot comment on every other—but did we send anybody?

Ms. Mihychuk: No, as far as I am aware, there was no participation in that Québec Summit or forum.

Mr. Tweed: I just received a pamphlet and a news release, I think co-sponsored by yourself and the Minister for Aboriginal Affairs in regard to the Churchill site. Can the minister comment on just where it is at? I believe it falls under this, as far as the policy and the planning side, as to what their thoughts and hopes are that they can achieve.

Ms. Mihychuk: The Churchill rocket range and its reuse is actually not under this section, but I would like to just tell the member that there is a committee and we have a staff person who is working very closely with community representatives. They are going to be launching public consultations as to the future of the Churchill rocket range. I am sure the member is aware of the situation with Akjuit and the attempt during the late 1990s to reactivate the Churchill rocket range. Unfortunately, that was not successful and we are now in the process of trying to define alternative usages for that facility.

Mr. Tweed: Can the minister advise just what role her department will be playing in this procedure? Is the funding for it coming out of industry, or is it coming out of Northern Affairs?

Ms. Mihychuk: We do provide the funding for the basic maintenance of the site so that we do not have further deterioration of the physical plant and facilities. We have one person in the department whose responsibility it is to liaise with the committee, provide technical support and any assistance that they are able.

Mr. Tweed: May I ask who that person is?

Ms. Mihychuk: Robert Manson in the department.

Mr. Tweed: Again, I am not sure if it falls under here, but I guess when we are talking about projects and things like that, has the minister been approached by anybody else in her Government in regard to the Pelican Lake Training Centre?

Ms. Mihychuk: I have not been personally approached with solicitations on the facility, but I can tell the member that we have a staff person aside to work with the group from Ninette that is looking at Pelican Lake. That individual has developed with their co-operation a wide range of marketing material that can be used to solicit attention of the facility. A couple of weeks ago there was a community round table which was facilitated by Intergovernmental Affairs that provided consultation with the community as to the future of the site. But in terms of the ministerial office I have not received any solicitations and would expect that type of communication would go directly to the community group.

Mr. Tweed: Can I ask who the person is that has been assigned, staffperson.

Ms. Mihychuk: That is Dennis Deley

Mr. Tweed: Would it be a safe assumption to say that Mr. Deley as never been in the minister's office to brief her on the Pelican Lake situation?

Ms. Mihychuk: No, I met Mr. Deley a couple of times, and it is just the minister's learning disability with names that is causing the problem here. The community group is very well apprised of Mr. Deley's skills and specifically asked that they be given an opportunity to access his skills. So, no, I have been briefed on this topic several times.

* (17:40)

Mr. Tweed: The minister mentioned in her comments that the round table meeting, there was involvement with Intergovernmental Affairs. Does she know who was representing that department?

Ms. Mihychuk: No, I am sorry, I do not know who Intergovernmental Affairs assigned to that project. It is actually under the jurisdiction of IGA.

Mr. Tweed: So if there are questions to be directed and information to be found out, do we contact Intergovernmental Affairs then or Mr. Deley in regard to information?

Ms. Mihychuk: I would suggest that the community and working group focus on Intergovernmental Affairs when it comes to proceeding with the Ninette project.

Mr. Tweed: Mr. Deley's involvement in the preparation of some material, is he still on the case, as it were, or has he been allocated somewhere else?

Ms. Mihychuk: He is still working with Pelican Lake and the Ninette group in that region and is available to them.

Mr. Tweed: I just want to comment that I think the Pelican Lake centre, the area has probably suffered dramatically since it has closed in the sense of the economic opportunities. I know that this community is trying desperately to recreate some of the 70-some jobs that have been lost in that particular part of the province. Some have been made up in group homes with other opportunities. I do not know if the minister knows the history of it, but there has been an ongoing issue as to ownership of it. I know the

Minister of Family Services (Mr. Sale) has publicly stated he believes it is a public facility.

I would just ask if the minister has some time that she might take a look at the file and perhaps offer some encouragement and some advice to the communities that are trying—it is not just Ninette or Pelican Lake, it is a catchment area of probably 30 to 40 kilometres surrounding the lake of people that were employed that are I guess now unemployed and looking for other opportunities. I know the minister has toured it, and hopefully she can see that there is some economic opportunity there or some potential anyway and would encourage Mr. Deley to continue to help the people of that area and provide them with the services that they need.

Ms. Mihychuk: I would just like to indicate that I have been to Pelican Lake and in that region and was very impressed with the natural and cultural and physical attributes of Pelican Lake itself, the recreational facilities that have been developed along the shorefront and the obvious potential for development at the Pelican Lake site. I do not know whether all buildings would be able to be utilized, but there are a number of different opportunities there. Clearly, we feel that there is good potential to use this facility. It is a remarkable part of the province, one that is very beautiful. I would encourage Manitobans to take a trip out to southwestern Manitoba.

In terms of the region, I know that there is a lot of interest in having tourist routes. If you have a chance to go into Brandon and then do Souris and the footbridge and the Agate Pits and then to Pelican Lake and other attributes that are tourism-focussed. There is a lot to see in southwestern Manitoba.

I think it is one of those things that Manitobans have forgotten about. The history of Pelican Lake is one where we used to see a lot of tourists come out into that region. Then that history and memory has passed us. It is clearly one of Manitoba's hidden treasures. That is why I think that the promotional material will be very effective for the community group.

I understand that it is bigger than Ninette, although Ninette sits right on the shores and

right beside Pelican Lake centre. I know that it is of particular concern to that community. For the whole region, it has enormous potential, and we are going to try and work with the community group. I have met the community group three times and have tried to facilitate our resources as best as we can.

Mr. Tweed: It certainly seems obvious that the minister has a grasp of some of the issues, her comments about how it once was a thriving lake, and then basically it suffered through the drought years and basically dried up to a certain point where people quit going to it.

When the government of the day put in existing water control structures and managed to bring the level of the water back up to a manageable amount, we have seen the numbers of people starting to come back. I believe there are 1000 cottages around that lake right now, and I am told that there is room for probably another 7000 for development.

So it is certainly I think a prime piece of realty and an opportunity for government to help, having some commitment from the Minister of Government Services (Mr. Ashton) that he would look and consider the same type of deal that has been offered in Brandon under the same type of situation. I recognize that Brandon is bigger in scale and bigger in dollars, and I do not think the community is asking for that type of comparison.

What they are looking for is something on a similar basis, and I will follow up with a letter perhaps to the minister just advising her and encouraging her to meet with the Government Services Minister and the Family Services Minister who still plays a role in that facility, and perhaps we can recreate some opportunity in that particular area.

I know there has been a lot of talk from the Government in regard to water policy. I know that that falls under the jurisdiction of Conservation, but I would suspect there has been some crossover. Some provinces have passed resolutions and legislation. I believe there is a couple in the east who are refusing to do so, and I am wondering how that affects the total

picture, the Canadian picture of water use. Is that somebody else's expertise?

If the minister is waiting for someone to come in, I could move down to the Ottawa office. I am just wondering if the minister might give me a brief update on some of the things it has done in the past year and whether she continues to support having that office there.

* (17:50)

Ms. Mihychuk: The Ottawa office provides support to Manitobans, to Manitoba businesses and to government officials that have business to do in Ottawa. They can use the facility of the Ottawa office as a basis of holding meetings, consultations, and getting strategic advice. They also play a key role in federal legislation, budgets, estimates, by monitoring those activities that occur in the federal House of Parliament.

In addition, the manager of the Ottawa office will participate, or sit in for us, at meetings that occur in Ottawa. They also provide strategic and logistical support to Executive Council, here in Manitoba, and have been very effective in that role.

I will continue a little bit about the water strategy. Last year we brought in legislation which prohibits the sale of bulk water. We are participating and looking at a water strategy as an overall government initiative. Manitoba, I think, does not do a satisfactory job in terms of the management of water systems.

There are a number of economic opportunities that are coming forward that could be a reality if we can provide more irrigational services and control the water systems. So, as a result, there is a study of the Assiniboia basin and that will be a high priority for the Government, as we review economic development for southern Manitoba.

Mr. Tweed: I am just wondering if the minister could just, she mentioned the Assiniboia basin, is it a plan strictly on the irrigation or is there anything else that they are looking at on that particular path of water?

Ms. Mihychuk: In my role as a member of CDC, the water strategy has been discussed. It is primarily the responsibility of Conservation. We do not have a member who sits on a committee on that. Any water strategy that is being developed must look at it in a very total environmental picture, which includes ground water, surface drainage, irrigation, retention systems, erosion; and water is a very complicated issue. All of those components must be considered with any development plans.

Mr. Tweed: I guess I am a little surprised that you would not have a person sitting on that board, since any development that might be there could truly be an economic development opportunity for the province. I know that Conservation, even just what the word conjures up, does not necessarily always promote the economic development side of it. I would hope that the minister might get a little more active in that area and just see and hopefully identify the opportunities that could be made available.

Ms. Mihychuk: There is active participation in the water strategy by Intergovernmental Affairs that deals with municipalities and local communities, and Agriculture as well as Conservation.

Mr. Tweed: I accept that, but I guess I would encourage the minister, here again, to get involved in it because the message that I am hearing from a lot of people, in that particular area, is that they do not think that Intergovernmental Affairs is serving their best interests in the sense of the economic development side of it; where there used to be a rural development department who focused on opportunity and enhancement. The message I am hearing is: they think that segment of Intergovernmental Affairs might have been lost.

I would certainly encourage the minister. Again, I see it as an opportunity to create and develop opportunities for economic growth. That is really what I think is needed more than anything in that particular—I mean, we do have to manage water and manage it in a proper way, but there are so many benefits, I think, that could be there, and economic benefits. So I would encourage the minister to take a harder look at it.

Ms. Mihychuk: I take the member's comments seriously and in a positive way. There are a number of opportunities, and it is absolutely essential that we look at agricultural diversification and higher value-added crops and to move into a new farming generation. We need to manage water, and it will have an enormous impact on the local community and on Manitoba's future. So I take his comments seriously and to heart.

Mr. Tweed: Does the department through Policy and Planning have any input or any participation in regards to some of the hydro projects that are being discussed in the province? Is that something that there would be consultations with the department and perhaps some directions?

Ms. Mihychuk: Our primary role with hydro is on the Energy-Intensive Initiative that we have been putting together to attract industries that are energy dependent. The second area with hydro is in areas related to the potential mine development at Pipestone Lake, near the community of Cross Lake.

Mr. Tweed: So then the water policies that we have discussed and have been talking about may not be directly related with some of the hydro issues that are out there.

Ms. Mihychuk: It is my understanding that the water strategy is looking at the drainage basins in the south and the impacts that it will cause for the regulation or the changing of water systems primarily in the south. Most hydro development that is being explored occurs in northern Manitoba. The damage that those hydro projects would cause are being evaluated with those capital projects. Fortunately, the worst damage is done; that the projects that we are looking at now are clean projects and are manageable and are being considered by Hydro, the local community and Conservation.

Mr. Chairperson: The hour being 6 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker: The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 tomorrow, Wednesday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 1, 2001

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