



Third Session - Thirty-Seventh Legislature

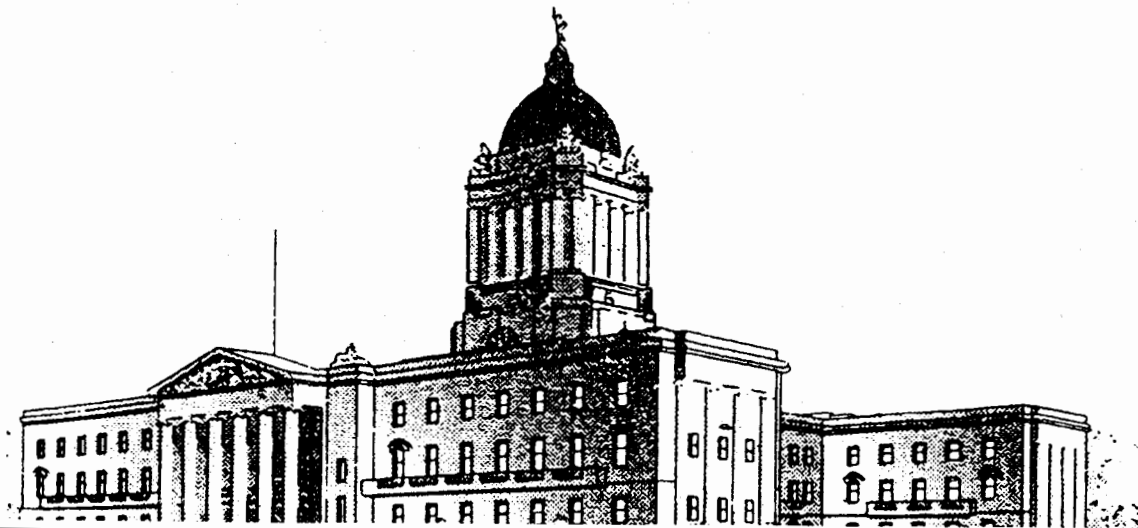
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

*Published under the
authority of
The Honourable George Hickes
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 22, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

**PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

**Standing Committee on Law Amendments
Sixth Report**

Mr. Doug Martindale (Chairperson): Mr. Speaker, I beg to present the Sixth Report of the Committee on Law Amendments.

Madam Clerk (Patricia Chaychuk): Your Standing Committee on Law Amendments presents the following as its Sixth Report.

Some Honourable Members: Dispense.

Mr. Speaker: Dispense.

Meetings:

Your committee met on Wednesday, July 17, 2002, at 6:30 p.m. in Room 255 of the Legislative Building.

Matters Under Consideration:

Bill 13—The Medical Laboratory Technologists Act/Loi sur les technologistes de laboratoire médical

Bill 15—The Fatal Accidents Amendment Act/Loi modifiant la Loi sur les accidents mortels

Bill 16—The Class Proceedings Act/Loi sur les recours collectifs

Bill 18—The Special Survey Amendment Act/Loi modifiant la Loi sur les arpentages spéciaux

Bill 25—The Hearing Aid Amendment Act/Loi modifiant la Loi sur les appareils auditifs

Bill 26—The Occupational Therapists Act/Loi sur les ergothérapeutes

Bill 28—The Registered Dietitians Act/Loi sur les diététistes

Membership Resignations / Elections:

Your committee elected Mr. Santos as the Vice-Chairperson.

Substitutions received prior to commencement of meeting held on July 17, 2002:

*Mrs. Driedger for Mr. Gilleshammer
Mr. Penner (Steinbach) for Mr. Laurendeau
Mr. Dyck for Mr. Cummings
Hon. Mr. Chomiak for Hon. Mr. Caldwell
Hon. Mr. Mackintosh for Mr. Struthers
Mr. Santos for Mr. Rondeau
Mr. Rocan for Mr. Penner (Steinbach)*

Public Presentations:

Your committee heard two presentations on Bill 13—The Medical Laboratory Technologists Act/Loi sur les technologistes de laboratoire médical from the following individuals and/or organizations:

*Tricia Van Denakker, Manitoba Society of Medical Laboratory Technologists
Luis Martinez, Private Citizen*

Your committee heard one presentation on Bill 15—The Fatal Accidents Amendment Act/Loi modifiant la Loi sur les accidents mortels from the following individual:

Jack McLaughlin, Private Citizen

Your committee heard one presentation on Bill 16—The Class Proceedings Act/Loi sur les recours collectifs from the following organization:

Gloria Desorcy, Manitoba Branch of the Consumers Association of Canada

Your committee heard one presentation on Bill 26—The Occupational Therapists Act/Loi sur les

ergothérapeutes from the following organization:

Sharon Eadie, Association of Manitoba Occupational Therapists

Your committee heard one presentation on Bill 28—The Registered Dietitians Act/Loi sur les diététistes from the following organization:

Caroline Lang, Manitoba Association of Registered Dietitians

Bills Considered and Reported:

Bill 13—The Medical Laboratory Technologists Act/Loi sur les technologistes de laboratoire médical

Your committee agreed to report this bill without amendment.

Bill 15—The Fatal Accidents Amendment Act/Loi modifiant la Loi sur les accidents mortels

Your committee agreed to report this bill without amendment.

Bill 16—The Class Proceedings Act/Loi sur les recours collectifs

Your committee agreed to report this bill without amendment.

Bill 18—The Special Survey Amendment Act/Loi modifiant la Loi sur les arpentages spéciaux

Your committee agreed to report this bill without amendment.

Bill 25—The Hearing Aid Amendment Act/Loi modifiant la Loi sur les appareils auditifs

Your committee agreed to report this bill without amendment.

Bill 26—The Occupational Therapists Act/Loi sur les ergothérapeutes

Your committee agreed to report this bill with the following amendment:

THAT subsection 6(8) be replaced with the following:

Committees

6(8) The council shall establish any committee that the council considers necessary.

Bill 28—The Registered Dietitians Act/Loi sur les diététistes

Your committee agreed to report this bill without amendment.

Mr. Martindale: Mr. Speaker, I move, seconded by the honourable Member for St. James (Ms. Korzeniowski), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Ron Lemieux (Minister of Culture, Heritage and Tourism): Mr. Speaker, I am pleased to table the Annual Report of The Freedom of Information and Protection of Privacy Act for the calendar year ending 2001.

ORAL QUESTION PERIOD

Crown Corporations Government Management

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, the last year has clearly shown how the Doer government mis-manages Crown corporations. For the first time in six years Autopac ran a deficit last year, just like the Doer government ran a deficit last year. In the year 2000, Autopac had a surplus of \$51.5 million and a Rate Stabilization Fund of \$143 million. Last year under the Doer government Autopac had a deficit of over \$16 million and the Rate Stabilization Fund was drained to just \$50 million; \$30 million out of Autopac, \$1 million a day out of Hydro. The Premier clearly cannot manage Crown corporations.

Is it his idea that bad public policy is better than no public policy?

Hon. Gary Doer (Premier): Mr. Speaker, between the years of '95 to '99 the rates went up over 12 percent in the Public Insurance Corporation. The period of time, the four years we are

in office, the rates have not gone up. They have been virtually frozen. The rates have been frozen for the Public Insurance Corporation. We can see the rates have been frozen for Manitoba Hydro.

Members opposite will know that rates have gone up 68 percent since they have sold the Manitoba Telephone System to their friends. Their vision is a 68% increase in rates, particularly on the heads of rural and northern consumers. Our vision is flat rates throughout our term.

Mr. Speaker: The honourable Leader of the Official Opposition.

Some Honourable Members: Oh, oh.

* (13:35)

Mr. Speaker: Order. The honourable Leader of the Official Opposition has the floor.

Mr. Murray: Thank you, Mr. Speaker.

Manitobans should be very concerned that both MPI and WCB ran deficits last year and that Manitoba Hydro, because the Doer government ran a deficit, is forced to fork over a million dollars a day to that Government. This speaks volumes about the Doer government's inability to manage Crown corporations. Not since 1988 has Workers Compensation run a deficit, but they did last year and at the same time they raised the rates. For six consecutive years Autopac achieved a surplus until last year under the Doer government.

How does the Premier explain that under his watch the Crown corporations that were currently making a surplus, Mr. Speaker, are now running a deficit?

Mr. Doer: Mr. Speaker, notwithstanding the grassy knoll comments of the Member for Fort Whyte (Mr. Loewen), I understand Hydro is going to be close to what they projected. The members will know the PUB ordered the rates be frozen in such a way that the rate fund was not as high as it was in the past.

Thirdly, the investment accounts, and members might want to pay attention to situa-

tions in other corporations across the country, because our Public Insurance Corporation is in much better shape than a lot of other private companies that rely heavily on reinsurance, which has been hit dramatically with the tragic events of the World Trade Centre and hit tragically with, maybe they have not noticed, a little bit of a decline in the marketplace in terms of equities.

Mr. Murray: Mr. Speaker, history shows us that mismanagement of Crown corporations is nothing new to the Doer government. When the NDP were last in office and the Premier was then the minister responsible for Crown corporations, Autopac lost \$125 million, and in two short years Manitoba Hydro lost \$60 million when he was the minister responsible.

The president and the CEO of Crown Corporations Council—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. At least I want to hear the question. I would ask the co-operation of all honourable members. There are members shouting back and forth, back and forth, and I cannot hear the question. The honourable Leader of the Official Opposition has the floor. I think it would be very courteous if we all would listen to his question.

Mr. Murray: Thank you, Mr. Speaker. The president and the CEO of the Crown Corporations Council, Garry Hoffman, indicated to the *Winnipeg Free Press* this weekend that the Province should consider clarifying its policies on Crown corporations so the public can debate their intentions. With the Government's attempt to steal \$30 million from Autopac and now they are raiding a million dollars a day from Hydro to cover their deficit from last year, we agree with Mr. Hoffman, who said, we would just like to see it become more clear and transparent.

Will the Premier assure Manitobans that he will not raid any more Crown corporations?

Mr. Doer: Well, Mr. Speaker, Mr. Hoffman's comments were contained dealing with the Crown corporation, the Manitoba Public Insurance Corporation report that was contained and

released in this House about three weeks ago. Maybe the member did not read it because if it was such an important issue he would have raised it in the House three weeks ago, instead of waiting until it is reported in the media.

Mr. Speaker, the Public Insurance Corporation of Manitoba in the 1990s lost \$100 million and raised rates 12 percent. We have had a surplus, then one year with a non-surplus, three years, but the bottom line the rates had been frozen for four years. The rates have been frozen in Hydro. We are one of only a few provinces in Canada that are not only—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Doer: Mr. Speaker, we are one of only a few provinces in Canada, if you look at the independent rating agencies, that were able to not only balance the Budget but pay down debt under the balanced budget legislation. A lot of provinces and most states in the United States ran debt and ran deficits. Manitoba is one in only a few provinces.

Now, yes, we did use the good fortunes of Hydro export sales to help do that and we also used that to not take any money out of the rainy day fund; \$500 million was taken out of the rainy day fund in their last three Budgets. In our first two Budgets we have not taken a cent out of the rainy day budget. That is why we are in a better place for the future.

Manitoba Hydro Financial Targets

Mr. John Loewen (Fort Whyte): Mr. Speaker, in the Crown Corporations Council's report for the fiscal year 2001, which was tabled in this House on June 20, it indicates, and I quote: Hydro's forecast indicated that it would achieve its three key financial targets in fiscal 2002. The targets include funding capital expenditures from internal sources.

* (13:40)

I would ask the Minister of Finance if he can indicate whether Manitoba Hydro will meet this key financial target in this fiscal year, and will

they be able to fund all of their capital expenditures from internal sources?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, I have indicated previously in the House that capital projects that require borrowing will be justified on a business-case basis, and to the extent they enhance the value of the corporation and add to its capacity they will be considered as borrowing requirements. That is something we have made very plain in this House.

Mr. Loewen: Mr. Speaker, I think the answer clearly indicates that Manitoba Hydro will have to borrow.

I would ask the minister if in fact this key financial target, the ability to fund all capital expenditures from internal sources, was one that was changed by the management at Manitoba Hydro, or did it in fact change as a result of a request from this minister due to his dividend policy?

Mr. Selinger: When a similar question was posed to the president of Manitoba Hydro at the Standing Committee on Public Utilities, the president indicated to the member that he would do his best to manage Manitoba Hydro to the advantage of all Manitobans.

The member does not ask questions. He uses questions to make accusations. I think he should remember the testimony that was put on the record by the president of Manitoba Hydro and allow Manitoba Hydro to do its job. They have made it very clear they believe they can handle this special payment. They understand that dividend policy is something that is common across the entire Canadian jurisdiction.

Mr. Loewen: Mr. Speaker, I would ask the minister one more time: Can he confirm that in fiscal 2003, as a result of this Government's dividend policy, Manitoba Hydro will not meet their key financial target of funding capital expenditures from internal sources? Will he just admit that?

Mr. Selinger: Once again, Mr. Speaker, the purpose of Question Period is to seek information not to seek confessions or admissions. If

I answered the member's question in the way he wished he would have then accused the minister of actually directing Manitoba Hydro and dictating from my office what their outcomes could be. So it is contradictory. On the one hand, he accuses the Government of setting rates at the Cabinet table. On the other hand, he wants the Cabinet or the minister to be able to guarantee certain outcomes for Manitoba Hydro. Manitoba Hydro operates as a Crown corporation under a board of directors. They have done it very effectively, and we have every confidence they will continue to be effective in the future.

Manitoba Hydro Government Management

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, under oath, Mr. Vince Warden, chief financial officer of Manitoba Hydro, advises that a five-year worst-case scenario drought would cost the corporation \$1 billion. When asked by PUB officials if the Doer government raid on Hydro, and I quote: Over the next five years would have a net adverse effect on Manitoba Hydro that is more negative than a drought, Mr. Warden responded, and I quote, yes, the five-year total would exceed the risk of drought.

* (13:45)

Mr. Speaker, can the Minister responsible for Hydro confirm sworn testimony that when it comes right down to it Manitoba Hydro would be better off from a financial perspective under a five-year worst-case scenario drought than under five years of Doer government raids?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Once again, Mr. Speaker, the members often play fast and loose with the rules. Really the question put forward by the member opposite was a hypothetical question. There is no five-year plan at the moment. There is a three-year plan. That is the plan that has been put in front of the Legislature.

What you have to understand is the members opposite took money out of Manitoba Hydro through a water power rental agreement. They did not report that to the Legislature. They were not accountable to the public for that. It

was buried in the back pages of the annual Hydro report as a footnote.

That contrasts with how our Government has approached the issue of managing the Crown corporations. We have been transparent, we have reported it to the Legislature and we have been accountable for the decisions we have made.

Mr. Tweed: The sworn testimony is pretty clear.

Can the minister confirm information provided by Manitoba Hydro that the Doer government over the next five years is demanding a total of \$1.229 billion from the corporation?

Mr. Selinger: Mr. Speaker, that is a highly inaccurate statement. The member misleads the public with those kinds of numbers. The member should know very well that Manitoba Hydro is planning to transfer to the Government of Manitoba through a special payment \$288 million over the '01-02, the '02-03 and the '00-01 financial years.

We have a three-year plan and that three-year plan is one that will stabilize finances in Manitoba at a time when corporate income taxes were down 60 percent, personal income tax was down 10 percent and a federal accounting error that had an impact of up to \$700 million on Manitoba finances was reported to us at the end of January by the federal government.

Many other jurisdictions have had a very tough year this year and have drawn heavily on their fiscal stabilization funds. We know in the United States more than 40 of the states in the union of the United States are in deficit.

Mr. Tweed: Mr. Speaker, Manitobans are shocked that Hydro would prefer five years of drought to five years of the Doer government raiding its pockets.

My question is: How can the minister continue to justify his million-dollar-a-day raid knowing it will have a greater impact on Hydro than an act of God?

Mr. Selinger: Mr. Speaker, once again the difference between the former government, where the Member for Turtle Mountain was a member

of the Cabinet, and this Government is they did not tell the public what they were doing. They hid it on the back pages of the Hydro report. They were not transparent, they were not open. They were very secretive in the initiatives they took with Manitoba Hydro who paid for government responsibilities.

Mr. Speaker: Order.

Point of Order

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

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

When the minister is accusing this side of hiding numbers, those numbers on the water rental rate always appeared in the Budget. They were always up front and open, not like this Government which tripled it in their time in government.

Mr. Speaker: The honourable Minister of Finance, on the same point of order.

Mr. Selinger: Mr. Speaker, I would just like to argue and put forward to you the case that the member is really disputing the facts. He is not really raising a matter of a point of order, which is supposed to deal with the rules of the House. It is once again a shameful example of the House Leader for the Official Opposition abusing the rules for political advantage.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to remind all honourable members again a point of order should be used to point out to the Speaker a breach of a rule or the departure of practices of the House. It should not be used for debate or rebuttal.

The honourable Member for River East, on the same point of order.

Mrs. Bonnie Mitchelson (River East): Obviously when a minister of the Crown stoops that low, it indicates a sensitivity—

Mr. Speaker: Order. I just pointed out to all honourable members a point of order should be—*[interjection]* order—used to point out to the Speaker a breach of the rule or a departure from practice, not to be used for rebuttal or for debate.

* (13:50)

On the point of order raised by the honourable Official Opposition, I would like to take this opportunity to remind all honourable ministers answers to questions should deal with the matter raised and to not provoke debate.

* * *

Mr. Speaker: I ask the honourable minister to conclude his answer.

Mr. Selinger: Thank you, Mr. Speaker. As I was indicating before the point of order came up, Manitoba Hydro will be providing a special payment to the Government of Manitoba of \$288 million, spread over three years. This will stabilize finances in Manitoba at a time when corporate and personal income tax revenues were down, when the federal government reported an accounting error which has a permanent impact on the revenue track of Manitoba. It allowed us to bring forward a Budget which stabilized essential services for Manitobans.

Manitoba Hydro Government Management

Mr. John Loewen (Fort Whyte): Mr. Speaker, clearly this Government has no long-term strategy with regard to dividend payments from Crown corporations and, worse, this Government has set upon an ad hoc policy that was driven by a last minute decision to cover the Doer government's spending problems, to cover their deficit.

I would ask the Minister of Hydro if he would just, finally, for the people of Manitoba, admit, if he did not raid, if the Doer government did not raid Manitoba Hydro for \$288 million, that Manitoba Hydro would have put that cash to good use internally.

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, once again, I point out the

obvious. The members opposite used Manitoba Hydro to pay for government projects through a water power rental agreement which was not made public to this Legislature through the normal budget process. We have taken an approach which makes our transfer from Manitoba Hydro public and transparent, and the members opposite have used a different approach. We have debated it, we have put it forward in the Legislature, and I have explained in previous answers the purposes for which it will be used.

Mr. Loewen: Mr. Speaker, I would ask this minister why he is trying to get the people of Manitoba to believe that there is a big pile of cash sitting over at Hydro when in fact their March 31 statements will show clearly that, in spite of over \$200 million in profit, the company only had \$14 million in cash, \$14 million. Where are they going to get the 288 from?

Mr. Selinger: Once again, I am pleased the Member for Fort Whyte has now acknowledged that there is a profit in excess of \$200 million. I think that is a breakthrough in awareness. The president of Manitoba Hydro at the standing committee made it very clear they do not leave cash lying around. They deploy that cash for the productive purposes of the corporation. That is what a good manager does. He takes his cash and he uses it to the advantage of the corporation. In this case, some of that cash will now be coming back to the people of Manitoba as a special payment.

Mr. Loewen: Mr. Speaker, I would ask the minister to clarify then, in spite of the fact that profits were over \$200 million and in spite of the fact there is only \$14 million in the bank, Manitoba Hydro did not have 288 and, as a matter of fact, did not even have \$150 million sitting around, and, in fact, will have to go out and borrow money to meet the demands of this Government.

* (13:55)

Mr. Selinger: Mr. Speaker, we have been over this territory many times. There is a certain repetitiveness to the questions, something which is actually not allowed under the rules. Nonetheless, once again, let me put on the record Hydro has been extremely profitable over the last several years, mostly as a result of the

foresight of the previous NDP government in building Limestone for export purposes. Those exports have been very profitable. They have built up their retained earnings to \$1.3 billion. They have a large sinking fund and they generate a high degree of cash every year, over \$400 million of cash every year. Some of that cash will now be coming back to the Government as a special payment.

Cardiac Care Access to Surgery

Mrs. Myrna Driedger (Charleswood): Staff at St. Boniface Hospital say that bumping of cardiac surgeries is now the norm under this NDP government. I would like to ask the Acting Minister of Health to tell us what the investigation showed into why Gary Walker was bumped five times last fall. It seems to me the commitment made to investigate it, the findings are now being kept very quiet. Would the acting minister please share those findings with us?

Hon. Gary Doer (Premier): Dealing with the general half of the question that was asked, Mr. Speaker, I recall members opposite were going to close down the cardiac program at St. Boniface completely. It may not be up to a perfect state yet but we have reversed the Tory decision to close down the cardiac program at St. Boniface.

Mrs. Driedger: Mr. Speaker, can this Premier tell this House why Walter Kowaliuk has had to wait a year for heart surgery, has been bumped twice and is rescheduled for tomorrow again, when he also has a growing abdominal aneurysm which could rupture and kill him? Why has he had to wait a year for cardiac surgery and be bumped twice?

Hon. Tim Sale (Acting Minister of Health): I am sure all members are concerned about people who have serious health issues and are seeking treatment in what is acknowledged to be the best system in the country in terms of dealing with emergencies and dealing with hallway medicine. We have a very good cardiac program with two sites, one program, one set of staff. We reversed a decision which would have closed that program in St. Boniface Hospital, and we now have a very good program with two sites.

I think if there is a specific issue around this specific case, I would want to take that as notice for the minister so he can investigate the specifics of that situation.

Mr. Speaker: Order. If a minister is taking a question as notice, there is to be no preamble and no postamble. If a minister is answering a question, the minister can rise and answer the question, but you cannot do both.

Mrs. Driedger: Mr. Speaker, I would like to ask the Premier (Mr. Doer) of this province whether he will guarantee that Walter Kowaliuk tomorrow will get his surgery.

Mr. Sale: Mr. Speaker, obviously the management of our health care system is in the hands of those who are charged with that administration.

I think we can say with absolute assurance that we have shortened waiting lists for many categories. We have improved the cardiac program. We have recruited more specialists. We have more doctors in Manitoba today than we did when the previous government was in power. We have more nurses in training.

We are dealing with nine or ten years of absolute neglect. We do not have it right yet but we are getting there and we work every day to make it better.

Epilepsy Manitoba Awareness Campaign—Funding

Mr. Speaker: The honourable Member for River Heights.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. If members wish to ask a question, they will have lots of opportunity. If ministers wish to answer, they will have all the opportunity they want. But right now, the Member for River Heights has the floor.

Hon. Jon Gerrard (River Heights): Mr. Speaker, there are about 23 000 people in Manitoba with epilepsy, and delays in information for individuals or families with a member with epilepsy have caused considerable extra burden and anxiety for the families and extra costs for the health care system.

* (14:00)

I ask the Premier (Mr. Doer) why his Government is not supporting the Manitoba epilepsy association in its considerable efforts to improve the awareness of epilepsy and access to services for individuals with epilepsy.

Hon. Tim Sale (Minister responsible for Persons with Disabilities): Mr. Speaker, as a matter of fact, in my capacity as Minister responsible for Persons with Disabilities, I have met with the association and applaud their efforts. We are, in indirect ways, supporting them through costs in kind, contributions in kind. They do excellent work and they have been around for a number of years.

Like many advocacy organizations they do not receive direct funding from the provincial government. That is not unusual in advocacy organizations. They do receive some support from other funders. I applaud their efforts and hope they continue to advocate on behalf of those with epilepsy.

Mr. Gerrard: Mr. Speaker, my supplementary to the Premier. I ask the Premier why is the Manitoba epilepsy association having to provide all the printed and informational materials to public health nurses, to schools, to hospitals, to employers, to clinics, to individual families around the province, without support of any kind from this Government?

Mr. Sale: Mr. Speaker, I believe we are working with the association on that particular issue and I expect we will come to an appropriate conclusion in regard to how we will support their very useful efforts.

I might also say, Mr. Speaker, that we have made Health Sciences Centre a centre of excellence in neurology, that we have recruited some very good people. We will have the only gamma knife available between here and the West Coast, so that we can recruit and retain the top specialists in that area. We are very pleased with the efforts of the Winnipeg Regional Health Authority to re-establish a program that had fallen into some disrepair under the previous government.

Mr. Gerrard: Mr. Speaker, I thank the Acting Minister of Health for the information, but I am

quite surprised and I would ask the acting minister why it is when the Health Sciences Centre is a centre for neuroscience that there are no adult epileptologists at the moment, in spite of a lot of promises and rhetoric. I would ask why is it that the Winnipeg Regional Health Authority has been saying, well, we are going to have to produce all the materials in-house instead of working with Epilepsy Manitoba.

Time and time again, when there are opportunities, this Government has fallen short. I would ask the acting minister or the Premier to tell us when this Government is really going to come to the table.

Mr. Sale: Mr. Speaker, I am sure the member, as a former practising physician in the area, knows the difficulty of recruiting specialists. We have recruited some top neuroscientists to help support the re-establishment and invigoration of this program at Health Sciences Centre. I know Doctor Postl and his team have been actively recruiting and recruiting is a difficult task.

I would remind the member we have more specialists in Manitoba than we had under the previous government. We have more physicians in Manitoba than under the previous government. We are successful in recruiting and retaining doctors and specialists in particular.

This remains an area of challenge and I know the Winnipeg Regional Health Authority is working very hard on this particular issue. We have recruited some top neuroscientists, as I said, and I think we have to continue to do that work. Things do not get better overnight. I know that Doctor Postl and his team are working very hard to recruit an appropriate specialist in that area.

Gimli Rail Line Status

Mr. Gregory Dewar (Selkirk): Mr. Speaker, my question is for the Minister of Industry, Trade and Mines. Questions have arisen in this House and in the broader public with respect to the future of the rail line between Winnipeg and Gimli. Can the minister update the House on recent developments on this crucial transportation link?

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Mr. Speaker, I

am pleased to announce under the Premier's (Mr. Doer) request CPR has agreed to continue to operate the line until at least February 2003 and is committed to working with the Government and with Guinness UDV Canada Diageo plant in Gimli and other parties to find a permanent long-term solution.

Suicide Prevention First Nation Communities

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, my question is for the Minister of Aboriginal and Northern Affairs.

In June, the minister rose on a ministerial statement and told this House about the efforts he and his colleagues are taking to address the high incidence of suicides on First Nations reserves. There are 900 residents in Shamattawa First Nation and since January there have been 39 suicide attempts, another 27 verbal threats of suicide and three suicides in the last three weeks, including two men aged 18 and 22 and a 36-year-old mother of six.

Can the minister point to specific community and grassroots approaches, and I use his words from the statement, can he point to specific community and grassroots approaches to suicide prevention that he has put in place since he delivered that ministerial statement on June 3?

Hon. Eric Robinson (Minister of Aboriginal and Northern Affairs): Mr. Speaker, of course we are all saddened by the reality in Aboriginal communities in the province of Manitoba. Unfortunately, the suicides did occur in an eight-day period in the community of Shamattawa.

I have had the opportunity of discussing this matter with Grand Chief Francis Flett of the MKO and Chief William Miles of the community of Shamattawa. A meeting was scheduled to have occurred today. Unfortunately that meeting will be carried over to later in the week. I understand the community will be hosting some federal officials who will be attending to the community to address some of the outstanding issues that exist in the community.

With respect to the grassroots approach, the meeting this Government hosted with a round

table discussion in early June involved people from the grassroots community, the front line workers who deal with this on a regular basis. One of the recommendations they made that First Nations people and Aboriginal communities be afforded the opportunity of dealing with issues, not so much government driven but initiatives that are driven from the community, that are born in the community and that those methods be applied, because methods that are sometimes developed in Winnipeg and Ottawa are sometimes—

Mr. Hawranik: Does the minister agree with Chief William Miles of Shamattawa First Nation that the community needs counsellors, that something has to happen now? Will the minister agree to intervene to ensure that counsellors are immediately in place in Shamattawa First Nation to deal with this crisis?

Mr. Robinson: I had a very lengthy discussion with Chief Miles on Thursday and again on Friday. I spoke with Grand Chief Flett, and they arranged to have a resolution supported by all the chiefs of Canada.

I do agree there must be some initiative, not only in Shamattawa but indeed in many First Nations communities in the province of Manitoba. Let me read to you some of the statistics, Mr. Speaker, that do exist, unfortunate figures that exist in the province of Manitoba. Shamattawa, as the member pointed out, only has a population of 897 people. Compare that with Cross Lake, and these people, these communities like Pauingassi which has had 10 suicides in the last little while, Norway House 9, Berens River 7, Nelson House 6, Garden Hill 5. These are relatively small communities and in comparison to the number of suicides that exist in Aboriginal communities it is absolutely discouraging.

We mean to work with the federal government and the First Nations communities particularly in finding alternative ways so our people will not have to resort to suicides.

Mr. Hawranik: Mr. Speaker, can the minister indicate what job creation he has put in place, especially on northern reserves, given that MKO Grand Chief Francis Flett said job creation is one of the keys to addressing the high rate of Aboriginal suicides, one of the keys to providing hope and growing pride?

Mr. Robinson: One of the initiatives of this Government, Mr. Speaker, has been the Northern Development Strategy, which gives northern Manitoba a hope for the future, a vision for the future. We want to afford our young people the opportunity that they too will prosper as other Manitobans will. We want to provide educational opportunities.

With respect to Shamattawa specifically, there will be discussions held with Manitoba Hydro. There will be other discussions held with potential opportunities that may exist for the community so that welfare does not become a way of life for the people of Shamattawa, nor any other reserve throughout this province.

Our Government has been proactive in trying to initiate dialogue with the federal government, who has to be an important player in any initiative. We want to give Aboriginal people and First Nations people particularly a hope for the future as well.

Trans-Canada Highway Twinning

Mr. Larry Maguire (Arthur-Virden): Mr. Speaker, the former Conservative government began twinning the 12-kilometre stretch of Trans-Canada Highway west of Virden. The Doer government cancelled the project when they took office. Almost three years have passed and finally, after the federal government has stepped to the plate and put some funding in place, this important project may be finished.

* (14:10)

Can the Minister of Transportation explain why this already built stretch of highway did not receive any funding for paving until this year?

Hon. Oscar Lathlin (Acting Minister of Transportation and Government Services): Mr. Speaker, on behalf of the Minister of Transportation and Government Services (Mr. Ashton), I will take the member's question under advisement.

Mr. Maguire: Mr. Speaker, I would like to table a copy of a letter and petitions I have received from Ms. Corinne Nesbitt and D. Robinson sent

to the Minister of Transportation on May 31 outlining the concerns of Virden and Elkhorn area residents over the lack of priority the Doer government has given to the twinning of the entire stretch of the Trans-Canada Highway between Virden and the Saskatchewan border. They know this is an important issue in their region.

Will the minister ensure the safety of the residents of this area and of all Manitobans and Canadians travelling this piece of highway and finally commit to twinning the entire No. 1 Highway between Virden and the Saskatchewan border?

Hon. Gary Doer (Premier): To make a few comments, we did read the so-called legacy rumour that was being floated from Ottawa on the Trans-Canada Highway and the twinning of the Trans-Canada Highway. I think it is safe to say Manitoba has one of the highest amounts of Trans-Canada Highway that has been twinned of any jurisdiction in Canada.

We have increased the amount of money in highways. We have now \$120 million in highways, a five-year \$600-million program. We have other concerns as well. The twinning of highways is important, but also some of the highways in northern Manitoba. Highway 16, Mr. Speaker, in my view, has a lot of challenges for all of us, the previous government and our government, is also a priority for all of us.

The federal government takes \$155 million in gasoline tax, user fee taxes, out of this province per year. It is just lately reinvesting about \$4 to \$6 million. All of the money the former government and we collected in gasoline tax goes back into highway construction and maintenance. We believe user fees on gas taxes by the federal government should not go to Ottawa but should be invested in roads like the twinning of Highway No. 1, the Yellowhead Highway, northern highways and other highways in Canada and in Manitoba.

Mr. Speaker: The honourable Member for Arthur-Virden, on a new question.

Mr. Maguire: On a new question. The Premier has indicated his support for twinning No. 1

Highway and some work to be done on the Yellowhead Highway, but this is the same Government that removed \$5.2 million for paving from the Saskatchewan border to Elkhorn last year. When will this Government make a commitment to finish the twinning of No. 1 Highway in Manitoba? Or is this just another example of how we are falling further behind Saskatchewan?

Mr. Doer: Mr. Speaker, as I recall, there were highways washed up in some of the flooding situations in the previous year. Members opposite will know that we overexpended on our emergency disaster assistance programs in the '01-02 Budget. They will also know that roads were almost washed away, became a higher priority than some of the other priority items in the budget year.

You have to reallocate sometimes on the basis of the safety of roads completely as opposed to other situations. I think the Minister of Transport used the proper criteria where he took money away from a project that we would like to have and reallocated it to a project that we had to have in Manitoba.

Finally, our \$600-million, \$120-million-a-year highway expenditure; lately, when we met with rural and northern municipal leaders, they have actually made a lot of positive comments to the Government for finally having a five-year capital program in place for highways.

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

MEMBERS' STATEMENTS

Winnipeg Folk Festival

Ms. Nancy Allan (St. Vital): I had the great pleasure recently of accompanying the Minister of Education, Training and Youth (Mr. Caldwell) at the opening of the 2002 Winnipeg Folk Festival. I was honoured to again be among the guests as we opened one of Winnipeg's most popular, most successful and internationally renowned annual events. This marked the 29th year for the festival. Held in the beautiful location of Birds Hill Park, the 2002 festival saw the

highest turnout in history. In total, visitors went through the gate 39 801 times. The attendance could be attributed to the fantastically warm weather every day, as well as the great lineup of performers arranged this year.

I was happy to learn that there were no major incidents to hamper the festivities. Festival staff were happy to see that there was not much activity in the medical tent, and the campground was mellow and quiet. For all of these reasons, the 2002 Folk Festival is being called one of the best ever. Visitor feedback has been overwhelmingly positive.

One of the big changes this year was a free campground shuttle which was very popular. As well, the festival committee invested in expanding the site's drainage canals because of the support of the provincial government. This proved to be a great success as the festival followed weeks of rain, and yet the grounds were dry enough for people to enjoy the warm weather that has finally arrived.

I would like to take this opportunity to congratulate and recognize the core festival staff for their year-long commitment and dedication: Trudy Schroeder, general manager; Rick Fenton, artistic director; Linda Cubbidge, manager, communications; Angelo DaSilva, manager, festival tents; Linda Freed, manager, resource development; Arwen Helene, manager, production; Barbara Hiebert, manager, volunteers; Dianne Little, manager, finance and administration; and Eric Unwin, manager, festival music store. My thanks go out to these hard workers plus the other indispensable staff that I do not have room to mention.

I would also like to extend my gratitude to the many, many volunteers who make this festival possible. Special thanks also to the corporate and foundation support that allows the festival to keep ticket prices down.

Certificates of Commendation

Mr. Jim Penner (Steinbach): Mr. Speaker, it is an honour for me to rise today and inform the House of three men whose bravery and quick thinking may have saved the lives of numerous people in the face of a destructive fire and who have been recognized for their actions.

On June 29, 2002, Leo Penner of Blumenort, Todd Krahn of Steinbach and Marty Remple of Steinbach were awarded Certificates of Commendation by the Mayor of Steinbach, Les Magnusson, on behalf of the Governor General of Canada.

The recognition came as a result of a terrible fire at a seniors complex and the quick response of these three individuals. In February of '99, a fire broke out at Oakview Manor in Blumenort. Leo Penner, Todd Krahn and Marty Remple were the first three people to arrive at the burning building.

Mr. Speaker, I am pleased to say this dreadful fire did not harm any of the Oakview Manor residents. This was in no small part due to the actions of Mr. Penner, Mr. Krahn and Mr. Remple, who put themselves at risk to assist elderly residents to safety and shelter. Their quick response and bravery may very well have been the difference between life and death.

It is the actions of individuals like these that distinguish our great province, Mr. Speaker. Throughout Manitoba each and everyday, many residents make generous gestures and sometimes take heroic action to benefit others.

We all hope that those we have come to know and love are never involved in a situation like a fire or an accident. However, should the circumstance arise, we are lucky to have people like Mr. Penner, Mr. Krahn, Mr. Remple and countless other selfless Manitobans prepared to offer a hand of assistance.

So, on behalf of all the members of this Assembly, I extend our thanks and our collective congratulations to Leo Penner, Todd Krahn and Marty Remple for their brave acts and their much-deserved recognition.

Mr. Speaker: Would members who wish to carry on a conversation please do it in the loge or in the hallway. It is very difficult to hear the member who has the floor. I would ask the co-operation of all honourable members, please.

* (14:20)

Polar Bear Classic

Mr. Jim Rondeau (Assiniboia): Good day, Mr. Speaker. I would like to rise to bring information

to all members of the House about the Polar Bear Classic. This was a tournament, an AA men's qualifier tournament that was held at John Blumberg over the weekend. On Friday the 19th, I had the pleasure of bringing greetings on behalf of the Government and also catching the first pitch.

This team provides an opportunity for seniors to play, to get to know each other, to get to compete in a very fun environment. There were eight teams in the over-40 category, four teams in the 50-plus, five teams in the 55-plus, seven teams in the 60-plus, two teams in the 65-plus and three teams in the 70-plus. I have to admit that some of these athletes really looked very, very fit and very active.

These activities keep people active, create a great deal of fun, friendship and also help the whole community spirit. By all accounts, all the games were very, very competitive. They had a good, successful weekend.

I would like to thank all the volunteers who made this possible, the sponsors. I would like to highlight the executive, who worked many, many hours to bring the teams from across Canada and the States in for this wonderful weekend. The 2002 executive were: Barry Mullen, Jack Johnson, Lynn Switzer, Bryan McTaggart, Borris Nazarewich, Bob Essery, Kent Morgan, Carole Seneshen, Ross MacIver, Ray Brunka, Morris Deveson, Jennette Manchur, Bryan McDonald and Doug Blyth.

It is because of these people's hard work that it was such a successful weekend. Thank you very much, Mr. Speaker.

Manitoba Agricultural Hall of Fame

Mr. David Faurchou (Portage la Prairie): Mr. Speaker, on Friday, July 19, 2002, I attended, along with the Member for Arthur-Virden (Mr. Maguire) and the Member for Carman (Mr. Rocan), the Manitoba Agricultural Hall of Fame induction ceremony, which was held in Portage la Prairie at the William Glesby Centre.

More than 300 persons attended to help celebrate the induction of a group of renowned individuals who have given a lifetime to enhancing the agricultural sector and the rural way

of life as a whole. Their endeavours have not gone unnoticed by those of us who have been the beneficiaries of their labours.

So with some pomp and ceremony, Albert Thomas Chapman of Brandon, Ida Elva Cochran of Hamiota, Clare and Dorothy Geddes of Pilot Mound, Archie William Londry of Rapid City, James Clarke McCutcheon of Homewood, the late Lorne Edmund Parker of Winnipeg, Albert Vielfaure of La Broquerie were the recipients of this most prestigious award, a place in Manitoba's Agricultural Hall of Fame.

Mr. Speaker, on behalf of the Legislative Assembly of Manitoba, I and my colleagues would like to congratulate the inductees into the Manitoba Agricultural Hall of Fame for 2002 and to thank them for truly making their community, province and nation a better place to live, work and raise a family. Thank you very much.

Community Centres

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, I rise today to talk about how great community centres are and the vital role that they play in my constituency. There are many community centres in St. James. I try to participate with as many as I can fit into my schedule. I like to keep track of what the centres are doing. I enjoy the chance to join in their activities.

On June 15, I had the great pleasure of attending a Family Fun Day at the Bord-Aire Community Club. There was a dunk tank, numerous games, face painting and a giant fun slide. All of this took place after a long rainy spell, so it was nice that the weather finally cooperated. It was a hot, sunny day.

This event was well organized. This was due to the hard work of so many volunteers. I want to thank the Border Community Centre's executive committee for their commitment to kids and their hard work. At the fun day, they were happy to show off the improvements they have made to the club and deserve to be very proud.

On the next weekend, Mr. Speaker, I attended the Deer Lodge Community Centre Family Fun Day. On the opening night, the centre held a

beer garden. This was not only well attended but very much appreciated as the heat was by now sweltering. The next day it rained, but the planned events carried on despite the weather. These people are real troopers.

The day revolved around a ball tournament. There were other activities for the kids. Everyone had a great time. This event was also a great success. I was very impressed with both the community involvement and the amount of planning and work put in by the dedicated volunteers.

Mr. Speaker, I want to take this moment to thank everyone who makes these events and all the other services offered by community centres possible. Not only are these get-togethers fun to attend, but community centres themselves help build cohesive societies within our cities.

Mr. Speaker, I really enjoyed going to these festivities, and I hope I will be able to attend many more this coming summer and fall.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please call second readings of 53 and 54?

Mr. Speaker: I cannot hear. Sorry. Order. Can I have order, please. We are trying to deal with House business and I cannot hear what the honourable Government House Leader is relaying.

Mr. Mackintosh: Mr. Speaker, would you please call second readings of 53 and 54?

SECOND READINGS

Bill 53—The Common-Law Partners' Property and Related Amendments Act

Hon. Gord Mackintosh (Minister of Justice and Attorney General): I move, seconded by the Minister of Finance, that Bill 53, The Common-Law Partners' Property and Related Amendments Act, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Mackintosh: Mr. Speaker, when Bill 34, The Charter Compliance Act, was introduced several weeks ago, I said that another bill would follow to deal with property rights and obligations for people in common-law relationships. This is that bill. It is the third major reform to Manitoba's family law to recognize the social reality of common-law relationships.

Mr. Speaker, of course, last year Bill 41 amended those acts that were directly affected by the Supreme Court of Canada decision in *M v. H*. Several weeks ago, Bill 34 was introduced to amend those acts that, while not directly addressed by *M v. H*, were implicitly affected by the Supreme Court's reasons.

The Supreme Court did not deal with property issues in *M v. H*. It is still not clear whether as a constitutional matter it is absolutely necessary to include common-law partners in family law legislation dealing with property.

The Supreme Court has recently heard a direct challenge to Nova Scotia's matrimonial property act, which is very similar to our own Marital Property Act. A decision is expected in the coming months. Nonetheless, this Government has determined that, whether or not the Constitution absolutely requires property legislation to be amended to include both same-sex and opposite-sex common-law partners as a matter of policy, it should be done. Mr. Speaker, it is the right thing to do, in our view.

This decision is based in part on the consultations conducted by the Common-law Relationships Review Panel and the recommendations of the panelists, Jennifer Cooper, QC and the Honourable Alvin Hamilton, QC. It is also based in part on the direction in which the case law appears to be moving and the anecdotal evidence that suggests heterosexual couples in common-law relationships often believe they are governed by the same property regime as married spouses.

Often it is only when a relationship breaks down or one of the partners dies that it is learned that there are no legislated property protections for common-law partners. Then the partner who

is not a legal owner can be left in dire financial circumstances and may sometimes be forced to turn to public assistance.

Mr. Speaker, while it does not generally appear that same-sex couples have the same misconceptions about the laws that apply to them, one partner may still find him or herself impoverished when the breakdown of the relationship or the death of their property-owning partner get the same results.

* (14:30)

Mr. Speaker, this bill contains amendments to some 56 Manitoba statutes: first, to create a registry system to allow common-law partners, who are adults living in Manitoba, to register their relationship if they wish to; second, to create a system whereby persons living in conjugal relationships become common-law partners after they have lived together for a certain period of time even if they do not register the relationships; third, to include all common-law partners who have either registered or cohabited for the requisite time in all legislation dealing with property division and distribution; and, finally, to amend all Manitoba legislation that deals with the rights and obligations of common-law partners to provide that those who register their relationships will assume all of these rights and obligations as soon as they register.

Bill 53 deals with complex property issues. This is so for a number of reasons. First, the bill establishes two ways of becoming a common-law partner, either by registering or by cohabiting in a conjugal relationship for the time period set out in a particular act. Second, by extending property legislation to common-law partners, it is possible, in some cases, that there will be conflicts between two or more claimants. The bill identifies the most obvious of the conflicts and sets out a mechanism for resolving them without interfering with existing rights. Finally, Manitoba's property regime itself is complex. Rights and responsibilities are set out in a number of different acts that are interconnected in their operation.

Manitoba is the first province to address property rights for common-law partners in this unique and comprehensive way. Most jurisdictions have not extended property legislation

to common-law partners at all. Of those that have, Nova Scotia has enacted a registry system only. If Nova Scotians cohabiting in a conjugal relationship do not register, they are not governed by property legislation. It is my understanding that, since Nova Scotia's legislation came into force in June of 2001, only about 130 couples have registered. Saskatchewan has created a qualification period only. Once people cohabit in a conjugal relationship for two years, they are included in Saskatchewan's property regime. There are benefits to each of these approaches, and the Manitoba solution in Bill 53 attempts to capture the positive aspects of each.

Creating a registry system gives individuals the choice, to be governed by property and other legislation from the very beginning of the relationship if they wish. It also addresses the argument that a time qualification alone is not appropriate because people who get married do not have a waiting period before they are governed by this same legislation. For those who take advantage of the registry system, there are administrative advantages, such as the ability to jointly determine the start date and, where applicable, the end date of the relationship. This can eliminate an area of potential dispute should the relationship break down.

Because registered common-law partners will be able to get a certificate from the registry, they will have a simple way to prove the existence of the relationship for land titles offices, motor vehicles branch and any other program or organization that requires it. However, a registry system alone does not address the injustices that can occur when a common-law partner who does not legally own property is left destitute after a relationship breaks down, sometimes after decades of working alongside his or her partner. This is why we need the default qualification period. If a common-law couple does not register the relationship, they will still be subject to the property regime after they have cohabited in a conjugal relationship for a specified time period.

For The Marital Property Act, which will be renamed The Family Property Act, and The Homesteads Act, the period of cohabitation required to qualify will be three years. For The Intestate Successions Act, The Family Maintenance Act and a portion of The Wills Act, the

revocation provisions on entering a relationship is dealt with by the latter. The time period will be either at least three years' cohabitation or, if there is a child of the relationship, at least one year of cohabitation. The qualification period for pension legislation will remain as is, namely, one year if neither party is married or three years if either party is married.

It should be noted that, although this bill primarily addresses the property rights of non-owning, common-law partners, there are some added benefits for children of common-law relationships. If a person in a common-law relationship dies without a will, the qualification period is shorter if there are children involved, thus ensuring that the estate will go to the surviving common-law partner and be available to meet the children's needs. If a common-law relationship breaks down and there are children, the presumption of equal sharing of assets under The Family Property Act also means that, as children move from home to home, either to live or to visit, they will enjoy more similar lifestyles in each household.

In dealing with priorities between a spouse and a common-law partner, this bill looks at the policy behind each act that it amends and sets out a priority scheme consistent with that policy. The Homesteads Act, for example, is the oldest piece of family law legislation. Its policy is to guarantee that, at a minimum, a spouse who is not an owner of the family home will have a place to live on the death of his or her partner, spouse. As this protection is expanded to include common-law partners, it becomes possible for a property owner to die leaving both a spouse from whom he or she was not divorced and a common-law partner with whom he or she was living. In keeping with the policy of The Homesteads Act, this bill protects the first spouse or common-law partner who acquires homestead rights in a property by prohibiting a second person from acquiring such rights until those of the first person have been finally resolved. Once the first spouse or common-law partner's rights have been dealt with, the second can acquire homestead rights, thus providing secondary protection to that person.

The policy behind The Intestate Succession Act is to set out a method for distributing the estate of a person who dies without a will on the

basis of how a typical person would want to leave their property. The amendment in this bill gives priority to the most current spouse or common-law partner, as that is the person the intestate would most likely wish to benefit. This does not mean that a former spouse or common-law partner has no remedy. Any claim under The Family Property Act takes priority over a claim under The Intestate Succession Act. Dependents can also seek support under The Dependents Relief Act.

It should also be noted that the entitlement of children under The Intestate Succession Act is not compromised when there is both a spouse and a common-law partner. Adding common-law partners to the renamed The Family Property Act does not itself give rise to significant conflicts between spouses and common-law partners, as the right to an accounting and equalization of assets under this legislation generally only applies to the period of time the parties cohabited. However, there is potential for conflict between the claim of a former spouse or common-law partner under The Family Property Act and the claim of a current spouse or common-law partner under The Intestate Succession Act.

The bill resolves this conflict by giving priority to The Family Property Act claim. Once that claim is satisfied, the balance of the estate will go to the current spouse or common-law partner under The Intestate Succession Act, subject to the entitlement of any children.

The bill amends four pension acts so that common-law partners will be subject to mandatory credit splitting on the breakdown of a common-law relationship. Until now pension legislation has allowed common-law partners to opt in to the credit-splitting provisions, but this was not often used.

As well as the primary property statutes, Bill 53 also amends several acts containing provisions related to property. For example, The Wills Act currently provides that a will is revoked upon the marriage or divorce of the testator subject to some exceptions. This bill amends The Wills Act so that parallel revocation provisions are added for when a common-law relationship is registered when the partners have

cohabited for the required time period or when a common-law relationship is terminated. This recognizes that people do not always update their wills even after important life events. A will made some time ago may not reflect the testator's current intentions.

The bill also extends to common-law couples the provisions of The Family Maintenance Act that allow the court to make an order of sole occupancy of a family residence. This bill represents a significant and important change in the law's treatment of property of common-law partners. It does not, however, prevent people from dealing with their property in a manner different from that contemplated by the legislation. If the distribution method set out in The Intestate Succession Act does not reflect a person's wishes, he or she can avoid it by making a will, something people should be encouraged to do in any event.

Like spouses, common-law partners can opt out of the credit-splitting provisions of the pension acts and the property-sharing regime of The Family Property Act. Both properties must agree to opt out. In the case of pension splitting, they must have independent legal advice and receive a statement from the pension administrator. That is, partners cannot opt out of the pension-splitting provisions without clearly knowing what they may be giving up. These provisions help protect the economically vulnerable member of the relationship.

This bill includes amendments to all the primary property acts that address how common-law relationships and the rights and obligations arising from them are terminated. In all cases a registered common-law relationship can be terminated by registering its dissolution once the parties have lived separate and apart for at least one year. Dissolution can be done jointly or by one party alone after formal notice is given to the other. If a common-law relationship was never registered, it is terminated by the passage of time, generally three years of living separate and apart.

Mr. Speaker, the amendments introduced in this bill will apply to cohabiting couples who are living together on the date of proclamation. It will not apply to couples who have already ended their relationship on the date of proclamation, no matter how long they have lived

together in the past. For those whose relationships began before these amendments come into force and are continuing, all of the legislation will apply to them once they have reached the qualification period, even though some of their time together will have predated the legislation.

The Intestate Succession Act amendments will apply to people who die on or after the date these changes come into force. Where the amendments apply to a particular couple, it will apply to all the assets they have acquired, whether acquired before or after these changes come into force. These common-law couples who do not wish to be governed by these acts and these rules can opt out by entering into an agreement that reflects their own property arrangements.

Last year in Bill 41 numerous acts were amended to extend support legislation and certain pension and death benefit provisions to common-law partners. Each act that was amended included its own definition of common-law partner. Once passed, Bill 34 will make similar changes to The Adoption Act, conflict-of-interest legislation and many other acts.

Bill 53 will now amend Manitoba's family property regime to include common-law partners. As well, those people who choose to register their common-law relationships will be considered common-law partners from the date of registration, not only for the family property regime but for the purposes of all these acts. Cohabiting couples who do not register will acquire various rights and obligations at different stages depending on the definition or requirements of a particular act, but by the time they have cohabited for three years, they will be subject to all legislation.

At the same time, this bill recognizes that individuals should have freedom of choice on how to organize their personal relationships. Their ability to do so is accommodated by these amendments.

This Government is committed to the principles of justice and fairness for all Manitobans. Since the introduction of Bill 41 last year, we have moved steadily closer to a society in which

all are treated fairly and equally in the family law context. This bill, Mr. Speaker, is an important further step in that momentous journey. Thank you.

Mrs. Joy Smith (Fort Garry): I move, seconded by the Member for Pembina (Mr. Dyck), that debate be adjourned.

Motion agreed to.

* (14:40)

**Bill 54—The Legislative Assembly and
Executive Council Conflict of Interest
Amendment (Conflict of Interest
Commissioner) Act**

Hon. Gord Mackintosh (Minister of Justice and Attorney General): I move, seconded by the Minister of Industry, Trade and Mines (Ms. Mihychuk), that Bill 54, The Legislative Assembly and Executive Council Conflict of Interest Amendment (Conflict of Interest Commissioner) Act, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Mackintosh: Mr. Speaker, I want to thank representatives from the opposition parties represented in the House for their views on this legislation. As well, I can advise that this is really only representing the first phase of a dual-phase process, whereby in the second phase we will have discussions with the opposition parties in terms of the substantive law and where we go in the future with the mandate of the Conflict of Interest Commissioner.

Mr. Speaker, the critical aspect of this legislation is the creation of a new Conflict of Interest Commissioner to advise members of the Legislature on potential conflicts. This independent commissioner would be appointed by an all-party committee and would report directly to the Legislature. The overall goal, of course, of this legislation is to add clarity and to strengthen enforcement of the existing Conflict of Interest Act. It does not change, of course, the definition of conflict of interest, nor does it take away the right of any citizen to pursue action in the courts.

Highlights of the proposed legislation include a new permanent part-time commissioner to advise MLAs on potential conflicts and, upon request, provide formal written opinions.

The commissioner would be a non-partisan and fully independent person appointed by an all-party committee and would report, as I said earlier, to the Legislature.

I look forward to discussions with the Opposition in terms of how we can move on this appointment. We obviously have to be cost-conscious, and, as we move ahead, at the same time, making sure that the objectives of the legislation are realized.

Every MLA under this legislation would meet with the commissioner to ensure that they have met with the disclosure requirements for elected officials. The commissioner would make an annual report to the House through the Speaker's office on matters pertaining to the commissioner's office.

Citizens, as I said earlier, have the right to continue to have the legislation enforced by the courts. However, the bill proposes that in cases where an MLA has obtained a written opinion from the commissioner, the courts would give due regard to that opinion.

The creation of a conflict of interest commissioner is part of ongoing efforts to bring greater transparency to politics, Mr. Speaker. It is a first step in responding to some excellent work that was done by the Law Reform Commission of Manitoba. I know the work of Eleanor Dawson in providing advice to members, and as well participating in the work of the Law Reform Commission, was instrumental in having this commission report come forward. But I want to thank the commission and Jonathan Penner and those that contributed to the report.

The Legislature takes that report seriously and is looking at proceeding with its recommendations in a careful way and recognizing that the Conflict of Interest Commissioner was, I think, first and foremost a key element of the recommendations made by the Law Reform Commission report.

It should be noted that since 1989—and I recall, I think the legislation was brought in 1983 or 1984—when the act was last amended, there has been a flurry of activity and sweeping

changes across the country in dealing with conflict-of-interest laws. My understanding from the Law Reform Commission review was that Manitoba is actually the last jurisdiction in Canada to appoint someone to oversee conflict-of-interest legislation. Some provinces have conflict of interest commissioners, some have ethics commissioners, some have someone in the court that is appointed to deal with this legislation, and the latter, Nova Scotia, I suppose, is, perhaps, the province with the more cryptic provision in terms of oversight designated to someone, but it appears that in this regard Manitoba is the last jurisdiction in the country to bring in such a provision.

Mr. Speaker, certainly there is no greater privilege than serving the public in elected office. So we all know in this House that it is very important that we do all we can to preserve the integrity of the political and democratic process to ensure that this Legislature continues to have the confidence and trust of Manitobans.

So I look forward to the continuing discussions with the opposition parties and on an all-party basis move this legislation forward in the interests of all Manitobans and our valued process here.

Mrs. Joy Smith (Fort Garry): I move, seconded by the Member for Pembina (Mr. Dyck), that debate be adjourned.

Motion agreed to.

* * *

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please call debate on second readings, 34?

DEBATE ON SECOND READINGS

Bill 34—The Charter Compliance Act

Mr. Speaker: Resume debate on second reading Bill 34, The Charter Compliance Act, standing in the name of the honourable Member for Tuxedo (Mrs. Stefanson).

Is there will of the House for the bill to remain standing in the name of the honourable Member for Tuxedo?

An Honourable Member: No.

Mr. Speaker: No. Leave has not been granted.

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, we are prepared to allow this bill to go to committee so that we can hear from the public.

Mr. Speaker: Is the House ready for the question?

Some Honourable Members: Question.

Mr. Speaker: The question before the House is second reading of Bill 34, The Charter Compliance Act.

Is it the pleasure of the House to adopt the motion? [*Agreed*]

* * *

Hon. Gord Mackintosh (Government House Leader): Would you please call debate on second readings, Bill 35?

* (14:50)

Bill 35—The Child and Family Services Authorities Act

Mr. Speaker: Resume debate on second reading of Bill 35, The Child and Family Services Authorities Act, standing in the name of the honourable Member for Lac du Bonnet.

Mr. Gerald Hawranik (Lac du Bonnet): Mr. Speaker, I welcome this opportunity to put a few brief comments on the record with respect to Bill 35, which is The Child and Family Services Authorities Act.

Bill 35 came as a result of recommendations made by the Aboriginal Justice Inquiry. The Aboriginal Justice Inquiry happened a number of years ago. It was conducted by two people who, I feel, are very well respected within the judicial community. Mr. Justice Hamilton, I remember as being a very well-respected judge. In fact, the first trial that I had after graduating from law school I had with Mr. Justice Hamilton. He was very kind to me at that time. I know that he

garnered my respect as well as a lot of the respect from many of my colleagues.

The second justice that was involved with the Aboriginal Justice Inquiry was Justice Murray Sinclair, who started, of course, with the Provincial Judges Court and moved on to be a justice of the Court of Queen's Bench. Again, I have a fairly substantial connection with Justice Murray Sinclair because in fact he graduated from law school with me. He was in the same class. I remember him as a very fair and honest individual who had much of the respect of my classmates and, in fact, earned a lot of respect with colleagues within the profession.

So, the Aboriginal Justice Inquiry having been conducted by Justice Hamilton and Murray Sinclair, I know that many members, in fact all members I would say, of the legal profession respected all of the recommendations of that inquiry. It was done with much consultation, at the time, I remember, and it was done at great expense. I would have to look it up, but as I recall, it took a period of almost two years to produce—in that neighbourhood.

It was a very effective, I feel, report, and a very comprehensive report. There were many recommendations coming as a result of that report of which this bill, of course, is one of them. Just to digress a bit, I would like to say on record that I would like to see more of those recommendations of that report fulfilled over time. Of course, it will take some time within which to fulfil them, but I commend the minister in moving on this recommendation. I would support this bill.

That is not to say I did not have any reservations in terms of my support. I have some concerns about it. I am hoping that things can be done to work around those reservations that I have with respect to Bill 35.

Bill 35 restructures the governance and the delivery of child welfare services across the province, which is currently delivered by the child and family services department. It creates four new authorities to deliver child and family services to Manitobans. It creates two new authorities to serve First Nations people: first, the northern division, the northern authority;

and, secondly, southern division or southern authority. A third authority it creates is an authority to serve the Métis people in Manitoba. Of course, the fourth authority serves the balance of the residents of the province of Manitoba. It creates another level of administration, Mr. Speaker.

In many ways, it creates a level of administration similar to school boards across the province. School boards, as we know, create some local control of education. It guarantees, or at least tries to create, local control of education within school divisions.

This is very similar, in many respects, because it creates a level of administration for Aboriginal people, one in the North, one in the south, one for Métis and one for the balance of Manitobans. So it creates some local control within their particular community. I think it is important to recognize that.

It allows the delivery of Aboriginal child welfare services by Aboriginal people with Aboriginal control, and I think that is important to have. There are nearly 140 000 Aboriginal people in the province, and they feel that it is time that we, in fact, allowed them to have control over their destiny and over their child and welfare services. I think that is very important to recognize, and I think that bill recognizes that fact.

My concern, first of all, is that we do not create a two-tier system for child and welfare services in the province. I believe that the bill answers that concern in the sense that standards for child and welfare services are really still left with the Director of Child and Family Services. So standards should remain the same throughout the province, and that is my concern. My concern is that we do not create another level of standard and that we have a consistent standard throughout the province. I think leaving the standards with the Director of Child and Welfare Services in the province, certainly, will go a long way toward guaranteeing that standards are the same throughout the province.

I have a concern with staffing in the sense that now we are creating four local authorities. We are creating four authorities to deal with

child and welfare services, and my concern is that we have enough staff to staff all four systems, not only enough staff, but we have the quality of staff that is required to deliver child and welfare services. From what I understand from the minister, existing staff are going to be used to administer this system. I think that is important to note, that we use existing staff with existing standards, and therefore there will not be a gap produced when this system comes into effect. I think that is a good way of dealing with that problem.

Financing is always a concern. Is there enough money in the Budget because, certainly, this system is going to create more expense to the Government? It will be more expensive to administer. There are going to be four different boards, and not that that is a problem, but I want to make sure. I want to be absolutely certain that we do have the money in the Budget to administer this system.

As I said before, I liken this system to school boards across the province, where we have local control within individual school divisions, and this gives, of course, local control within the Aboriginal community. First, we see, in fact, over the last couple of months, we have seen the Government introducing Bill 14, which in fact reduces the number of school divisions, and they in fact justify it from the viewpoint that they want to reduce costs, that they are going to save \$10 million in the province by reducing the number of school boards. Here we see, under this legislation, we are going to be increasing the number of boards to administer the child and welfare act. I think it is going to be, of course, more expensive, not less expensive, to do so, and it creates, as I say, another level of administration. There is a new board for each of the four authorities, as I see, under the proposed bill.

The bill licenses agencies to deliver services. It also allows the existing agencies, the foster families to continue, and I think that is important, that we do not start from scratch, that in fact the existing foster families continue to deliver services and are continued to be licensed by the authority. Of course, the authority licenses new agencies according to existing standards. My concern, of course, is for the safety, security and well-being of children and families. I think that is not only my concern, but I think it is the concern of the minister and the

concern of all people in Manitoba. We have to make sure that safety, security and well-being of children and families are well looked after. Parents, families, extended families and communities have a right and a responsibility to care for their children, and they have the right to receive preventive and supportive services directed to preserving the family unit. I think this bill goes a long way to ensuring that as well.

The development and delivery of programs and services to First Nations, Métis and other Aboriginal people have to respect their values, beliefs, customs and traditional communities. It says that right in the preamble of the act, and I think that is important. By dividing the delivery of child and family services into four different groups, I believe that that is accomplished with this bill.

We have to recognize, of course, people's needs and preferences in all aspects when we are dealing with the management and delivery of child and family services, including preferences based on ethnic factors, spiritual factors and linguistic, familial and cultural factors.

We have an ongoing responsibility to ensure and oversee the provision of statutory programs and services to children and families. That has to be paramount before we pass this bill.

It is for all those reasons, I believe, that I can support this bill as long as some of my concerns are dealt with and looked after, and I believe that they will be. I believe that this bill is a good bill and one which is supported, of course, by the entire Aboriginal community and one which I think is long overdue. Thank you, Mr. Speaker.

* (15:00)

Mr. Speaker: Is the House ready for the question?

An Honourable Member: Question.

Mr. Speaker: The question before the House is Bill 35, The Child and Family Services Authorities Act.

Is it the pleasure of the House to adopt the motion? *[Agreed]*

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I would like to announce

that the Standing Committee on Law Amendments will meet on Wednesday, July 24, 6:30 p.m., to consider Bill 34.

Mr. Speaker: It has been announced that the Standing Committee on Law Amendments will meet on Wednesday, July 24, 2002, at 6:30 p.m., to consider Bill 34, The Charter Compliance Act.

* * *

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

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

STATUS OF WOMEN

* (15:20)

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 Status of Women.

Does the honourable Minister responsible for the Status of Women have an opening statement?

Hon. Diane McGifford (Minister responsible for the Status of Women): Yes, Mr. Chair, I do.

Mr. Chairperson: You have the floor then.

Ms. McGifford: It is my pleasure to present the Estimates for the Status of Women for the fiscal year 2002-2003. The Status of Women includes both the Manitoba Women's Directorate and the Manitoba Women's Advisory Council. I want to begin my remarks by highlighting the activities of the Women's Directorate, and then I will turn my attention to those of the advisory council.

Mr. Chair, the Women's Directorate works within government to influence decision making through research, support, policy development and evaluation of government programs, policies

and legislation to determine their impact on women. It also deals with various departments of government, the business sector, the community and federal-provincial-territorial ministries of the status of women in order to raise awareness of the reality of women's lives and ensure that the differential impact of proposed programs and services, employment practices or other initiatives are considered. The primary focus of the directorate's work is on women living in poverty and marginalized women. This work is guided by four goals that reflect its priority areas. I want to mention each of these, highlighting examples of the directorate's work.

One: enhance the capacity for Manitoba women to attain economic self-sufficiency and/or economic security. Second: promote efforts to provide a violence-free environment for women and children. Third: raise awareness of women's health issues and advocate for recognition of women's needs in public health policy. Four: promote the routine use of gender-inclusive analysis in government decision making, policies and programs.

As a follow-up to the Symposium on the Economic Status of Women in Manitoba, held in October 2000, the directorate has continued its research on issues women raised about their efforts to achieve economic security. As a tool to aid an analysis, the directorate has developed a statistical profile of women that includes data on their family status, income, labour force participation, work and family responsibilities, health and justice issues. Drawn from Stats Canada data, the profile will inform policy developers of the differences in women's and men's lives so policies better serve their needs. Like the issues raised by participants, the profile will help inform the development of future public policy so that it supports women's efforts to attain economic self sufficiency.

On a practical level, Power Up, a training program for women in the basics of computer and Internet operations, developed in partnership with the Employment and Training Services Branch of Manitoba Education and Training, just completed its third year. Offering training in a non-threatening environment, the program helps improve computer literacy among Manitoba women, increases their access to employment opportunities requiring computer skills, and

increases their confidence in using computers while encouraging them to seek advanced training on their own. Almost 5000 women from across the province have registered for the Power Up program, which is entering a new phase as we begin the process of handing over program delivery to community learning centres.

Trade Up To Your Future encourages women to expand their career horizons to include the skill trades and prepares them for work in an industrial setting. It aims to increase the number of women who apprentice and work in areas of high demand and where shortages of trained, skilled workers exist. This program offers five months of shops training, upgrading classes, and workplace readiness, followed by thirty weeks of workplace experience. The first pilot began in September of 1999, a second got underway in September of 2000, and a third started in October 2001. We are very pleased with the success of this program and our partner's strong support of the women enrolled in the program. Another intake is planned this fall.

To encourage women to consider high skills training in math-, science- and technology-related fields, the Training for Tomorrow Scholarship Awards Program offers 50 \$1,000 scholarships each year to women entering two-year diploma programs in eligible programs at the province's community colleges. To date, 391 scholarships have been awarded, and the tracking of graduates indicates that over 90 percent of recipients are employed in jobs related to their training.

The Women's Directorate's mentorship program for businesswomen, now in its third year, offers group mentoring support at regularly scheduled meetings for women starting their own businesses or seeking help in improving an existing business. The program offers them an opportunity to speak with successful women business owners who offer advice on developing and maintaining viable businesses. These initiatives reflect the Government's priority of making education and training more accessible and affordable for women. The directorate is working nationally with federal, provincial and territorial partners to develop indicators that will help to track progress over time in eliminating violence against women. That work is expected to be completed in late 2002.

Locally, the directorate is active in interdepartmental committees dealing with violence issues such as the Family Violence Court Steering Committee and the interdepartmental committee on Family Violence Prevention chaired by the Family Violence Prevention Program. Neighbourhoods Alive!, an ongoing initiative that began in 2000, is a long-term, community-based development strategy that provides community organizations with the support they need to rebuild their neighbourhoods. One of its goals is to create safe neighbourhoods with affordable housing. Preventing women from becoming victims of crime while working alone or while on their way to and from work is the goal of the directorate's awareness campaign Keeping Safe at Work. It consists of posters to call attention to the issue, a pamphlet and information sessions.

The information sessions focus on how to avoid becoming the victim of a crime of opportunity. The directorate has also provided train the trainer sessions to various government departments to assist their employees in facilitating similar information sessions.

Our Government has recently introduced the statutes of actions amendment act, Bill 8, which has passed a second reading, and recognizes the unique circumstances of disclosing and reporting childhood abuse. Once passed, the act will allow a cause of action to begin at any time for certain offences. This act will remove the current statute of limitations.

As a part of the directorate's ongoing commitment to implementing the Manitoba Women's Health Strategy, they have organized and hosted a series of consultations with women around the province. In my capacity as the Minister responsible for the Status of Women, I have held consultations with women in Winnipeg, Thompson, Brandon in 2001, and in Lac du Bonnet and Dauphin in 2002. The Women's Health unit of Manitoba Health and the local Regional Health Authority also participated. The views and concerns expressed by women have been shared with the Health Minister in order to help guide the development of future public health policy, ensuring that women's priorities are considered.

As another part of the role in the strategy, the Women's Directorate recently completed an

awareness campaign to highlight the importance of women's involvement in community health planning, including an article on the topic in the fall newsletter encouraging women to apply for positions on regional health authority boards. Our intent is to encourage more women to assume decision-making roles in health care.

Getting children off to a healthy start in life is the goal of the Healthy Child Initiative, which depends on interdepartmental co-operation to co-ordinate programs and services to both children and their families. As Minister responsible for the Status of Women, I sit on the Cabinet committee overseeing Healthy Child. A number of relevant issues raised during the health consultations have been shared with this Cabinet committee. The directorate has been actively involved in a number of the Healthy Child working groups. Determining whether policies and programs affect women differently than men is part of the Women's Directorate mandate in order to promote women's equal participation in society and in the workplace.

In order to understand the difference in the lives and circumstances of Manitoba women and men, sex-disaggregated data are crucial. As referenced earlier, the directorate has completed a statistical profile of women that can be used by program developers and policy makers in government to help ensure a gender-inclusive approach.

The Women's Directorate continues to offer training to help departments integrate gender-inclusive analysis into their programs, services and legislation. To date, the directorate has offered both general and group workshops to civil servants and has assisted in raising awareness of the needs to use a gendered perspective in the community health needs assessment of regional health authorities. The directorate carries out gender-inclusive analyses of proposed legislation, policies and programs on its own and in consultation with other departments. This concludes my remarks on the Manitoba Women's Directorate.

* (15:30)

I will now turn to the Advisory Council on the Status of Women. The other component to the Status of Women is the Manitoba Women's

Advisory Council, the arm's-length advisory body appointed by government to give voice to the concerns of women and their families. The council's mandate is to enhance the status of Manitoba women by facilitating change in legal, economic, and social structures that will, in turn, promote women's equal participation in society, advising government on emerging research and current issues that affect women and their families, encouraging the development of gender sensitive policies and programs across government, building strategic partnerships among women's organizations, community organizations in government departments, acting as a clearing house for the dissemination of information to the community, and providing support to women's organizations.

The advisory council is comprised of 13 members who are representative of Manitoba's diverse population base and geographic distribution. Kim Clare has been the chairperson since January 3, 2000. Two new appointments were recently made to the council in June 2002, both from Winnipeg, and they join our current members.

The advisory council has been very busy during the 2001-2002 fiscal year. In its advisory capacity to the Government of Manitoba, the council provided information and recommendations on a wide range of issues of concern to women and their families. These include the strong correlation between women's health and poverty, the housing needs of women living in poverty; the need to remove taxes on feminine hygiene products, the safety and security issues for women in relationship to the building of the Provencher Paired Bridge, and the process to update the legislation on charities and advocacy.

In the area of violence against women and girls, the council not only provided advice to government but also raised awareness through the generation of round table discussions with relevant organizations, service providers, researchers and government agencies. Violence against women and girls was also the primary theme of council's monthly lunch-and-learn community information sessions. Topics included the commercial sexual exploitation of children, the increasing role of girls in gangs, pornography and luring on the Internet, women

as the silent victims of war, female gang associations in Winnipeg and women in conflict with the law.

In the realm of social policy, the council brought to government its concerns about the impact on women's equality of using the tax system as a vehicle to fund social policies and the need to recognize women's responsibility for children and their economic vulnerability as earners and caregivers vis-à-vis social policy and the tax system. The council continues to encourage the development of a more progressive and gender-sensitive tax system, one that does not drive social policy.

Other policy-related action concerned input on the Manitoba Strategy on Disability, reform of the health care system and increasing the minimum wage to better meet the needs of low-income families, most of whom are headed by women.

In the key area of public health, the council undertook a proactive role in the compilation and dissemination of information on women's health; in particular, the correlation between health and poverty. The chair represented the council on the advisory committee that developed a social marketing campaign to disseminate the updated report entitled *Women, Income and Health in Manitoba: An Overview and Ideas for Action*, which was released in February of this year. The council recently hosted a community information session highlighting this report and has provided copies to government, as well as continuing to raise public awareness on all aspects of women's health.

The council continues to participate in the provincial women's health consultations hosted by my department to monitor provincial strategies on mental health renewal and workplace safety and to advocate for changes to the health care system which will improve the lives of women in Manitoba.

To effect meaningful change in social, economic and legal policies on a national scale, the council continued its leadership role in the Coalition of Provincial and Territorial Advisory Councils on the Status of Women. This coalition provides a venue to strategize and collaborate on issues of importance to all Canadian women.

Some of the areas addressed by this coalition include: the review of the Employment Equity Act; child custody and access issues in relation to proposed changes to the Divorce Act; gender analysis as a prerequisite across all levels of government in the development of future policies and programs; the need for sustainable funding for women's organizations to continue their equality-seeking work; and the need to reinstate a national advisory council on the status of women.

To facilitate the building of effective and collaborative partnerships among women, community groups and government, the council liaised with well over 250 community groups and organizations; continued its outreach to rural and northern Manitoba by holding meetings in Dauphin and Beausejour; reached out to marginalized groups such as women in conflict with the law and for women; attended numerous community events, workshops and conferences focussing on issues of concern to women; participated on several multidisciplinary steering committees and public awareness campaigns; maintained a mailing list of over 2000 individuals and organizations; provided support services to women's organizations and attended their events; and acted as a source of referral to the many individuals and organizational representatives who access the office for contact information, sought networking opportunities and potential partnerships or to solve problems.

As well as advising the Government on issues of concern to women and enhancing the building of partnerships in the community to address equality issues, the council played an important role in better educating the general public on issues and research developments affecting the formation of public policy.

These were accomplished through a variety of council-driven venues. The Sunrise Breakfast was held December 6, 2001, on the Grand Staircase at the Legislature, the council's annual event to mark the anniversary date of the Montréal Massacre in 1989 and to commemorate Canada's day of remembrance and action on violence against women. Approximately 175 people attended the ceremonies.

As well as acting as a clearinghouse for information to the community, the council generated informational resources needed by women

and their families and for those who provide services to them. The most significant strategy in this case included the printing of 12 096 copies of the sixth edition of *Parenting on Your Own*, a handbook for one-parent families, which has already been distributed to over 9000 single parents and relevant service providers, since March 31, 2002. The publication of this handbook was accomplished through partnership with the Manitoba Women's Directorate and Healthy Child Manitoba. It was posted, for the first time, on the council's Web site, making it available to a wider audience.

* (15:40)

The enhanced Web site www.mwac.mb.ca is also an exciting accomplishment. An electronic version of council's weekly calendar of events and information is available on this site to augment the fax version currently being sent to over 300 organizations and community members interested in issues of concern to women.

In addition, Mr. Chair, the council continues to maintain a professionally catalogued library of resources that is available to the general public, as is access to the Internet for the purposes of research. The council provided limited sponsorships to the community, which enabled low-income women to attend informational sessions or events of interest to women and their families. Support to the organizers of these events varied from the sponsorship of nutritional breaks to the participation on planning committees, to the provision of a venue for public announcements, to the contribution of informational resources.

The council expanded its work to include some new initiatives, the enhancement of its consultative role and the recognition of the contributions of women to the quality of life in Manitoba. For example, it continued to collaborate with government departments, community members and service providers in non-profit organizations on the following initiatives: a public awareness campaign to mark November as Domestic Violence Prevention Month; the community network of the Centre of Excellence for Child and Youth-Centred Communities; the Manitoba collective for the prevention of harassment and abuse in sports; and the childcare Regulatory Review Committee.

To recognize the contributions that Manitobans, particularly women, have made to their community, the council undertook to encourage and support the nomination of women for prestigious awards, such as the Justice Crime Prevention Awards, the Order of Manitoba, the Order of Canada, the Citizens' Hall of Fame and the Women Entrepreneur of the Year Awards.

Future directions: The council will continue to work with the community to give voice to issues of concern to women and their families by providing recommendations to government to support the development of gender-sensitive policies and legislation, education to the public on research and issues affecting women, informational sessions and events of interest to women, consultation, expertise and participation on planning committees for community events of interest to women, support services to individual and non-profit women's organizations, information and referral services to women accessing council's office for assistance, a weekly fax and electronic list of information and upcoming events to women's organizations and interested community members, and, finally, a one-stop library resource and Internet access to the public. In the challenging times ahead, the Manitoba Women's Advisory Council looks forward to working in concert with the women's community and government to enhance the status of women in Manitoba.

In conclusion, I am proud of the work done both by the Women's Directorate and the Women's Advisory Council. They have worked to inform government on issues of concern to women. I am confident that both organizations will continue to work towards the goal of ensuring equal opportunities and equal participation in all aspects of our society for all Manitoba women. Thank you, Mr. Chair.

Mr. Chairperson: We thank the Minister responsible for the Status of Women. Does the official opposition critic, the honourable Member for River East, have an opening statement?

Mrs. Bonnie Mitchelson (River East): Thank you very much, Mr. Chairperson. I will keep my opening comments brief and then take some time to get into some questions around some specific issues that relate to and affect women in Manitoba. At the outset, I just want to indicate

that I have some experience with both the Manitoba Women's Directorate and Manitoba Women's Advisory Council and want to indicate to the staff, although some of the members for the advisory council, or many may have changed, that the issues that you deal with on an ongoing basis are very relevant, certainly to more than half of the population in the province of Manitoba. The work and the issues that both the directorate and the council get involved in on an ongoing basis are issues that are extremely important, and I see some things that you are involved in are some things that you have been involved in for many, many years. Others are new initiatives, but I just want to commend all of the staff and the members of both the directorate and the council for their ongoing commitment to try to ensure equality for women in our province of Manitoba. We know that there is a continuing need for your services. We have not made it there yet, but I see progress on an ongoing basis. So I want to commend you for your hard work and your commitment and for all the areas that you are involved in. The list is just exhausting when I hear the minister talk about all of the things that you are involved in. I think it just shows all of us that there is still work to be done. Let us continue to ensure that we accomplish some positive things.

Some of the questions that I may ask during the Estimates process will be questions where I feel there still is a considerable amount of work to be done. As a result of some of the issues that have come forward to me and to other members of our caucus, I think it is important that I ask the questions, knowing again that we will continue to need the service and support of both the Women's Directorate and the Women's Advisory Council, I am sure, for many years to come. So I will just leave my opening comments at that, Mr. Chairperson, and we can get into specific questions around these Estimates.

Mr. Chairperson: We thank the critic from the Official Opposition for those comments. We invite the minister's staff to join her at the table, and we ask the minister to please introduce the staff who are present.

Would the minister please introduce her staff?

Ms. McGifford: Yes, I will, Mr. Chair. To the extreme left, we have Kim Clare, who is chair of

the Manitoba Women's Advisory Council; seated next to Kim, Sue Barnsley, who is the executive director of the Manitoba Women's Advisory Council. On Sue's right is Jane McBee, who is policy manager for the Women's Directorate. I have your title correct, do I not? Then, of course, there is Theresa Harvey Pruden, who is the ADM for the Status of Women and from the Women's Directorate.

Mr. Chairperson: We thank the minister for that.

We will now proceed to line 1. Status of Women (a) Manitoba Women's Advisory Council (1) Salaries and Employee Benefits \$197,600, on page 134 of the Main Estimates book. Shall the item pass?

Mrs. Mitchelson: I wonder if the minister might agree to just dealing with issues as they come up rather than going line by line. I think that so many of the things that happen in the Women's Directorate and the Women's Advisory Council are interrelated. I would certainly hope that everyone is working together towards a common purpose or goal. I think that my questions will probably be related to specific issues, and then I would just like to pass everything at the end, if that is agreeable to the minister.

Ms. McGifford: Yes, Mr. Chair, I take the member's suggestion, and I think it is a good idea.

Mr. Chairperson: I understand that there is leave to have a global discussion on the entire Estimates, first. Thank you. *[Agreed]*

Mrs. Mitchelson: The minister did comment through her opening statement on a statistical profile that was prepared by the Women's Directorate. I was just wondering, is that something that is ongoing or is it something that is complete, and is it something that might be available.

Ms. McGifford: It is completed. I just want to review it personally before we release it. As the member can appreciate, these are very busy days, but, as soon as I am able to do that, I will do it. We certainly intend to make it available to all government members, and we could certainly send the member a copy at that time. We think it

is an interesting document and will be widely available.

Mrs. Mitchelson: I want to thank the minister for that because I think it is important that, in order for us to understand the issues, it is nice to have the statistics available in order, certainly, for government to determine what some of the priorities might be, both on the directorate and the council side, and for all Manitobans to know what the pressing issues are and what the needs might be and then to be able to base or assess or judge whether we are moving in the right direction. So I am glad to see that profile is being done. I think it can only help in our work to try to ensure we are moving forward.

I may have missed in the opening comments—and this is just around federal-provincial relations—and I am not sure whether I heard what the priorities at the federal-provincial level are and what the directorate is working on at the national level.

* (15:50)

Ms. McGifford: The last federal, provincial and territorial meeting took place in Québec City. It was hosted by the Québec government, and it was actually beautifully done. We enjoyed ourselves and found it to be very productive.

The national priorities really mirror our provincial priorities: women's health, women's economic security and violence against women. I might add that for the second year in a row, Manitoba advocated for changes to the employment insurance. We advocated for changes that would make it possible for women who worked part-time to receive benefits, maternity benefits, in particular, although we have not been—*[interjection]* Yes, it is before the Supreme Court. I am sure the member is aware of the case, because it involves two Manitoba women.

Mrs. Mitchelson: Mr. Chairperson, I guess then on the health side, I wonder if the minister could indicate to me what areas of women's health are sort of the priority areas that the directorate has been working on.

Ms. McGifford: When I was making my introductory remarks, I think the member will recall

that I mentioned that, as the Minister for the Status of Women, I have made visits to several Manitoba communities holding health consultations and listening to women first-hand, grassroots women talking about their health needs. I have been accompanied by staff at those meetings and the regional health authorities in question, and of course the presentations have come from community women. So I am interested in hearing what those women in the communities have to say of course.

It is very interesting because the issues that come up are quite similar from community to community, but there are also differences. So, for example, when we were in Thompson, women were very concerned about questions of nutrition and very concerned about the cost of food. Women had actually come into Thompson from surrounding communities, Mr. Chair, especially women living in First Nations communities. So there are some similarities and there are some differences. In every venue we heard some questions, concerns about breast screening, and of course that is one of our health priorities, as well.

In several communities we heard questions about midwifery, and of course that is one of our health priorities. We often heard concerns and interest in mature women's health, and of course that is one of government's priorities too. So it seems that there was quite a mirror image, and we are pleased with that.

Mrs. Mitchelson: Mr. Chairperson, it really is important, I think, to travel around the province and to hear what women are saying, so I commend the minister for that.

She indicated that in her Thompson meeting there were women from First Nations communities that did come in and participate. Were there issues besides health that were discussed? It sounds like health was the main focus, but were there other issues that were raised with the minister?

Ms. McGifford: Yes, Mr. Chair, I think that the women in the community were very pleased to have the opportunity to meet with a representative from the provincial government, a minister, for, I think, several hours. I cannot

remember, was it two or three hours? One to five, four hours, and we heard everything. We heard people talking about dust on their roads. Women, certainly, addressed issues of violence against women, of sexual assault, everything really, poverty, the whole gamut. So, although we were officially there to speak about health, I think it is very hard to say that health is restricted only to questions of physiology and anatomy. Of course, if your community is not healthy, if the community needs to heal, and many of our communities, I suppose, do, then those questions will come up. I should not say questions. Women were not asking me questions. Women were giving me information. So I do not really mean to say that.

Mrs. Mitchelson: I know, when I was the Minister responsible for the Status of Women and also for Family Services, that we did travel to the North, too, and meet with women on reserve. Actually, we went on to reserve and there was some devastation at that time, and I remember sitting and crying with women, listening to their stories of the hurt and the oppression that they were feeling, issues around violence, issues around their children that were very near and dear to their hearts.

I know that I felt a little helpless at the time and found it hard to imagine or believe that women endured under those kinds of circumstances. I was just wondering whether the minister heard any of that still today and whether women are saying that there has been an improvement or that things are moving forward. Are they feeling any more empowered today?

Ms. McGifford: Well, you know, Mr. Chair, it is kind of a difficult question to answer because I did not accompany the member when she was minister. So it is difficult for me to know whether things in northern communities have improved or not, but I do want to bring to the member's attention our northern strategy, which was mentioned by the minister of native and Aboriginal Affairs today in the House. Certainly, this Government has a commitment to the North. We have certainly made that clear. I am sure the member is familiar with the hydro developments in the North and the negotiations with Aboriginal people. We certainly hope to do job creation

in the North, and I think that will inevitably improve the communities and help the communities to be healthier.

As well, I think most ministers are careful to include northern representatives on boards, et cetera, so that we are in a position to hear the voices of people in the North. I think restoring communities, helping communities to build requires a lot of initiatives over a number of years, and we are certainly committed to those initiatives and that face of inclusion.

Mrs. Mitchelson: As far as the northern strategy goes then, is there anything in writing that does indicate a focus on women in the North as part of that strategy?

Ms. McGifford: I will certainly review the strategy and provide information to the member.

Mrs. Mitchelson: Thanks. I think that is critical because I know, when we talk about economic development and jobs, I guess one of my first questions would be with hydro development. Where are the job opportunities for women in that? There may be. I guess I am just wondering what part of the strategy is and what the expected outcomes will be. Are there certain outcomes that the Government has articulated in its strategy and what the expectations will be, and what is the time frame on the strategy?

* (16:00)

Ms. McGifford: I am informed by my department that they are working with Education and Training to provide a gender analysis when it comes to developing the training, et cetera, in northern Manitoba.

I think there might be an opportunity for the member to talk with the Minister of Education during his Estimates on their plans for education and training in the North. Certainly, I know we all recognize how challenging it is for women because training involves, not only being present to be trained, but looking after child care, family needs, et cetera. So we are committed to providing gender analysis and gender sensitivity for the training programs, et cetera. It is actually the Department of Education and Training, of course, that undertakes the training. I am sure

that the minister would be very happy to talk at some length on this issue.

Mrs. Mitchelson: I do understand that the training issues are issues that the Department of Education has responsibility for implementing training programs. I do know too that very often the Women's Directorate is involved and is a partner in those ongoing discussions. My question would be: What involvement has the Women's Directorate had in those discussions around training in the North as part of the strategy that has been developed and articulated, what meetings are ongoing, and what recommendations has the Women's Directorate made to the Department of Education around training for women?

Ms. McGifford: I do want to assure the member that we are part of the ongoing discussions, that we have been involved. Another major partner is Manitoba Hydro. Another major concern is the federal government's participation in these education and training programs, recognizing their responsibilities for Aboriginal people. There are a number of issues. We are certainly involved. I can assure the member that we are very concerned about the participation of women in these projects. We are there. We will be there to push for the participation of women and to make sure that women are not left out of this initiative.

Mrs. Mitchelson: The question that I have is this. We talk about consultation and working together. Can the minister indicate how many women from the community or from the partners might be involved in the discussions around the Northern Development Strategy or the northern economic strategy?

Ms. McGifford: I cannot really answer that question at this point other than to inform the member that it has not really gotten to the community level yet. The discussions now are between the department, Hydro and with participation from the Women's Directorate. Again, I think a lot of what happens here depends on federal input, some federal dollars. I think that the initiative is in its early stages. Again, I do encourage the member to speak with the Minister of Education during his Estimates.

Mrs. Mitchelson: I know that the minister did indicate then just earlier in her comments that a

northern economic development strategy has been articulated and announced by her Government. I would ask the question because I seem to be hearing now that there really is not anything concrete at this point in time. A strategy has been announced, but it is words without any action behind those words. My question would be: What is the strategy? Is there anything on paper that outlines what the economic development strategy is and what role women will play in that? I want the minister to know that I fully understand that there does need to be federal participation. They are a key player and have to play a role in that. Is there anything that has been negotiated with the federal government? What has been committed to paper by the Government thus far?

Ms. McGifford: These are not really questions that relate to my ministry as Minister for the Status of Women. So I do encourage the member to speak with the Minister of Education, Training and Youth. I am sure that he will be happy to answer the questions with regard to an educational strategy. As far as economic development, those questions are questions that could have been asked of the Minister of Aboriginal and Northern Affairs.

Mrs. Mitchelson: The minister has been speaking, through her opening statements and in her answers to questions, about the economic development strategy. She has used that as something that will benefit women in the North. I do not want to get into an argument. She can tell me I can go and talk to every other minister, but she does have responsibility for the Status of Women, and when she uses the northern economic strategy as something that is going to benefit women in the North, I would sort of have expected her to have a few answers around how women are playing a role or how women have been involved. It sort of sounds to me like it has not moved forward too terribly much yet, so I would encourage her, as this does move forward, to ensure that women from the community are key players. It does not sound like we are quite there yet.

I will go on to ask a question or two about midwifery because I know that it is something that we worked on for many years. I think it is the right direction to go and that this minister and her Government have moved forward on the

midwifery issue. I know that there are still shortages and the program is not up and running the way it was anticipated it would be at this point in time. I wonder if the minister just could give me a bit of an update because it was mentioned, just in answers to a question a few minutes ago, that midwifery has been a focus of the Women's Directorate.

Ms. McGifford: I am informed that in Manitoba there are currently now 26 funded midwifery positions. I could break them down for the member: 16 in Winnipeg; South Eastman, 3; Brandon, 2, and I believe recently there may be another position in Brandon; Central, 1; Nor-Man, 1, and I believe there will be perhaps another position in Nor-Man; Burntwood, 2. So I think then there would be a total of 28 positions in the very near future.

Currently I can tell the member that most midwifery-assisted births occur in a hospital. I could also make the point that the Council on Post-Secondary Education has a keen interest in midwifery and midwifery training. We are working with a community on midwifery on the certification process that is necessary.

* (16:10)

Mrs. Mitchelson: That is 26 positions that are funded, possibly rising to 28. I think I heard the minister say in the very near future. Those are funded positions. Are those positions filled?

Ms. McGifford: I am told that, out of the 26 positions, 24 are currently filled.

Mrs. Mitchelson: I just want to place a few comments on the record about midwifery because I have just had an acquaintance make use of a midwife in the birth of her first child, and she happens to be a family physician. Her experience was extremely positive. She did deliver in the hospital, but she found that the prenatal support that she received from her midwife and the support during labour and delivery, and it was a very difficult delivery, were absolutely excellent. The midwife was very helpful with a somewhat nervous husband. The teaching process was able to be done prenatally at home with both partners and the postnatal period, which was stressful after a difficult delivery, was very positive. So I just wanted to

put that on the record because I think we are moving in the right direction and would encourage you to continue. It sounds like the Council on Post-Secondary Education is supportive of training and certification. It just seemed to me like something that I could have used in my younger years when I was in the child-bearing years. Anyway, I just wanted to comment that I believe it is very positive and that women will benefit from the opportunity.

If we could just move on to a couple of issues that have come to my attention, and I know to the minister's attention too in the last short period of time. One of them is the issue of sexual assaults in our mental health facilities. I believe there was a presentation when the minister went on one of her tours out into rural Manitoba. Was it in the Beausejour area?—There was a presentation made to the minister, and I do not want to go into a lot of detail about that, but I believe that the person might have been advocating for separate male and female facilities for mental health patients.

I guess I would just like to ask the minister what she has done as a result of that presentation and is there any advice the advisory council or the Women's Directorate might have given the minister around this issue? Have they done any work or analysis, and would they have any recommendations to make?

Ms. McGifford: I really wanted to just make a little response to the member vis-à-vis midwifery, just to follow up on what she was saying. I think one of the valuable aspects of midwifery is not only the help it provides to the woman and not only the joy of perhaps having your child at home, although apparently that is not happening a whole lot, but also the process beforehand and the help and support afterwards. I think midwifery is particularly valuable for women at risk, especially women at risk of delivery FAE/FAS children. I think it is wonderful and, yes, this Government is committed to midwifery.

Now the issue of sexual assaults in mental health institutions is something, of course, that everyone takes extremely seriously. I can assure the member that this Government takes it seriously. I can assure her that I take it seriously too.

I want to say I have a very close friend who was sexually assaulted in a mental health institution and whose life has been influenced by the assault. The assault took place on a female ward, but the assailant was a male nurse.

I think we are not going to create a society free of sexual assault until we create a society that thoroughly and truly respects women, which does not mean we do not have a responsibility to try to create the environment where women will not be assaulted, but until our society is free from sexism, from misogyny, women are going to be assaulted, whether it is in institutions or whether it is on the street.

Having said that, I will just make a couple of responses to the member's particular question. The member asked me about a submission made in one of the health consultation, one of the meetings. I believe, in fact, Kim Clare was asked to make this presentation on behalf of this woman. It was a very moving submission. I think we were all overcome with our sympathy for this woman. Along with all the other submissions, this one was referred to the Health Minister.

What the directorate is doing, has done, is to look at mental health facilities across Canada. We have found there are no other jurisdictions where wards are segregated by sex. I know the member knows that in 2001 the Minister of Health (Mr. Chomiak) introduced the Protection for Persons in Care legislation. It is designed to protect Manitobans in hospitals and personal care homes from physical, sexual, mental, emotional and financial abuse. This is what we can do. We can do this.

We have introduced the act. Also, in accordance with the guidelines of this new health care act, the minister, as he said in the House, has called for a review regarding the situation. That review is ongoing, as I understand it.

Mrs. Mitchelson: I understand this is a very difficult issue to deal with, but I guess I wonder exactly what part of the act the minister talks about does protect people in mental health facilities from sexual abuse. The act was passed last year. I would imagine it has been in place

now for a year, and we are still seeing a significant number of sexual assaults in mental health facilities. So what specifically in the act has changed and protects persons more?

Ms. McGifford: Mr. Chair, I draw to the member's attention that we have, of course, laws against sexual assault, but it occurs on the street. We have an act of protecting people in personal care, but can we absolutely guarantee that there will not be any sexual assault on our streets or in our hospitals or in our Legislative Building, or anywhere? No, we cannot. No one can provide that guarantee. All we can do is enact the legislation and provide penalties for those who violate our laws.

Mrs. Mitchelson: Mr. Chairperson, I am not quite sure that gives me any sense of comfort that the legislation has done anything other than it is smoke and mirrors, and it has maybe made the Government feel a little bit better, but I do not sense that people in mental health facilities are any better protected as a result. I understand that the Women's Directorate maybe has done some work in looking across the country to see whether there are segregated wards in mental health facilities and there are not, but that does not necessarily mean that there should not be.

I guess my question would be: Is there any analysis that has been done by the Women's Directorate that gives us some statistical data or analysis around whether sexual assaults are more prevalent or less prevalent here in Manitoba in our mental health facilities?

* (16:20)

Ms. McGifford: I have just been chatting with the staffperson, who points out to me that one of the extreme difficulties in having segregated units is the inability to lock doors because of regulations, et cetera, so that if, for example, one had a male floor of all men and a floor below it or above it, it does not matter, with women, those individuals could still have access to one another because there cannot be locked doors, et cetera, because of fire and safety regulations, medication issues, et cetera. So it is not as simple as it might seem. As in most questions, once we start looking closely, there are all kinds of complexities, Mr. Chair.

Mrs. Mitchelson: Mr. Chairperson, correct me if I am wrong, but there are facilities where there are locked doors, and we have facilities, Knowles Centre, for instance, out in our constituency that deals with troubled kids, has locked doors and locked facilities. Maybe I just do not understand our mental health facilities as well as I should, but my sense would be that we should be able to separate or keep people secure and safe in our institutions.

I think the issue in our mental health facilities is an issue that when people are in our care, and it would be government's care because government has the responsibility for mental health and mental health services, and when people are in the care of our health system, I do not think we want to brush it off as being sexual assaults occur in everyday life in every corner of our communities. These are people that are vulnerable that are in our mental health facilities, and there is a responsibility for us to take the issue seriously. I do not think there is any quick fix or easy answer. I am not silly enough to believe that we will ever completely eradicate some of the dangers that might exist, but I am not sure that it is good enough to hear that it occurs everywhere so there is not much different that we can do. I think it is an issue that has been raised, and it is serious enough for us to look at options and the pros and cons and see whether, in fact, there is not a better way for us to deal with some of the most vulnerable in our society who are in our care or in government's care through our health care facilities.

I am not saying that there is an easy answer or a quick fix, but I do not like to see the issue brushed off as one that can occur anywhere, anytime. I mean, you can walk down the street and be sexually assaulted, yes, absolutely. We work very hard and I know that those who are involved in programs and education certainly work very hard to try to ensure that people take some responsibility to ensure their safety and security, and we put other checks and balances in place.

I guess I would just like to hear the minister say that they are looking and they are not ruling out anything and that there may be some analysis done. Again, just because there are not segregated wards in any province at this point in time across the country, I know sometimes

Manitoba likes to brag about being first in some areas. Well, maybe this is an area that we should be looking at and exploring and examining.

All I would like to hear the minister say is that they will take a look at it and look at the pros and cons and see whether there cannot be something done to try to reduce the risk for some of the most vulnerable within our society.

Ms. McGifford: I do not believe that acknowledging the universality of sexual assault is brushing it off. I am sorry that the member thinks that that is what I have done.

I want to assure the member that I take sexual assault very seriously, and the evidence of my taking it very seriously is the fact that I am a trained sexual assault worker. I have been a volunteer at Klinik in their Sexual Assault program and continue to support that program. I know the horrors of sexual assault from the individuals that I have worked with.

So I in no way am brushing sexual assault off. I was observing that sexual assault is universal, that it occurs everywhere, every country, every year, every everything. That is not brushing sexual assault off.

By the statements I made, I was suggesting that even the creation of wards that are gender-specific does not guarantee, in no way does it guarantee the end of sexual assault. That was my point. So I am sorry that the member did not get it. I am happy to have had the opportunity to correct that.

The other point that I want to make is that there is quite a difference between individuals in conflict with the law and why they may need to be in locked wards and individuals who are mentally ill. In fact, and I know the member knows this, we have for several years been moving towards deinstitutionalizing the mentally ill.

My understanding is that it is only the extremely dangerous mentally ill patients, dangerous to themselves, who are locked up. I think it becomes a human rights issue. We cannot lock people up because they are men or because they are women. We lock people up because they are extremely dangerous when it comes to mental health. So let me put that forward.

As far as a lack of action, I point out again that the Health Minister (Mr. Chomiak) has called for a review regarding this situation. If there is action that is suggested from his review, well, then, I am sure that he and his officials will take that into consideration and make their decisions.

So there is action being taken. It is not being swept under the carpet, brushed off or anything of that nature. Thank you, Mr. Chair.

* (16:30)

Mrs. Mitchelson: I did get the minister's comments. I do want to indicate to her that, again, my concern in this whole area has been that when people are in the care of our health facilities, which the Government has responsibility for, that they should not necessarily be compared with those who are not under government's care. These are unique circumstances.

I would like to see all options explored by this Government. It appears that this Government has ruled out separating genders in mental health facilities. I guess I would sense that everything should be on the table, and if that is not the direction to go, there should be good reasons for that articulated by the Government. We have not necessarily heard that yet.

So I just wanted to put those comments on the record, and I do not think we need to get into who cares more. I think we all care, and I know the minister cares too, but I still believe that when Manitobans are in the care of our health facilities that every option needs to be explored. I think it is incumbent upon all of us to try to ensure that we minimize the risk for those individuals. I do not know if the minister wants to comment or if we just want to move on from there.

I know that I have not had the opportunity often, but I did have one opportunity to attend a lunch and learn session. I just want to commend the advisory council. I think they are great venues. I have heard lots of good things. I know that some young women that I know have attended and really found the sessions extremely valuable. So I just want to commend the advisory council.

The one that I have some certainly significant interest in was the one that talked about

safe houses for child prostitutes. I know that it was an issue that I dealt with when I was the Minister of Family Services through the Child and Youth Secretariat, now the Healthy Child Initiative. I know that the minister sits on the committee, and I am glad. I know that when the committee was first established, the Minister responsible for the Status of Women or no woman from Cabinet sat on that committee. I am really glad that the minister is involved. I think it is really important that her input and the input of those that work in the area of the status of women is reflected when we are dealing with healthy children.

It appeared to me when the discussion took place around a safe house for the child prostitutes that there was a bit of frustration on the part of those involved that have been working on this for many, many years. I have to say that we were not quite there when we were in government. I know that this Government has been in office now for three years. It is sort of my sense from many within the community that we were moving closer towards a safe house for child prostitutes. I was a little disappointed, actually, was expecting an announcement in the Budget. I did not see an announcement or dollars allocated within this year's Budget for a safe house for child prostitutes.

I wonder if the minister could indicate to me what role she has played, and does she support a safe house for child prostitutes? Might we expect to see some announcement around that in the not too distant future?

Ms. McGifford: I want to tell the member that there is a Healthy Child committee on child prostitution, a staff committee, and the staff have prepared recommendations which will be considered by ministers.

Mrs. Mitchelson: Thanks very much. I am really glad. I know that staff have been involved. They have been involved for many years. I guess my questions are around: Does the minister herself believe that the issue of child prostitution is a significant issue? I am sure she does. But I guess because she has been involved in the Healthy Child Initiative, and I know that there have been proposals that have come forward, what personally is her assessment of a safe house? Is she supportive of a safe house, and has

she been advocating on behalf of that within her Government?

Ms. McGifford: I want to take this opportunity to assure the member that I certainly am concerned about child prostitution. One would have to be insensitive in the extreme to not be concerned, so I certainly am.

I want to point out to the member that the committee that is preparing recommendations for the Healthy Child Committee had three excellent reports they had to consider. Of course, having three excellent reports, the committee had a host of recommendations, has sorted through their recommendations and has had many struggles with what to prioritize and what not to prioritize. To tell the member again, these recommendations will be considered by the Healthy Child Committee of Cabinet.

Mrs. Mitchelson: I have asked the minister how she personally feels about the issue of child prostitution and where she would like to see things move. I know it is an issue that has been before government for many years. It started when we were in government and I was responsible for what this Government now calls the Healthy Child Initiative. At that point in time, there were members of the community who really took to heart this issue, were involved in programs and dealing on a day-to-day basis with child prostitutes. They were recommending, at that time, a safe house for child prostitutes.

I guess my question to the minister is does she support that concept. If she does, that is great. If she does not, is there something else she supports that would deal with the issue? I know she is concerned, and I know it is a significant issue in Winnipeg.

Ms. McGifford: Again, I want to make the point to the member that I certainly take the sexual exploitation of children very seriously and that recommendations from the committee are being considered by members of the Healthy Child Committee. As a member of that committee, I will be working with my colleagues and we will go forward.

Mrs. Mitchelson: I am not sure I have an answer from the minister yet.

Maybe I could come at it from a different angle then and ask: What analysis has the

Women's Directorate done on the issue of sexual exploitation of children? What comparisons have they done with what is happening in other jurisdictions, and where are they indicating the shortfalls might be in Manitoba as compared to other jurisdictions?

Ms. McGifford: The Women's Directorate has been a member of the committee that I mentioned, the committee on sexually exploited children. This committee has looked at work being done in other jurisdictions. That will be funneled into the recommendations the ministers of the Healthy Child Committee will be considering, Mr. Chair.

Mrs. Mitchelson: I wonder if the minister might share with me what is happening in other jurisdictions.

Ms. McGifford: Mr. Chair, of course that is an extremely broad question. I do not know if the member had a particular jurisdiction in mind. I certainly do not have information at my fingertips of what is happening with regard to sexually exploited children in each and every jurisdiction in Canada. I am sure the member can find that information through her researchers if she really wants to have it. I do not have it here.

* (16:40)

Mrs. Mitchelson: We have a minister who is a member of a committee of Cabinet, and she says there are proposals before that committee of Cabinet around how to deal with this issue. She has staff in the Women's Directorate which is a part of that working group and a part of that committee, so obviously that analysis has been looked at and there are other jurisdictions across the country.

I am not asking for great detail or in-depth analysis of what is going on across the country, but I am asking for the kinds of things that are occurring. Surely if that research has been done and there are recommendations that are sitting before that Cabinet committee right now, the minister should be able to give me some detail. Obviously, if it has got as far as the Cabinet committee, she has signed off on it. So where is she at, and what kinds of information or what are they basing some of the recommendations on to move forward?

Ms. McGifford: Of course, we are basing—well, let me back up, because it is the committee that is preparing the materials for the consideration of Cabinet that is basing information on the research that that committee has done.

Of course, I want to point out to the member that, at this point, recommendations to a Cabinet committee are confidential, and I am not discussing them at this table.

Mrs. Mitchelson: Maybe the minister could tell me who is on the committee that is dealing with the issue of sexual exploitation of children.

Ms. McGifford: I am told that the committee consists of officials from Justice, from Health, from Education, Training and Youth, from the Status of Women, from Aboriginal and Northern Affairs and from Family Services and Housing.

Mrs. Mitchelson: Could the minister tell me whether there are any people from the community who are part of that committee?

Ms. McGifford: I am advised that community consultation has taken place and that individuals in the community have been very forthcoming with their advice, et cetera, and that their advice will be fed into the recommendations that the committee makes to Cabinet but that this particular committee is a committee of government officials who have done the consulting.

So, no, there are not community individuals on this actual committee that is preparing the recommendations, but a precursor to this committee included both government officials and community persons.

Mrs. Mitchelson: Maybe the minister could just explain the process that has taken place to date then, because I know that it was the Children and Youth Secretariat along with members of the community who were working back before 1999 on this issue. There was a working group and a committee of community plus government that were working or dealing with this issue.

Can the minister then maybe bring me up to speed on what has happened since 1999? Is that community committee that was working with the government department disbanded now? Have

they brought forward recommendations, and is government just dealing with it internally now? Is the work of that community committee finished or are there still discussions ongoing?

Ms. McGifford: I have been told that the committee had been dormant for some period before my Government came into office but that there had been considerable community consultation done.

I think the process, after the community consultations, took place at the committee of officials' level, and then the officials were faced with the task of synthesizing information, prioritizing information, costing, and from there they will go forward and make recommendations to ministers.

Mrs. Mitchelson: So the minister has indicated that the committee, the community and government officials, that committee was dormant in 1999 and for a considerable period of time before that. Could she indicate to me when that committee then became active again?

Ms. McGifford: I am advised that the committee has been working again for about 18 months.

Mrs. Mitchelson: So if I can understand, the committee began discussions again with government and worked for 18 months, made recommendations to government.

Let me just take one step back and ask the minister whether she has met with members of the community around this issue.

Ms. McGifford: The issue of sexually exploited children, certainly, has come up in discussions. I believe I had a meeting with women from LEAF who have discussed the issue. I believe the Provincial Council of Women have discussed the issue with me. So, yes, I have had discussions with people from the community and, I am sure, will again.

Mrs. Mitchelson: So the minister, obviously, is aware of the issue. She indicates she has met with members of the community. So, if the minister has indicated that the committee, the community committee plus government officials

met for about 18 months, is that process still ongoing, or when was that process stopped?

Ms. McGifford: I think there is a slight misunderstanding. I think it is for 18 months that the government committee has been working to synthesize, prioritize, cost, et cetera, and make recommendations. The other work, the work in community consultations was, I believe, done earlier.

Mrs. Mitchelson: I am just trying to understand correctly. So, for the last 18 months, government has been working, through an internal working group to government, on this issue, and, as yet, there have been no recommendations that have come forward to the Healthy Child Initiative regarding programs for sexual exploitation of children.

Ms. McGifford: I am advised, Mr. Chair, that the recommendations are at the deputy minister level.

Mrs. Mitchelson: Mr. Chair, I wonder if the minister might indicate what time frame government might be looking at. If the recommendations are at the deputy minister level, is there any expectation that we can hold out that government ministers, through their committee, will deal with this, that there will be a proposal before the Cabinet committee in the near future, I am looking at the next month or six months or the next twelve months, that might give the community some sense of when a decision might be made on what direction government will endorse or support.

* (16:50)

Ms. McGifford: Mr. Chair, I do want to point out to the member that I do not control the agenda of the Healthy Child Committee. The members include the Minister of Justice (Mr. Mackintosh), the Minister of Health (Mr. Chomiak), the Minister of Education, Training and Youth (Mr. Caldwell), Status of Women, Aboriginal and Northern, Family Services and also the Minister of Culture, Heritage and Tourism (Mr. Lemieux). We do work together, and we do make decisions together. The committee is chaired by the Minister of Family Services and Housing (Mr. Sale), and Healthy Child is very closely attached to that minister. So

I understand that the ministers are meeting in September and that the recommendations may go before ministers at the September meeting.

Mrs. Mitchelson: So the minister is telling me, then, that her Government, at the ministerial level, has not, to this date, dealt with a proposal that has been put forward around a safe house or any other programs that might deal with the sexual exploitation of children.

Ms. McGifford: You know, I want to point out that the deliberations of ministers are confidential. So I am not really going to address that question. I can assure the member of this Government's commitment to sexually exploited children. I can assure her of the seriousness with which we take this issue, but what is before Cabinet and what is not before Cabinet is, of course, confidential.

Mrs. Mitchelson: This is unbelievable from this minister. I guess my sense is that the community out there, and I know when I went to the Lunch and Learn there was significant frustration by the community that things were not moving forward. Comments made by members of the community at that luncheon were that the City appeared to be supportive, that they had indicated their significant support, but it was the provincial government that was dragging its feet on this issue. Those were comments that were made by women from the community that have been involved for years in trying to find some solutions or some answers.

This was months ago. It is my understanding from discussion with women in the community that there was some expectation that there might have been some sort of announcement forthcoming either before this Budget or in this Government's last Budget and that there is still no word. Now the minister is telling me that there has not been a proposal, or she is not going to discuss whether there has been any recommendation that has come forward to her Government, Mr. Chairperson.

I think it is important that she let the people know that have been involved for years and working for years on this specific issue where her Government is at or where she personally stands on behalf of young women that are being sexually exploited. She is the Minister responsible for the Status of Women. She can indicate

that, yes, it is the Minister of Family Services that has the lead responsibility. I understand that he has the lead responsibility, but we have a minister here today that is an advocate or should be an advocate for women and children that are sexually exploited.

Many of them, they are not all young women, but most of them are young women. There have been community members that have put their heart and soul into this issue and have advocated for years. Eighteen months ago that process appears to have ended. Their input has been before government departments or this committee for 18 months, and we have yet to see any response.

My question to the minister who is to be the advocate or should be the advocate around the Cabinet table for women and for young women—

Mr. Chairperson: Order, please. The hour being 5 p.m., the committee rise.

AGRICULTURE AND FOOD

* (15:20)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Agriculture and Food. We are currently considering items 3.4.(d) Soils and Crops. The floor is now open for questions.

Mr. Jack Penner (Emerson): Madam Chairperson, we had originally indicated when we started this committee that we would go line by line or section by section in these Estimates. Although I had voiced my opinion that we should leave the lines until we finished Estimates and then pass them all at one time, the minister chose not to do that. I hope she stands now by her word and that she will allow going back to some other sections.

As the minister noted, Estimates did proceed, even though I was not here as critic of the department. I guess that was an agreement between the two House leaders that this would happen, however it did. So I would ask now, Madam Chairperson, whether we could revert

back to some of the other items that have been discussed previously in Estimates.

Madam Chairperson: Is it the will of the committee?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Madam Chairperson, the member can ask questions that he chooses, and if we have the staff here to answer them we will. If we do not, we will take the questions as notice and get back to him with the answers.

Mr. Jack Penner: I had indicated earlier during the Estimates process that there would be a time when I would want to go back to this whole matter of the Vita Feeder Co-op and how that was dealt with. I asked the minister a number of questions at the time as to how the board, how management and how some of the shareholders were dealt with throughout the process of determining the final outcome of the Vita Feeder Co-op situation.

We all know that, when a board of directors is asked to act on behalf of a group of producers, those boards of directors have traditionally been given to understand or led to believe that they would not be financially liable for decisions they made on behalf of other members, especially in a co-operative. I have never, ever, during my tenure in the private sector when I was asked to serve as a member of a co-operative or a credit union, or for that matter a school board or other organization, never once did I believe that we would ever be held liable for decisions we either made or did not make. Yet, in the case of the Vita Feeder Co-op, and I am not going to go into the long-term history of the Vita Feeder Co-op, but we find now that not only were board members of the Vita Feeder Co-op asked to contribute to final settlement, they were in fact also responsible for their own legal fees.

So I want to ask the minister, after having had that initial discussion on the Vita Feeder Co-op in regard to, first of all, the direction that was given by a member of the department and by a member that should have been very familiar with MACC's position and how the feeder co-op would be funded and financed, and how such things as contract flips would be dealt with. Nobody knew at the time what the final outcome would be. But, in the final analysis, it was really

the department and a staff person from the department that directed much of this. The Vita Feeder Co-op board accepted as reliable the information that they received and the decisions that were made at the time.

So I want to ask the minister whether she truly believes, in the final analysis, after all the mediation was done and after the legalities have been settled, whether she believes that it is fair for a board of directors to be held liable in the case of the Vita Feeder Co-op, as they were, and that they should in fact bear the cost of final settlement, be they farmers or whatever, out of their personal financial resources and whether she believes that they should in fact contribute towards a mediated settlement and that the financial liability should be, as it was determined, part of the settlement of the individual or that the financial responsibility of individual board members should be brought into being in the final settlement.

Ms. Wowchuk: Madam Chairperson, I would like to say to the member that this is a complicated issue and one that has had lots of discussion on. But I would tell the member that as I look at this, this was an issue that went through a mediated court settlement. Both parties put their position forward. Presumably, people that were there came to some agreements as to how this should be settled. I do not think that it is for us at this table to second-guess what happened in a mediated court process where the people involved put their position forward and came to a settlement.

Mr. Jack Penner: Madam Chairperson, I find the minister's response somewhat, not only interesting, I find it almost incredible, first of all, that through the department we would, in this province of Manitoba, set up a series of co-operatives and give them the understanding that they would be asked to elect boards of directors, and that those boards of directors would, in fact, receive the staffing provisions from the department to help them initially get established, and that the direction of the staff would, in large part, initially at least, determine what direction these feeder co-operatives would go in.

I honestly do not believe that the boards of directors at the Vita Feeder Co-op were any

different than any of the other boards of directors in that they took advice because they deemed this advice coming from the department to be expert advice, and made decisions based on that and allowed for contractual arrangements and deals to be made under the auspices of the direction that was received by the board from the department. But, when things turned out economically not to be as had been indicated, and the financial losses were substantial enough for other third-party interests to come in and liquidate the assets at the time when prices were at an all-time low—we all know that. I mean cattle prices went for a real dump, and everybody became nervous, and it had very little to do with the contractual arrangements that were done. But everybody became nervous, and it was decided to close it, shut it down and liquidate the co-operative.

* (15:30)

Who turns out to bear the financial cost of that kind of decision making is what the Vita Feeder Co-operative board members are still asking themselves. Why would we be held liable for any of this? Why would we be asked to make financial contributions out of our own pockets to make final settlement? Why would the department, why would MACC or why would any minister allow that? It is truly astounding that we govern in such a fashion as that, and that a minister of our Crown would allow for a settlement mechanism to require boards of directors to put their hands in their own pockets to make an arbitrated settlement. That the minister would respond the way she does now, I mean, I find interesting.

I would ask the minister again if she had been without advice from anybody making the decision, would you have required that board of directors to put their hands in their pockets? Would you require your boards of directors at your credit union, if there were losses, to put their hands in their own pockets and make up the difference? Would you do that? Why are you now asking those boards of directors, when the final settlement was arbitrated and was largely done under duress—and we all know this, because these people had hired lawyers, and these lawyers were not cheap. They were expensive lawyers, and the costs were borne,

again, by the individual board of directors members, Madam Chairperson.

Why would a minister of any government point the finger at the board of directors and say to that board of directors, yes, you must pay? Is the minister now prepared to respond in such a way that would give these people some comfort that they would be able to recoup their losses that they have incurred personally without having made any initial investment in this co-operative themselves and that they had no monetary gain to make here? Would the minister explain what kind of liability and why she placed that kind of liability on these boards of directors?

Ms. Wowchuk: I can tell the member that I did not place any costs on them. The contract was signed long before I became minister or before we formed government. The contract was in place long before that. There were issues that arose out of that contract and the participants, the board members, took part in a mediated court settlement. All information was put forward, and I would assume that people put forward their case and negotiate it in the mediated settlement.

I am surprised that the member would even ask that government second-guess a mediation process that took place, for the member to imply that I personally have imposed some costs on these people.

The member should be factual and put on the record that this is a contract that was signed long before I became Minister of Agriculture. There were issues with it. It went to a mediated settlement, and all members agreed to the settlement, Madam Chair.

Mr. Jack Penner: Well, it is always easy to blame somebody else. That is what I am hearing the minister do right now. I mean, she is blaming somebody else for signing an original contract on the establishment of the co-operative and on how the co-operatives would deal—

Point of Order

Madam Chairperson: Madam Minister, on a point of order.

Ms. Wowchuk: Madam Chairperson, I would ask the member to put factual information on the

record. What I said was that I am clarifying the facts for the member because he is not putting factual information on the record.

He implied that I had put some costs on these board members, and what I want the member to be very clear on is that this is a contract that was signed long before I was minister. There were difficulties with the contract, and it went to a mediated court settlement.

All people who participated came to a resolution on the issue. It would be wrong for the member to imply or even suggest that we interfere in a mediated process.

Madam Chairperson: The Member for Emerson, on the same point of order.

Mr. Jack Penner: Thank you, no. I will speak to the issue directly.

Madam Chairperson: On the point of order, there was no point of order. It was a dispute over the facts.

* * *

Mr. Jack Penner: What I find absolutely interesting is that the minister will constantly try and blame somebody else. This issue was done by the Department of Agriculture through the direction of the minister's office to establish feeder co-operatives in this province. It was a government policy decision to establish the feeder co-operatives.

It was the department's decision to provide staffing, to give direction. This was a brand new venture that was started in the province, and I would suggest all of the feeder co-operatives that were started did not have the expertise, so expertise was provided by the department. Advice was provided by the department. Staff people were put in place. They gave guidance. They gave direction. They saw to it that the contractual arrangements were done the way they were done.

Now the minister is trying to blame somebody else. She is saying, well, this happened before my time. Well, Madam Minister, sorry to say, you were the minister when the final conclusion of these contractual arrangements was

drawn. That is just the way the election process goes in this province.

If the minister is saying that she is sorry that she is the minister, there are people, maybe even around this table, who would take over immediately from her and would not mind making the decisions that we think should be made.

What I will say to you, Madam Minister, is I believe there is an opportunity—

Point of Order

Madam Chairperson: Mr. Minister, on a point of order.

Hon. Greg Selinger (Minister of Finance): I just want to clarify, is this a place for speeches, or is this a place for questions?

I understood we followed the general rules of *Beauchesne* even at committee level, and that it is supposed to be putting a proper question, not making a speech from on high.

I would just like clarification of what rules we are following at committee level.

Madam Chairperson: There are different rules for Committee of Supply than there are for Question Period. So this is not a point of order.

An Honourable Member: Well, could we know what the rules are?

* (15:40)

Madam Chairperson: The rules are that the member can speak for half an hour, and I guess the only rule is the one of relevance.

Mr. Selinger: Is there a set of these rules written down and available to members? Are they in the blue book or where are they published?

Madam Chairperson: Yes, there are rules in both the rule book and *Beauchesne's* related to Supply.

On the point of order, there is no point of order, but thank you for your comments.

* * *

Mr. Jack Penner: Maybe I could also ask Madam Chair whether she would ask the

Member for Dauphin (Mr. Struthers) whether he wants to put something on the record, because he is nattering from his chair continually. I am not sure, maybe that he is a frustrated person. So, if that is what he wants to do, if he wants to be disruptive, that is fine by me as long as we know what his intent here is.

The second point I want to raise, though, is the financial responsibility that we inflicted on a few innocent people who only did what they, No. 1, were directed to do, only put in place the agreements that they were directed to put in place and were told that they could allow the contractual flipping of the contracts, which, in the final analysis, ended in the dispute that was resolved not by the will of the co-operative directors, but by direction of the department. Then we ask a mediator to come in and apply pressure on those board members to make contribution to the final settlement. This is something that I have seldom ever heard of happening before in government or outside of government.

I found it absolutely astounding when I was told by some of these board members that they would have to put their hands in their own pockets to make final settlement of a dispute that was being arbitrated by a mediator appointed by government or by the minister. I think that is an aberration that I have not seen many times before, or heard of in government very many times before.

I would strongly suggest, Madam Minister, that you should direct your department to make restitution to these board members for mistakes that were made at the outset after the formation of the co-operative and for the direction that was given by your department to these co-operatives. I would strongly suggest that we also make restitution to these boards of directors for the lawyers and the legal fees that they incurred.

Now, I ask the minister is she willing to make consideration or give second thought to and review this case personally, ask for an outside group of people, whether that be an arbitrator or a group of legal people, to take a good hard look at this case and let them make the decision as to what should happen in regard to who paid who in the final analysis of costs incurred out of this whole mess and how it was dealt with in the first place.

Ms. Wowchuk: I want to tell the member that there was a mediator put in place, but the mediator was agreed to by all parties. All parties agreed who the mediator should be and then they worked through the issue. Everyone had the opportunity to put forward their case and work through it with a mediator. This is the conclusion that they came to with the mediator. It is not our role to second-guess what has happened when there has been an agreement by all people who worked with that mediator. The mediator was someone who was decided on by both sides in this issue.

Mr. Jack Penner: Well, having discussed this matter with some of the board members, it almost appeared to me that the mediator that had been appointed—and, quite frankly, if I was personally involved in something like this and somebody asked me whether we should appoint a mediator, my first reaction would be: why not? Because the mediator would in my view attempt to look at a matter of fairness, right?

But this mediator apparently, and I say this only from the perspective of what I have heard, tried to get money from those that he could get money to make final settlement. I do not think, quite frankly, that that is the role of the mediator. That is why I ask this minister whether she will do the right thing and get a third party to review this case, and, if need be, if it is determined by that third party that there should be settlement made and restitution paid to these boards of directors, whether she is in agreement to do that, to treat these boards of directors in a fair manner, because I honestly do not believe, having listened to how they were dealt with, that they received a fair hearing or that they were dealt with fairly.

Would she at least give them the ability to state their case to a third party and let that third party review this whole mess, this whole case, and let that person make a decision? It could be a judge, it could be given to a judge, and let that judge do the review of this case. If it is then decided that they were treated unfairly they would then be paid restitution of both their legal fees and the cost that they incurred by agreeing to, under duress, a final settlement.

Ms. Wowchuk: Madam Chairperson, the member seems to indicate that he was not happy with

the mediator or the work that the mediator did. It is my understanding that there was not a request for a different mediator, but I want the member to also realize that the people that were there never had to sign off with the agreement if they did not agree with it. They obviously worked through it. They obviously came to a settlement and signed off on the agreement, and all parties agreed. When they signed off on this, all parties agreed with the settlement. It is not for us to go back and start second-guessing when there was a mediator in place, when everybody worked through this, put their issues and then signed off in agreement with the settlement.

Mr. Jack Penner: I thought maybe the minister would want to take a good, second look at this case, and maybe she would want to be fair to those people that had been asked to be board members of a co-operative. I know the minister and her Government always have been supportive of co-operatives. I find it absolutely interesting that she will now probably set a precedent in relegating members of boards of directors of a co-operative as financially responsible for decisions made by others and advice received by them of the department's staff. If this was a court of law, I think we would subpoena the former staff member to come in and witness as to the advice that was given. Although he is in Alberta, I understand, I find it interesting that he was never brought back as a witness in this whole matter and that the mediator would not have wanted to question him on what actually happened.

* (15:50)

I know the minister thinks this is funny, but it really is not funny to those that bore the cost. I think it is imperative that the minister take this whole thing very seriously because I certainly do, and I think many others do, as well. This is a case, I believe, that will go down in the history in the province of Manitoba that others will look at and pass judgment on. That will not be held lightly in how we deal with matters. I would not be surprised that there might in fact be laws passed at some time ensuring that there be insurance provided to boards of directors, especially those that are requested or required by government law to be there.

When the feeder co-operative process was established, it was a government program, so

therefore became government law. Requiring boards of directors to be appointed or elected to these co-operatives was part of the agreement to establish the feeder co-operatives. Now, to ask them to take on the financial responsibility of having been the decision makers, having received advice from the department to base the decision on and then, later on, when things went wrong, everybody bailed out and left these directors at the mercy of lawyers. Lawyers can be very expensive. Now the minister is saying she has washed her hands of it. There have been agreements by the mediator. The mediator came to a conclusion by agreement of all the members.

Madam Minister, I only ask you that, if you had to put your hand in your own pocket to defend yourself and hire a lawyer to defend yourself and bear the cost of that yourself, what would you have done? Tell these board members what you would have done if you would have been in their shoes. Would you have agreed at the final analysis and cut bait and said this is the cheapest way we can get out of this mess?

I believe that was the final conclusion. If we cut bait and run now, this is the cheapest way we can get out of it. It has caused significant financial difficulty for these directors. It was not done because they agreed, that everybody agreed that this was the right thing to do. They did this because they agreed this was the cheapest way to get out of it, not a cheap way, but the cheapest way because, if they continued the legal battles, it could go on for years. We know that, if government got involved, they have got far deeper pockets than any individual does.

I only ask the minister: Would you consider paying them restitution of the costs that they incurred? We know you can never repay them for the time they spent, but at least the direct monetary losses that they had. Would you consider paying them those losses, the settlement that they agreed to out of their own pocket and the legal fees?

Ms. Wowchuk: I want to thank the member for bringing this important issue forward, but I also would hope that the member would realize that I take this issue very seriously. It is not a laughing matter for me. I would encourage the member to be a little more honest when he puts comments on the record. At no point did I say that this was

not a serious issue. By all means, it is a very serious issue.

The member also talks about interest in co-ops, and co-ops have been very important and continue to be very important to rural communities and to the farming communities. Certainly, it is something that I have long supported and continue to support. This is an unusual situation that has developed here and one that people have worked very hard on to resolve. That is why a mediator was put in place, to work through the issue with the people on both sides of the issue. The mediator came to a settlement that everyone agreed to, and it is not my position that we should be second-guessing the mediator or those people who said that this is how the agreement should be settled.

The member is asking us to interfere in a settlement, and I can tell the member that people on both sides of the issue worked through this issue and came to a settlement. There is no way of interfering or second-guessing a settlement that all parties signed on to. So I thank the member for bringing this issue forward, and certainly it is one that many people have given serious thought to.

Mr. Jack Penner: Madam Chairperson, would the minister then consider going back and asking a third party to have a look at this? Would you consider paying restitution to the board members for the costs they incurred?

Ms. Wowchuk: Madam Chair, I think I have just answered the question for the member when I said that this is an issue where a mediator was agreed to by all parties. A mediator took in all the information. All people had the opportunity to bring their views forward. They did not have to sign the agreement if it was not what they wanted. If they were not satisfied, they should not have signed off. They have signed off, and we will not interfere in a settlement that has been negotiated by parties on both sides of the issue.

Mr. Jack Penner: That is not the question I asked. The question I asked is, will you ask a third party, such as a judge, to take a look at this case and ask that person to review this whole process and make judgment on this matter.

Madam Chairperson: Just let me take a moment to remind all members to please direct your questions through the Chair.

Ms. Wowchuk: Again, I say to the member, there is a settlement. All parties have agreed to the settlement; they have signed off on the agreement. If all parties had not signed off, there would not be an agreement. It is not the role of a minister to second-guess a mediated process and agreement that all parties have signed off on.

* (16:00)

Mr. Jack Penner: I want to read a letter that was written to the minister a while back, and I want to read this letter because I think it is important that this information is put on the record.

The letter states that the concept of the feeder association was promoted by the Department of Agriculture and the idea was accepted by many of the cattlemen in this district. The system proved very effective to aid in receiving financing from a financial institution who was reluctant to extend sufficient credit to many of these farmers in order to expand the feeder cattle industry.

The good old farm boys who had feeder association contracts during the market crash in 1996 honoured their commitments 100 percent. I think it is important to note. That is an aside when I say I think it is important to note.

Back to the letter: With the fall of our association, these good people, after taking a severe hit in the marketplace, lost the financing for their business, lost their contribution to the assurance fund and lost a good feeder association that will never be re-established in south-east district, and in brackets: Probably because they will never find people foolish enough to sit as board members or to work as supervisors.

I will wait until the discussion is over so the minister can listen to what I am saying.

The members who had their contracts at Hanover Holsteins were never legitimate cattle people and, as we later discovered, were actually fraudulent participants in this program. These people did not give two hoots—there was a different word here, but it would relate to cattle—about our industry and, in spite of their explanations about helping Mr. Reimer, got involved to make an easy dollar.

I am so tired of dealing with people who do not know anything about agriculture. It has been explained for the last five years that the reason for the failure of this feedlot was completely a normal disaster in agriculture. Bad markets, high feed prices, type of cattle and extremely bad weather caused the death of Hanover Holsteins.

The downfall of the feedlot resulted in the inability of completing the feeder programs of a large amount of cattle belonging to these people with contracts. The change in this facility from a showplace on MCPA's tour the summer before to an absolute mud hole the next spring, which was directly connected to severe weather conditions, resulted in a pile of dead animals not reported to the association's supervisor. The association's board, on receiving notification from Mr. Reimer of his bankruptcy position, in absence of feed, forced the removal of the cattle from that facility and the relocation at a suitable site where feed was available.

On the instructions of all the contract holders a sale was organized. Because of a devastatingly low market and large death loss, the expenses of handling the cattle and large expense of a sale of that magnitude, the sale resulted in a major shortfall of the contracts. The contract holders, whose credit rating had been approved by MACC and the Vita Credit Union were either unable to or flat-out refused to honour the commitment of their contract.

The Vita Credit Union and MACC fought claim against these members who, in turn, third-partied the Government of Manitoba, the supervisor and three of the board members on a board of directors. The farce of the third-party claim was that the defendants and their lawyer attempted to put blame on the third parties for all of their problems.

Five years of the proceedings finally came to mediation hearing in July of this year. A private meeting between the three board members and MACC representatives in the morning of the second day of mediation took place. The representatives were quizzed whether they would contribute any financial assistance toward the legal fees of this board. Their answer was: No, in no uncertain terms.

During the two-day mediation hearing, all the people in the room worked very hard to

determine the discount these people should receive on their contracts. Donations were demanded from the association's board of directors—I use that word "demanded" because that is what is in this letter—the association's supervisor and the taxpayers of Manitoba.

The agreement finally approved by these same MACC people reduced the contract commitments of the defendants, who were the undisputed cause of all the problems, by probably that amount of the entirely legal fees and personal expenses they incurred. What is really ironic is if the contract commitments had been honoured by this group five years ago, their complete expenditures would approximately match what they are today. Our association, supervisor and board would all be intact without having experienced the unbelievable cost and stress as well as the expenses incurred by the taxpayers of Manitoba.

These are not exact figures, but here is an estimation of where everyone is sitting today. Defendants Reimer investors paid in full, completely exonerated of all liabilities, their legal fees covered by the forgiveness of that portion of their debt generously awarded by MACC. Wes Reimer: the bright side of this story is that he is no longer in the cattle business. He seems to have accepted any charges against him, and is a fine, upstanding citizen of Steinbach.

Rob McNabb, provincial supervisor, lost his job, but was completely protected by the provincial government from any liability. He resides in Alberta with a very fine position with the Canadian Cattle Producers Association.

Peter Petrash lost his job. His legal expenses exceeded \$50,000; large personal expenses, and is expected to pay \$16,500 from the mediation settlement.

Rob Kurda [*phonetic*], Robert Crinse [*phonetic*], Dwayne Ryack [*phonetic*]: legal expenses \$75,000, large personal expenses and expected to pay \$19,500 for a mediation settlement.

Vita Feeder Co-op: no longer exists; legal fees \$10,000, depleted assurance fund of \$140,000.

Members of the Vita Feeder Co-op lost critical financing for their business and 5 percent of their once-held contracts assurance fund.

The board members committed to the mediation, which is due August 15 with a small grace period, has not been paid. Given that these funds go directly to the coffers of MACC is the reason for our holdback.

Does the Government really need the money committed in mediation by the board members and supervisor? Considering that we do not believe that even MACC feel that we are at fault, is it not a shame that everyone was penalized except those who deserve it? We would like to ask that you and your department please analyze our situation and respond as soon as possible. If you require any further information or would prefer a personal meeting with the board of directors, please feel free to contact me. Dwayne Ryack [*phonetic*].

P.S. Some innocent people have been badly hurt by this whole process and should have been afforded the same protection as provincial supervisor Rob McNabb.

We are farmers who are struggling in an area struck by natural disasters and would like to ask the Government of Manitoba for some degree of compensation with these massive but, oh, so unnecessary expenses.

I ask you again, Madam Minister, after having read this letter, having heard this letter, and I know you have it on file: Would you consider now paying some form of compensation to these people for the costs that they have incurred on behalf of cattle producers of Manitoba?

Ms. Wowchuk: Madam Chairperson, that is an important record and a lot of information that the member put on the record. To go through the situation for the people involved was not an easy time. But, again, I point out to the member that there was a mediator put in place and everybody agreed to that mediator. When the settlement was made, all members signed off on the agreement.

The member is asking us to interfere in that agreement and open it up again to interfere in the settlement. But if you start to interfere in a settlement, Madam Chair, we do not know what issues can arise out of that.

So I say to the member that it would be a very difficult situation to interfere in a settlement

after it has gone through a process and all parties have agreed to it. All parties signed off on this agreement. They have reached a settlement. It is not the role of government to interfere when there has been an agreement. The member spells out what the impact of this is, and I hear him, but, again, I say to him, the way the process was set up, it was one that all parties agreed to.

* (16:10)

Mr. Jack Penner: I say through you, Madam Chair, to the minister, that there are times when we as elected people are only elected people, but there are times when those of us who are elected form government and must make decisions, must sometimes make extraordinary decisions, and when wrongs happen, then it is up to us to right those wrongs to the best of our ability.

All I am asking the minister, you, Madam Minister, through the Chair, all I am asking is, in your opinion, when you hear what was just put on the record, is it your assessment that there was fairness of application throughout this process?

That is not even something I want you to answer because it is unfair maybe even for me to ask that question, but if there is a slight bit of doubt about that, then my question is very simple. If you believe, as I believe, that the costs incurred by those boards of directors that were almost demanded to contribute to a final settlement by this mediator, and I do not even know who the mediator was, and it does not matter to me.

if you believe that there is a measure or if you believe that you do not want to reopen this issue, as you have just said, if you truly believe that, then obviously there is cause for me to think that you have some doubts, and if those doubts exist, would it then be fair to ask that government remunerate these boards of directive members for the costs that they have incurred, just the legal costs and the amount of money that they were asked to contribute to a settlement that was determined by the mediator?

Do you not believe that that would be fair?

Ms. Wowchuk: You know, the member raises an issue that has been ongoing. I want to say to the member, Madam Chair, this issue was

ongoing before we took office. The member will say, oh, you are trying to blame somebody else, but I want to put it back to the member: If he felt so strongly about this issue when his party was in government, why did the member not get his government to address it then? This whole issue came under their administration. It could have been addressed then.

We accepted the mediated process that all members agreed to, and there was a settlement that everyone signed off on. I have said that it is not the role of government to interfere in a mediated process after everyone has agreed to it. But the member feels strongly, and it is an important issue. It affects people in his area of the province. I have to question why he did not take it to his then-minister when he was in government and get it all resolved then.

I know it is a complicated issue, but I say to the member there was a mediation process put in place that the participants agreed to. Everybody put their issue on the table, put their facts on the table, and came to a resolution, and they must have had some good discussion there that they were able to come to a resolution. They came to a resolution and they signed the agreement.

Nobody was forced to sign an agreement. Nobody was. They signed it, and that is the agreement that is in place.

Mr. Jack Penner: Madam Chairperson, for the record of the committee, it has always been my view that those of us that are elected, are elected to serve, and are elected to serve in the best interest of justice. I truly believe that justice was not served in this case.

I truly believe that there was an injustice caused by a group of interest, party interest, whether they be MACC, and I should put this, put another comment on the record. In a meeting that we held in the deputy minister's office prior to you being elected, Madam Minister, it was my view that MACC only had an interest in settling this whole matter and did not have any interest in costs being incurred by boards of directors or the Vita Feeder Co-op members. That was the impression that I got from the discussion that we held at that table at that time, in the deputy minister's office.

I would believe, by what I heard there, that some matters changed from then till now, and either by direction or by intermediary intervention or some other settlement mechanism, MACC was either asked to, pushed to or, on their own, proceeded and allowed the third party, the board of directors to become the liable members. The discussion we had around that table led me to believe that there was virtually no chance at all for the board of directors to ever be sued for losses incurred by the co-operative, and that there was no interest in government pursuing or MACC pursuing this matter to that extent, nor did they leave any impression that it would come to this. Yet, in the final analysis, it did.

I say to you, Madam Minister, if you were in that position, where you were a farmer and maybe a farmer of not great means and you had, in the best interest of the cattle industry and your area, agreed to sit on this board of directors, and then a situation such as this occurred, through no fault of your own, through no will of your own, you were required to sit there, in the final analysis, with a mediator at hand, and that mediator tried to come to some position to get the parties that were involved to agree—I mean, I do not fault the mediator for trying to bring this to a conclusion, but what I find most interesting is that these individual farmers, maybe with limited means, were, in the final analysis, asked to put their hands in their pockets to bring this to final conclusion and, as the letter states, that those investors, outside investors, no interest in the farm, walked away without any real costs. I find that interesting.

I ask you, Madam Minister, where you would be if you were at the end of your rope financially as a farmer, sitting on this board of directors, and it appeared that the only way to bring this to a different conclusion than what actually happened under mediation, that you might have said, no, we will go to court? Then somebody might have said, no, we will go to court. And then somebody might have said to you: Well, it will take at least another thousand dollars to go through the court process, and you did not have a clue where you could get another thousand dollars or ten thousand dollars to proceed legally, what would you do? Would fear finally strike you and say, well, better to cut bait

now and run, better to take my loss now instead of incurring another and not being assured of winning this case. I mean, how would you feel, Madam Minister, and what is your reaction as an elected member to try and bring fairness to this whole process? What is your personal view on this? Do you truly believe that in the best interest of justice the right conclusion has been drawn here?

* (16:20)

Ms. Wowchuk: There is a situation that had developed with the Vita Feeder Co-op that was not being resolved. There was a request for a mediator. A mediator was put in place. All parties agreed to the mediator, and then all parties had the opportunity to put their views forward. A settlement was achieved by the mediator with both sides and an agreement was signed. It is not my position to second-guess what happened in that process. I did not attend. I did not hear what was going on on both sides of the issues, and I do not think the member did either. They came to a conclusion, and it is not our job here to second-guess what the mediator did. Ultimately, if there was an issue with the mediator that people were not satisfied, they could have rejected the mediator or they could have not signed the agreement, but in the end they signed the agreement and it is not our position to second-guess a mediation.

Mr. Jack Penner: I am not asking the minister to second-guess. I am asking the minister whether she thinks justice has been served and whether she thinks that there should have been costs incurred by the board members of this Vita Feeder Co-op and whether she truly believes, as an elected member of her Government, that justice was served here.

Ms. Wowchuk: Again, I will tell the member that I am not going to second-guess a process that took place. A mediator was put in place. Both sides put their views on the table, and I am sure they must have had discussion about what the costs were, what the issues were. Both sides were heard by the mediator, and they came to a conclusion on a settlement. All parties agreed to the settlement and signed off on it. It is not my role to second-guess what people on both sides of the issue put on the table or did not put on the

table or how they came to the conclusion that this was the agreement that they should sign.

Mr. Jack Penner: I guess that is the difference between the current Government and the previous government. I well remember in 1988 when there was a flood in the Swan River area and the DFA agreement stood. There was no provision within that DFA agreement to repair land damage, and yet there was a group of ministers that went to Swan River and looked at the situation. Without hesitation, on matter of conscience or otherwise, they said, this is not right, this is not fair, this is not the way this should be done, and we cannot allow these people to incur this kind of damage out of their own pocket.

The decision was made to repair the damage, to incur the cost as a government and to repair the damage because a matter of conscience led us to believe that it would be unfair to try and get individual land owners to repair the huge amount of damage that was done, huge gullies ripped out of their land. I think the minister knows full well that I am talking about her own family's home farm, huge gullies ripped out, and the cost that her family would have had to incur to repair those damages would have simply not been bearable by that farm operation. I know that.

The decision was made, an out-of-scope decision made, to do something out of the ordinary, because it was not fair. So, in a matter of a conscious decision of being fair and being equitable, the decision was made to repair the damage. It took the provincial government eight years to collect that money from the federal government or a portion of that money from the federal government, eight years, but we got it, finally we got it. We were persistent, and we got it.

Now I ask the minister: Should it have been those ministers that came to the Swan River Valley to make the assessment and make the decision and pay the damages, or should it not? If she believes, as I do, that is why you are elected, when you see an injustice done, it is up to the politicians to correct the injustice. Madam Chairperson, surely, the minister would have professed to do the same thing when she first ran as an elected member. She would have professed

that kind of decision making should be a government member's responsibility.

So I ask her one more time, I ask the minister one more time: Do you truly believe that these board members should have borne the cost out-of-pocket to pay for acting in good faith, in good conscience the damages incurred by a corporation?

Ms. Wowchuk: Madam Chairperson, the member knows well that these people served on the board of the Vita Feeder Co-op. There became a very difficult situation there as he outlined in some of the issues in the letter that he read into the record. Because the issue could not be resolved, it went to a mediation process. A mediator was appointed that all parties agreed to. They agree to the mediation process. All views were heard, and a settlement was achieved. All parties signed onto this settlement, so it is my assumption, since they have signed onto it, they were in agreement with it, and it is not the role of government or of a minister to second-guess a mediated decision when it has been signed onto and agreed to by all parties.

Mr. Jack Penner: Madam Chairperson, the agreement is not the point in question here. The agreement or the mediated settlement is not the question. The question is: Would she do what is right? Would she make the decision that is conscientiously right and reimburse those cooperative board members for the cost that they incurred for acting in good faith, on behalf of her Government, and the Vita Feeder Co-op and the cattle producers' industry in this province. Would she reimburse those people for their costs? It has nothing to do with the settlement. Do we know what the costs now are of having acted in good faith? We know that. I am asking the Minister: Would you recommend to your Government that we reimburse these people for the costs they incurred for acting in good faith?

* (16:30)

Ms. Wowchuk: To do what the member is suggesting is overruling the mediated settlement that all parties agreed to. I am assuming those people who were in the mediation process put all of these issues on the table. I am assuming they had discussion with the mediator on these issues

and came to a final agreement. That is my assumption. To say government should overrule that then destroys the mediation process.

I put it back to the member again and remind him that he had opportunity to deal with this when he was in government before it got to the point where it was in the mediation process. This issue did not arise overnight. Maybe it should have been resolved long before it got to a mediation process. I question why the member did not raise it then with the previous Minister of Agriculture to try to resolve it so that it did not get to the point where it had to go to mediation. It bothers me. I wonder why the member would not have done something like that before it got so far down the road where it had to go to a mediation process.

I, again, say it is not the role of government to turn over a settlement when it has been signed on to by all members who put their case forward and who put their facts forward and then came to an agreement and signed off on an agreement.

An Honourable Member: It is a good point.

Mr. Jack Penner: I know the Member for Dauphin (Mr. Struthers) says good point. The good point made is the settlement was done by the mediator. That is the good point. It was done by the mediator. Parties all agreed to that settlement because it was the cheapest way to get out of an untenable situation. It was the cheapest way.

I am asking the minister now, in respect of what happened in Swan River, and in respect of what happened in other areas of the province and decisions that government made, some precedents have been set here. Does she have conscience? I am asking you, Madam Chairperson, whether the minister has conscience to realize, whether she thinks this was fair that the members of the Vita Feeder Co-op board of directors picked up the cost out of their own pockets and paid on government's behalf, quite frankly, the costs that were incurred by the mediated settlement? Does she believe in her own conscience, in her own mind, with fair conscience—I know she is a fair person—that this truly, these costs should have incurred by that board of directors? Does she truly believe that?

Ms. Wowchuk: The member talks about the situation in the Swan River area and disaster

assistance. Those are two very different issues. Comparing disaster assistance, comparing a mediated settlement are very, very different issues.

What I would tell the member, I was not at the mediation process. I do not know what facts were put on the table, what issues were put on the table by both sides, but ultimately a decision was made and a settlement was achieved. All parties signed on to that settlement. I would assume that all of the issues the member raised were discussed and were part of the mediated settlement.

Mr. Jack Penner: The minister knows and everybody at this table knows the whole process was a mess, a very costly mess, a very expensive mess for a few people, through no fault of their own. They acted on behalf of the cattle producers. They acted on behalf of the Province. They were the board of directors. In all fairness, could the minister tell us whether she believes, in her own heart, whether she truly believes that these people should have paid out of their own pocket?

Ms. Wowchuk: Madam Chairperson, a serious situation developed at the Vita Feeder Co-op that caused concerns for many people. Some of the concerns were caused for the board of directors. Because the issue could not be resolved, a mediator was put in place, a mediator that was endorsed by all members that were being heard. They had discussion; they stated their case; and then a decision was made by the mediator. Ultimately, they must have agreed with the decision because they signed on. If they were not in agreement they did not have to sign on to the mediator's report. I would assume that all of those issues that the member is raising were raised with the mediator and were discussed.

Mr. Jack Penner: Does the minister truly believe that those board members should bear the cost and pay for this out of their own pocket, or do you really think that government might have some responsibility here? Through the Chair, do you truly believe that these people should pay for this out of their own pocket?

Ms. Wowchuk: Madam Chair, again, I am not sure how many times I have to repeat the answer for the member, but the member is aware of the

process. There was a difficult situation that developed at Vita Feeder Co-op. It could not be resolved. It went to mediation. All parties agreed to the mediator. All parties put their case forward and I am sure that, during that process, all participants had the opportunity to state their case, state their views on what their costs would be and had a good discussion with the mediator. They must have discussed all of these issues because in the end they all agreed and signed off on it. If there was disagreement on it, then I would assume that the people involved would not have signed off on the agreement.

Mr. Jack Penner: Assuming, though, that what you say is correct, that they all shared what needed to be done in the final analysis to bring this to a conclusion, having been part of a discussion, or sat in on a discussion that occurred around your deputy minister's table with MACC and members of the Vita Feeder Co-op a few years before that, before this all came to a conclusion; I would suspect, by comments made around that table, these people were given a clear indication that nobody would sue them personally for costs, or nobody would require of them personal satisfaction for payment of costs incurred, or that there was any reason for these boards of directors to believe that they would incur, not only legal costs, but even to have been asked to contribute a final settlement out of their own personal accounts. It was simply not discussed at that time.

There was no indication given to these members of the board of directors at any time that this would be a requirement of them should things not go right when they were first elected or appointed as board of directors of these feeder co-ops.

Now, I ask you, Madam Minister, because, in the final analysis, they looked at how much money had already been spent in legal fees and other costs incurred, how much money had already been spent. If this kept going on and on and on, the only people that were getting rich were the lawyers. What conclusion would you have come to, especially if you knew that the money was coming out of your own pocket? There was no government to back you up. There was no feeder co-op to back you up. There was nothing. You were on your own. You were hung out to dry and you were picking up the cost.

What conclusion would you have come to if a mediator would have come and said for this amount of money we can bring this to a conclusion? Would you have probably thought that maybe, just maybe government and the minister of the day would have a heart and reimburse them for the cleaning up of a mess that had been created through no fault of their own? Do you honestly believe that it is conscionable, that it is truly conscionable for these people to have expected in the final analysis that any government would ask them to pay the bill for them?

* (16:40)

Ms. Wowchuk: Madam Chair, the member referred to a meeting that he attended. I cannot tell the member what happened at the meeting. I was not the minister at the time. I cannot account for the member's impressions of what was said at that meeting. That is his impression of what was said at that meeting. If that was his impression he should have taken it to his minister at the time and discussed it further. But I can tell the member that this is a serious issue, one that has been ongoing for a long time.

People were not able to resolve it, and they requested a mediator. A mediator was put in place that all parties agreed to. Everybody agreed to the mediator. Everybody, as I understand it, had the opportunity to state their case and put their facts on the table. A decision was made, and everybody agreed to the decision. Everyone signed off on it. I am assuming that when people signed off on it they were satisfied with the results. Things may have changed after that, but I am assuming that they were satisfied. It is not my position to second-guess what happened in a mediation process where everybody agreed to the mediator and everybody had the opportunity to discuss and put forward their case to the mediator.

Mr. Jack Penner: In conclusion, I just want to put this on the record. I find it absolutely amazing that this minister will not agree that there is a responsibility by government—whether she is the minister or not is totally immaterial—that there is a reason for government to get involved in reimbursing these people for their costs.

These people served in good conscience. These people were led to believe, in my view,

from discussions I sat in on, that they would not incur personal injury, personal financial injury, and yet they have, very significantly, as this letter clearly states. I find it, quite frankly, somewhat embarrassing that as a member of the Legislature I will have to sit here and represent my own people in my constituency where this tragedy occurred, and tell those people that, because of a lack of heart on the part of the current Government, there is no will to do as other governments have previously done, made decisions that were out of scope. This is not even an out-of-scope decision. This is clearly a decision by the minister whether she will direct her department to reimburse the board of directors of the Vita Feeder Co-op for costs that they have incurred to be board members of that co-op, and to finally bring this whole mess to some conclusion without incurring a huge amount of further costs. That could have happened. If this would have gone to court, there would have been some very significant further costs.

I believe the minister can make that decision. I believe if the minister has any heart at all she will make that decision, and she will ask her department to reimburse these people for their costs. Because it is not their fault that this was allowed to happen the way it did. It was because of extenuating circumstances, because of advice given to them. I truly believe if the minister truly wants to serve justice and act in conscience and in the best interests of the industry as a whole for the long term, she would reimburse the members of the Vita Feeder Co-op board of directors.

Ms. Wowchuk: I find it absolutely appalling that the member would make such statements when the member knows full well that if he was really very serious about this situation he and his government could have addressed it long before it got to the mediation process. It could have been resolved if the member was so serious about it and wanted to have it addressed. The member did not take it seriously then, he obviously did not take it to the Minister of Agriculture then. It drifted until it got to the mediation process.

Once it got to the mediation process and the mediator and it was agreed on, people agreed. They put their case forward and they agreed.

They signed off, but the member should not let people believe he has such a big heart and that he is caring for everyone when, in fact, he could have, if he was very serious about this, taken this to his government and worked through it before it got to the mediation process. He did not do that. He did not do that. It drifted until it got to the point of having to go to mediation. When it went to mediation there was an agreement reached by all people. Now, the member may not agree with the decision that was reached, but obviously all parties who were there agreed to it.

I want to just tell the member I understand what people are going through, but it is not government's role to interfere in the process once it has gone to mediation. There is a settlement that all parties have agreed to. If people did not agree with the recommendations for the settlement they should not have signed on. I know there is a lot of pressure on people in these kind of situations, but when it has been signed off it would appear all parties agree the conclusion that has been reached is in their best interests and they have signed off. That is what has happened.

It is unfortunate that the member who was a part of government when this situation began did not deal with it sooner.

Mr. Jack Penner: It is obvious the minister has just indicated to committee, as far as she is concerned, it does not matter how lives of people are affected. I think that is unfortunate. That is really all I am going to say. I think this is clearly an indication as to how government deals with people and people's lives. I think that has been clearly demonstrated at committee today.

Mr. David Faurshou (Portage la Prairie): Just on a current affair here at the present time, is the minister going to be able to get out to Austin to the Manitoba Threshermen's Reunion and Stampede this week? It is the 48th annual event, later in the week, just for some of my constituents' interest.

Ms. Wowchuk: Madam Chairperson, it will depend on where we are going with Estimates and where my other commitments are. I know that this weekend is also the weekend of the

Northwest Roundup in the Swan River constituency, and my priority will be to attend the Swan River roundup and exhibition. If the member would like to come to Swan River, I would be happy to have him in Swan River as well, because it is one of the best rodeos and exhibitions in the province.

Mr. Faurchou: Well, I appreciate the minister's response. I just would like to encourage her to attend the Threshermen's Reunion in Austin. It begins on Thursday and runs through until Saturday. So she might be able to have an opportunity to drop in and partake of the experience on her way to Swan River.

Ms. Wowchuk: Oh, I have to tell the member that I have attended the Austin Threshermen's Reunion many times in the past and will attend it again. I want to give full credit to the many volunteers who give of their time and work very hard to ensure that all people who attend the Threshermen's Reunion have a good time. I also want to commend the people of the region for the work that they have done in preserving the history of agriculture at the Austin museum.

Mr. Faurchou: Just another point, I would like to ask: Has the minister considered writing correspondence to the recent recipients of the induction into the Manitoba Agricultural Hall of Fame? The event was held in Portage la Prairie this past Friday. I will say, having experienced that induction, these individuals are truly outstanding, and have contributed immensely to agriculture and their communities in rural Manitoba, and I would hope that she would consider that.

Ms. Wowchuk: I thank the member for the advice, and I want to assure the member that I always recognize those people who contribute to agriculture because it is a very important industry in the province, one that many other industries are built on. These people who contribute to agriculture are very important, and I want to give them full recognition. Although I was not able to attend the event, staff from the Department of Agriculture were there to extend the congratulations to all recipients.

Mr. Faurchou: And acknowledgement to Shawn Cabak, agricultural representative from the Portage la Prairie office, who did represent the minister in very fine form.

I would like to pick up where I left off on Thursday for just a few short minutes here. I want to thank the minister for recognizing the importance of trade, as well recognizing the importance of the diversification and ultimately the value-added component that we hope to see here in Manitoba through the investment in the pharmaceutical and functional food development and research at the University of Manitoba.

I did, though, begin to ask the minister in regard to working co-operatively with the producing side of agriculture and farmers having the ability to work directly with those companies that are prepared to invest in value-added processing in this field. I would like to ask the minister, in light of this investment and the willingness by agricultural producers to work directly with this new industry, has she considered doing as her counterparts in Saskatchewan and Alberta have, and that is going on record as supporting changes to the Canadian Wheat Board in relationship to direct marketing of wheat and barley by producers?

Ms. Wowchuk: The member raised this issue on Friday, and at that time I told him the producers have representation on the board. There are 10 farmer-elected members on the board who act in the best interests of producers.

I do not think that it should just be a whim of some committee to make changes to the role of the board which has served producers of Canada, and western Canada in particular, for a long time. I think those are decisions the board would make, but, ultimately, if you look at history and you look at the return per producers and if you look at working collectively, and the member's colleague I believe earlier talked about co-operatives and the importance of co-operatives in serving producers, well, this is one co-operative that has worked for producers and shared the profits.

* (16:50)

I know the member has interests in processing, and those are the kinds of discussions that you have to continue to have with the Canadian Wheat Board. But I do not think that we should be moving in the direction of destroying the concept of the Wheat Board. The decisions on the operations of the board will be made by the

producer representation on the board. If you look back at the members who have been elected, most of the directors that producers have put on the board are the ones who have campaigned and run on maintaining a strong Canadian Wheat Board to be the marketer for the producers of western Canada.

Mr. Faurshou: I appreciate the minister's comments. However, I will state at this time that there is an increasing amount of support for a domestic flexibility. The present Government of which she is a member is investing heavily in new research and value-added opportunities for agricultural produce, and it is imperative that this investment be made the most of through the abilities to have direct contracting with producers that currently the Wheat Board does not allow for.

It is not and I will emphasize it is not the board of directors who are preventing this from happening. It is the legislation that is preventing the board of directors from exercising the flexibility, whereas a producer can make direct contracts with these value-added processing entities. That is where I am asking the minister to join with her counterparts in the other two western provinces, Alberta and Saskatchewan, in requesting that modifications be made to the Wheat Board Act, so that this can take place on a domestic marketing situation and not on an international base of marketing.

This in no way, shape or form should be made into a request to dismantle the board. That is not the premise for it. We are looking for value-added processing and the ability for producers to have that flexibility and for processors to have that flexibility to deal directly.

I might just perhaps inform the minister that the Canadian Wheat Board and a very structured marketing of Canadian grains does not allow for the inclusion of cultivars that do not fit easily into the Wheat Board classes. If one develops a cultivar that has specific traits, specific to a functional food process and does not meet a structured classification within the Wheat Board and the Canadian Grain Commission inclusive of the very defined nature of kernel visual distinguishability, these particular cultivars cannot be produced here in Canada and cannot be contracted.

These are the restrictions that exist today. That is why I am asking the question of the minister, to get on board with her other two ministers in Saskatchewan and Alberta in calling for changes to legislation that will make this type of relationship happen.

Ms. Wowchuk: The member talks about the two western provinces supporting the recommendation out of the committee. I want to tell the member he is wrong. Alberta has supported it; Saskatchewan has not. You know, the member is talking about the recommendation there, but I want the member to know that there are ways to work through this issue.

If you look at the Warburton issue, the Warburton issue is one of the areas where the Canadian Wheat Board has worked with a company to make arrangements for a specific variety of wheat to be segregated and go direct to market. That happens. The Canadian Wheat Board is working and has worked at segregating organic grain. Those are true.

Now, the member talks about the different varieties of wheat and not being able to sell them. I think that is much more than a Wheat Board issue. That is an issue of identification and preservation. We have to work through that. As new varieties come onto the market, we have to work with the Canadian Grain Commission and others to have an identification process, because there is a risk. Canada has a reputation of high-quality wheat for the export market. If we are not able to identify the different varieties that might then be blended with our wheat and destroy the reputation that Canada has, there is much more at risk here. So there is a concern with the proposal to market wheat and barley outside the single-desk authority of the Canadian Wheat Board.

I have raised those concerns. My concern is what will likely happen. We will likely see a reduction for wheat and grain producers. We run the risk that we could expect to lose two of the premium markets of the Canadian Wheat Board, that the domestic market industry and the U.S. could be lost to grain companies. We have to think about what will happen to producers. We have to look at a broad range of producers, not just a few individuals. The study that has been done indicates that we could lose close to 55

percent of production by moving into a model like this. So we have to think this through very, very carefully. We have to think about what the role of the Wheat Board is, what service it provides to producers, but there are also other emerging issues that we have to work through.

The member talks about variety identification. Those are important issues, but ultimately I think that when we look at what is happening here with the suggestions that have been put forward, I would want to work with the producer representatives on the board and come forward with solutions. I think that there are ways to work through this. In my discussion with the Wheat Board, they are willing to have discussion.

So I am not prepared to throw out the baby with the bath water. I want to work with solutions that are in the best interests of producers to ensure that we have a long-term viability because I believe in family farms, smaller operations. When I say smaller operations, that is not a quarter of land, but there are smaller operations.

Madam Chairperson: The hour being 5 p.m., it is time for Private Members' Business. Committee rise.

CULTURE, HERITAGE AND TOURISM

* (15:10)

Mr. Chairperson (Conrad Santos): 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 Culture, Heritage and Tourism.

Does the honourable minister have any opening statements?

Hon. Ron Lemieux (Minister of Culture, Heritage and Tourism): I do, Mr. Chair.

Mr. Chairperson: Please proceed.

Mr. Lemieux: Thank you, Mr. Chairperson. It is my privilege to introduce Manitoba Culture, Heritage and Tourism Estimates for 2002-2003 for review. I look forward to answering any

questions my critic may have or others may have with regard to my department.

Culture, Heritage and Tourism offers a wide array of programs, as many know, and services that help make Manitoba a province with a great quality of life for all people. I think that is really the essence and that is the most important part of what my department is all about. We support Manitoba's flourishing cultural community and provide funding for the arts, oversee the operation of Manitoba's public libraries, the management of the Government's Web site and the preservation of our historic resources.

We are also responsible for promoting tourism within Manitoba, film and video classification, the promotion of recreation and wellness and access to archival and library resources. Through these programs, we provide leadership in developing and promoting the well-being of all Manitobans.

I would like to be able to, Mr. Chair, go through a few areas of my department. I know my critic knows the area well, so I will not try to belabour the point. But I would really like to make a few comments and put a few comments on the record, because, as my critic knows, there are people who work so hard within the department, I believe they deserve recognition and the work they do deserves recognition. So I would certainly ask if I could be allowed to give some time to stating what these persons do within the department and the important work they provide for all Manitobans.

What I would like to do is take a look at the department as a whole by firstly breaking down the department into divisions and saying a little bit about each division, Culture, Heritage and Recreation Programs division firstly. I would like to make a few comments about this division. I want to begin by sharing with you some success stories in the cultural sector in the past year.

The Prairie Theatre Exchange produced playwright Ian Ross's award-winning play, *fareWel*, at the Traverse Theatre as part of the Edinburgh Fringe Festival. I had the pleasure of attending that. I had the pleasure of hosting a small reception for Mr. Ross and all the people

who participated and were actors within the play *Farewel*. It was certainly very, very positively received and received a lot of positive comments about Mr. Ross himself, as well as the actors.

Also, Manitoba film animator Cordell Barker's latest work, *Strange Invaders*, won awards at the international film festival in New York, France and Germany, and received an academy award nomination in the animation short-film category.

We have so many others. We have Fubuki Daiko and Aboriginal recording artist Billy Joe Green who received awards at the third annual Prairie Music Awards and the Manitoba Museum became the temporary home of the Golden Boy, which drew over 114 000 visitors.

Also, when we take a look at some of the other areas within this division, you have majors, you have operating and capital. Manitoba is recognized as a leader in the Canadian and international arts community. To sustain that leadership, we have committed funding to the Winnipeg Art Gallery, the Manitoba Centennial Centre Corporation, the Manitoba Museum, the Western Manitoba Centennial Auditorium and the Centre Culturel Franco-Manitobain. In conjunction with Manitoba Intergovernmental Affairs, we are again providing a special grant to the Manitoba Arts Council to assist in its effort to stabilize and promote the arts and address the emerging needs of the community.

Just an aside, Mr. Chair, just recently a report came out stating where Manitoba fits, per capita, with regard to arts funding. We are a leader in Canada. I know a lot of people within the arts community would say it is not enough and I would tend to agree with that. I think my critic and others would as well, but we are progressing, and we are gradually getting there. I know their government should be congratulated as well, because they worked hard too, to make sure we kept that ranking. We have been working, also very hard, to make sure that we are trying to stay as close to No. 1 and being No. 1 as possible. This also, regrettably, brings up the point of where the City of Winnipeg sits. Per capita, the City of Winnipeg is the worst funder of the arts in Canada, and that is also what the report said. We are working with the City of

Winnipeg and trying to inform our colleagues at City Hall about the importance about how the City of Winnipeg should improve funding to the arts. I know the current mayor has made a commitment to improve the funding to the arts. I know that will be an election issue come this fall in the municipal elections that are to be held. We would ask and plead in many ways that the City of Winnipeg contribute more funding to the arts community.

I would like to also comment that Culture, Heritage and Tourism has the mandate to ensure that government-owned cultural facilities are adequately maintained for public safety, comfort and access. It will provide funding for upgrades to the Manitoba Centennial Centre and to the Manitoba Theatre Centre.

I would like to, for a moment, just comment on our Arts Branch. There are three initiatives that will benefit Manitoba's growing film, video and new media industries. This industry has become a multimillion dollar industry in Manitoba. I understand that this coming year it will be close to \$50-million worth of business brought into Manitoba, dealing with the film and sound industry. I know that this provides many jobs for Manitobans and also gives us a very good high and positive profile across the country.

There are three initiatives, as I mentioned before, that will benefit Manitoba's growing film and video and new media industries. There is \$1.1 million provincial funding to Manitoba film and sound, changes to the Manitoba film and video production tax credit. I do not profess to be an expert in taxation, but I understand that through the tax benefits, many of these companies who produce film and sound will benefit as a result and being able to credit many, many of the employees that they are able to use while making these movies. Also, there is a provision of \$900,000 over three years for a New Media Equity Fund, which is very, very important. New media is emerging as a very, very important part of the sector.

There are approximately 3000 jobs in Manitoba that are related to the film, video and sound recording industry. Funding will help encourage future production in the province and continue to provide an incentive to use the local

pool of skilled technical labour. Nine hundred thousand in investment capital for a New Media Equity Fund will address the need for investment capital, further increase the volume of Manitoba-owned products and create an estimated \$10 million in new production.

Over the last three years, tax credits totaling \$7.6 million have been paid towards 61 productions in Manitoba. Eligible projects for the tax credit include fully financed television movies, documentaries, feature films and dramatic series. Also, multimedia, animation and children's programming and music programming as well. The New Media Equity Investment fund will provide equity investment for the production of high-quality, original, interactive, or Internet projects in both official languages. Manitoba has more than 120 new media companies employing 600-700 people. Each year, they produce \$35 million to \$40 million in new media products such as animation, special effects for movies and television productions, Web sites and software products.

Many Manitobans are not aware of all the work that takes place within this industry, and I think part and parcel of the job of government is to inform the public of how their tax dollars are being spent, but the return that we get on all those dollars that we put into this industry is extremely beneficial for men and women who want to get into this industry, but also providing employment for all of those who participate.

Some of the positions associated with film, video and new media production include animators, art directors, choreographers, cinematographers, editors, line producers and production coordinators. After five years of planning, the Manitoba Arts Stabilization Program was officially launched on January 22, 2002. The five-year, \$6 million program is a cost-shared public-private-sector program to foster the financial stability and artistic renewal of Manitoba arts organizations. I should say that, in this respect, Minister Copps, our federal Minister responsible for Culture, should be congratulated. I know she is a strong advocate of culture and the arts, and we are working hard to work with her to increase funding to many projects in Manitoba. I know that she is a very, very big supporter and a champion of the arts across Canada, and we thank her for that.

There are many other individuals locally here who are involved in the stabilization program, and they work extremely hard to try to stabilize the arts community where need be.

I would like to say also the community arts development continues to be a primary focus of many of the Arts Branch programs. The department supported 800 000 student hours of community arts instruction supported by the department, and contributes to some 800 concerts, performances and exhibitions.

Also, I would like to take a look briefly at Historic Resources and Public Library Services. Historic Resources, in co-operation with Manitoba Intergovernmental Affairs, amendments had been made to The Planning Act enabling Manitoba municipalities to implement tax credits for heritage properties under restoration. I know many communities are starting to look at it and will be taking full advantage of this tax credit.

We continue to be actively involved with the federal officials in the design and implementation of a \$24-million investment strategy to conserve Canada's historic places, Historic Places Initiative announced last June by Canadian Heritage, again, Minister Copps's responsibility, Mr. Chair.

Building community participation, awareness and expertise in conserving the local heritage is an ongoing commitment. Over 40 schools and 3500 of Manitoba's young people are participating in projects to honour the unique places, events and people who have made a difference to our province as part of the annual Manitoba Day celebrations on our birthday, May 12, 2002.

Public Library Services: 77 rural and 20 city of Winnipeg Public Library locations now support public access to the Internet through one or more work stations. Overcoming the barriers of cost and distance to access the resources of the world is essential to prevent Manitobans from becoming victims of the digital divide. The Manitoba Public Libraries Information Network, MAPLIN, continues to be a Manitoba success story. The network makes it possible for libraries and all library card holders to participate in any province-wide resource sharing.

Last, but certainly not least important is the Recreation and Wellness Promotion part of this division. As the minister responsible for the voluntary sector, we are taking a lead role in working with other government departments and also with other jurisdictions on voluntary sector matters.

* (15:20)

The North American Indigenous Games, being held in our province this summer, will provide another opportunity for Manitobans to show our volunteering spirit. These games are about to start in approximately four or five days, and I certainly encourage all Manitobans to get totally behind these games. It is an opportunity for Aboriginal people as well as Métis, Inuit and First Nations people of the U.S. to get together to show not only their athletic ability, but also their artistic ability to put on a great show culturally.

Physical inactivity is a serious risk factor affecting the health and well being of thousands of Manitobans. We know this. There is a lot of proof. There is a lot of research that has been done in this area. Yet many, many of us, including many in this Chamber, are not as active as we should be. Yet we know if there is something we can do in a proactive way to help us and help our health care system, it is to participate, whether it be by walking, biking, as you do, Mr. Chair. I know that often you bike and are able to get some exercise that way.

It is certainly something that most of us should take to heart, and no pun intended, but we should seriously look at a way we can improve our health by participating more in physical activity.

At one time, we used to think that you had to run or jog five miles a day, but now, we understand, that it is just a matter of walking around the block, going for a bicycle ride in the evening, or going up a flight of stairs instead of taking the elevator. We say simply, but I do not mean that in any disrespectful way but in a very, very simplistic way, these can affect our health in a positive way.

By providing \$492,000 in financial assistance to 44 recreation commissions comprising

124 municipal governments and 31 school divisions and districts, we help make a wide variety of recreation opportunities available to Manitobans.

This is not to say that our Government is the only one that has done this. We are certainly, I would say, continuing what the previous government did, but we are also trying to enhance what they did. I think it is incumbent on any government, any new government to move forward and not just sit and stay where the previous government was, to try to improve things, which we are.

We work closely with the Manitoba Recreation Trails Association and its affiliates that are developing and maintaining recreation trails. When we talk about people being able to jog and run, we want to ensure that people have trails to do this on and are not doing this on the street where there is a lot of traffic and also on our provincial highways where there are a lot of automobiles and trucks going at a high speed, where there is a lot of danger involved.

The summer-active and winter-active programs are encouraging local opportunities for participation and recreation, physical activity and sports activities. Also, working with Sport Manitoba, we are co-ordinating efforts to reduce the risk of harassment and abuse in sport and recreation and to identify Manitoba resources to deal with them from legal, educational and preventative perspectives. Sport Manitoba, the Estimates on Sport will certainly be taking place in a short while, and I will have a better opportunity at that time to speak about Sport Manitoba and all the great things that they are doing.

Just a quick comment on the Community Places Program. Since its inception in 1987, the Community Places has supported over 3800 community-initiated facility projects. We are going to be notifying communities very shortly as to who will be receiving grants and also those who have not met the criteria and will have to take another shot at attempting to get grants next year. Community Places gives special consideration to projects that support our commitment to the development of children and youth, to environmentally friendly practices and to viable

projects that serve Manitobans facing special physical, social and economic challenges.

Also, another part of the department is the Tourism division. Tourism has become such a huge, huge business. In Manitoba alone it is about \$1.13 billion. I believe last year, that is the record we reached. The province is realizing nearly \$250 million in export dollars from the United States and overseas markets, people wanting to come to Manitoba. A lot has to do with the Folk Festival, Folklorama, Countryfest in Dauphin, Lily Festival in Neepawa, the Trout Festival in Flin Flon, the Trapper's Festival in The Pas and on and on and on. We are so blessed in Manitoba with the different festivals we have here. They are such a great attraction.

Now, if you take a look at what we have just in Winnipeg alone in facilities, you have the museum. The museum I touched on earlier as one of our No. 1 tourist attractions in the province. We have many, many visitors who come from all around the world to visit our museum. I am pleased to say that it is now called the Manitoba Museum where it used to be the Manitoba Museum of Man and Nature. I am pleased to see the name change which has officially been put in place this past year.

Also, September 11 was a real blow to the tourism industry worldwide, but recent data point to a recovery in Manitoba. Preliminary data for 2001 show an increase over the \$1.13-billion income of the Manitoba tourism industry in the year 2000. In fact, because our neighbours to the south may be shifting their travel patterns to shorter-haul vacations by car, rubber wheel as the industry calls it, there may be improved opportunities for Manitoba.

We have refocused our international marketing efforts to take advantage of these new opportunities, and we are doing more promotions in the U.S. We are working closely with our neighbours in Minnesota, North Dakota and South Dakota to ensure we have a two-nation-destination vacation for people coming from overseas. They can go to Minneapolis first, then visit the great states of Minnesota and North Dakota and then come to Manitoba, or come to Winnipeg first and visit Manitoba and then go to the U.S. So you are getting an opportunity to see two different countries on the same trip. We

have met recently with members from Minnesota, North Dakota and South Dakota. I know members of the Opposition also attended the meeting in St. Paul.

This is one of the areas where we have made a lot of progress this past year and we are looking forward to working closely with our neighbours, not only in Minnesota, North Dakota and South Dakota but in Texas, where a memorandum of understanding was signed recently by the Premier and representatives of Texas on trying to improve our tourism opportunities with our great neighbours to the south.

One thing I did not realize, which was pointed out to me by people from Texas, was the fact that Texas is the No. 1 birding state in the United States where people visit Texas to view different types of birds and species of birds. They informed me that Manitoba is recognized as the No. 1 province in all of Canada for birdwatching. So, just there alone, we have something very much in common. There are many, many other opportunities. As the dialogue continues, you soon discover what you have in common more so than what you do not.

We are confident a fresh multimedia advertising promotional campaign in these key areas and key markets will increase the number of international visitors to Manitoba. A Web site travelmanitoba.com has become a major marketing tool, reflecting the new consumer preference for on-line travel information. Soon we will offer on-line travel counselling services. We will be the first province in Canada to offer the on-line travel counselling services. I should tell you my notes are a little bit dated because I had the pleasure of making this announcement at our travel centre at The Forks where you can actually call on-line and have a counsellor there speak to you live and be able to type out the information back to you. You can ask any questions about the Golden Boy or whatever questions you want to about hotel opportunities or different events that are taking place in the province and they will type that information back to you on your computer. It happens almost instantaneously.

The Travel Manitoba Web site includes links to hundreds of tourism operator sites,

successfully directing visitors to businesses in this region, the site traffic exceeding 125 000 hits per month. Travel Manitoba's Internet presence provides strong support to the tourism sector.

The year 2002 was the International Year of Ecotourism. We are initiating a variety of activities to raise awareness of adventure travel and ecotourism opportunities in Manitoba. The World Tourism Organization identified adventure travel and ecotourism as one of the fastest growing market segments. It is estimated that 7 percent of all international travel expenditures will relate to tourism experiences focussing on nature, just on nature, not the hunting and fishing that we are famous for, but people going around and either paddling a canoe down one of the beautiful rivers in Manitoba, or bird-watching, or just being able to observe nature in its natural setting.

* (15:30)

Last year, we announced \$450,000 in new funding for development of adventure travel and ecotourism. The Premier went up to Churchill and made an announcement about how important ecotourism was to Manitoba and that we would be certainly pursuing different initiatives related to ecotourism.

One that has been suggested is doing the river stewardship. We looked at Red River Greenway for example and many other initiatives that are taking place in Manitoba and are going to be pursued over the next months and years to come.

We are also consulting with the industry on its implementation of a comprehensive strategy that ensures Manitoba's adventure travel and ecotourism products are ready to compete in the global marketplace. Our plan will be based on partnerships that will provide support toward new development, marketing and training initiatives, Mr. Chair.

In April, I was extremely pleased to launch Manitoba's new Great Outdoor Adventure Guide. It is a huge, well, not so huge, but a 46-page document which shows colour photos, canoeing, bicycle maps and so on of Manitoba

and what we have to offer. I know the contact information for more than 80 adventure travel companies that exist in Manitoba now and will only grow, was also put in this guide. This guide is being distributed across Canada and North America to adventure travel enthusiasts. My opportunity to speak to people in Minnesota, already many have come up to Manitoba this summer, and many are going to come up this fall, just specifically to attempt to white-water raft, to backpack, to hike, to bike and to take advantage of all the other opportunities they have here in Manitoba.

I would also like to comment that opportunities to experience Aboriginal cultural and artistic events are plentiful in this province, one I believe that really is one that has not been truly explored as much as it should be. I would say "explored" more in the sense of people having an opportunity to see what is available.

In other provinces, in other states, the word "exploited" should be used because exploited in the sense that First Nations people have not been included in many of the projects. They have not benefited job-wise or economically speaking, and I think that is what this Government's approach is attempting to do, to bring in First Nations people at the ground level and have them give input to government and let government know what they feel Aboriginal tourism is all about, not what government feels Aboriginal tourism should be. I think there is a big difference, and I think it is a big step forward. You do not have to look back that many years where government often made recommendations and individuals like First Nations people were never consulted on how this would affect them.

I would like to say that, not only are we committed to Aboriginal tourism and certainly having people experience the Aboriginal culture, but we are committed to a planned approach to the development of tourism opportunities along the Red River Greenway. This Budget maintains our commitment of \$125,000 towards the development and marketing of heritage, cultural and eco-tourism products along the Red River. This is currently being explored. There are many people that are working, mayors, reeves, people from the city of Winnipeg, federal government

and others who are looking at how do we use the Red River in a viable way, all the way from Emerson, the U.S. border, all the way to Lake Winnipeg, going through the city of Winnipeg.

The Red River, to us, is a trail. It was used as a trail. It was used as the way for people to market their products for hundreds of years. We have a great opportunity to use the Red River in a very, very positive way. We know what the negatives are about the great Red River and the floods, like the flood of '97 that just took place. It seems already it is five years, and yet we are still faced with many, many of the effects that created, but we are looking at a very positive way to use the Red River in a tourism way that will benefit our province.

I know there are many communities along the Red that will be able to take advantage of the different spin-offs and benefits that may come of this. There may be different museums being developed. There may be different restaurants developed along the Red. There may be just green space developed by different municipalities along the Red.

I know one area that I would like to talk about is certainly Fort Dufferin. I am not sure if my critic is aware of Fort Dufferin, but, in the sixties, the federal government put a plaque up where Fort Dufferin, the first fort that was recognized by the Northwest Mounted Police and the first development of our RCMP in western Canada, it is a heritage site, and yet nothing has been done with it. It sits in Emerson, and you have got grass that is about six feet high. A lot of the buildings are falling apart. Nothing has been done with it. It sits right on the Red, and that may be a good place to start and a good place for the federal government to partner with the Province as well as the local municipality in trying to do something with that area and that fort.

I would like to just comment about the tourism industry as a whole. It is really facing a large labour shortage in many different tourism occupations. Access to training programs is a key priority, and this Budget provides a commitment of \$50,000 to the Manitoba Tourism Education Council to address the training and certification needs of the industry.

I know the ministers of Education and Advanced Education feel very strongly about the importance of training our young people, not just in the tourism sector, but how there is a lack of training in different specific sectors that need to be addressed. I know this is an area that we are certainly concerned about. I know that the industry themselves, the people within the industry have told us that we need to make sure that more people are trained within the tourism industry.

This Government will continue to financially support tourism in each region of Manitoba through the regional tourism program so far. We are certainly wanting to review this aspect. We do have a tourism advisory council.

Last February, the Premier and I hosted a tourism forum, bringing together over 160 leaders in the tourism industry, labour and government to provide advice on future directions. We are pleased to say that that Ministerial Advisory Council on Tourism has been established and is co-chaired by Max Johnson—Max is with the Great Canadian Travel Company—and Doug Stephen, who is with WOW Hospitality. These people have done a great job, as well as with all the other people on this advisory council who are giving advice to government.

This is the first time I have been advised that business, people who make their bread and butter from the tourism industry, have been asked to sit in advisory council to give recommendations to government on what should be done in the tourism industry and how to improve tourism in Manitoba.

So we are very proud of this tourism advisory council. We are hoping that the advice and guidance that they are bringing to us as government will be advice that is sound in nature and that they will certainly be doing their homework. What I have seen so far is that we have no reason to doubt that there are going to be great suggestions coming forward from Max and Doug and the advisory council.

I know the advisory council right now are focussing on three objectives: facilitating and co-ordinating a market approach; identifying tourism development opportunities; and promoting the importance of education and training.

I know I certainly look forward to the recommendations, as I mentioned, and the opportunity to work with business in order to make tourism grow as an industry in the province. We look upon tourism as being economic development. Tourism is economic development. We are looking forward to having tourism grow in this province. It benefits us all. I know that this is an area that we see so much potential for growth. It is a priority for this Government.

There are other areas I wanted to touch on. I have been a lot longer than I thought I would be. I apologize to my critic for that and to you, Mr. Chair. But I had wanted to make mention of a few other areas, if I can beg your indulgence, because of the important work that members and people within the civil service and within my department do day in, day out. They work so hard to make sure that the government of Manitoba, the province of Manitoba is well served by all their hard work.

I know that I would be remiss in not mentioning a few of those areas. We have the Communication Services Manitoba, formerly the Information Resources Division, responsible for co-ordinating all government public information initiatives. Some of their activities include managing public information campaigns, arranging news conferences, handling media inquiries, co-ordinating the content of the government Web site, distributing publications, providing toll-free telephone inquiry service, purchasing communications and printing services and advertising media space in all government departments.

* (15:40)

This is an extremely difficult job. You have a number of different ministers, different personalities, I must say. People want speeches in different formats. People want news conferences held in different ways. The people that work in this area are extremely talented. We are very, very pleased to have them working for the Province of Manitoba. They do such a great job. Regrettably, I, for one, do not thank them enough for all the hard work they do for government. I just want to make use of this opportunity to thank them, because I know the division has played an important communication role in increasing awareness and public understanding for a range of new program initiatives

such as the Healthy Baby Initiative, graduated drivers' licences, bilingual service centres and Manitoba's agricultural projects 2000, just to name a few of all the things that they work so hard to put together and being able to provide Manitobans with the information on the different programs. It is not good enough for government to have the programs. The public have to know about them and have to understand how they are able to access them.

I know a lot of the work that they have been doing: creation of a program of promotion materials, planning and co-ordinating news releases and events, as I mentioned before, and Web site development.

Communications Services provides communication support for several public consultations on government priorities, health care, workplace safety and health, floodway improvement, provincial finances, environmental protection and the use of natural spaces. I just want to thank everyone that works so hard in Communications Services. I know Communications Services also worked with the Civil Service Commission to reduce the cost of career advertising which is important. It is not a huge reduction in cost, but anywhere that you can save a dollar, that dollar is better used somewhere there is a need. I just want to say, on that note, that weekly career ads were significantly reduced in size and provided summarized information about available positions. Interested applicants are referred to the government Web site for toll-free numbers for more details about specific positions. That has been very, very positive and has been received positively.

The Provincial Services Division also plays an important role. Again, we mentioned it is important to provide Manitobans with access to provincial services in the official language of their choice of which we are proud. Manitoba we should be proud that we do have the services in both français and English. We have continued to expand services to Francophones in Manitoba by increasing the availability of public information on government Web sites, news releases and various publications. I know Minister Selinger, our Minister of Finance, has worked very hard to ensure that the services in French be provided to Manitobans. I know Translation Services works

with departments to help ensure that government replies to correspondence in the official language of their choice and Court Services have support in French or English, that interpreters are provided where required, and that information about government programs is readily and promptly available.

There are a couple of other areas which I would like to be brief about is provincial archives. Once again, today I tabled The Freedom of Information and Protection of Privacy Act. The review will begin within the statutory framework which we talked about, the statutory review happening, and preparations will be made to release a public discussion paper and to hold public hearings with regard to The Freedom of Information and Protection of Privacy Act.

The Legislative Library, which we here in this building should have some appreciation for, has served the Legislature and Manitobans for more than a hundred years and has done a great job. They, regrettably, have often been understaffed and have often been left to try to work extremely hard on what resources they have. We should all be very grateful for all the hard work they do. Many of us make use of the library services. I know that the Manitoba government wants to ensure that the information that is collected is both shared and preserved. I know that we also collect what is published throughout the Manitoba private sector by universities, publishers' associations and businesses. It is another important area.

In conclusion, it has been my pleasure to bring to your attention some of the programs and services we provide. I am proud of the work of Culture, Heritage and Tourism and its contribution to the quality of life of all Manitobans. I have touched a little bit on culture, on heritage, on tourism, on recreation and wellness, and it is, indeed, a pleasure to be the minister of a department where the people work so hard, so hard to improve the quality of life of Manitobans, that each and every day I can stand up, no matter where I have the opportunity to speak, and say how proud I am of the staff who work day in, day out, to improve the quality of life of Manitobans. Thank you, Mr. Chairperson.

Mr. Chairperson: We thank the minister for those statements. Does the official opposition

critic, the honourable Member for Seine River, have any opening comments?

Mrs. Louise Dacquay (Seine River): No, I do not have a written opening statement. I just want to make some general comments and then get into the questions.

First of all, I would like to thank the minister for his opening comments and for highlighting the various branches contained within Culture, Heritage and Tourism. I know we will not have a lot of time in here, and I have several questions. I understand that perhaps two, maybe three days at maximum is what I am being afforded, so I do not want to waste any more time in preliminary remarks.

I recognize that the minister's staff changes by department, but if there would be any flexibility—I will try, where possible, to ask questions according to the individual sections here, but if there would be any flexibility should I have to retrace a question.

Mr. Lemieux: I know the tradition, Mr. Chair, has been to go line by line, and I think what my critic is saying is that she is going to try to be as flexible as possible to do that.

I had mentioned how hardworking the staff is in this department. To have all the supervisors and to have all the leaders, as they are, to be on hold, to come back and forth where I may not have the specific answer, you know, it is a difficult thing for the department, because essentially the people are just standing by in case they may get a question or they may not.

But I am certainly willing to be—I think the term is "global," to use the global approach where a question can deal with recreation or deal with Tourism. I appreciate the comments of my critic, trying to keep the questions that relate to Culture all in one segment, so the people related to Culture can be here, or recreation or Tourism, so it is broken up into parts.

I understand that some things happen and one is not always able to do that. But I know the staff would really appreciate it because, otherwise, they are just sitting waiting in the lobby, essentially waiting in case a question is asked in their area.

So I thank the critic very much for that. I do not have a problem with being flexible and using the global approach instead of going line by line. So I appreciate her offer of also trying to categorize a question, so it is specific to those different areas, so all the staff from the department, all the leaders of the department do not have to be here for the duration of the two or three days that we may be here going through my Estimates.

So I am flexible with the global approach.

Mr. Chairperson: The minister is agreeable to the global approach.

Before we proceed any further, has the critic completed her statement? *[interjection]*

Under Manitoba practice, the debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of line item 1.(a) relating to the Minister's Salary and proceed with the consideration of the remaining items referenced in Resolution 14.1.

At this time, we invite the minister's staff to join us at the table, and we ask that the minister introduce the staff in attendance.

* (15:50)

The floor is now open for questions. Before we do that, the honourable minister will introduce the staff.

Mr. Lemieux: Thank you, Mr. Chairperson. I would like to begin with the Deputy Minister of Culture, Heritage and Tourism, Mr. Tom Carson. Next to Tom is Ann Hultgren-Ryan, who is Acting Assistant Deputy Minister of Culture, Heritage and Recreation. Also, we have Mr. Hubert Mesman, who is the Assistant Deputy Minister of Tourism. Also, we have—I have just gone blank—Dave Paton, whom I have just spent the last three hours with, and Dave is our financial person responsible for also some grants as well. So these are the staff I am pleased to present to you, and I apologize, Dave, for my senior moment, as I call it. These are the staff that will be assisting me today with our Estimates.

Mrs. Dacquay: Yes, line 14.1. Administration and Finance (b) Executive Support. I wonder if

the minister could identify the slight decrease. Was that change in personnel, or was it specifically related to reduction in support staff?

Mr. Lemieux: Yes, just a comment about an increase of about \$4,000, thereabouts. It is just related to salary and it is a small amount, so it is just related to salary increase.

Mrs. Dacquay: Could the minister please identify the special assistant, special advisors and executive assistants, and the salaries that comprise that executive support line?

Mr. Lemieux: Yes, Mr. Chairperson, just with regard to staff people. In my office, there is a special assistant. Her name is Maureen Osland. Also, the executive assistant by the name of Joseph Warbanski, and my appointment secretary is Ann Tardiff. Also, there are two other secretaries, Rema Chandran and Margaret McKeigan. Those are the staff that are in my office.

The deputy minister's office also has staff besides the deputy. If there is, with regard to the specifics about the positions, when they started and so on, I would be pleased to provide the critic with that information at a later date. But those are the individuals who are in my office. The deputy minister's office has four staff: the deputy minister, administrative assistant, appointment secretary and a secretary.

Mrs. Dacquay: At the beginning of January, the Order-in-Councils indicate that Gail Anderson was a special assistant to the Minister of Tourism. Now the minister has indicated that that has changed. I believe he said it was Joseph Warbanski? Can the minister confirm that?

Mr. Lemieux: Yes, Mr. Warbanski is my executive assistant in my constituency. Maureen Osland is my current special assistant right here in the Legislature.

Mrs. Dacquay: Is the minister then confirming that he has only one individual acting as a special assistant or political assistant in his office?

Mr. Lemieux: Yes, Mr. Chairperson, there is just one special assistant.

Mrs. Dacquay: Could the minister explain if there has been any change from the previous year in terms of the departmental staff?

Mr. Lemieux: Their answer is no.

Mrs. Dacquay: Could the minister please identify what the percentage of vacancies, if any, is in the department?

Mr. Lemieux: Mr. Chairperson, the vacancy rate is 8.4, I am advised.

Mrs. Dacquay: I am prepared to pass that line, Executive Support.

Mr. Chairperson: Line item 14.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$492,100—pass.

Mrs. Dacquay: It is 1.(b) right, Executive Support?

Mr. Chairperson: 14.1 (b)(1).

Mrs. Dacquay: Right, okay. Could the minister identify what is included under Other Expenditures under Executive Support?

Mr. Lemieux: Yes, just a point with regard to staffing, I believe the critic was asking about my department when I said it is 8.4 percent, is the vacancy rate within the department. The question related to other, what does Other stand for, it is dealing with Transportation, Communication, Supplies and Services and Other Operating. The Other Operating, I believe it is on page 68, and they are all defined, what Other Operating means, in the Supplementary Information for Legislative Review document. At least, I believe that is the answer the member is asking or looking for.

* (16:00)

Mrs. Dacquay: Mr. Chair, that line, we can pass that line.

Mr. Chairperson: Item number 14.1. Administration and Finance (b) Executive Support (2) Other Expenditures \$65,700—pass.

We are now on item 14.1. (c) Financial and Administrative Services (1) Salaries and Employee Benefits.

Mrs. Dacquay: Could the minister please identify what the total complement of support staff is for the Financial and Administrative Services?

Mr. Lemieux: Yes, Mr. Chairperson, there are 11 staffpersons.

Mrs. Dacquay: Are all of those 11 staff full-time equivalents?

Mr. Lemieux: Mr. Chairperson, they are all full staff.

Mrs. Dacquay: Just to refresh my memory, the Financial and Administrative Services is also involved, are they not, in the administration of the grants?

Mr. Lemieux: Just if I could, under Mr. Paton's area, under Financial Administration, there are five FTEs; Grants Administration are two staff; Management Services, there are three; Information Systems, five; Human Resource Services, there are five; Community Places, which, I believe, was the question—the more direct question was related to Community Places and how many staff are related to that area—there are four; and the Executive Director's office, there are three.

Mrs. Dacquay: Could the minister please identify the total allocation, if it is included in this, in terms of I have some questions on Community Places? *[interjection]* We can pass that section.

Mr. Chairperson: Item 14.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,426,100—pass; (2) Other Expenditures \$303,900—pass.

We are now on item 14.1.(d) Manitoba Film Classification Board (1) Salaries and Employee Benefits.

Mrs. Dacquay: Could the minister please supply me with a list of the names of the members of Manitoba Film Classification Board?

Mr. Lemieux: I would be pleased to. I wonder would the member want just a list in writing, or would she like me just to read them out?

Mr. Chairperson: The honourable Member for Seine River, shall it be in writing or is it oral?

Mrs. Dacquay: No, the minister can read them out.

Mr. Lemieux: Mr. Henry Huber is a presiding member, acting as chair; Ms. Ruby Donner is the deputy presiding member, which would be a vice-chair. There is Mr. Simon Hughes, Annette Loutit, I believe it is pronounced; Florfina Marcelino, Bruce McManus, Richard Nordrum, Kusham Sharma, Marcella Vezina, Astrid Zimmer, Gurmeet Singh Gill, Roy Pandya, Miro Procyalo and Parvin Shere.

There are others, also, as well, Mr. Chair. It is a very large board and there are others. There are Louanne Beaucage, Karen Jacks, James Koromo, Polly Woodward, Nikki Garvie, Mark Kernaghan, I believe it is Barbara Christophe. If you use a three-hole punch like I use it, it has taken care of some of the first names, so I apologize to my critic. Mr. Don Ellis, Randolph Gorvie, I believe it is Ed Labossiere, Marilyn McGonigal, Rik Panciera, Steve Almas, Abraham Arnold, Shahnaz Azmat, Bev Bernhardt and Bill Bachman.

That is the extent of the board, and my apologies to those individuals for all the hard work they do, if I have made any mistakes with regard to the pronunciation of their names.

* (16:10)

Mrs. Dacquay: Have any of these members changed since the last budget year?

Mr. Lemieux: Mr. Bill Bachman is the only change that I have.

Mrs. Dacquay: Is the Web page for classification search and general public access of classical information completed?

Mr. Lemieux: Mr. Chair, I have been advised that it is almost complete. It is not complete yet, but it is almost complete.

Mrs. Dacquay: Did this go to public tender?

Mr. Lemieux: Mr. Chair, it is taking place in house. It is done by internal staff.

Mrs. Dacquay: And how will this Web page be advertised?

Mr. Lemieux: The traditional way would be just by press release or on the government home page. It would be announced in that manner.

Mrs. Dacquay: How many movies and videos were classified in the last two budget years?

Mr. Lemieux: There have been a total of 264 35-millimetre feature films, and taking a look at the classification of videos, there have been 5323. So they have been very busy. Thank you.

Mrs. Dacquay: How frequently does the minister's department receive complaints regarding film classification?

Mr. Lemieux: Since I have been the minister—I have been the minister now for about a year and a half approximately—I think less than a handful. There have been very, very few complaints either by telephone or by letter. We have received very few. Thank you.

Mrs. Dacquay: What recourse, if any, does the public have if they disagree with a particular classification?

Mr. Lemieux: The avenue that a member of the public would normally take would be writing a letter to either myself or to the chair of the board, Mr. Huber, and then asking for a meeting to express their views, why they think a classification is not appropriate. They have the ability then to take a look at that classification, and to essentially take a second look at it.

Mrs. Dacquay: How often are the theatres and the video outlets inspected for compliance with The Amusement Act? Is it a random way or they come back on a regular basis?

Mr. Lemieux: I have been advised that there are over 1000 video stores, and that any time there is a complaint, which is actually to the credit of the Film Classification Board, there is a 48-hour turnaround on a complaint, where, if a complaint is lodged, someone will be certainly

inquiring and looking into this complaint and concern within that 48-hour period. To have over 1000 video stores, some of them being adult video stores, there is obviously—well, maybe it is not obvious, but there are more inspections taking place in those particular adult video stores, comparatively speaking, to a smaller video store that sells regular videos.

Mrs. Dacquay: Are there any penalties if a theatre or a video outlet is found not to be in compliance with The Amusements Act?

Mr. Lemieux: In the act itself, I understand the fine is \$5000, but the real hammer here, I think the way that Manitoba Film Classification is attempting to work with the industry, and, I believe, you really have to work with the industry and get co-operation from the industry, but the carrot is working with them, but the stick is if you have Mr. Pitbull Smith going after you and he can remove those videos from your store and essentially shut you down, I think that is the big hammer the Film Classification Board has. They could actually shut down a business by removing the videos and removing videos from your store. Then really that is what it is all about, making money. That store then is essentially out of business until the Film Classification Board is satisfied that there is co-operation.

So there is the fine, but, really, I think when you are trying to work with an industry, you are trying to—I think respect goes both ways. I think in order for them to get respect from the Film Classification Board that they understand that the board is willing to work with them, but the big hammer is they can also shut them down because they can remove their videos.

* (16:20)

Mrs. Dacquay: If it is based on a complaint, then I assume that the officials visit that particular outlet. Do they then remove that video or movie rental that has been complained about? Is there a board then that that individual proprietor must appear before, or do they just cite the section of the act that he has violated?

Mr. Lemieux: Well, this is an area where the inspectors, of course, have all the classifications on their laptops and are able to see this. Then,

often the inspector writes out, there is an actual formal written letter, if you will, to that establishment owner notifying them or telling them that the classification was not right or that they need to do something about their classification system in their store. If there was more than one in an establishment, I think that probably would have the inspector acting differently. If there was one, obviously, any time you come down to policing, it is a judgment call on that individual, but my understanding is that there is a document or a letter that is given to that proprietor and told what is, not necessarily the offence, but what is wrong with the system. A carbon copy of the inspection report and the order is certainly left with the store and essentially telling them to clean it up and take care of the problem.

Mrs. Dacquay: Are there any controls in place in the large multiplex movie theatres because usually they take your ticket once you enter the building and then sort of fan off into many different directions. I guess my concern is I have seen—oh, it is difficult to judge the ages now of young people—some young people that do not look as if they are the appropriate age to be viewing that movie. So I want to know if there are any internal reviews in each of those individual theatres.

Mr. Lemieux: The short answer is that the inspector from the Film Classification Board would go to the theatre and does so randomly trying to do the checks. I know we have all been into theatres where there are young people that look like they may be certainly younger than what is appropriate to be in that particular movie, but often there are other patrons who will bring that to the management, certainly bring it to their attention and let them know that they are not happy with it, or you see young kids at the age of 10 screaming in a certain movie and cannot bear it, and people have brought that to management's attention.

Then, I believe, once management has received that—again, I believe that it is incumbent upon the theatres, of course, to conduct a lot of education with their staff. I mean, it is the staff. It really is a trust issue in the sense that, when someone comes in with a ticket going to a movie that has a restriction on it, the staff there

has to be educated in a way that they can be able to identify whether or not someone is of age or not and it is appropriate for them to be in it.

I appreciate the question of the critic because we have all been in theatres. Once you get in the door and once you hand in your ticket, you get in and you might be going to see *Bambi* but, in the theatre across, might be the *Texas Chainsaw Massacre* happening in the theatre right across the hallway. So who determines whether or not the person decides, instead of going into to see a Walt Disney, they go across the hallway and see this horror film?

It is very difficult. It is difficult for the theatres. I believe they would acknowledge this, but they do a tremendous job because there are so few complaints that happen. I just want to acknowledge that, that thousands and thousands of people go into theatres, especially during the summer holidays, and it gets very busy. We have all been there, where some theatres are extremely packed, but they do a great job of overall training their staff to recognize, and there are people who are turned away. They are turned away and told to go get reimbursement, and they are not allowed to go into that movie.

I guess my final comment on the issue would be that they are not perfect. There are some people that slip in, but, if a concern or complaint is lodged with management or with the Film Classification Board, they will certainly follow it up. They also do random checks. There is an inspector who goes around to theatres just just double-checking to find out if there are people under age, and the ones are well known. The word spreads pretty quickly among the theatres that some 12-year-olds—there are some movies that they may want to get into. So the Film Classification Board is very much aware of the ones where they should be going and just double-checking to make sure that the appropriate age is being followed.

I know we have offered staff training in some instances. Some theatres, they throw their hands up and say, well, how am I going to deal with this? Thousands and thousands of people are coming in the door. I mean, they can only do so much. Well, the Film Classification Board has offered to train their staff, to help them in training their staff to recognize children of the wrong

age, where it is not acceptable for certain movies.

Mrs. Dacquay: Have the ratings that apply to movies and films in Manitoba undergone change more recently?

Mr. Lemieux: Just a point of clarification. I did not get the end of the question, I am sorry.

Mrs. Dacquay: I asked if the provincial government has changed the ratings applied to movies and films recently.

Mr. Lemieux: No, not the categories. They have not been changed.

Mrs. Dacquay: I am going to defer to my colleague from Turtle Mountain. He has some questions on this section.

* (16:30)

Mr. Mervin Tweed (Turtle Mountain): Some of the smaller communities that I represent see the renting of videos as a convenience to the community more than a money-maker and have commented to me about the cost of licensing. Apparently, from what I understand, it is one fee every year. I think it is \$95 or \$100.

Their comment has been that purely where they live and the size of their community, they are not renting the volume and this is another expense to them. I just wondered if you had had any conversations or any discussions or has it ever been brought to your attention before that there might be a way of dealing with it on a year-to-year basis or a two-year permit or something like that, that they could reduce some costs?

Mr. Lemieux: I have been informed that the fee is \$95, but if you pay early, it is \$75. But you are right. It is a standard fee right across the board no matter what size your video store is or what size of shop you have.

The second half of the question I believe was asking whether or not there is a way to simplify the process. Could there be a charge over three years as opposed to just an annual charge? To me, that makes a lot of sense. If that

was the suggestion, I think it is a great suggestion because there are a lot of owners and operators who would prefer, instead of paying that \$75 every year, they would prefer to pay \$225 or whatever it is for three and get it done.

We have not had a lot of objections to the actual fee. It is just how it is administered. Every year it is a flat rate right across the board, but they have to pay this every year. So I think we would certainly be open to that suggestion. I think it is a good one.

Mr. Tweed: To the minister, that is probably not a bad suggestion. I suggest if you are going to give them a three-year or a five-year licence, then it would be at a rate that would be affordable, that again, the small-sized distributor could take advantage of. I appreciate the fact that it is \$75 if it is paid up front or at an earlier date, probably halfway through the year or maybe at the start of the year. Perhaps some of the people I am talking to are not aware of that either. I will certainly make them aware. Thank you.

Mr. Lemieux: I think that is a good point. I am not sure how many are aware of it. I am not sure how that message is passed out to individuals to tell them that. For a lot of businesses, the \$75 may not be as much a problem as, well, I wish you would have let me know then I would have paid my \$75 and not \$95 had I known that there was a time line, and so on. So I am not sure how that message is getting out, but I will ensure I will pass that message on through the Film Classification Board that it would be a very good idea to make sure to let everyone know that there is a time line to get the preferential rate.

I am not sure how often this has been reviewed, as well. You are mentioning some businesses are smaller than others, and there is a standard rate across the board. I am not sure if that has been looked at, to take into consideration smaller businesses. But I understand that there is a letter sent every year to all businesses, informing them of any kind of changes at all. The scale of fee, that 75 early and 95 if you are late, is put in that letter to them, to all businesses. Thank you.

Mrs. Dacquay: I have one additional question under this section, film classification. Is the

minister contemplating any changes to the current rating system?

Mr. Lemieux: I know that the critic mentioned last year, with regard to Manitoba Film and Sound and film classification, I believe briefly touched on the issue. I believe that to say that we are considering it is probably a good way to say it because we are considering it. We have a different classification system than the other provinces have. Ontario has a different one than the western provinces. More recently, if I might expand a little bit on my answer, there was a meeting in Calgary and all the chairs and staff from right across the country met dealing with film classification. There is such a wide divergence of classification from coast to coast that they were trying to get their heads around: is it feasible to have one system from coast to coast?

The one example that was immediately brought up was: Well, what about Québec? Because Québec seems to have their own system, recognized across the country. If there is such a word as liberal film and video, that probably applies to Québec. They would not want anything to do, at least I have been advised, with any kind of a system that goes right across the country.

But, certainly, I would say, to answer the question more directly, yes, we are considering it. We are absolutely considering it. There are different classification systems right across the country, and we are trying to get, of course, what is best for Manitoba, but using what other provinces have. Thank you.

Mrs. Dacquay: Could the minister elaborate in terms of what, perhaps, specific changes would be made to the current rating system?

Mr. Lemieux: I would just like to point out that the western provinces have a different system for films and theatres. They do not classify videos. So the systems are apples and oranges when you are doing a comparison. But there is a system in place where, if you look at, for example, the 18A category and 14A category, it is a little bit different than our system that we have now, 18 adult and 14 adult. It is something we would want to look at. I know that the Film Classification Board, in conversation with the industry,

has been dealing with classification in the sense that some videos will go to the classification board, they rate them at a certain level, and then when they go to appeal they may be often changed.

The industry themselves are certainly concerned with classification. The Film Classification Board has always had this issue, I believe, on their plate, trying to take a look at what kind of a classification will ensure that families will have some confidence in the system and yet be open enough to be fair to the theatres and to the industry. I think that would be the only thing. I know the suggestions have come with regard to 18A, 18 adult, and also to 14A, 14 adult, to include that in the classification system.

I have been trying to think of the classification system and where they start, from general all the way through. Right now we have G, general; PG, parental guidance; 14 with parental accompaniment; and R, restricted; and then there is 18-plus at the adult video stores. Right now we are looking at an 18A category. Other provinces have been discussing that as well as the 14A.

* (16:40)

Mrs. Dacquay: I would like to ask the minister, if I fully understand the proposed 18A category, does that mean that anyone under the age of 15 could be accompanied to a movie by someone other than the parent who is over the age of 18?

Mr. Lemieux: I am advised that is what the industry would like. They would like an 18A category. It is an adult that would accompany the person into the theatre, with an 18-year-old going out with a 15-year-old, or a 16-year-old. Then they could go to a movie. I guess that is the idea, and that is the industry's suggestion.

Mrs. Dacquay: If these changes are indeed made, what would the process be for informing the public? I do not believe there would have to be changes to legislation. So how would the public become informed of these changes, and is there a public process where there could be input, or not?

Mr. Lemieux: My understanding is that it would be gazetted, and it would come out in that

manner. I think that, from a provincial perspective, from a government's perspective, you would want to notify the public and let everyone know. You would certainly want to make sure that the theatres, the industry, the businesses were aware of it, that they would be having publications or pamphlets or brochures or posters posted to make sure that the public were aware of any changes. I know that you would want to have stakeholders having some input.

This is not a new issue. It has been around. It was around when the previous government was the government of the day. People have been asking for changes in many different directions. My understanding is that the Film Classification Board has spoken to parent groups or have spoken to parent councils and have spoken to the business community and so on trying to get some feedback as to where do you go with regard to classifications. This whole issue has been before all of the governing bodies on classification across the country for a number of years. They have had a continual dialogue with the industry as well as the public trying to determine what will work, what is efficient and what will work.

Different movies are coming out every year. The style of movies and so on are coming out that the Film Classification Board has to move with the times. This is nothing new. They have continually had dialogue, I understand, with many, many of the stakeholders and would certainly be making recommendations to government if there was any kind of changes.

Not only the gazette, I think government would have to make sure that they put something on their Web site. They would have to put brochures out or pamphlets and notify the public that this was going to happen. My understanding is that there are no legislative changes really needed to do this.

Mrs. Dacquay: I am prepared to pass that section.

Mr. Chairperson: 14.1. Administration and Finance (d) Manitoba Film Classification Board (1) Salaries and Employee Benefits \$199,300—pass; (2) Other Expenditures \$267,000—pass.

14.2. Culture, Heritage and Recreation Programs (a) Executive Administration (1) Salaries and Employee Benefits.

Mrs. Dacquay: I wonder if the minister would be amenable to having my colleague from Southdale ask questions about the Pool of the Black Star. I am not sure exactly where that might fit in, but I thought maybe under Culture, Heritage and Recreation Programs.

Mr. Lemieux: Mr. Chair, I thought it fit in with Government Services, but I would be certainly acceptable for whatever question there is. I am not sure if I can answer or if staff could help me, but I thought it was Government Services that—depending on the question. I guess I have to wait to hear the question first.

Mr. Jack Reimer (Southdale): One of the things that I think that Manitoba has always been very, very proud of is its artists' community, whether it is in painting or in sculpturing or in pottery or whatever, and the exposure has always been very, very important for the various artists to have their wares shown and accepted by the public. This Government, or the previous government, I believe the Government still does, but they embarked on a program of purchasing art. Every year there was a purchase of art in the community, and I was wanting to ask the minister whether that program is still in effect, of going into the community and buying locally from artists on this. Usually, it is during a specific time of year or over a short period of time to replenish the public's coffers of art and of all various venues. I was wondering whether that program is still in effect.

Mr. Lemieux: I thank the member for the question. I think the member is referring to the juried art shows where we can go around. That still is happening. Also, there is an allocation where the Government will purchase pieces of art, and that usually happens during the winter months where staff will go and view different pieces of artwork and see what is available and go from there. But the juried art show is still continued.

I had the pleasure of attending a juried art show in Russell, Manitoba, and it is a tremendous amount of great pieces of artwork. Of course, it is all in the eye of the beholder, but I found that there was certainly a great assortment of pieces of art, from pottery to works with metal, with oils, with pastels. It was

fantastic; it was really great to see. I think, personally speaking, it is regrettable that all Manitobans do not have an opportunity to visit these juried art shows because there is a great deal of talent in Manitoba, and I know that many do not receive any recognition at all.

There is an artist that I saw in—if I can put a plug in for this gentleman, his name is Riel Benn. Riel Benn is a First Nations Aboriginal artist from Birdtail Reserve. He has pieces of art, I understand, in Ottawa, in Germany, in Tokyo, in Brazil, but there are very few pieces of art displayed in Manitoba because he hired a person to assist him, a promoter, that promotes his pieces of artwork all over the world. Yet very few pieces are sitting here in Manitoba.

* (16:50)

That is where, I believe, the member's question is a very good one, because there are many local artists that need some assistance and some encouragement. I think these juried art shows are great for that, and it gives them an opportunity to display their pieces for the public to view and also to purchase if they want.

So the short answer is, yes, it is continuing, and I would encourage all people, if they ever get an opportunity, to go to one of these juried art shows. Many are located fairly close. It does not have to be Russell, Manitoba. Many are closer to Winnipeg. It is just unbelievable the amount of great pieces of art that are there. I thank you.

Mr. Reimer: I recognize the comments that the minister is making in regard to the juried art shows. I believe that that was something that in our previous government, we also attended those and purchased art.

But I am specifically referring to sort of a structured program in which there was an allocation of so many dollars that was allocated, and then there was a selection committee, actually a committee of four or five individuals—maybe not that many, three or four or five—and they specifically went on almost like a tour of the various galleries and the art houses in and around Winnipeg and throughout Winnipeg looking specifically for Manitoba artists.

In fact, the directive was that the only purchases should be of Manitoba art. These were art objects that ended up on public display in government buildings, in the minister's offices, in the Legislature here.

I was wondering whether that program is still in effect, who the members on that selection committee are and what type of dollars are allocated towards that particular function, if it is still being carried out by the Government, other than the juried art show which I know we participated in too. But I am referring to a specific function that the Government was involved in before.

Mr. Lemieux: Well, I thank the member for the clarification. You are right, the juried art show still continues, but also the art purchase committee still continues, correct.

The previous government correctly had the program in place and did make purchases which they should be congratulated for, I must say. It is a great program, the juried art shows, a great program. I am not familiar when it started, but I know that the previous government did continue it and did make purchases. I know how valuable that is to the community. People have passed that message on to me, and it is not something brand-new. I would not want to leave the impression somehow that it was something we started, but it is a great program.

I know you are correct, that the art purchase committee, usually there are art experts on there. There is staff who have an opportunity to review the art for purchase. This particular committee, the committee we have in place is chaired by Dr. Linda Asper, who is the MLA for Riel; she is the chair of that committee. They go around and they do make these purchases. That is still continuing. Thank you.

Mr. Reimer: Could the minister provide the House with the names of the other members of the committee and when that committee made the tour and what type of dollar allocation they were working within for the purchases of art?

Mr. Lemieux: Well, if I could find the names. I know some of the names. I do not know the full list. We know where some of the art experts are

from and what gallery or their place of employment, but we do not have the names right now. Can I provide that tomorrow, or as soon as I can? Maybe there is someone who is listening that would be able to provide me with those names. If I can get them soon, I will provide them as soon as I get them.

I know a few of the people that are on the committee, but I believe the last go-around was in February. There were five or six people on that committee. So, as soon as I can get the names, I will be pleased to provide you with those names.

Mr. Reimer: Does the minister have the amount of money that was allocated to the purchase? How much money was spent on art, or how much money is allocated on a yearly basis for the purchase during that art exposition.?

Mr. Lemieux: It was \$27,000.

Mr. Reimer: One of the things that the artist community values very, very much, and I think it is not only the exposure, but it is the ability to show their art forms in all forms, whether it is in the paintings or sculptures or pottery or glassware or anything else like that.

They have very few areas actually, the artisans, unless they are associated specifically with a major gallery. A lot of the artists do not have the ability to display their art in a place where there is a lot of public traffic and public exposure.

One of the places that has always been, from what I understand, a very favoured spot to display their art, and we have the advantage of seeing it here in this building, is the Pool of the Black Star. I have noticed in the last while that there has been no display, in particular of art, or it seems that the star of the black pool, I should say, is not being utilized by the artist communities.

I wonder whether the minister could tell me whether that venue has been closed in a sense that the artists cannot use that to display their artwork.

Mr. Lemieux: The member is quite right. It has been a little while since there has been any art

displayed there. The committee made the decision to use the Pool of the Black Star for more of a place for quiet contemplation and more relaxing as opposed to a gallery where people could view artwork. But yet it has to be said that it is important for people to be able to have the opportunity to view it.

This building, this Legislature, is the No. 1 tourist attraction in the province. We have many, many tour buses that come here. It gives artists a great deal of exposure to have their pieces of artwork there. I have had conversations with many individuals who have come here from the United States and elsewhere. They really enjoyed the pieces of art that were being displayed in that particular area of the building.

We are certainly looking at finding an alternative site to find out where the artwork can be displayed. I know we fund several different galleries in Winnipeg and outside the Perimeter that allow for community artists to show their works, such as the Art Gallery of Southwestern Manitoba.

Mr. Chairperson: The hour being 5 p.m., it is time for private members' hour. Committee rise.

Call in the Speaker.

IN SESSION

* (17:00)

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour now being 5 p.m., we will now move to Private Members' Business and Proposed Resolution No. 23, New Generation Co-operatives.

PROPOSED RESOLUTIONS

Res. 23—New Generation Co-operatives

Mr. Frank Pitura (Morris): I move, seconded by the Member for Arthur-Virden (Mr. Maguire), that

WHEREAS for agricultural producers, new generation co-operatives can provide economic benefits by creating market opportunities for their products and a chance to share in the growth and profits of their co-operative; and

WHEREAS the concept of new generation co-operatives is potentially well suited to Manitoba by helping producers adjust to major transportation reforms while providing opportunities to add value to their products, such as the creation of co-op processing facilities that are located in close proximity to where the commodity is grown; and

WHEREAS the development of new generation co-operatives was recommended by the previous government's Working for Value Task Force; and

WHEREAS, in 1998, the provincial government introduced changes to The Manitoba Co-operatives Act that would make it easier for co-operatives to raise capital by allowing them to issue shares with growth potential; and

WHEREAS the former Progressive Conservative government made it possible for agricultural producers to get financing for shares in new generation co-operatives through the Manitoba Agricultural Credit Corporation (MACC); and

WHEREAS new generation co-ops could provide the potential to stimulate local employment, increase the demand for local service industries and generate other economic spinoff benefits for rural Manitoba.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to recognize the important role new generation co-operatives could play in developing opportunities for value-added processing of agricultural products in this province; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider taking steps to actively promote programs related to the creation of new generation co-operatives and to consider providing technical assistance to groups interested in establishing new generation co-operatives; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba urge the provincial government to consider examining other types of development initiatives suited to

growing economic opportunities in rural Manitoba.

Motion presented.

Mr. Pitura: Mr. Speaker, it is my pleasure to put a few words on the record today about the concept of new generation co-ops and the need to examine different types of initiatives aimed at cultivating economic opportunities in rural Manitoba.

Our farmers and our rural communities are facing a number of challenges. These include the ongoing international subsidy wars; changing market demands in the face of globalization; rising input costs factored against lower profit margins; world depopulation and related decline in services; and, of course, the weather. Our farmers and our rural communities are under an extreme pressure to change and to adapt in order to survive.

Recent reports from Statistics Canada show us that the decline in the number of farmers in western Canada was greatest in Manitoba, where farm numbers fell from 24 383 in 1996, to 21 071 in 2001, a drop of 13.6 percent. In Manitoba, in 2000, 87 cents of operating expenses were spent for every dollar received in gross farm receipts, compared with just 83 cents in 1995. If these figures are not disturbing enough, Manitoba farmers are expected to take a hit of at least \$345 million in the wake of the new U.S. farm bill. Where is the provincial government in all this?

"There is going to be short-term income pain on agricultural producers" is the quote. Short-term income pain, according to Premier Gary Doer, which, in Hansard of May 8, 2002, is what Manitoba farmers should expect on the heels of the passage of the U.S. farm bill that will see subsidies and support for American farmers increase by more than \$73.5 billion over the next 10 years. That is a whopping 70 percent over the \$90 billion a year American farmers already receive. Short-term income pain, according to the Premier, is what Manitoba wheat farmers can expect as U.S. government supports for cereals, coarse grains and oilseeds escalate. It is what Manitoba pulse growers, crop producers can expect as the new U.S. farm bill for the first time

provides marketing loans and loan deficiency payments for such crops as dry peas, small chickpeas and lentils, thereby ratcheting up competition for our farmers. Short-term income pain. Once again, the Premier has shown himself to be the master of understatement.

What Manitoba farmers and related industry should expect is for their Premier (Mr. Doer) and their Agriculture Minister (Ms. Wowchuk) to articulate a plan that will provide assurances that the Manitoba government is prepared to go to the wall to protect the interests of our agricultural sector, but this Government has yet to define their vision for our farmers other than to advise them to seek off-farm income or to get out of farming altogether. This lack of a vision for our farmers and our rural economy should come as no surprise to anyone. This is, after all, the Government that chose to dismantle the Department of Rural Development. It is the same government that chose to expand the Grow Bonds program and the Community Works Loan Program, which were specifically targeted at promoting economic growth in rural Manitoba into the city of Winnipeg.

The previous Progressive Conservative government realized the importance of rural development. We recognized that having a healthy rural economy is critical to the overall health of the provincial economy. We implemented a number of programs aimed at promoting rural development. We also went to rural residents and asked them to help us formulate a vision for rural development. One of the ways we did this was through the Working for Value Task Force on which I had the pleasure of sitting, along with my colleagues from Turtle Mountain and Emerson. We sought ideas about how to create a more vibrant rural economy. As a government, we issued a challenge to rural residents, businesses, local leaders, producers and community groups to discover ways to add value to Manitoba products and to increase the Province's exports by \$1 billion. We recognized the need to diversify economic activity and to increase value-added processing in rural Manitoba.

The task force report outlined a number of recommendations in terms of helping farmers and rural communities. It included such things as

investment opportunities, financing issues, tourism, infrastructure developments, research in development linkages, marketing, research, leadership and others.

The Working for Value Task Force also looked at the need for farmers to become more involved in the processing, as well as the production of their goods, in order to capture opportunities in rural Manitoba. The task force recognized that, when you expand beyond primary production, you help stabilize farm incomes and bring opportunities for economic growth to rural communities.

* (17:10)

New generation co-ops were one area identified as a means by which producers could take greater control of their products by expanding beyond production to processing. New generation co-operatives are important in that they provide producers with the opportunity to realize some of the benefits of vertical integration. That is, producers not only benefit from the sale of the raw product to the co-op processing facility, but also share in the profits of that facility. Processing facilities stimulate local employment, increase the demand for local service industries, and generate other economic spin-off benefits for rural Manitoba.

The benefits of new generation co-ops have been recognized in other jurisdictions. In 1999, the North Dakota Department of Agriculture reported that value-added co-operatives had built nearly \$800 million in facilities since 1990, and that the state's producers had invested \$216 million in equity. As a recent study confirmed, new generation co-ops are seen as a way to help rural families on farms and in small towns. By further processing raw commodities themselves, farmers are hoping to capture a greater share of the consumer food dollar. New generation co-operatives are being formed as a way to diversify and stabilize producers' incomes.

The Filmon government recognized the economic potential of new generation co-ops. We made changes so that agricultural producers can now get financing for shares in new generation co-operatives through the Manitoba Agricultural Credit Corporation. We also made

changes to Manitoba's Cooperatives Act, designed to make it easier for co-operatives to raise capital by allowing them to issue shares with growth potential. Changes to The Cooperatives Act were designed to help with the development of new generation co-operatives, which generally require significant amounts of capital to establish operations.

The reason that new generation co-ops are needed is plain and simple. The return on investments of primary production on a farm is historically low, about 3-4 percent—and those are the good times—whereas the return on investment for food processing is 15-25 percent. Many rural communities have examined co-operatives as a means of stimulating economic development. On May 3 of this year, there was an article in *The Winnipeg Sun* about Beausejour, located in the constituency of my colleague for Lac du Bonnet. Area residents are trying to start their own ethanol plant, to keep people working there, and to attract workers from other areas in the province. They are exploring the feasibility of forming a co-op, where a farmer would act as a supplier and owner. They would grow the grain and own part of the plant where it is processed. As one resident put it: Our town is not going to die. We want progress; we are willing to fight so our children will stay.

I applaud people such as these who are working together to create opportunities in their communities. It is essential that the provincial government provide the support and expertise needed to help move projects such as these forward. The benefits will ultimately be felt throughout the provincial economy.

It is time for the current Government to outline a vision for economic development. Rural Manitobans are deeply committed to the health and betterment of their communities. They are trying to address economic development challenges through initiatives such as new generation co-ops.

I would like to close by encouraging the Government to recognize the importance that initiatives such as new generation co-ops can play in developing opportunities for value-added processing of agricultural products in Manitoba. Departments such as Agriculture and Food,

Industry and Trade, and Intergovernmental Affairs all have a critical role to play in creating an environment that will help stimulate the development of new generation co-ops and other similar projects that will help cultivate growth in the rural economy.

Manitoba farmers and related industries have many expectations. It is time for the Doer government to address their concerns head-on and to show its unflinching commitment for rural economic development. Their failure to do so will result in long-term income pain for our agricultural producers and associated industries. Our farmers and our rural communities surely deserve better. Thank you, Mr. Speaker.

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): Mr. Speaker, the co-operative sector has been and continues to be an important sector of our economy and the cultural fabric of Manitoba. The early years of the 20th century, the growth of producer co-ops on the Prairies was dramatic. By the end of 1914, new grain grower co-operatives owned over 400 elevators; by 1945, had grown to over 2000 elevators and were marketing almost half of all the grains sold by prairie farmers.

In Manitoba, there were 380 non-financial co-operatives in operation. In 1999, Stats Can report non-financial co-operatives in Manitoba represented \$3.9 billion of business volume and \$1.8 billion in assets. The credit unions and Caisses Populaires represented another \$5.6 billion in assets.

Co-ops play a crucial role in the agricultural sector of the Canadian economy. In 1999, the top 10 agricultural co-ops had a combined sales volume of just over \$14 billion. Production and marketing co-operatives held a 66% share of the dairy market, 49 percent of the grains and oilseeds market and 48 percent of the poultry market. Consumer co-operatives ranged from small-buying clubs all the way up to large supermarket organizations and wholesalers. Together, these co-ops did over \$7.3 billion in 1999.

Four out of ten Canadians are members of at least one co-operative. The model is no barrier to business success. In one study comparing the

growth patterns of co-operatives and small- and medium-sized enterprises, more of the co-operatives experienced growth in sales and employment in the past three years than did the SMEs. Overall, new co-operatives are almost twice as likely to survive as other private businesses; 64 percent after five years, compared to 36 percent for other forms of businesses.

New gen co-ops have a great deal of potential. NGCs are a relatively new development in the co-operative movement. While they share some of the features of traditional co-ops, they are distinctly different in a number of forms. The prototypical NGC is a development to create and operate a value-added processing enterprise. The commodities are purchased from producers and processed in the plant and the output sold for a profit which is divided amongst the members in proportion to the number of delivery shares each member owns.

The essential characteristic that sets NGC apart is the way the delivery share is an equity investment which both entitles and obligates the producer to deliver a specific amount of commodity produced by the plant. Unlike membership shares, these are issued with no par value and can be bought and sold among producer groups at a value set by the internal market.

Mr. Speaker, I think the important statistic is that, although this is a relatively new model that the previous government introduced in legislation, the actual legislation was proclaimed in 1999. The Cooperatives Act was amended to make presumably the incorporation of NGCs in Manitoba easier. However, the statistics indicate that there has essentially been no growth in this sector since the proclamation. In fact, throughout the past decade the number of co-operatives operating in Manitoba has dropped steadily.

Since 1991 the number of co-operatives in Manitoba has dropped from 448 to 379. This is, I think, in large part due to the decimation of the co-op branch by the previous Tory government, which basically decimated all of the workers in that department, the problem being that they always wanted to look at easy fixes. This is a case model where such a superficial introduction of a bill was not going to, in fact, be the successful remedy.

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If you look at North Dakota and other successful jurisdictions, including our sister province of Saskatchewan, they have a much more developed infrastructure to support new gen co-ops. They have been much, much more successful than Manitoba.

In addition, the previous government fragmented the jurisdiction or the policy and programs for co-operatives into a number of departments, thereby making it even more difficult for the success of co-ops, even though co-ops have had a much stronger record of success, as I have previously indicated.

I think that clearly the previous government, the Tory dark days left a legacy of failure. Their perhaps well-meaning new gen co-op legislation must be reviewed, enhanced and made to work. We are pleased that this is a government that is committed to co-operatives, is willing to work with the rural community and urban co-ops to make new gen co-ops in Manitoba a success story and pull it from what was the disaster left by the Filmon government back in the nineties. We are prepared to re-work that legislation and make new gen co-ops a success finally in Manitoba.

Mr. Larry Maguire (Arthur-Virden): Well, Mr. Speaker, I am just going to say a few words on this bill as well to support my colleague from Morris and my colleagues on this side of the House in regard to the development of new generation co-operatives and the opportunity that the Conservatives, the former government, brought in and made available in Manitoba, spoke to this kind of legislation and the opportunity so that it could provide for a good deal of rural Manitoba and in many parts of Manitoba in the urban areas as well.

It would be very good to pass this kind of legislation and just get on with it, as my colleague from Fort Whyte has indicated, but I think that the Government, you know, in their wisdom they are giving lip-service to the fact that they would like to see some of this kind of legislation come in.

I would just like to use a quote from some of my days as a farm leader when we looked at the

kind of new generation co-ops that were quite successful in some of the other areas and jurisdictions around us. The North Dakota pasta growers association in North Dakota is a prime example. I think that is a good indication of how farmers can come together in the state of North Dakota, Minnesota, South Dakota and a few growers there from Montana.

They were told that that would never work as well, that the large players in the pasta industry would put them out of business. But, due to some sound management decisions, where they brought leaders from executive groups of those competitors into their fold and built a strong business and industry in that sector of the industry, they have not only succeeded, they have gone on to be the second largest pasta producer in North America and done very well; done so well to the point that even Canadian farmers have sought the opportunity to become shareholders in that particular kind of an enterprise, and, due to some legislation and requirements that we have in Canada that were prohibiting them from doing that at this point, they have not been able to access that as readily as they may wish. But, hopefully, some day we will be able to deal with those issues in Canada and deal with that, as well.

Mr. Speaker, this private member's resolution speaks to the changes in transportation reforms that have taken place in western Canada. It also speaks to the economic opportunities, and, as my colleague has indicated, with the opportunities that this Government has, realizing that the last Statistics Canada numbers that have just come out in regard to rural depopulation in a number of those areas, it would be very sound for them to pass this particular private member's resolution. After all, it is urging this Province to consider examining other types of development initiatives suitable to growing economic opportunities in rural Manitoba, and this Government certainly does not know much about providing opportunities in rural development in Manitoba, particularly in the rural areas or the North.

They have taken on the cancelling of the Round Table on Sustainable Development as one of their first issues that they did when they came into power. Of course, they did away with the Rural Development portfolio completely and

amalgamated it with the urban areas in Inter-governmental Affairs. While that may work, if there was a desire to make it work, that has not been the case, and I would like to just quote a couple of examples.

One is from the area of education, where they have cancelled the CareerStart program, which was maybe not that well used here in the city of Winnipeg because of the shortage of employment, but, out in rural areas, that small support to our small businesses in the summer-time and our students that are working in those areas was certainly used. We had many calls on this side of the House, as I am sure the Government did, wondering why that was not reinstated. That is one example of how this Government has not helped.

The issue of harness racing, of course, has been mentioned many times in this House as how they lacked support for rural development, and I would say that the Government could be doing many more things and even the small announcement that it made today in regard to our livestock initiatives in this province.

There are many areas that they could be promoting new generation co-ops, and one of them would certainly be in the area of new fuels, renewable fuels, for our industries. Livestock operations, as well, would fit right in with the kind of packaging that new generation co-ops require as we move forward. There are models that have been developed around new generation co-ops, and I would only say that the opportunity to integrate into the sales side of the retail markets in some of those areas is something that perhaps we were not as used to 20, 30, 50 years ago as farmers than what we need to be today that what our young, entrepreneurial farmers that are going ahead out there are realizing the opportunities. They see the opportunities to move forward in these kinds of co-operative ventures, as well.

Mr. Speaker, I am only going to close by saying that I think this Government could very well move ahead with this kind of legislation, that there are opportunities in Manitoba to use the NGC, if you will, the new generation co-operative style of legislation, style of business in Manitoba, and I would urge the government of the day to take the opportunity to provide

legislation that would actually encourage the formation of these opportunities in our rural areas as they could do by accepting this resolution.

Mr. Stan Struthers (Dauphin-Roblin): Mr. Speaker, it is indeed a pleasure to stand and talk a little bit today about the co-operative movement, the long history of the co-operative movement, the role that it has played in the development of western Canada, the pivotal position it has within the success of the farm community in not only our province here in Manitoba but indeed all of western Canada. I would suggest that a co-operative is about as Canadian as you can get. This resolution—

An Honourable Member: It is hard to talk against because it is so good.

* (17:30)

Mr. Struthers: This resolution is hard to talk against because it is so good, as the Member for Morris (Mr. Pitura) is coaching me to say. The only thing that kind of bothers me is the way that once again somebody across the way here in the House assumes that it was all because of the Conservative government that the co-operative movement has been started. It is a pattern across the way. I think it is an expression of the guilty conscience of members across who could have done a lot more for western Canada, who could have done a lot more for the farm community, now looking back over their long years in government and saying: You know, we thought about doing this, we talked about doing that, but what did they really do?

Well, Mr. Speaker, the co-op movement is something that is important, and these new generation co-ops are a different brand of co-ops from the traditional co-ops that we have known and loved in western Canada.

There are a couple of examples that I want to use here in the brief time that I have to speak about this interesting topic. One example of a co-op I came across when I moved into the Rorketon area. For members who do not know, Rorketon is a small community just north and west of Magnet for people who do not know where Rorketon is. Magnet is just north of

here Rorketon is. Magnet is just north of Methley, which is just north of Ste. Rose.

An Honourable Member: I even know the highways in that area.

Mr. Struthers: And there is a highway in that area, as the Minister of Transportation (Mr. Ashton) points out, a road that, since the Minister of Transportation and Government Services brought up, does need a little bit of work, and I am glad to be able to say that the minister has been very supportive of the needs of people in my constituency and the farmers to get their product to market.

When I moved into the Rorketon area in 1990, I had a fair knowledge of the grain side of agriculture, but I was the first to admit that the livestock side of agriculture was something that I could use a lot of brushing up on, and what better place to do it than in the community of Rorketon, Manitoba. That is real cattle country, and that is dictated by the land that they farm. This area that I describe is between Lake Manitoba, Lake Dauphin and Lake Winnipegosis to the north. This land is rocky. There are a lot of stones on this land. The soil is not that conducive to grains and oilseeds. It has encouraged farmers in the area to be creative in what they produce and how they produce it.

So what has happened is that most farmers in that area have turned to livestock. When you have livestock, you do not want to have a whole lot of stones out on your land. Well, in grain you do not want a lot of stones either. When I was a kid, my dad got me to pick a lot of stones off the farm, and I looked out on some of the pasture land in the Rorketon area, and I thought that not even my dad could have got myself or my brother to pick that many stones. So I was wanting to know how they dealt with all these stones. Well, I came across something that I thought was pretty ingenious. I thought it was pretty ingenious. Instead of taking a lot of time to pick these stones off or take the tractors out there and load up one front-end loader after another or put big chains around these rocks, what the farmers did was a number of them got together, in essence formed a co-op, and this is very much a practical solution to this problem, instead of pulling all these rocks off to the land, what they decided to do was push them back

down into the land. They all got together and they bought this huge drum, and I had never seen one of these before. They filled it with—

An Honourable Member: Water.

Mr. Struthers: —water. I must thank the Member for Morris (Mr. Pitura) for helping me out so constructively with my speech here today, because he is exactly right again. They filled this huge drum, this huge packer, with water. I had never seen this before. They filled it with water and they put it behind the tractors and they ran them overtop of these rocks and they pushed them back down into the ground so the cattle would not step on these rocks, would not cause the cattle anguish and the farmers anguish. And it worked, Mr. Speaker.

An Honourable Member: Then you could seed the pasture.

Mr. Struthers: They packed all those in. Exactly. The Member for Morris is right. He is going to win a prize at the end of this speech if he keeps giving me all those right answers. Because then they could turn around and they could seed overtop of where those rocks were pushed back into the ground.

But you know how many times they would need to use this big, round, water-filled drum? It is not an everyday occurrence. They do not have to do that every day. They could share amongst each other. It did not make any sense for every farmer to be running out and getting one of these big contraptions. Stone-burying co-op. It did not make any sense for each farmer to have one. So they got together. They co-operated. They saved some money. They worked together for a common goal, purchased this big drum, and they worked out a schedule when they could share it amongst themselves, seven or eight farmers together.

The moral of the story is that you can accomplish some things individually, but you can get a lot more done when you work together in a co-op. It is this kind of thinking and this kind of spirit that pioneered the west, that gave agriculture its start here in Manitoba and throughout western Canada. That is a pretty small example of what a co-op is.

I want to talk a little bit about something a little more recent, something a little bigger, same concept, sort of, but a new gen co-op being organized by the Parkland Industrial Hemp Growers. It has nothing to do with the previous story, where people were pushing stones back into the ground. This is industrial hemp. This is the hemp that you can burn in your fields and not get the whole community high, Mr. Speaker. Stubble-burning is still safe in our area with industrial hemp.

The Parkland Industrial Hemp Growers are organizing themselves together. They have understood that in order to build a plant to add value to a crop I suppose you can say is still within the experimental stages, although we do in Manitoba have more farmers that have gained more knowledge about industrial hemp than I think any other province—as I have always said, where there is hemp there is hope—so the farmers in our area have taken that to heart as well and they are organizing this new generation co-op. The idea is that they can contribute shares in the form of their product, which really ties them into this whole concept. The harder they work, the more their shares are worth. They can build a facility—

An Honourable Member: Where there is hemp, there is hope.

Mr. Struthers: I thought you might like that, Marcel. They can build this facility using the shares that they have as members of this new generation co-op. They can then together grow the product, grow the industrial hemp, and then together they can market the hemp. *[interjection]*

I want to assure the Member for St. Norbert (Mr. Laurendeau) that he would pretty much need to smoke the whole quarter section before he even gets a buzz on with industrial hemp. It is not industrial strength; it is industrial hemp.

They use the products from this hemp in clothing. I believe it is Ford Motor Company that has incorporated hemp into the paneling on the sides of their vehicles. There are all kinds of interesting markets available for this hemp, and we are putting together a co-op in our Parkland area that is going to allow this to happen. It is

really going to provide a boost to the rural economy.

Just before I wrap up, I wanted to also say that the new generation co-ops will play a key role, from our Government's perspective, in future developments all over rural Manitoba.

I refer to the comments made by the Minister of Finance (Mr. Selinger) in the Budget speech having to do with ethanol. I think there is a huge possibility for ethanol in Manitoba. I think new generation co-ops can play a key role in that industry. It is my belief that by doing that they can increase the markets. It is my belief that they can increase livestock production, increase feed, and I think, ultimately, that means new employment opportunities for rural Manitobans.

So, Mr. Speaker, in conclusion, I think co-ops have played a pivotal role in the development of western Canada. I think that in the future, co-ops will play a pivotal role in the future of our province, especially in rural areas. I am very proud to be part of a government that takes that commitment seriously, that will support initiatives such as this and provide employment and provide opportunities for rural Manitobans into the future.

So, thank you very much, Mr. Speaker, for allowing me the few minutes to speak on this issue.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I am very pleased to have the opportunity to say a few words about the development of co-ops and co-op ventures in Manitoba. As I read the member's resolution, he talks about new generation co-operatives and the introduction of legislation that their government brought in. I want to say to the member that although new generation co-ops are important, we have to look back at history. The co-operative sector has been and continues to be an important part of the economy and cultural fibre of Manitoba.

In the early years of the 20th century, the growth of producer co-ops on the Prairies was very dramatic. By the end of 1914, Mr. Speaker, the new grain growers co-operative across the Prairies was just dramatic. By that time, there

were over 400 elevators that were co-op elevators, and by 1945, that number grew to over 2000 elevators. So the people of the time, the people of the Prairies recognized that their product was being sold into the international market, and for them to have any kind of power, they had to join together. They joined together forming grain co-ops which was very useful for the grain producers. One of those major co-ops was the Pool elevators. It is unfortunate that changes that were made in the structure of the Pool elevators over time has resulted in that being amalgamated with another company, and we do not have that co-op in place anymore.

* (17:40)

They played an important part in the marketing, but the co-ops also play an important part in purchasing power. Producers get together for marketing their product together. Sometimes there would be just very small co-ops, and sometimes there were very large co-ops. One of the co-ops that I am most familiar with is the Swan Valley Consumers Co-op, one of the most active co-ops in Manitoba and one that, through the structure of the co-op, pays great dividends back to the producers. There is a loyal membership in the area because the people recognize the value of it, whether it is in the purchasing of the fuel or the groceries or all other supplies. It is kind of nice, at the end of the year, when the co-op does their books and sends you back a dividend cheque. It is nice to see that dividend coming back to people of Manitoba, not going off to some foreign company or anywhere in the world.

Co-ops have played a very important role and will continue to play an important role in the economy of Manitoba. I belong to a soil and water co-op in my community, where people joined together to address soil and water management issues. We saw the benefit of, instead of producers working against each other, people pooling their resources and planning for the long term.

The issue of new generation co-ops is a relatively new development and certainly one that has developed much more in the U.S. than it has here in Manitoba. I think one of the reasons that co-ops have not developed well in Manitoba

is what we have seen under the previous administration is a decimation of the co-op department. Although the previous administration brought in the legislation to introduce new generation co-ops, they did not have in place the staff, and there is a very small co-op branch. That is one of the things that we are looking at, as to how do we revitalize and provide the supports to the consumer and to the people of Manitoba when they are looking at building new co-ops.

The new generation co-ops are ones that I see as an important tool in the ethanol industry that we have announced that we want to see expanded in this province. If you look south of the border to Minnesota and North Dakota, you will see that there are co-ops where producers are producing a crop and seeing the benefits of it being value-added to it and then sharing the profits in the value-added product. So it is a very important concept, but certainly one that we have to work on. When you look at it, I think that one of the things that is very disheartening and you wonder what is happening is, if you look back over the past decade, the number of co-ops operating in Manitoba has been dropping steadily. Since 1991, the number of co-ops of Manitoba has dropped from 448 to 379, this in spite of the fact that the co-op department branch reports that new co-ops are being formed at a rate of 10 to 20 a year.

As well, Mr. Speaker, even though The Co-operatives Act was changed to make it easier for new-generation co-ops in Manitoba, there has really not been a growth in new generation co-ops in this province. That is one of the issues that we have to look at. Why is it that the new generation co-ops are not catching on in this province as they are in other areas, as in North Dakota, in Minnesota, in those areas? One of the new generation co-ops that is getting started, and I hope will be successful, is the Parkland Industrial Hemp Co-op. There, we have a group of people who are very, very determined, and they have been—*[interjection]* And where there is hemp, there is hope, as my colleague from Dauphin indicated.

But there is a group of people that, despite all the challenges that they have faced in trying to get financing, are very, very determined to

bring a product to the market. I have seen some of the flower baskets that have been produced out of hemp fibre, and, indeed, they certainly can replace the fibre that we have in flower baskets now that are made out of palm fibre. It would be very nice if we could be using the fibre of hemp right here, creating jobs and adding the opportunity for farmers to diversify and add to their base line that they can get more. By being in a co-op, they have the opportunity to add revenue to the product rather than just selling off the raw product. Similar co-ops, there would be an opportunity in processing many of the other products here that we have in this province.

I know that there was interest in a new generation co-op for a pasta plant. In North Dakota, they have a bison co-op where all the bison from Manitoba go to be processed. That co-op is not without its challenges, but, certainly, there are many more new generation co-ops in the United States, and, in fact, in other provinces than we have here in Manitoba.

But I think what we have to do is look at the staffing, look at legislation and find ways where we can help co-operatives become established and put the resources into place, that indeed, the co-operatives that were so important to the economy and the development of western Canada at the beginning of the previous century can once again become as important and as vital as they are now. I want to say that probably one of the most successful co-ops that we have, that I am aware of, is, certainly, the credit unions that, in my area and across this province, are supported tremendously.

So I think there are opportunities for new generation co-ops, but it is unfortunate that the previous government decimated the department as badly as they did. We certainly have to look at how we can pull together things that were put into various departments to have a real support for co-ops. I hope to see many more in this province, Mr. Speaker.

Mr. Tom Nevakshonoff (Interlake): Mr. Speaker, it is, indeed, a pleasure to rise in the House today and speak on this topic. I am a rural member from the Interlake, and this is, indeed, an interesting field for us out in that area, given the fact that over the last number of years, a lot

of our infrastructure has been taken away from us. Our grain farmers are now obliged to haul their grain almost a hundred miles from the Fisher Branch area where I live, to the South Lakes terminal just north of the Perimeter, here, which is quite a burden to them, believe me.

In times past, we used to have rail lines running up to Fisher Branch up the west side to Eriksdale, and places like that. Those lines are now gone. Now, we have trails in place of rails, and while that is good for tourism—and we are certainly promoting that—still, the loss of the rail infrastructure has been a serious blow for Interlake grain farmers, as has the loss of all of our elevators. As I said, once these large grain companies got involved—and the Minister of Agriculture (Ms. Wowchuk) just made reference to Manitoba Pool—and when the old pool system was in place and it was owned by the farmers in the immediate area, there was no question that those elevators would remain in place. You know, in recent times past, of course, some changes have been made. Manitoba Pool merged with Alberta Pool, which I do not know if that was the best thing to do, and formed Agricore, and Agricore has since merged with UGG to form Agricore United, which has put local ownership of the grain company and the local elevator just a distant memory now. So, when you look at the combined loss of the rail lines and the elevators in the area, certainly our grain farmers, who are used to producing your commodity crops, wheat and barley and other crops such as that, are now finding it exceedingly difficult to survive in the agriculture industry.

* (17:50)

Take it a step further, with the loss of the rail lines and the loss of the elevators, and of course, we had the loss of the freight stabilization subsidies, the Crow rate. It is interesting to note that our friends across the way here now in the Opposition were so much in favour of that, at that point in time, and that played a significant role in the loss of a lot of our small farms, our family farms. Now, of course, yes, we are forced to diversify, those of us that are left in the business. We are looking around for new ways to either pool our resources or add value to our product so that we can get more

than just the base price, more than just the commodity price and try and get into the higher echelons, which is actually processing some of your product and adding value to it so that you are not killed by high transportation costs and low commodity prices.

Now, one thing that is of keen interest to me, and I could list a number of examples of co-op type systems that are in place in the Interlake, and the Member for Dauphin (Mr. Struthers) made reference to where there is hemp there is hope, and we have got a little bit of hemp in the Interlake as well. Actually, I want to mention their name, the Bobbees around the Arborg area—very, very progressive farmers, far thinkers. They are not so much interested in the actual hemp side of it, and the minister over to my left is chuckling a little bit. I assure you they are not looking in that direction either, but they are looking at the seed side of it. Very interesting, they have set up a milling operation there where they actually hull the seeds and are using the seeds as a food additive or you can actually eat these seeds by themselves. They are very tasty. They are as tasty, if not more so, than sunflowers. There are numerous medicinal properties to the seed in terms of it keeps you regular, oops, but more so keeps your cholesterol low. That is the key to the hemp seed. So they have done quite well. They have pretty well finished their research and all that. They have got equipment in place, a building up, they are starting to produce this shelled hemp seed in a big way and are doing quite well with it, having trouble keeping up with their demand. So that is a good example.

Of course, another example, you do not have to go very far before you come across the livestock example in the Interlake. Despite what members opposite have said repeatedly about me on this side of the House being opposed to the development of livestock in the industry, I would like to reiterate once again that that is certainly not the case. I think there is definitely a place for livestock in the province and specifically in my constituency. If I have in times past expressed some concerns about the environment, I am not going to retract that. I think we have to expand into livestock in a responsible manner and hope that we will do so. I know that our Government has taken many initiatives in this respect, starting with the

Livestock Stewardship Initiative, and are making significant progress in making sure that the expansion of livestock in this province and in the Interlake is going to be done in a responsible, environmentally friendly and sustainable manner, Mr. Speaker.

With that said, I would like to just describe one of the operations that is currently on the table in the Interlake, just west of the community of Poplarfield, which is where I currently reside. It has to do with a cattle feedlot. The name of the company is Midlake feeders. They are looking at putting in place a feedlot there that could house as many as 10 000 head of animals, which is a sizeable feedlot, I assure you. Part of their objective and the reason that they approached my office just recently as a matter of fact is that they are keenly, keenly interested in the ethanol industry. They were very very pleased to see that the Government on this side of the House had put the strategic energy initiative together along with our focus on the fuel of the future, which is hydrogen, which is very high on our Premier's agenda.

We are also keenly interested in the expansion of the ethanol industry in this province, not just from an environmental perspective. That is important, the fact that ethanol is a clean fuel. If we can boost our production in this province it will help us in our commitment to the Kyoto Accord and all that. I am firmly behind it in that sense. Also it is important in that Manitoba produces very little conventional fossil fuels ourselves. There is some development activity in the southwestern portion of the province in relation to the Williston Basin, but, you know, it is marginal at best because of the limited resource base there, certainly not because of the people involved there.

Ethanol is key. We are looking at it, the only problem with ethanol being, of course, that it takes a lot of energy to produce ethanol, so that your balance is, well, it is fairly balanced. It takes almost as much energy to produce it as you get to burn in the end. What is important about ethanol is that you have to link it with something else so that in the process of developing ethanol, you get a good by-product. In this case, in relation to a cattle feedlot, it is the mash that is created by the fermentation process that is the effective by-product. It does not go very well

through a chicken's system or a pig's system. It is not good for those two forms of livestock, but it works very well with cattle. So the two industries are inextricably linked. This is of great interest to me.

We have done some development in infrastructure in the Interlake, of course, No. 7 Highway, the Prairie Grain Roads project on No. 68. Those two projects that amount and total up in the tens of millions of dollars have created the highways infrastructure to this location where

we are considering putting this plant in place. So we have got the Interlake natural gas pipeline that flows to Arborg—

Mr. Speaker: Order. When this matter is again before the House, the honourable member will have four minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 22, 2002

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