

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

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

**Vol. LVI No. 37 - 1:30 p.m., Wednesday, April 27, 2005**

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

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 27, 2005

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

### *PRAYERS*

### ROUTINE PROCEEDINGS

### PETITIONS

#### Provincial Road 355

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

These are the reasons for this petition:

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

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

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

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

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

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

We petition the Manitoba Legislative Assembly as follows:

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

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

Signed by Harold Gilleshammer, Jim Graham, Sandy Opruk-Merke and others.

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

#### **Pembina Trails School Division—New High School**

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

These are the reasons for this petition:

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

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

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

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

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

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

\* (13:35)

The government is demonstrating a lack of respect for the students and families in Whyte Ridge, Lindenwoods, Linden Ridge and Richmond West by refusing to provide adequate access to education within the community.

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

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

Signed by Parmjit Singh, Orisha Braun, Cynthia Letkemann and many others.

#### **Ambulance Service**

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

These are the reasons for this petition:

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

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

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

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

Signed by Liz Smith, David Smith, Joan Smith and many, many others.

#### **Minimum Sitting Days for Manitoba Legislature**

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

The background to this petition is as follows:

The Manitoba Legislature sat for only 35 days in 2003.

In 2004, there were 55 sitting days.

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

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the government, and it is critical that all MLAs be

provided the time needed in order for them to cover constituent and party duties.

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by B. Singh, Paramjit Singh and Raj Singh.

\* (13:40)

### **Coverage of Insulin Pumps**

**Mr. Gerald Hawranik (Lac du Bonnet):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Insulin pumps cost over \$6,500.

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by Odette Moffat, Joan Stenberg and Doris Vieville.

### **Closure of Victoria General Hospital Maternity Ward**

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

The background to this petition is as follows:

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by Bobbie-Jo Ratte, Kirk Wilkie and Brad Yamaoka.

## **COMMITTEE REPORTS**

### **Standing Committee on Legislative Affairs Fourth Report**

**Ms. Kerri Irvin-Ross (Vice-Chairperson):** Mr. Speaker, I wish to present the Fourth Report of the Standing Committee on Legislative Affairs.

**Madam Clerk (Patricia Chaychuk):** Your Standing Committee on Legislative Affairs presents the following as its Fourth Report.

**Mr. Speaker:** Dispense.

\* (13:45)

*Your Standing Committee on Legislative Affairs presents the following as its Fourth Report.*

**Meetings:**

*Your committee met on Monday, April 25, 2005, at 6:30 p.m. in Room 255 of the Legislative Building.*

**Matters under Consideration:**

*Bill 12 – The Liquor Control Amendment Act/Loi modifiant la Loi sur la réglementation des alcools*

*Bill 13 - The Milk Prices Review Amendment Act/Loi modifiant la Loi sur le contrôle du prix du lait*

*Bill 23 - The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)/Loi modifiant la Loi sur la sécurité et l'hygiène du travail (aiguilles utilisées en milieu médical)*

**Committee Membership:**

*Substitutions received prior to commencement of meeting:*

*Hon. Ms. Wowchuk for Mr. Aglugub*

*Hon. Mr. Smith for Mr. Altemeyer*

*Hon. Ms. Allan for Hon. Mr. Mackintosh*

*Mr. Eichler for Mr. Cummings*

*Mr. Cullen for Mr. Goertzen*

*Mr. Schuler for Mr. Loewen*

*Mr. Rocan for Mr. Penner*

**Public Presentations:**

*Your committee heard 3 presentations on Bill 12 – The Liquor Control Amendment Act/Loi modifiant la Loi sur la réglementation des alcools, from the following organizations:*

*Deanne Olston, Rivercrest Motor Hotel*

*Gary Desrosiers, Brunkild Bar*

*Jim Baker, Manitoba Hotel Association*

*Your committee heard 1 presentation on Bill 13 – The Milk Prices Review Amendment Act/Loi modifiant la Loi sur le contrôle du prix du lait, from the following organization:*

*James Wade, Dairy Farmers of Manitoba*

*Your committee heard 2 presentations on Bill 23 – The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)/Loi modifiant la Loi sur la sécurité et l'hygiène du travail (aiguilles utilisées en milieu médical), from the following organizations:*

*Ted Mansell, Service Employees International Union  
John Doyle, Manitoba Federation of Labour*

**Written Submissions:**

*Your committee received 1 written submission on Bill 12 – The Liquor Control Amendment Act/Loi modifiant la Loi sur la réglementation des alcools, from the following organization:*

*Leo Ledohowski, Canad Inns*

**Bills Considered and Reported:**

*Bill 12 – The Liquor Control Amendment Act/Loi modifiant la Loi sur la réglementation des alcools*

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

*THAT the French version of Clause 5(2)(a) of the Bill be replaced with the following:*

*a) dans le passage introductif, par substitution, à « des vins », de « des produits »;*

*Bill 13 - The Milk Prices Review Amendment Act/Loi modifiant la Loi sur le contrôle du prix du lait*

*Your committee agreed to report this bill, without amendment.*

*Bill 23 - The Workplace Safety and Health Amendment Act (Needles in Medical Workplaces)/Loi modifiant la Loi sur la sécurité et l'hygiène du travail (aiguilles utilisées en milieu médical)*

*Your committee agreed to report this bill, without amendment.*

\* (13:50)

**Ms. Irvin-Ross:** Mr. Speaker, I move, seconded by the honourable Member for Minto (Mr. Swan), that the report of the committee be received.

*Motion agreed to.*

### TABLING OF REPORTS

**Hon. Steve Ashton (Minister of Water Stewardship):** I am pleased to table the Supplementary Information for Estimates for Water Stewardship.

**Hon. Theresa Oswald (Minister responsible for Healthy Living):** Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review 2005-2006, Departmental Expenditure Estimates for the Department of Healthy Child Manitoba.

### INTRODUCTION OF BILLS

#### Bill 34—The Highway Traffic Amendment Act

**Hon. Gord Mackintosh (Minister of Justice and Attorney General):** Mr. Speaker, I move, seconded by the Minister of Transportation and Government Services (Mr. Lemieux), that Bill 34, The Highway Traffic Amendment Act; Loi modifiant le Code de la route, be now read a first time.

**Mr. Speaker:** It has been moved by the honourable Attorney General, seconded by the honourable Minister of Transportation and Government Services, that Bill 34, The Highway Traffic Amendment Act, be now read a first time.

**Mr. Mackintosh:** This bill notably, Mr. Speaker, enhances some sanctions, including for drivers convicted of impaired driving with a child passenger, and for offences resulting in death.

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

#### Bill 38—The Residential Tenancies Amendment Act

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of

Industry, Economic Development and Mines (Mr. Rondeau), that Bill 38, The Residential Tenancies Amendment Act; Loi modifiant la Loi sur la location à usage d'habitation, be now read a first time.

**Mr. Speaker:** It has been moved by the honourable Minister of Finance, seconded by the honourable Minister of Industry, Economic Development and Mines, that Bill 38, The Residential Tenancies Amendment Act, be now read a first time.

**Mr. Selinger:** Mr. Speaker, this legislation is a balanced package which will increase consumer protection for tenants, while at the same time providing targeted incentives for landlords to improve their properties.

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

#### Bill 39—The Investment Trust Unitholders' Protection Act

**Hon. Greg Selinger (Minister of Finance):** I move, seconded by the Minister of Justice (Mr. Mackintosh), that The Investment Trust Unitholders' Protection Law; Loi sur l'immunité des détenteurs d'unités de sociétés de placement, be now read a first time.

**Mr. Speaker:** It has been moved by the honourable Minister of Finance, seconded by the honourable Attorney General, that Bill 39, The Investment Trust Unitholders' Protection Act, be now read a first time.

**Mr. Selinger:** Yes, Mr. Speaker, this piece of legislation protects the beneficiary of an income trust from liability as a beneficiary for a trustee's act, default, obligation or a liability arising after the bill comes into force. The protection applies only to a trust that is reporting issuer under The Securities Act.

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

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us today 20 students from Minitonas Middle School. These students are under the direction of Mr. Mel Lausman and are the guests of the honourable Minister of

Agriculture, Food and Rural Initiatives (Ms. Wowchuk).

Also in the public gallery we have from Selby Area High School from Selby, South Dakota, U.S.A. 32 Grades 9 to 12 students under the direction of Mr. Sam Glantzow.

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

\* (13:55)

## ORAL QUESTIONS

### Floodway Authority Eugene Kostyra Appointment

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, last month we discovered that this Premier and his Cabinet quietly appointed former NDP Cabinet minister Eugene Kostyra as chair of the Floodway Authority.

As much as the NDP attempted to downplay this issue, the appointment of a long-time CUPE union boss to a key position just prior to the start of the floodway expansion project is no coincidence. Just as Mr. Kostyra devoted his time with CUPE to recruiting new members and encouraging collective action and militancy against business and government, he is using his current position in the Floodway Authority to do exactly the same thing.

Mr. Speaker, can the Premier explain why his floodway management agreement forces employers of non-unionized companies to hand over their names and addresses of their workers to Mr. Kostyra and the Floodway Authority?

**Hon. Gary Doer (Premier):** Mr. Speaker, the member opposite always only tells half of the truth on these issues. There is an agreement—

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

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. The issue of the floodway agreement includes two parts. One, of course, is the part referenced by members opposite not to the same insidious degree that he talks about, and secondly, it also provides for no strike or lockout

during the period of time of the construction of the floodway.

We think, on this side—

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

**Mr. Speaker:** Order. The honourable First Minister has the floor.

**Mr. Doer:** We think, given the \$85-million liability per year of failure to construct the floodway and the risk it presents to people in the Red River Valley, it is prudent to build the expansion of the floodway which we are doing. It is prudent to negotiate the funding for the expansion of the floodway which we are doing. It is prudent to have protection for the people in Winnipeg beyond the largest flood ever in the history of the province which will, of course, happen with the construction of the floodway. We are builders. We are builders of this floodway with no strike or lockout. They are not builders, Mr. Speaker.

**Mr. Murray:** Mr. Speaker, I know the Premier does not understand this, but we on this side of the House do understand that non-unionized companies never go on strike. Given the opportunity that is how it works.

Mr. Speaker, the only reason he is forcing companies to hand over their names and addresses of workers to Mr. Kostyra is so the information can be used in union-organizing drives. That is a shameful abuse of the office of the Premier and he should put an end to it.

Mr. Speaker, my office received a copy of a March 2001 speech that Mr. Kostyra, who at the time was this government's community and economic development committee secretary and made it in Australia at a union organizing conference, in discussing his union boss' success, and I quote from the speech, "Building local unions to greater militancy at the bargaining table and against right-wing employers and governments" was one of Mr. Kostyra's most telling comments. From his speech I say Mr. Kostyra said, "We wanted shop stewards to do more than just deal with workplace grievances. We sought to encourage them to act as union builders in their workplaces."

Well, Mr. Speaker, this NDP Premier, who was in debt to his union boss friends, who ultimately got



him elected, put Eugene Kostyra in charge of the floodway to gather those names to carry out his political payback scheme.

Mr. Speaker, it is an abuse of power. I would ask this Premier to do the right thing and take Mr. Eugene Kostyra, a political appointee, out of the Floodway Authority and replace him with somebody who is impartial on behalf of the taxpayers of Manitoba.

**Mr. Doer:** Well, Mr. Speaker, I would point out there has been an election since the banning of union and corporate donations here in Manitoba. As I recall, the last election seemed to go even better for us than it did in 1999. So here we have—

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

**Mr. Speaker:** Order.

\* (14:00)

**Mr. Doer:** Thank you, Mr. Speaker. In the agreement we have a ban of any strikes or lockouts, and of course, with floodway construction including bridge work, there are building trade organizations that are part of unions. So, therefore, we will not have a delay on the bridge work with a no-strike or lockout provision. Secondly, we have banned union and corporate donations here in Manitoba.

I would challenge the Leader of the Opposition to tell the people of Manitoba is he going back to the old way of having union and corporate donations in Manitoba, if God forbid, he is ever elected. Is he going to keep the new law?

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

**Mr. Speaker:** Order. We are fairly early into Question Period and we have students up in the gallery and we have the viewing public. I am sure they came all the way down here to be able to hear the questions and the answers. I ask the co-operation of all honourable members.

#### **Government Contracts Tender Process**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, one thing I would tell this Premier that when elected we would not force non-

unionized workers to pay union dues. We would expand the floodway the way that Duff Roblin did, without a forced union agreement. That is what we would do.

Mr. Speaker, back to the issue which the Premier has avoided. To quote Mr. Kostyra at that unionized organizing conference in Australia, I quote what Mr. Kostyra said, "At present I work for the government and the Province of Manitoba in Canada. The NDP is closely aligned with labour and I am one of a number of labour folks that have been hired by the government."

Mr. Speaker, this Premier has stacked his government with political friends because he is abusing his power and needs political payback for his union boss friends. Hopefully this Premier can assure all Manitobans that not one Manitoba taxpayer dime went to pay Mr. Kostyra's trip to Australia in 2001.

Mr. Speaker, aside from using the floodway expansion project to flow taxpayer dollars to NDP union bosses, it has been brought to my attention that the Premier has admitted to not properly tendering a number of government contracts. I quote, "Last week when we were questioning the Premier whether he would force a similar labour agreement on the Hydro building downtown." He also told CJOB and I quote, "Ninety-nine percent of Manitoba projects have proper tendering."

Well, Mr. Speaker, he is acknowledging that 1 percent of government contracts are not properly tendered. I would like to ask this Premier how many contracts did the NDP not properly tender, how much money were they worth and which political NDP friends did they go to.

**Hon. Gary Doer (Premier):** Mr. Speaker, we will put our political appointees that come and go with the government against Mr. Jules Benson and Mr. Taras Sokolyk any day of the week. We will put them against them. I know nobody is perfect, but I certainly believe—

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

**Mr. Speaker:** Order.

**Mr. Doer:** When the member was asking about building and tendering I explained to the media and I

will explain it to the Leader of the Opposition that when it is the Brandon general hospital, whether it is the Swan River hospital, whether it is the Gimli hospital, whether it is the Health Sciences Centre, whether it is the expansion of Concordia, whether it is the new Hydro building, whether it is a lot of other buildings that have gone on, the new arena that the members opposite were opposed to, the Pan Am Clinic, a new clinic, the primary health care unit in River East, on and on and on, the buildings we are building go through a process that is not required to have a no-strike, no-lockout provision.

The floodway, Mr. Speaker, we believe it was recommended to us, is an exception. We believe the floodway agreement is similar to Hydro dams in the 1960s that were with labour agreements to require no strike or lockout similar to other projects. I would point out that when the member opposite worked for the former Prime Minister, there was the Confederation Bridge built by Brian Mulroney, not exactly a New Democrat, that had a no-strike, no-lockout labour agreement in place.

#### **Floodway Authority Eugene Kostyra Appointment**

**Mr. Jack Penner (Emerson):** Mr. Speaker, the forced unionization of the floodway expansion workers is a shameful act by the NDP government. The Premier's decision to quietly place Eugene Kostyra, a former union boss and former NDP Finance Minister as chair of the Floodway Authority, reveals the Premier's true intention with the floodway expansion.

Mr. Speaker, will the Minister of Water Stewardship tell this House, tell us all, why they are trying to unionize an industry that has currently chosen not to be unionized?

**Hon. Steve Ashton (Minister of Water Stewardship):** Mr. Speaker, I am very pleased the floodway expansion is proceeding. In fact we are optimistic the construction will be underway this summer. That, by the way, is the focus of pretty well 99 percent of Manitobans. By the way, you do not have to ask which 1 percent I am talking about or ask about anything other than when it is going to be built.

By the way, Mr. Speaker, this may be news to members opposite but we are getting many inquiries from contractors. The main question the people are

asking is when are the contracts going to be tendered? How large are the contracts? What opportunities are going to be there for Manitoba? We believe there are going to be tremendous opportunities for Manitoba workers, unionized or non-unionized and Manitoba companies, unionized and non-unionized.

**Mr. Penner:** Mr. Speaker, the minister, the Premier and Eugene Kostyra's plan involves the Floodway Authority. In other words, Mr. Kostyra himself is handing over to the unions the names, addresses and phone numbers of all the workers of the Floodway Authority. This information is going to be used by Mr. Kostyra and the unions to try and organize the heavy construction industry. The minister's true motives are showing.

Why is he shamelessly trying to force the unionization on an industry that simply does not want to be unionized?

**Mr. Ashton:** Mr. Speaker, I think members opposite may want to take off their ideological blinkers and recognize there are unionized companies and there are non-unionized companies in this province. There are unionized workers and there are non-unionized workers in this province. The project management agreement will give opportunities to all those Manitobans.

**Mr. Penner:** Mr. Speaker, talk about having blinkers on and an agenda. We hear from the Premier's right-hand man himself, Eugene Kostyra, who says that his government's own intention is to put union builders into the workplace and union people into government, this government that stripped workers of their democratic right to a secret ballot. Will the minister revoke Mr. Kostyra's appointment today and replace it with someone that is impartial?

**Mr. Ashton:** While we are speaking of the ideological blinkers and members opposite, I would like to remind members opposite, Mr. Speaker, this critic called the provisions that would apply employment equity for Aboriginal people, for minorities and for women, he called it apartheid.

We, Mr. Speaker, are with the majority of Manitobans. We think the workforce should reflect the diversity of this province, and thanks to the project management agreement, it will reflect the diversity of this province.

**Prairie Production Centre  
Purchase Justification**

**Mr. Jack Reimer (Southdale):** Mr. Speaker, recently we have seen this NDP government purchase the Prairie Production Centre for \$3 million when it was previously offered to this government for \$1 plus a write-off of the debts. One of the major companies holding debt was the Assiniboine Credit Union, a company in which Eugene Kostyra was the previous president and now is the secretary to the Community and Economic Development Committee of Cabinet and at Treasury Board.

Mr. Speaker, to the Minister of Finance: Was this the reason the money-losing company was purchased, to bail out an old friend with taxpayers' money?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, the facility was purchased to provide the kind of venue that will attract film producers and film makers to this province to grow an industry which has seen a lot of success in the last few years. That facility is one of the keys to being able to attract that kind of investment to this province.

**Mr. Reimer:** Well, Mr. Speaker, let me ask the minister if he has any knowledge as to whether there was any contact, conversation or representation made by the present member of the board of the Assiniboine Credit Union, Mr. Geof Langen, who is the executive assistant to the vice-chair of Treasury Board, and the Minister of Health (Mr. Sale) as to look favourably upon the purchase of this money-losing business that the credit union had to recoup its investment in. Was there contact made?

**Mr. Selinger:** Mr. Speaker, the specifics of that question I will obviously have to take as notice.

\* (14:10)

**Mr. Reimer:** Mr. Speaker, it looks a bit too cosy. We have the secretary to the Community Economic Development Committee of Cabinet, who also sits at the Treasury Board, who was the previous president of the Assiniboine Credit Union, who was the major creditor and holder of monies in the Prairie Production Centre. We have the executive assistant to the vice-chair of the committee of Cabinet, pardon me, of Treasury Board, the Minister of Health. There just seems too much cosiness in here to not ask the

question: Was this the reason why the Prairie Production Centre was purchased to bail out the credit union and to get their debt paid?

**Mr. Selinger:** The member had a somewhat garbled question with all those relationships he was trying to identify. I would say this. First of all, under this government, the individual members opposite keep naming does not sit at Treasury Board. There is no presence of that individual at Treasury Board during the term that I have been chair of Treasury Board, and that has been for the entire term of this government.

Now the member identifies a volunteer of Assiniboine Credit Union, a former chair of Assiniboine Credit Union, as having a relationship with the Health Minister as an executive assistant. I can assure them that any arrangement made with respect to the Prairie Production Centre was done on the basis of what is best for developing the economy of Manitoba and specifically the film sector—

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

**Mr. Speaker:** Order.

**Mr. Selinger:** —and the specifics the member asked, we will get information on that for him.

**Point of Order**

**Mr. Speaker:** The honourable Member for Southdale, on a point of order.

**Mr. Reimer:** I am referring to the existing executive assistant to the Minister of Health (Mr. Sale), who sits on the board of Assiniboine Credit Union now.

**Mr. Speaker:** On the point of order raised by the honourable Member—

**An Honourable Member:** What a smell.

**Mr. Speaker:** Order.

**An Honourable Member:** They are not even trying to defend him.

**Mr. Speaker:** Order. On the point of order raised by the honourable Member for Southdale, he does not have a point of order. It is a dispute over the facts.

**Crocus Fund  
CentreStone Ventures Investment**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, back to cosy relationships. We find out on November 27 that the Minister of Industry announced, and this is just days before we find out that trading has been halted in Crocus shares, and weeks and months after we have learned that the board at Crocus had been told they had serious problems and were in the midst of a crisis regarding their valuations, an announcement was made regarding CentreStone which includes about \$5 million from government, government money from Workers Compensation, from MPIC, from TRAF, money from Crocus, all of whom have board members, have members on investment advisory committees. The crossovers are just too numerous even to mention in the brief time that I have.

The question to the Minister of Industry is how is it possible this announcement could have been made at this time without the NDP government having any discussion about the impending crisis at Crocus.

**Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines):** Mr. Speaker, I would like to advise the member opposite as well as all members in the House that third-party venture capital funds and third-party funds are nothing new. They have been around for many years starting in the 1990s.

There are all sorts of funds, and the purpose of these funds is to push investment and to push risk capital. There is the CentreStone fund, there is life sciences fund. There are lots of funds that have been developed by the former government and the present government. Those funds push industry, push research, push development and push the growth of Manitoba. I am pleased we have grown the economy by \$10 billion in five years by making strategic investments with the partnership of the private sector and government and pension plans to make sure that we have a bright future in the future.

**Mr. Loewen:** Mr. Speaker, CentreStone is no ordinary fund. In fact, we find out that 23 of the 25 million came from government or government-related investments. As a matter of fact, I have an Order-in-Council dated April 30, 2003, signed by MaryAnn Mihychuk and Jean Friesen, the then-

Deputy Minister, indicating that the government, through MIOP, had put aside \$5 million into Magellan Venture partnerships through an Order-in-Council.

What that was to do nobody knows. All we know is that it sat quiet until another Order-in-Council was issued on June 16, 2004, signed by the Minister of Industry and Economic Development, the member from Brandon West, and was also signed by the Premier (Mr. Doer) of the Province of Manitoba, which somehow changes the name of Magellan industries to CentreStone Ventures.

It indicates once again that these discussions, these negotiations were done at the very highest level of government. They were kept secret and they were kept hidden. Again I would ask the minister to tell us how much did he know about the Crocus fiasco when this deal was announced on November 27.

**Mr. Rondeau:** Mr. Speaker, yet again, I would remind the member opposite that this government is not involved in the day-to-day operations. What we do as in what the Tory government did, they put \$2 million of venture capital into Crocus so that the fund could be established.

Since the 1990s, there have been six such funds where governments make partial investment. The fund proponent goes and checks other companies, other investors, private and public pension plans, et cetera, to bring venture capital, research capital and business capital to this province.

It has been the practice since the 1990s, actually it was a practice under your government which made sense. We continued that practice where you gather investment capital in our province to create jobs, create research and push investment. It is a good decision economically, and what we have done is we think it is very important that government works with private industry to continue that.

**Mr. Loewen:** Mr. Speaker, this is an investment made behind closed doors, manipulated by the Premier (Mr. Doer), as we see from the Order-in-Council, manipulated by this government. As a matter of fact, the timing of this is completely unseemly. Just days before it was announced that the Crocus Fund had stopped halting in shares, this announcement of \$23 million of government and government-related money going into a fund was

negotiated behind closed doors quite likely by Mr. Eugene Kostyra.

I would ask the Finance Minister if he could explain why Mr. Kostyra would be conspiring to announce this deal just days before the crisis at Crocus was revealed to the public, just days before this House stopped sitting. How did Mr. Kostyra figure in this conspiracy?

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, the member opposite alleges conspiracy. He has not demonstrated any evidence of that. He is, once again, prejudging the outcome of the Auditor General's investigation. I know the immunity of the House allows the member to slag the reputation of individuals, but I would ask the member to be at least a little bit careful about his leaps in logic. Let us see what the Auditor General comes up with. We will be ready to deal with it and correct the problem to ensure Manitobans are well protected.

#### **Hip and Knee Replacement Surgery Private Partnership Agreements**

**Mrs. Heather Stefanson (Tuxedo):** Mr. Speaker, I hope that while Mr. Kostyra was speaking at a union conference in Australia, he also had the opportunity to check out the health care system while he was there where clearly, private-public partnerships are working for their system.

Mr. Speaker, Pat Ledger is waiting for two hip replacements and a knee replacement. Unfortunately, she has already waited seven and a half months, and she has been told she is to wait another year and a half. Once again this NDP government has demonstrated its willingness to put ideology ahead of patient care. The result is another Manitoban needlessly waiting in pain and seriously considering going out of province to pay for surgery.

Will the Minister of Health (Mr. Sale) now agree to set his ideology aside and consider partnering with the private sector so people like Pat are not forced to suffer any longer?

\*(14:20)

**Hon. Dave Chomiak (Acting Minister of Health):** I know, Mr. Speaker, members do not want to talk about the past, the past lean years or the past when members opposite were offered a \$10-million saving

to privatize home care. Then when they tried to do it the savings disappeared and Manitobans rejected them, but I will not talk about that.

What I do want to talk about is what the Tories promised in their '90 and their 2003 election platform for health care. Zero dollars; zero dollars to health care. I want to contrast that to our budget committing \$10 million this year for a thousand additional orthopedic surgeries which members opposite voted against. They promised zero. They voted against 1000 additional surgeries and that costs \$10 million. It does not come for free like members opposite pretend, Mr. Speaker.

**Mrs. Stefanson:** Mr. Speaker, Mrs. Ledger is the primary caregiver to her husband who is suffering from bone cancer. This government's ideology is preventing her from being able to properly care for her husband. It is denying them the opportunity to enjoy, as best possible, the time they have left with one another.

Will the Minister of Health (Mr. Sale) acknowledge the impacts his ideology is having on Manitobans who are waiting in pain and now commit to considering the proposals put forth by the Maples Surgical Centre?

**Mr. Chomiak:** Mr. Speaker, during our first term in office, we reduced the cancer waiting lists down from what was medically unacceptable to one week where people were dying. Secondly, we have cut the cardiac wait lists in half. During this term we have pledged to reduce the unacceptably high wait lists for hip and knee replacements. Even though we are doing more than ever before, we still pledge to reduce it more. That is why we committed \$10 million in this year's budget to do a thousand additional surgeries. Members opposite voted against it, instead they want private health care where you are going to have to pay for it. We think that is unacceptable to Manitobans, and we are prepared to back that up anytime, anyplace, anywhere.

#### **CAIS Committee Manitoba Representation**

**Mr. Ralph Eichler (Lakeside):** Mr. Speaker, the federal government announced on Monday that the national CAIS committee has been established to review and improve the CAIS programs, yet this Minister of Agriculture has not made any mention of

the committee. This NDP government needs to ensure Manitoba has representation at the table, or is this Minister Kostyra as well. Is this just another example of the minister being out of the loop with their federal counterparts?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** I can tell you, Mr. Speaker, this whole Question Period has been a reach from the opposition trying to create an issue when they really do not have one.

I can tell the member opposite, as well, Mr. Speaker, this government has been working very closely with the federal government on CAIS and looking at how we can make revisions to the program so it better meets the needs of the producers. Yes, we do have representation on that committee.

**Mr. Eichler:** The press release model states each province will appoint one government official and one producer representative to the committee. Who has the minister chosen to represent Manitoba and table the qualifications for appointments?

**Ms. Wowchuk:** Mr. Speaker, the representatives for Manitoba, as the member says, is one government member and that is Mr. Greg Fearn, who is in the policy division of Manitoba Agriculture, Food and Rural Initiatives, and the producer representative is Mr. David Roth [*phonetic*]. I wonder whether the members opposite would approve of that appointment or whether they are looking for his qualifications.

### **Crocus Fund Financial Report Release**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, the Crocus Fund and the future of the Crocus Fund has really been called into question. I think the government is doing a disservice to the Crocus Fund investors and Manitoba taxpayers by not being open and transparent as to what they know has taken place.

My question for the minister responsible is will the minister clearly indicate to this Legislature as to why the financial year-end was not submitted by the end of March when it was supposed to be submitted. Surely to goodness the government knows something. Will they not share that with Manitobans?

**Hon. Jim Rondeau (Minister of Industry, Economic Development and Mines):** Mr. Speaker, I think the member opposite is aware there are ongoing investigations by the Manitoba Securities Commission and by the Auditor General who are conducting investigations to make sure that the Crocus board has done the proper management, has done the proper investment, due diligence, et cetera.

Those investigations are independent third party, independent of government and they are ongoing. Because there are these ongoing investigations, I understand Crocus has asked for and received an extension of their annual filing. That is because they want to make sure that all the information is accurate and up-to-date.

**Mr. Lamoureux:** Mr. Speaker, the reality is none of those that the minister has made reference to should have had any impact on the company's or the Crocus Fund's ability to be able to come up with its financial year-end statements. That is the reality of this situation. The government knows more than what it is prepared to share. One has got to ask the question why is this government not prepared to share with Manitobans, in particular the Crocus investors, what it knows.

My question to the minister is this: Is it possible that we could be seeing the Crocus Fund shut down?

**Mr. Rondeau:** I think it is passing strange that the Leader of the Liberal Party last week said what are you doing with all the administrative costs. You should be decreasing administrative costs. The member behind him of the same party is sitting there saying, "Oh, you should have more staff to answer more questions, do more work presenting annual reports and doing all this work."

There is a certain amount of staff; they are able to do a certain amount of work. They are working with the Auditor General. They are working with the Manitoba Securities Commission. They are doing the due diligence as they are able to. Because they are working hard with these independent third parties conducting investigations, they do not have the ability to also prepare their tax returns or annual statements. They asked for an extension to the MSC which is independent of government, and the MSC granted it.

**Mr. Lamoureux:** Yes, Mr. Speaker, this financial year-end report in all likelihood should have been

done before the end of last year so that it would be presented. It is not a choice. The Crocus Fund did not have a choice on whether or not to do it. This was an absolute must.

What we know is that the government is hiding behind the veil of who-knows-what, Mr. Speaker, and they are not coming clean as to what is actually taking place with the Crocus Fund. There is a very real threat that the Crocus Fund will shut down. I think the government needs to come clean as to what it knows, what role it has been playing in this and has to be more transparent to the Crocus Fund investors and the taxpayers of our province.

Manitobans deserve better, Mr. Speaker, and I ask the minister to be straightforward and tell this Chamber what is happening with the Crocus Fund.

**Mr. Rondeau:** I am pleased to inform the member that the following is happening with the Crocus Fund. There is a stop-trading order which has occurred. There is an investigation by the Manitoba Securities Commission and the Auditor General. That is occurring. The fund is re-evaluating its assets from independent third parties. All that is ongoing right now.

I remind the member these are happening in public institutions so you have the Securities Commission which will report publicly. You have the Auditor General which is independent. It represents all Manitobans, all Manitoba taxpayers and all shareholders. That is independent and they will report publicly. The Crocus Fund will have to come up with another public prospectus approved by the Manitoba Securities Commission. These are all public bodies that serve all of government, all of Manitoba, and that is the proper way to proceed.

#### **Provincial Nominee Program Qualification Recognition**

**Mr. Cris Aglugub (The Maples):** In the last several years we have seen a steady increase of immigrants choosing Manitoba as their destination. This is largely due to the success of the Provincial Nominee Program. Most of these immigrants are bringing with them their skills, experience and training acquired abroad.

Mr. Speaker, given the government's commitment to qualification recognition for new immigrants in the province, can the Minister of Labour and

Immigration inform this House of any new developments in this area?

\* (14:30)

**Hon. Nancy Allan (Minister of Labour and Immigration):** I am pleased to have the question. Manitoba is further along with their qualifications recognition strategy than any other jurisdiction in Canada. We have a foreign-trained doctor program; we have a foreign-trained doctor program for immigrants; we have engineers; we have a foreign-trained program in pharmacy and we have a teaching program in development, Mr. Speaker.

I am pleased to tell members, if they would like to listen, that we recently made an investment in my department and we have increased funding for qualifications recognition, \$125,000. We believe this is an important investment because we want new immigrants to participate in our society, and I want to remind members opposite that is a budget they voted against.

#### **MCDCA Government Support**

**Mrs. Leanne Rowat (Minnedosa):** Mr. Speaker, the Manitoba Community Development Corporation Association provides assistance to the communities in northern and rural Manitoba to help them identify local challenges and local benefits. Most importantly, they provide training skills that help community leaders carry out their economic plans. Consequently, there appears to be no support by this government to further the long-range goals of the MCDCA for sustainability.

Mr. Speaker, my question is to the Minister responsible for Rural Initiatives. Why is this government ignoring the needs of over 60 northern and rural communities who support the MCDCA and the work it does?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Mr. Speaker, the member is wrong. This government does support the work of CDCs and we have met and had discussions with the Manitoba Community Development Corporation umbrella group. I want to inform members opposite that I will be meeting with them and members of that group at Rural Forum later this week.

### **Rural Economic Development Government Support**

**Mrs. Leanne Rowat (Minnedosa):** Mr. Speaker, they are meeting at their AGM tomorrow at noon, and they are probably likely going to disband. So I think this minister better step up to the plate and do something about it.

Last May, the MCDCA made a presentation to this government encouraging them to support a joint initiative with the federal government. The federal government supported the proposal, but this program requires matching funds from this province which they have never done on this side of the House.

The provincial contribution for local rural development initiatives has traditionally been allocated from lottery revenues. Mr. Speaker, can the Minister responsible for Rural Initiatives tell the House why she is starving rural and northern communities of needed dollars to create locally led development?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Mr. Speaker, the member is wrong again. This government is not starving development corporations in their ventures to support economic development in rural and northern Manitoba. In fact, we have expanded some of the programs into northern Manitoba, an area that members opposite ignored.

**Mr. Speaker:** Time for Oral Questions has expired.

### **MEMBERS' STATEMENTS**

#### **Williamson Curling Team**

**Mrs. Leanne Rowat (Minnedosa):** I would like to take this opportunity to recognize a curling team from the Minnedosa constituency. I am very proud of the Williamson rink for all they have accomplished and their dedication to the game of curling. Skip, Kristen Williamson, and second, Kendra Green, welcomed two new members this season: lead, Tanya Robins and third, Tasha Hunter. Together they won the Brandon Tournament and did very well in the Scott Tournament of Hearts, which was hosted in Souris this year.

Mr. Speaker, I have watched this team play with determination, enthusiasm and sportsmanship that is

a credit to all four young women. I recently had the pleasure of meeting with Kristen Williamson at the Roseland Curling Rink. I was very impressed with both her strong sense of community and her leadership.

Roseland Curling Rink is a community rink with one sheet made from natural ice where, as a toddler, Kristen watched her parents and grandparents curl and started curling herself at the age of seven. Kristen plays for the love of the sport and also to have fun.

This team's community spirit extends beyond the curling rink, Mr. Speaker. In 2006, Kristen Williamson and Kendra Green will be travelling to Disney World to run in a marathon to raise money for the Arthritis Society. I applaud them both for their dedication and wish them the best of luck.

Mr. Speaker, I will continue to watch and support this team of young women, both on and off the ice. They are talented young athletes who contribute so much to both their sport and their community. Once again, congratulations Kristen, Tanya, Kendra and Tasha. Thank you.

#### **Movement Disorder Clinic**

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, on Monday, it was announced that the Women's Tribute Memorial Lodge in St. James will soon serve as a movement disorder clinic for Manitobans. I take great pleasure in rising today to acknowledge the success of those involved who have worked so hard to ensure the spirit and the worthiness of this historic building would be honoured and restored for the benefit of all Manitobans.

In 1931, after 14 years of hard work, the women of Manitoba proudly opened the Women's Tribute Memorial Lodge as a centre for physical and social rehabilitation in tribute to Manitoba veterans of World War I. After decades of use, the lodge fell on hard times and has been vacant since 1986. In November 1999, I was approached by a concerned resident who questioned its future. In learning of its history, I was compelled to pursue its preservation. With the assistance of colleagues from all levels of government, I was able to help in the formation of the Women's Tribute Building Committee.



This diverse and resourceful committee has persevered to ensure the restoration and preservation of this historical building. They have worked creatively and tirelessly in their efforts to find the ways and means required to pay for the repurposing and the refurbishment of the Tribute building.

How fitting that in this the Year of the Veteran their efforts have come to fruition. The incoming initiative of a provincial Movement Disorders Clinic maintains the integrity of the building's spirit by providing a valuable health service to Manitobans. Moreover, it pays tribute to our veterans and it honours the memory of those women who, over 80 years ago, also honoured Manitoba's veterans.

Mr. Speaker, there have been a number of individuals whose work has been instrumental. Two, in particular, deserve personal recognition.

Mr. Speaker, I invite you and my colleagues here in the Manitoba Legislature to join me in congratulating the Women's Tribute Building Committee. I ask that you all join me in acknowledging the tremendous effort and success of committee co-chairs Margaret Mackling and Réal Cloutier. Together they have provided the vision, the conviction, the leadership and the determination to guide committee members, local residents, funders and public officials to this successful conclusion. Thank you.

\*(14:30)

#### **Pension Benefits Amendment Act**

**Mr. Ron Schuler (Springfield):** Mr. Speaker, on April 20 of last week this House, in one of those rare moments of unanimity, gave leave to pass Bill 10 on to Royal Assent. Bill 10 is a coming together of members of this Chamber in a positive way. The opposition, the Progressive Conservative opposition, has pushed this government for many years to do some changes in regard to defined contribution pensions. We introduced Bill 212; thousands of people got involved in the process. After some shenanigans by the Premier (Mr. Doer) on a radio show not being completely forthright about who was holding up the bill, in fact, yesterday in Estimates he admitted that he was wrong in what he said and as close as this Premier can come to apologizing he apologized.

However, we are now at a point, and yesterday I would like to point the House to Hansard where I got up on a point of order and I asked if the Speaker would canvass the House to see if leave could be granted so that the bill could be proclaimed.

We found out yesterday in Estimates that the government has not done its work, did not want to see this legislation proceed in a quick and orderly fashion, did not have its consultations done. In fact, the Premier twisted all kinds of words about how you cannot do consultations on regulations, but we found out that no consultations had been done to get regulations ready. They have not even started the consultations.

It is very unfortunate that seniors in Manitoba now have to wait as the NDP government holds up Bill 10, something they have been fighting for year after year, after year. Thousands of Manitobans are waiting for this and yet the minister will not proclaim the legislation. We encourage this government proclaim Bill 10. Let us get on with it.

#### **Maples Collegiate**

**Mr. Cris Aglugub (The Maples):** Mr. Speaker, I rise to congratulate the students and staff of the Maples Collegiate for being chosen to participate in the YMCA Youth Exchanges Canada program for 2005.

Mr. Speaker, Maples Collegiate was one of 400 groups to apply for this program. The exchange saw 26 Senior 1 students from the Maples Collegiate leave last Sunday for Powell River, British Columbia, to spend one week with youth from that area. Maples students have been assigned a twin student from Powell River and have been busy learning about this community. In May, Maples students and their families will host in return 27 students from Powell River.

Mr. Speaker, the YMCA Youth Exchanges program promotes cross-cultural learning for youth throughout Canada. This year alone, more than 100 groups are participating in this program. This will be the first time students from the Maples Collegiate take part in this program.

Mr. Speaker, Maples Collegiate is the largest high school in the Seven Oaks School Division, and a symbol of cultural diversity found in my

constituency of the Maples. The collegiate's approximately 1150 students come from a mosaic of different cultures and backgrounds. Their trip to Powell River will help further enhance Maples Collegiate commitment to cultural diversity and inclusion.

Mr. Speaker, I want to congratulate principal, Val McCorkell, and the Maples Collegiate for participating in this exchange program. I also want to thank the YMCA and United Way for providing the majority of the funds to send our children on this educational trip. Finally, I wish all participating students, teachers Dawn Wilson, Vern Zatwarnicki and vice-principal, Mark Miles, a safe trip. Thank you.

### Health Department Planning

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, the NDP has become a government cloaked in secrecy and short on plans.

Last December, \$40 million in spending was announced to rebuild the Manitoba Developmental Centre in Portage la Prairie, but no plans have ever been revealed, despite repeated requests. What is the NDP afraid to reveal?

Victoria General Hospital's maternity ward will close this weekend. The Health Minister (Mr. Sale) claims he had to do it because of safety issues, but no report to document the problems has ever been revealed publicly. Why not? Is the public simply supposed to accept that whatever the minister says must be true even though no one has seen any documentation?

The minister says he wants a midwifery unit, but no plans have been provided for the conversion of the maternity ward to a midwifery unit. Where is the plan? What is he afraid to show the people of Manitoba?

The annual report of Crocus Investment Fund was due at the end of March, but the deadline has been extended for no good reason, except to keep a veil of secrecy over the activities of this government. 34 000 thousand unit holders want to know what is going on.

In Estimates on Monday, the Minister of Health (Mr. Sale) was unable to reveal a plan for the

communities in the Assiniboine Regional Health Authority region, but he said he was consulting in case a crisis emerged because he had no plan.

In Estimates yesterday, the Minister responsible for Manitoba Hydro (Mr. Chomiak) refused to answer questions about Manitoba Hydro. This is a Crown corporation that belongs to all Manitobans.

Shrouded in secrecy, the government lurks and skulks along the halls and corridors of the Legislature. Do they have a secret handshake? Do they greet each with whispers of "The eagle flies at midnight?"

This is supposed to be an open and accessible government, but the responses from its ministers sound more like the script of a bad James Bond movie. The people of Manitoba deserve answers, not secrecy and cover-ups.

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, would you canvass the House to see if there is agreement to rescind the previous agreement of the House regarding the business for this afternoon, so that departmental Estimates are considered in three sections and that the waiving of quorum calls for today are also rescinded?

In addition, would you please canvass the House to see if there is agreement to change the Estimates sequence to move Industry, Economic Development and Mines ahead of Health in 254, move Finance from the Chamber into 255 ahead of Healthy Child and also move Intergovernmental Affairs from the Chamber into 255 after Finance, with these changes to apply permanently?

Finally, Mr. Speaker, would you canvass the House to see if there is agreement for the House not to sit in Estimates on Friday, April 29, and Friday, May 6, and for two sections of the Supply to meet in the committee rooms while the House considers bills on May 5, 10 and 11, with quorum calls to be waived on these days? This is in addition to the agreement that is already in place for May 4.

I will just also add that, after discussions with the independent members, the government will make best efforts to inform the independent members of the bills for May 5, 10 and 11 for consideration in the House.

**Mr. Speaker:** Is there agreement to rescind the previous agreement of the House regarding the House business for this afternoon, so that departmental Estimates are considered in three sections and that the waiving of quorum calls for today also be rescinded? Is there agreement? *[Agreed]*

Is there agreement to change the Estimates sequence to move Industry, Economic Development and Mines ahead of Health in Room 254, and to move Finance from the Chamber into Room 255 ahead of Healthy Child Manitoba, and to also move Intergovernmental Affairs and Trade from the Chamber into Room 255 after Finance, with these changes to apply permanently. Is there agreement? *[Agreed]*

Is there also agreement for the House to not sit in Estimates on Friday, April 29, and Friday, May 6, and for two sections of the Committee of Supply to meet in the committee rooms while the House considers bills on May 5, 10 and 11, with quorum calls to be waived on these days? This is in addition to the agreement that is already in place for May 4. Is there agreement? *[Agreed]*

\* \* \*

**Mr. Mackintosh:** Would you please call Supply, Mr. Speaker?

**Mr. Speaker:** The House will now resolve into Committee of Supply.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**AGRICULTURE, FOOD AND  
RURAL INITIATIVES**

\* (14:40)

**Mr. Chairperson (Harry Schellenberg):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the

Estimates for the Department of Agriculture, Food and Rural Initiatives.

Consideration of these Estimates left off on Resolution 3.2, Risk Management, Credit and Income Support Programs. The floor is now open for questions.

**Mr. David Faurshou (Portage la Prairie):** Mr. Chairman, last day, by the banging of the gavel, I was unable to conclude to the minister in regard to the current grain grading system we have in the province of Manitoba and, in fact, all jurisdictions of the Canadian Wheat Board, and that is kernel visual distinguishability criteria.

In light of the legislation passed that provides for the ethanol industry here in the province, genetics for high-yielding wheat, which is what the government is looking to have fill this requirement for crops to satisfy the ethanol industry here in Manitoba, currently do not fall within this kernel visual distinguishability criteria making them eligible to be registered.

So there are two ways of going about this, Madam Minister, and that is, one, that they have a closed-loop type of production and do not apply for registration generally across the country so that they are produced under contract directly focussed on a determined market, or, effectively, that we change the kernel visual distinguishability criteria of registration.

Now where I am going, the bottom line in all this, Madam Minister, have you had discussions with the Canadian Wheat Board in regard to either of those two types of proposals?

**Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives):** Mr. Chairman, the member raises an important issue and one that has resulted because the industry has changed and the interest in value-added, the interest in growing feed wheats for feed but also for the ethanol industry as the member mentioned.

I can indicate to the member that we have had discussions with the Grain Commission, we have had discussions with the Canadian Wheat Board about the CVD as well as the contract option, so we are aware of the issue and realize that work has to be done.

There is no doubt that we have to look at contracts, but there also has to be work done on developing some new technology, because the industry has changed and there are opportunities to grow different varieties of wheat that cannot be identified in the visual way. There is need for more work, but, yes, definitely, we recognize this as an issue and have had discussion with the industry.

**Mr. Faurichou:** While I appreciate the minister has had those discussions, further to that, the very nature and mandate of the Canadian Wheat Board is to make certain that all producers prosper from the marketing of grains. So, through the pooling nature of the board, producers in other provinces potentially can and will, under the current board mandate, profit from greater production here in the province of Manitoba, i.e., the high-yielding feed wheats.

Now, being that this industry is supported by the taxpayers of Manitoba through the legislation to the ethanol industry, I want to ask the minister whether or not she has had discussions with the Canadian Wheat Board to make absolutely certain that the closed-loop contracting type of production that will be necessary to support the ethanol industry here in Manitoba in fact is accounted for solely to the producers of Manitoba, and so those in the province of Manitoba are effectively the beneficiaries and not producers by the very nature of the function of the board in other political jurisdictions.

**Ms. Wowchuk:** As I understand it, the Canadian Wheat Board through their mandate can have limited pools now, but the bigger issue is you cannot contract any of the varieties that are not visually distinguished. You cannot identify them under the CVD. So I think the bigger issue is that we have to come up with a system of identification or a way to identify these new varieties so they can be grown and then work on the pooling issue.

The more important issue is how do we get by the whole issue of identification so that these feed wheat varieties can be grown and still have our red spring and other varieties for the food chain protected that we do not put at risk the reputation Canada has of a producer of very high wheat for the food chain. So I think that is the area we have to work on. As I said, we have had discussions with the Wheat Board on those matters.

**Mr. Faurichou:** I appreciate that, Madam Minister, but we have to make absolutely certain that we cover all the bases because any one of these bases we have touched on today could, in fact, interrupt the entire development of the ethanol industry here in Manitoba. The contracting of them and the effects of the closed-loop limited pooling, until they are defined, is something I would like very much the minister make certain that the language is such that those producers of the feed wheats for the ethanol industry located here in Manitoba effectively are accounted for within that limited pool. If the minister is able to get that limited pool established, I know it will be a challenge.

\* (14:50)

**Ms. Wowchuk:** I hear what the member is saying. The board does have the ability to establish further limited pools, but what we have to remember here is this is a producer-controlled board, and it will be the producers that make the decision as to what kind of pooling they want, but, definitely, I say to the member we have had the discussions. We believe that it is very important that we continue to work on these issues, not only with the Wheat Board, but with the Canadian Grain Commission and others that ensure that research is being done so that we can move in these areas.

**Mr. Ralph Eichler (Lakeside):** Mr. Chair, I would like to ask the minister for leave to jump around on the itinerary a bit. We would like to finish up today if at all possible. The Liberal Party has some questions they would like to ask, so if we could ask for leave. Would that be possible?

**Ms. Wowchuk:** Would it be agreeable that we pass the lines on the corporation and then move on into the other areas?

**Mr. Eichler:** There are some other members coming in to ask questions specifically on that. That is my understanding, so I would like to leave it. We will do them all at once at the end of the day.

**Mr. Chairperson:** Is there agreement to pass all resolutions at the end of the day? *[Agreed]*

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, my question is initially in terms of the Rancher's Choice project in Dauphin and would ask what proportion of the animals which are going to be

slaughtered there are going to be under 30 months and what proportion over 30 months.

**Ms. Wowchuk:** Mr. Chairman, the industry has identified the need for slaughter capacity for cull animals, and that is the focus of Rancher's Choice, to deal with animals over 30 months. However, and I expect that that is what the majority of animals will be, but they also do have the ability to slaughter younger animals should that be the decision that they make or if that is the market that they find. But the focus of the project of Rancher's Choice is to slaughter animals over 30 months.

**Mr. Gerrard:** My question is does that mean 50 percent, 60 percent, 70 percent, 90 percent over 30 months. Normally, the over-30-month animals are culled more at certain times of the year, and so, if they are going to keep an operation that goes year round, one would anticipate that they would probably be slaughtering a certain proportion of animals under 30 months.

**Ms. Wowchuk:** The plan is to start with 100% cull animals. That is the intent of the plant, and they are working with producers and people throughout the province on logistics, on how they will be able to have animals flow through the plant year round.

**Mr. Gerrard:** Yes, and the number of animals slaughtered per year would be approximately what?

**Ms. Wowchuk:** The goal is 60 000 animals per year.

**Mr. Gerrard:** And will this be a federally inspected plant?

**Ms. Wowchuk:** Yes, Mr. Chairman.

**Mr. Gerrard:** Are there plans for testing the animals for BSE?

**Ms. Wowchuk:** Mr. Chairman, this plant will operate as every other plant does with the routine testing. If the member is asking if there is intention to test every animal, there are no markets that are asking for testing of every animal.

**Mr. Gerrard:** Well, I think that one can debate in terms of the markets and testing of the animals. Certainly in Europe there are countries which are testing every animal, but I do not think we need to get into the debate here.

What I wanted to sort of get an estimate was by the routine testing we are testing so many thousands of the animals slaughtered each year. What is the target in terms of total testing for Manitoba?

**Ms. Wowchuk:** The goal is to test about 3500 animals in Manitoba for the 2005 year, and each of the animals at the plant is inspected by a CFIA inspector. If the inspector thinks or sees some symptom or some sign that an animal should be tested, it is pulled out and those are the animals that are then tested. It is the same routine that is followed in any other slaughter facility.

**Mr. Gerrard:** At 60 000 animals a year, what proportion of the total slaughter in Manitoba will that make?

**Ms. Wowchuk:** If the member could clarify, is he asking us what percentage of the animals that are slaughtered are tested? Is that what the member is asking? I am not really quite sure.

**Mr. Gerrard:** If we have 60 000 animals tested in a year in this plant, if we have 30 000 animals, for example, slaughtered elsewhere in Manitoba, that is 90 000 animals in a year. One might expect roughly two thirds of the total number of tested animals to be tested in Dauphin, perhaps, if that is the ratio of the total slaughter capacity at Dauphin to the whole provincial slaughter.

**Ms. Wowchuk:** Mr. Chairman, the number that has been set for Manitoba for testing is 3500. Then, about 3000 of those animals would be from what is called the three Ds, the dead, the downers, the diseased or those that are looking like they are dying. Those are the ones where you would get about 3000 of them.

What we have to remember with Rancher's Choice or any other slaughter facility is that every animal is inspected. If 300 animals would go through in one day and every one of those animals was healthy and a CFIA inspector gave them a healthy brand, they would not be tested; but, if on another day they found some suspicious animals and might find a few animals that are suspicious, those are the ones that would be tested. You really cannot say what percentage will be tested that are going through the plant. That will depend on CFIA and the recommendation that the inspector makes.

**Mr. Gerrard:** Two questions here in one, but the total number of animals expected to be slaughtered in Manitoba, if there are 60 000 at Dauphin, what will be the total slaughter capacity in Manitoba? Second, the minister has said that the animals with symptoms will be tested. What proportion of the animals which tested positive, say in the last couple of years in the United Kingdom, for BSE has been symptomatic? Do you know?

\* (15:00)

**Ms. Wowchuk:** I cannot provide that number for the member right now. We do not have that number here. If we might be able to find some information for the member, we could share it later, but we do not have the number of what is happening in the UK with us here.

**Mr. Gerrard:** The total slaughter capacity once Dauphin comes on-line would be what?

**Ms. Wowchuk:** We anticipate it will be around 90 000; there are about 30 000 now. If 60 000 come on stream, we are hopeful that with other people that are looking at increasing their capacity, we will see that number rise further. Right now, when Rancher's Choice comes on stream, it would be about 90 000.

**Mr. Gerrard:** Will the minister undertake to get back to me with an answer in terms of the proportion of animals in the UK in recent years which tested positive, were symptomatic?

**Ms. Wowchuk:** Yes, we will endeavour to find that information and get it to the member.

**Mr. Gerrard:** Question on the proposed Planning Act changes. The Planning Act will take away the responsibilities in terms of manure spreading, storage, handling and so on from the municipalities and make that essentially a provincial responsibility for all areas, including enforcement. I would ask the minister what the plans are in terms of enforcement, how many inspectors there will be and how they will be deployed around the province.

**Ms. Wowchuk:** Those inspectors will be in the Department of Conservation, not in this department.

**Mr. Gerrard:** But I would presume that the minister would be up to date in terms of what would be available.

**Ms. Wowchuk:** I might be up to date, but it is not fair for me to answer your question that is in another minister's department.

**Mr. Gerrard:** Well, let me ask the minister this. There have been concerns in the past in terms of inspectors and potential of conflicts in relationship to farmers or areas being inspected. What is the policy in terms of avoiding conflicts in such circumstances?

**Ms. Wowchuk:** Mr. Chairman, we take this issue of proper management very seriously. As a department, we have just updated manure management software that is available for producers as they do their manure management plan. By using this technology and information, we believe that is one of the ways that we can avoid some of the issues I believe the member is referring to.

**Mr. Gerrard:** Perhaps the minister can indicate in terms of enforcement and testing and so on, what specific tests will be undertaken so that there are objective measures of whether producers are in compliance.

**Ms. Wowchuk:** Mr. Chairman, part of the application process to file a manure management plan requires the producer do testing, and that testing is part of the application for a manure management plan. Should there be issues, through an enforcement issue, then additional tests would be required and additional tests would be taken.

**Mr. Gerrard:** What type of tests is the minister referring to? Is this soil content of nutrients? Is this water quality testing? What kind of testing is the minister referring to?

**Ms. Wowchuk:** Because the test was based on the nitrogen measure, that is the regulatory base of it, it is a residual test on the amount of nitrogen that is in the soil at the time. As the member is probably aware, the Minister of Conservation (Mr. Struthers) has also indicated that government is going to begin, or the Department of Conservation is going to begin, discussions on regulations to regulate phosphorous. After those consultations are complete, then phosphorous would become part of the base as well as nitrogen.

**Mr. Gerrard:** Is the minister indicating that phosphorous will not be tested for in the initial stages

or perhaps not for several years? What is the situation?

**Ms. Wowchuk:** When a producer does their testing they do their testing on all of the nutrients in the soil, because that is beneficial to them to know how much nitrogen is in the soil, how much phosphorous is in the soil. The regulation that we have right now for manure management plans requires that we do the study, the tests, based on nitrogen.

The Department of Conservation, now that we are beginning the process of introducing regulations and phosphorus, we will be notifying those people that are filing their next round of manure management plans that they will also be required to collect data on phosphorous to start that baseline information on each of the individual areas where nutrients are being applied.

**Mr. Gerrard:** This deals with soil testing. Is there going to be water testing too?

**Ms. Wowchuk:** That is really a question that the member should be asking in Water Stewardship and Conservation, because it is Water Stewardship that has responsibility for those. As the member knows, there have been some recent announcements made with regard to mapping and water testing, and I would suggest that he ask those questions in that department.

**Mr. Gerrard:** I just take that to indicate that, from an agriculture producer point of view, they are not going to be required to do water testing. Is that essentially what the minister is saying?

\* (15:10)

**Ms. Wowchuk:** There could be. There are municipalities that may require water testing, and, in this department, the testing, what we have is a requirement to test nitrates and, as I said, nitrogen. There will be steps taken towards phosphorous. There has been work on monitoring phosphorous to start to build the base. This department puts money into a variety of projects that do water testing. For example, the Deerwood project is one of the projects where we have put money in. There could be in specific areas where there is a requirement, depending on which area of the province an operation is in where there would be requirements to test water. There could be a requirement when a lagoon

or some operation is given a licence that one of the requirements is also to test and monitor water, but in this department our work is with nutrient management. As I say, there is work being done in a lot of areas. We are changing and increasing the amount of testing, but more detail would be available from other departments.

**Mrs. Leanne Rowat (Minnedosa):** Mr. Chair, I would like to ask the minister a few questions regarding an organization that is critical to rural and northern communities in providing supports for economic development. In the House, she had indicated that she has met with the Manitoba Community Development Corporation Association, I believe. If the minister can confirm that the meeting occurred last May. Can she confirm that that meeting took place?

**Ms. Wowchuk:** Mr. Chairman, I can indicate to the member that staff met with MCDCA on May 28 to discuss issues, and I can indicate to the member that I met with them. We have not got the exact date, but I believe it was in October or November that we met, somewhere in that time frame. I can get the member the date of that meeting. I do not have it at my fingertips, but MCDCA was in my office in the fall discussing some of their issues.

**Mrs. Rowat:** Can the minister elaborate on the meeting and what occurred at that meeting? Was there a discussion of a proposal to sustain the community or the association over three years?

**Ms. Wowchuk:** When the group came to my office, they did come with a proposal. They were looking for funding. What we indicated to the group was that we do not provide for funding to organizations like MCDCA, but that we would support them, and we would look through in-kind. We, in fact, have been able to give them some money. We have been able to leverage some federal dollars, matching dollars, for the association. Our commitment was to work with them and offer them in-kind support. We have given them a \$5,000 grant and have worked with them. Again, that grant is subject to matching funds as well. There will be additional funds that will be going to them, but we are just waiting for confirmation of federal dollars on that one as well.

**Mrs. Rowat:** There are some discrepancies in what the minister is providing here. I believe the organization did receive a start-up grant of \$40,000 from

the provincial government to help set up by-laws and a vision statement, et cetera. It was \$40,000.

Also, in 2004, based on the strong and skilled work of the association, they were able to access \$75,000 from the federal government. The federal government at that time had asked the Province to match that grant, and what the Province was able to provide was \$13,500 in cash plus in-kind. MCDCA understood and realized the importance of receiving that \$75,000 from the federal government, understanding and very distressed that the Province would not consider the importance of this organization or the work it does and did not want to provide the matching dollars. They went out and raised on their own \$14,000 cash plus provided in-kind. The federal government then at that point went ahead and provided their end of the bargaining on the funding.

My concern I guess with this government is that the community association right now has an opportunity to receive funding from the federal government under the Rural Capacity Building Program, under the Rural Secretariat. There is an opportunity to receive up to \$100,000 in a matching grant from the Province which would be over a three-year period. So, for the minister to say they have given a \$5,000 grant here and a \$10,000 grant, waiting until they have received confirmation from the federal government that they will support this initiative, I think what I have just shared shows in leaps and bounds the support that the federal government has towards rural development and rural economic initiatives. I am very disappointed that this government has failed to see the importance of MCDCA and the work they do for rural communities.

**Ms. Wowchuk:** If the member wants to go back, she is right that in 2002-03 there was \$40,000 that was provided as a one-time seed funding to start the organization. That was—*[interjection]* The member really likes to interrupt. I would like to explain to the member that this was one-time seed funding. That was not core funding. That was to get their by-laws to set themselves up.

In 2003, the organization approached Intergovernmental Affairs and Advanced Education for funding for a community capacity building project, and it was clear that was actually for operating dollars. I can tell the member that I met with the organization on December 6. At that time

we had a discussion, and again, I provided them with the information that we do not provide core funding but we would work with them. As I said, we provided a \$5,000 project grant.

\* (15:20)

The member refers to federal money that she was implying is waiting for provincial funding. That is the money that I said to her we were waiting for the federal government to respond to. That is in this year's budget, and that money from the federal government, I believe, has not been confirmed. They do look for matching dollars. That is why the organization is raising money, and that is why we will continue to work with the organization, but my understanding is that the federal money is not confirmed.

**Mrs. Rowat:** I guess I need clarification from this minister in the rambling that she provided.

What funding has the Province provided to this initiative or this association in the last year, in 2004 and in 2005 proposed, and then to match?

**Ms. Wowchuk:** In 2004-05, we provided the \$5,000 that I spoke to the member about. There is a cheque for \$10,000 that has not been delivered yet because we are waiting for the federal contribution. So that is in 2004. As well, I mentioned in-kind support, and we support them at rural forums, so that would be about \$15,000. That is very important because the association can then use that money as part of their share when they are going for additional funds. So those are the dollars.

With respect to this year, we are again supporting them through rural forum, so in-kind that would be about \$15,000, and then we will wait for their projects. There has been no application, no submission made yet on what their projects will be for '05-06.

**Mrs. Rowat:** I guess I sort of smirk that the minister is indicating that she supports the association. It is my understanding that the association has played a strong role and a leadership role in Rural Forum and actually has been key in pulling together and coordinating the seminars at rural forums. So I find their support is probably tenfold compared to what this government is providing in support for MCDCA.



I would like to know, the minister has indicated that she is waiting for the federal support commitment toward this association's grant. My understanding is that the \$100,000 grant proposal, I guess the Rural Capacity Building Program, which offers a maximum of \$100,000 grant, was approved in principle by the federal government and waiting for the assurances from the provincial government that they would contribute and match that grant, and it is a three-year-period grant. So I am a little confused, and I am not sure if this minister really understands what has actually happened here because MCDCA did indicate that they had the approval from the federal government in principle on their application for the capacity building program and that they were waiting from this government, this minister, to show that she would support their initiative.

To date, I understand from the association, that she has committed \$6,500, far short of a matching grant that would sustain this organization. This organization is having their annual general meeting tomorrow, which is Thursday, at the UCT Pavilion in Brandon, and I do know that they have some very tough decisions to make at this AGM. Without the government's commitment or support or interest in what they do as an association, I think this organization, in very likelihood, will be looking at terminating.

As an individual who lives in a community who has a strong community development corporation, and other communities like Minnedosa who have just recently structured a community development corporation, I find this government's backward support, regressive support, of rural and northern communities in economic development is disgraceful. I really encourage the minister to have somebody from her department attend this meeting and assure the association that she will not let them down, that she will work with them to provide the supports that they need to remain active in the communities where they are needed and required.

**Ms. Wowchuk:** I can assure the member opposite this government has far more commitment to northern and rural Manitoba than the member opposite. I want to clarify a couple of things. The member talked about the Manitoba Community Development Corporation Association being key to getting Rural Forum going. I want to indicate to the member that this is the first year this association has played a part in it, had their meeting—[interjection]

**Mr. Chairperson:** Excuse me. Do not interject. When you have the floor, you can speak to anyone here.

**Ms. Wowchuk:** Thank you, Mr. Chairman. This is the first year that MCDCA has been part of the seminar planning. This is the very first year. They did have their annual meeting at Rural Forum last year and we certainly support that. There is also support that comes for the association from the CDCs that pay a membership and not all of them belong to the membership, but their membership is very low. They pay \$25 to be part of it.

The member talks about money that is confirmed from the federal government. I want to again indicate to the member opposite, she is talking about \$100,000 and looking for matching funds. We have had no confirmation from the federal government on the \$10,000. I outlined to the member opposite where we were putting money in and the money that we had available, but there has been no confirmation from the federal government.

**Mrs. Rowat:** Who is the contact person that has been dealing with MCDCA, and when was the last time they have spoken to them in discussion regarding the \$10,000? If their AGM is tomorrow, it would be enlightening for the association to at least have a thread of hope that this government is going to provide some type of support for them to continue.

**Ms. Wowchuk:** Mr. Chairman, Peter Reimer is our government contact that has been working with them. I can tell you there has been a lot of contact because as I said this is the first year they have been involved with planning of sessions and seminars so there is close contact between staff and the MCDCA. As well, it is a Rural Secretariat that we are waiting for, for a response on the \$10,000.

**Mrs. Rowat:** I think I will probably make a call to Darrell Pack with the Rural Secretariat, and just ask if that is the case because my understanding is that is not the case. Also, I would encourage the minister if she would direct her staff to contact Ruth Mealy, who is the executive director of MCDCA as soon as possible and let her know there is still a hope that there would be \$10,000 available to this association.

I think the \$10,000 is piecemeal. This government has to be looking at this organization on a long-term basis. The importance of the work they

do in providing skills for individuals and individual economic development officers and community leaders, they fill a gap in the local rural development initiative. To learn that this organization may no longer be out there providing the supports, especially with what is happening in the agriculture sector and the business sector within these rural communities. If we lose an organization based on this government's inability to meet and to consult and to determine how best we can keep this organization going, I would be very saddened and very disappointed in this minister and this government.

\* (15:30)

**Ms. Wowchuk:** I can assure the member that there has been contact with Linda Ransom and others at MCDCA because we are working very closely with them on Rural Forum, and I can assure the member that they are aware of the \$10,000 and the fact that we are waiting for the federal government to make their commitment.

I would tell the member also that, if she will look at our reorganization and the additional effort that we have put in place, and the additional people that will be on staff across the province working on economic development, this government is definitely committed to economic development in rural Manitoba, both on the agriculture side and in the rural communities.

**Mr. Eichler:** Mr. Chair, I would like to get back on track here a bit. Start on page 50 with the Canadian income stabilization program, the CAIS program. With the recent announcement of the committee being formed on Monday with the federal government and the minister saying that she has her two people on staff, could the minister outline the basis on which her government is going to try and negotiate changes, and what changes are you trying to bring forward for the farmers in the province of Manitoba?

**Ms. Wowchuk:** That is exactly the reason why there has been a safety-net committee established with representation from industry and to develop recommendations. There will be a broad representation right across the country of industry people who will come forward with recommendations and will then bring them back to governments. But I want to also tell the member that we have a safety-net committee that I will be meeting with very shortly, and we will

have a chance to talk to representatives from all sectors to talk about the programs, to look at how we can make improvements to the program, and we will feed those concerns and recommendations into the committee.

So it will be a two-way stream: the committee will come up with suggestions; the industry will come up with suggestions. From those, hopefully, we anticipate that for our July ministers' meeting we will have some recommendations as to what changes can be made to the program.

**Mr. Eichler:** For clarification, the changes that are going to be brought about as a result of this committee, does the Province have to sign off on these, or are they a mandated program that once the committee gets some recommendations and brings them forward, is it an automatic, or is it something the Province has to sign off on?

**Ms. Wowchuk:** Mr. Chairman, this would be an amendment to the APF, and there is an amending formula that requires that if there is to be change, two thirds of the provinces or provinces that have 50 percent of the production have to sign off. As well, the federal government has to sign off.

As we just went through with the deposit issue, I indicated in the House that Manitoba and Saskatchewan and the federal government had signed off. That is still not enough. At the time I made that statement, that still was not enough for the amendment, so, yes, there has to be an agreement to the amendment.

**Mr. Eichler:** The other provinces that are not signed off specifically on the CAIS deposit requirement, where does that leave the province? I do not know. The ministers said that they have not made requirements to pay it until March of 2006, but does that leave us in contravention of the CAIS program? Are we going to be in a conflict there?

**Ms. Wowchuk:** The amending formula that I talked about that requires two thirds of the provinces to sign is dealing with the refunded deposit, and I have no doubt that the other provinces will be signing onto that and that deposit will flow, but that does not affect the rest of the agreement. It is only that one clause that is affected. I anticipate that that will be signed very shortly, but it is a matter of provinces getting through their treasury boards, getting through

their cabinets. I was fortunate that ours was able to move quickly, and we were able to get it done and sign off. Other provinces are working through it, and I anticipate very shortly that money will be able to flow.

**Mr. Eichler:** Is there a number of producers that have paid into the CAIS deposit that the minister is going to refund the money to, and how much money are we talking? I believe the number that she mentioned in the House was around the \$60 million mark. Could she just confirm that?

**Ms. Wowchuk:** The exact number of accounts I cannot provide the member with, but there is \$63 million that is sitting in Manitoba accounts that, once this amendment is passed, will be able to be returned to the producer. They will have to make application for it. The form will be sent to their bank and it will then be returned to them.

**Mr. Eichler:** Just for the benefit of the farmers that I get calls from, is there a time line of which the minister is looking at to refund this money, or is it if we do not get the other provinces to sign off, then the money will not flow—that is my understanding? So I guess it is imperative that we try to make, or suggest, the other provinces get on board in order to refund this money to the producers in a timely manner.

**Ms. Wowchuk:** Mr. Chairman, the member is right. It is an amendment. It has to be signed by two thirds of the provinces before the amendment can proceed, but my deputy tells me that yesterday we were given indication that there are three more provinces that are just getting ready to sign and it is only a matter of time. I anticipate that very soon we will have enough provinces that will have signed on so that this money could flow. Producers can then make their application.

**Mr. Eichler:** Do they make that at the local Ag office, then, the application?

**Ms. Wowchuk:** The people would make their application to the CAIS office and then the CAIS office, once the application is made, will send the required withdrawal forms to the bank. That is how it will happen. There is nothing to do with this at Ag offices.

**Mr. Eichler:** So the payout, then, just so we are all clear on it, the CAIS money is paid out by the federal

government out of Winnipeg for those farmers that have CAIS payouts. The deposit, is that held by the Province, or is that held by the federal government? The \$63 million in particular is what I am talking about.

**Ms. Wowchuk:** The \$63 million is held in the farmers' financial institutes. Everybody's holding is there, but what they have to do is apply to CAIS so that CAIS will then give the withdrawal form to the bank to allow it to flow out of the CAIS account into the farmer's regular account, or whatever.

**Mr. Eichler:** Thank you for that, Madam Minister. The CAIS program, the way it is set up now, and my understanding on what the Committee's responsibilities will be, they will be having hearing requests, I guess, across Canada, and, with the crop getting ready to be put in the ground, we probably will not see a lot of change on this program until probably fall in order to allow input from the farm groups that are going to be affected by the changes. Does the minister have any indication of what might come about with respect to these hearings? Is there a time frame on these?

\* (15:40)

**Ms. Wowchuk:** Mr. Chairman, the committee and governments are targeting to have some recommendations for ministers for the annual July meeting. So the plan is that there will be some meetings held prior to that. I think consideration has to be given to the time of year that it is and the busy season for producers, that all has to be taken into consideration.

I will be meeting with my safety-net committee to get input. It is the hope that there will be recommendations that ministers can look at, at the July meeting.

**Mr. Eichler:** Just for my information, the ministers meet in July, and then when would the next meeting be?

**Ms. Wowchuk:** That meeting can be called whenever is necessary, but this is the annual meeting. But ministers have been known, I think, ministers can meet as is needed. In the past year, I think, we met either three or four times, plus we have regular conference calls to discuss the issue. But the meeting that I speak of is the annual meeting in July, early July. That is when we are hoping that the

committee can make some recommendations to us and also that we will have input from other committees as well.

**Mr. Eichler:** With respect, on the CAIS program, the \$123 million is being flowed as new money, not CAIS money from the federal government. It was announced, when the minister was out of the loop on that, that \$123 million will be declared as income, I believe, my understanding, for 2005. Is that correct, Madam Minister?

**Ms. Wowchuk:** My understanding is that the payments that the member is referring to will come in 2005 and they will be considered as income in CAIS. This is federal money and this is the decision that the federal government made, that this would be considered income.

**Mr. Eichler:** So, then, in the budget you have budgeted, you put an extra \$2 million into the payment program. So the Province, by not participating in this program, with this being declared as income, is going to benefit financially by a huge amount of money if just the 40 percent in savings because that is going to lower the CAIS payout, that is my understanding. So that payout, then, will be reduced by 40 percent of the \$123 million. So the Province is going to benefit by \$53 million?

**Ms. Wowchuk:** Yes, we have budgeted \$2 million in additional money for CAIS. I can tell the member that I know that producers would much rather get their money from the marketplace than want to have to draw on programs. I have had producers tell me this all of the time, that they hope that they do not have to trigger these programs.

It is very early in the program. It is very early in the year to indicate what incomes are going to be. There will always be some producers who do not draw from the CAIS program. So, to say that we are going to save money on CAIS because of some payments, that is only one element in the whole picture and there is much more that comes into it. Very honestly, I hope that farmers do get a better return from the marketplace, so they do not have to count on programs.

The money is budgeted and we will have to wait and see what happens at year end, but I can tell the member that we are working with producers in other areas where we are going to also make investments.

**Mr. Eichler:** Having said that, Madam Minister, you must agree, though, that the province is going to benefit considerably financially by this \$123-million cash injection into the economy. So the CAIS payout will be substantially less. That will free up some money that the minister could flow to the struggling farmers we have in the province of Manitoba right now, whether that be through increasing slaughter facilities, whether that be increasing through new initiatives for cereals and oil crops. There is a substantial amount of herd out there, and this money would now come at a great time. We cannot just keep banking on the fact that we think we are going to have this bumper crop and our turn has finally come. So, with that amount of money that is going to be saved, the minister and her staff could use that initiative to move some of these other programs forward.

**Ms. Wowchuk:** You know, the federal government has put trade injury payments in before. They put money in, in the previous year, that was a similar amount, and that amount did not end up reducing the draw on CAIS. So, yes, there is additional money that is coming in from the federal government. I am very happy it is there, but it is too early in the year to be able to indicate what the returns are going to be or the impact. The member has to look at last year's where we had record levels of farm cash receipts. We had record levels of government payments. Yet there were certain sectors that got a payment out of CAIS. So you cannot say that just because there is \$123 million coming from the federal government that there is going to be an equivalent reduction in the amount that the Province is going to have to pay out through CAIS payments.

We are in the agreement. It is a demand-driven program, and we will meet the needs of our producers. We will continue to look at areas where we can invest to diversify the economy of this province, and certainly slaughter capacity is one of those areas.

**Mr. Eichler:** With the \$1.3 billion that has been announced as paid out in the CAIS program over all of Canada, how much of that has actually been triggered within the province of Manitoba, and the number of producers as well?

**Ms. Wowchuk:** For the 2003 year, Mr. Chairman, there were 5190 payments made for a total of \$87,863,137. There are still some outstanding claims

that are being worked on that are a fairly substantial size, so we anticipate that as we wrap up this year, the 2003 year, we will be very close to the targeted amount that was budgeted for this year.

\* (15:50)

**Mr. Eichler:** The \$87 million, is that the total amount or the 40% amount?

**Ms. Wowchuk:** That is the total amount. Our share would be 40 percent of that.

**Mr. Eichler:** What was the budget in '04? That was \$50 million, I believe, so you had a substantial amount of money left over from that.

**Ms. Wowchuk:** For the '03-04 year, our preliminary budget was \$42 million. Then we had a supplementary budget of \$7.8 million which brought us to a total of \$50.3 million. If you do the calculations on the 87 and the additional claims that are still outstanding, we will be very close to budget.

**Mr. Eichler:** That is fine on the CAIS program. We will move on to the Livestock and Development Assistance program. The objective of this is to expand parts of the livestock industry. Would the minister or her staff like to elaborate on that a little bit?

**Ms. Wowchuk:** Our focus has been to put incentives in place to help facilities move to federally inspected standards. Last year our focus was on beef. This year we continue to work on beef. We are also looking at expansion that will meet the needs of other species and in other areas because we recognize there is pressure in those areas. Our real goal is to move to federally inspected standards so that we can then move to some interprovincial trade and, in fact, international trade.

We recognize it is unfortunate that we lost the slaughter capacity we did in the nineties and, really, the beef industry has moved to Alberta. We have to work to build that up again. Our goal is to work with some of the smaller facilities that can work in niche markets. If they have the desire to work in international markets, we are also prepared to work with them in that area.

**Mr. Eichler:** With that is there funding that has specifically been requested by the processing plants

to upgrade federally other than the request that I brought forward yesterday with B J Packers? What are the criteria which the department uses to transfer money to these owners wanting to upgrade to federally inspected plants?

**Ms. Wowchuk:** As I said, the goal is to help people with their feasibility studies to put their business plans together. There is an application form that is available for them. We have had several people pick up applications forms, but there has been no formal requests for funding.

We continue to work with several people in this area. Those that have applications, some of them are talking to their consultants. Some of them are looking at the information package we have put together as far as a prefeasibility study. That study we did that the member is aware of to collect the data for the province so that everybody can use one base data, of course, yesterday, I also mentioned we want to have input from the industry because I think it is very important that you consult with the industry if you are putting a package together that will help them. There is not much sense in putting a package together if it is not going to work for them. We will be meeting with the industry early in May to have that discussion.

**Mr. Eichler:** Would the department consider the way the payments are made right now? Once the packing plant enters into an agreement with a consulting company, as to whether or not the viable, would the department consider paying for those funds rather than, the way it sits now is, the producer or the meat packer has to pay out that full \$50,000. In specific, the requests that we talked about yesterday with B J Packers. He puts out 50 grand out of his pocket, which limits his capital, limits his needs, that he has to have. Can the Province look at the fact that perhaps they can enter into that agreement with the consultant and pay their share, rather than have the meat packer put out all the money and be on the hook for it until such time the government pays his 90 percent back?

**Ms. Wowchuk:** The bills are paid on receipt of invoice and receipt of the report. We could make the payments if we receive invoice and we had a progress report, but it is really an audit requirement that we have invoice and we have report. So we have to be very careful that we are not stepping beyond the bounds of the Auditor.

I understand what the member is saying. It is a significant amount of money that has to go, but I believe that knowing that there is up to a 90% recovery is important and that also is useful for the people who are doing the feasibility study and the people that are looking at it.

**Mr. Eichler:** I know the minister would have the authority to do that, whether or not she has the will, I guess, or her department has the will, in order to make the changes. I mean, I know this particular individual that we are talking about with B J Packers is going to have to go borrow that money or take it out of his operating line. So he is going to have some borrowing costs and some other costs and, to me, I just cannot see why the Province cannot enter into the agreement itself with the consultant and pay them the 90 percent and leave the B J Packers, in this case, the 10% responsibility, rather than have him have to upfront all of the money.

**Ms. Wowchuk:** Well, the member opposite says that I have the authority. I have to live within, and this department has to live within, the rules of the Auditor.

What the proponents can do is break their projects down into smaller components and that has happened in some cases, but we have to be very careful with public money. We cannot be paying for something that we have not received. But, as I said, we have discussions with individuals and staff from this department will work very closely with them and sometimes the better way to do it is to break it up into components and that might also help. So we are open to discussion, but in reality we cannot pay a bill or advance money without an invoice.

**Mr. Eichler:** Out of the 29 plants that are in the province of Manitoba, there is one that is federally inspected, and, hopefully, we can get another one here very soon. My understanding on contacting these processing plants, there is only one that has received funding from the Province. What does the minister think that the problem is? Is it the lack of will? Is it the lack of business wanting to take the chance, or is it lack of initiative on the government's part to not let them know about the programs?

\*(16:00)

**Ms. Wowchuk:** It is an interesting question that the member raises. There are people that have made

applications. We had a program that covered 50 percent of the costs, and there were some people who applied, were approved and withdrew their application. We have a concern that we are not getting the kind of uptake or interest in moving to federal standards. That is why we have moved to covering up to 90 percent of the feasibility studies to hope to encourage more people to do this.

Really, we have worked with the industry and it is industry and the processes that have to make the decision. It is a big investment, and I know that there are some that are looking at it. When people are looking at these kinds of options, there are staff that work with them and we will continue to work with them and, hopefully, we will see some people move to the next level.

I think one of the things we also have to recognize is that many of the plants right now are working at full capacity, and they are content with the business that they have. Many of them do not have the desire to move to federal standards. We would like to see more move to federal standards, but it also has to be a desire on the part of the business owner. If they are happy with the way their business is going, we can only do so much. We have put the money in to help them with their feasibility studies now going to 90 percent. We have various programs that are available should they want to move in that direction, but it is up to the individuals. If you want to slaughter an animal right now in this province, many times you have got a long waiting period because they are busy, so that is really the issue.

**Mr. Eichler:** Out of the budget, how much is going to Rancher's Choice with the initiative that they have going? Is there a set amount?

**Ms. Wowchuk:** The money for Rancher's Choice was budgeted in last year's budget, so we do not anticipate that there will be a need to draw from this fund. We are hoping that this fund will be used for other facilities.

**Mr. Eichler:** With respect to Rancher's Choice, what is the process that the Rancher's Choice are going to use to try and get rid of the offal that is going to be built up there? Is that all going to be hauled into Brady, or is there a long-term plan trying to deal with that?

**Ms. Wowchuk:** Mr. Chairman, the business plan was to haul all of the offal to Brady Landfill site and their business plan was viable with that component in it, but we have been in discussion with them about looking for opportunities locally, and it is my hope that, as we move forward, we may come up with a local solution. I have always said that, if it is being hauled to Brady, somebody is making money on it. We have transportation classes on it. I would much rather see a local solution where we might create some jobs in a rural area. So those are discussions. Their plan is Brady Landfill site. We are hoping that, as we move forward, there might be a local solution.

**Mr. Eichler:** Well, I thank the minister for that. That is an issue that affects all the packing houses within the province, and I know specifically with McCreary and with B J Packers in Beausejour that is a cost that is substantial that they have to pass on to the client in the end result. I would think that the government should take some leadership roles and try and find ways to deal with the product since it is no longer rendered, and it is a cost that we are going to have to deal with in the future. Hopefully, either through the university or one of our other initiatives, we can move forward to make that where it is not quite so expensive. Also, Brady is going to run full one of these days as well.

**Ms. Wowchuk:** The issues that the member raises are accurate. I can tell the member that we have funded a study at the university to look at composting. Our department has been providing information on how composting might be done, but the municipalities also have to get engaged in this issue. These are local issues, and I do not believe it is right to be just sending everything off to Brady Landfill site because, as the member indicates, there could be a point when this is not going to be an option.

So we have to look for local solutions, and I have been in discussion, raised it with AMM as an issue that they have to look at. There are sites in rural Manitoba that would qualify for sites that could be where the offal could be composted or disposed of because some of the landfill sites do meet the standards that are required, but in my view there is a resistance on the part of the municipalities to deal with it. I believe that it is an area that more work has to be done.

**Mr. Eichler:** I am glad to see the minister has taken the initiative. We did meet with a company out of

Brandon that had a compost site at the Brandon airport and I do not know if the minister has met with them or not, but—[interjection]

**An Honourable Member:** Chater airport.

**Mr. Eichler:** I am sorry.

**An Honourable Member:** Chater airport.

**Mr. Eichler:** Chater airport. I do not know if the minister has met with them or not, but it is an issue where they are doing some composting now for Maple Leaf and they have the ability I think to handle some more offal, ways of dealing in the composting. I know Stony Mountain penitentiary has an excellent program there as well. I think the science is out there and a lot of work is being done on it. Hopefully, the department or her staff could meet with some of these groups to move their projects forward.

**Ms. Wowchuk:** Mr. Chairman, I can assure the member that our department has been meeting with a variety of groups. I am not sure of the particular one that he has spoken to, but we have met with a variety of groups. We have put the information on composting on site and many farmers are using it. They say that the information that has been provided through workshops is working very well for them. We have also put the information on the Web site so that people can use that, access information there as well, and, as I said, we have invested in a compost project at the University of Manitoba and are working with a variety of people who have different ideas on how we might be able to deal with the by-product of this industry.

**Mr. Eichler:** Thank you. We will move on in respect of time in order to try and stay and get through this today.

Just a quick comment back on the school tax rebate on farmland. We met with another group this morning, and I have to tell the minister and put this on record. They are very concerned about this being in the agricultural budget. If it is a political move just to show that the agricultural budget has been increased by \$20 million, I would ask the minister to re-evaluate that. It is not going to go away, and with it being in the particular department that it is in, does open that door for criticism. I do not think we need to put our farmers in that situation at this point in time.

**Ms. Wowchuk:** Mr. Chairman, the member has raised this issue before. I have said, and will continue to say, that if there is a trade challenge, it is not going to matter in which line this is, but I indicated to the member also that, as we do restructuring of the department and restructuring of our services, this service will be provided through the Manitoba Agriculture Services Corporation through the insurance division. I have to just completely disagree with the member that we could somehow hide a support for farmers.

If we are in a trade challenge, they will look at every line to look at supports, just as we would look at every line if we were challenging someone else. This is a support for farmers. I am proud that our government has been able to work on the farmland school tax rebate and I am proud that a branch of this department can deliver that to farmers.

\* (16:10)

**Mr. Eichler:** As I have stated yesterday, and I will still state again today that we will have to agree to disagree about it. Hopefully, it does not come to that, but, when it does, we will say that we told you so.

Moving on to the next program, Agri-Industry Development and Innovation, with the irrigation development, in particular with the Portage area, Carman area, Treherne area, what are the department's plans with respect to upgrading or licensing of the irrigation development?

**Ms. Wowchuk:** We are not the licensing agency for these projects. We provide technical assistance and funding for off-farm water storage, and any project has to meet the licensing requirements that are regulated in the Water Stewardship branch. Their water rights licence would come from Water Stewardship, and their environmental licence would come from Conservation.

**Mr. Eichler:** I would like to have it recorded that I thank the minister for her invitation to attend the Agri-Food Research and Development opening last week and her staff on the great job they did. She announced several times about, I believe it was 13.5 million. Could the minister give us a breakdown on how much of that was federal and how much was provincial?

**Ms. Wowchuk:** The 3.278 million was from a federal GRIP surplus, 5.252 was equipment that we got under the APF, and then the 5.08 was the provincial funding. As well, the ongoing operational costs are provincial dollars. So we used the federal money, which is in the range of 8.5, which was federal dollars that we had left over from GRIP, and we were able to negotiate a use for that. When we were in those discussions, I thought it was very important that we take those dollars and use them in something that would be a long-term investment. So that is the portion of federal dollars.

**Mr. Eichler:** With the funding then, there is no funding that is going to be coming forward from the federal government for any of the operation costs. It is going to be the responsibility of the Province of Manitoba?

**Ms. Wowchuk:** There are no federal dollars for the operating of the project, but there could be federal dollars if someone comes forward with one of the projects. For example, somebody may get money through ARDI, the Agriculture Research and Development fund, so there could be federal-provincial dollars that would then be used on a particular project, but the ongoing operating costs are funded by the Province.

**Mr. Eichler:** Just taking that to the next level then, the dollars that have been budgeted for that are \$1 million. Is that correct?

**Ms. Wowchuk:** For the ARDI, for the Agricultural Research—

**An Honourable Member:** Right.

**Ms. Wowchuk:** Yes, there is \$1 million budgeted there. That is \$1 million provincial money.

**Mr. Eichler:** With that then, some of the initiatives that are being brought forward by the different levels of the sector that wants to have products tested and developed, what portion of that is recovered from the producer or the client?

**Ms. Wowchuk:** About a third of the costs of testing the product or developing the product is recovered from the proponent.



**Mr. Eichler:** And how is the cost filled out? Do they use a per-hour formula or is it something that is prenegotiated?

**Ms. Wowchuk:** It is a set rate for projects. It is something that is negotiated at the beginning of the project so the proponent will know what their costs are as they move forward. There would be a different rate for Manitobans than there would be for someone from out of province or out of country. The member knows we have an interest in attracting business and partnerships with other countries, and that is why we had representation from China, from Mexico and the U.K. at our opening.

**Mr. Eichler:** Just so I am clear on the research and development, that is only for consumption, then? Any new oils or that type of process where we would be wanting to look for new initiatives, new programs for something other than food, that would be through the University of Manitoba rather than through the Food Development Centre?

**Ms. Wowchuk:** It would be food and beverage products that would be tested and developed at this centre.

**Mr. Eichler:** The Agri-Environment line there for \$1.9, what is the Province's position? This is where the farm tires and so forth would be under in that particular department.

**Ms. Wowchuk:** This is the whole gamut of issues that we work on with farmers on environmental issues like environmental farm plans, nutrient management, soil testing, surveys. All of those would be included in that area.

**Mr. Eichler:** With respect to the tires within the province of Manitoba, what is the department's position specifically in regard to farm tires?

\* (16:20)

**Ms. Wowchuk:** We have no program dealing with tires in this department. It would be under Sustainable Development. It is in the Department of Conservation where there is the environmental program on tires. It is not in this department.

Mr. Chairman, I think we will have to clarify that. I am not sure if it is in Energy, Science or

whether it is in Conservation. I can clarify that for the member.

**Mr. Eichler:** The Agriculture Sustainability initiative, in particular when we are talking about that particular fund, local organizations and that has to do with agricultural practices, is there a particular initiative that the government is looking at, or what is the idea on that particular area?

**Ms. Wowchuk:** This is our Covering New Ground program, and the program areas are sustainable crop management, sustainable forest and livestock management, integrated pest management, and the programs vary across the province. They are determined by the local groups, for example, and there is a provincial team that works on it, and then there are teams in different regions of the province, and some of them could be working on livestock budgets, some could be working on crop project, so it varies across the province. The goal is developed to address priorities that have been identified in Manitoba's framework on sustainable agriculture and food.

**Mr. Eichler:** Then with the grant to the University of Manitoba for the \$868,000 there, the minister's department, I believe, was part of the ceremonies out there with the Canadian Wheat Board. Is this mainly for the cereals and oil crops?

**Ms. Wowchuk:** Mr. Chairman, this grant to the University of Manitoba spans across all aspects that are covered in the Faculty of Agriculture and Food Science at the University of Manitoba. There is also a portion of it that is used in Human Ecology on the nutritional side and the food side of that division as well.

**Mr. Leonard Derkach (Russell):** Mr. Chair, I would like to turn my attention to the Rural Development side of the department that the minister is responsible for. I would first like the minister to point out to me where I can find in her Estimates book the amount of money that is allocated from Lotteries to programs in rural development.

**Ms. Wowchuk:** If the member would go to page 116, under 4H, we will see that the total amount for the budget for 2005-06 is \$21,750,000, and that is REDI money.

**Mr. Derkach:** That is about less than 50 percent of what the Department of Rural Development used to

receive from lottery funds. I ask the minister where the remainder of lottery funds that was designated in an agreement back in the nineties, in terms of the 50-50 sharing and the appropriate sharing for a lottery funding, where that money has gone.

**Ms. Wowchuk:** REDI is a formula-driven program and it is 25 percent of the revenue from VLTs that goes back into rural Manitoba to promote rural economic development. That is the formula that has been used and is used for allocation of the funds from REDI, from the VLTs. So I am not sure what the member is referring to as previous funding.

The other portion of the funds is the UDI funds, which are the urban funds and that, as well, is formula driven and that is 25 percent and the UDI funds are located in the Department of Intergovernmental Affairs and trade.

**Mr. Derkach:** I am not going to argue the issues; I just want the answers. Can the minister tell me where I can find the money that has been allocated for the Grow Bonds program?

**Ms. Wowchuk:** I believe the member is aware that we are not operating the Grow Bond program now. There are Grow Bonds that are in existence, but we have moved to a new program, which is a tax credit program, and that program will be found under program operating under the \$16,443,500. That is where the tax credit or the new program is found.

**Mr. Derkach:** The minister described the new tax credit program?

**Ms. Wowchuk:** The CED tax credit encourages local, private investment in Manitoba-based opportunities by providing community-based enterprise development projects with a means to raise necessary equity capital. Eligible investments may be made either directly in qualifying Manitoba community enterprises, or indirectly into qualifying community development investment fund pools.

\* (16:30)

A Manitoban who invests in an equitable local investment could earn up to 30% income tax credit on a maximum investment of \$30,000 which would be a \$9,000 tax credit, and no one individual can acquire more than 10 percent of any issue. The tax

credit offsets Manitoba income tax payable. Rather than having a Grow Bond that is then invested, the individual makes their investment in an approved investment fund, and they get their tax credit for their investment.

**Mr. Derkach:** What is the guarantee to the investor regarding his or her capital investment in a project?

**Ms. Wowchuk:** There is not a guarantee in principle. Their benefit is through their tax credit.

**Mr. Derkach:** That means that, if I invested \$30,000 into a business and that business went belly-up or bankrupt, then I would lose all my \$30,000.

**Ms. Wowchuk:** When people make an investment, they make an informed decision on how they want to make their investment just as they would with Grow Bonds. The only thing different is they would get their tax credit. They stand the chance of making an investment that they will also make a huge profit. But they might have their money up—if they invest in a business, they may make a profit. They make a decision to invest, but what their benefit is, is their advantage on a tax credit.

**Mr. Derkach:** I wish the minister would get her facts straight, and perhaps her staff could straighten her out a little. She says this is not venture capital, but the essence of the program is exactly that. Just because the person gets a tax credit, this is not unlike the Crocus Fund, and basically what you have set up here is another venture capital program for rural Manitobans to invest in what are usually very risky businesses in small communities.

The Grow Bond program, the investors—Manitobans and communities who usually try to invest their money in secure things thus usually find their money invested in larger communities, in cities and in banks—are able to invest in a project at home and have the comfort of knowing that their principal will not disappear even if the business should not be successful. As I understand this program, we have a situation where an investor will invest in a business, and if the business is unsuccessful, then they lose their principal. The only thing they would have to retain is their tax credit.

To me, that seems to be, first of all, a little bit illogical. Secondly, it certainly does not promote or encourage people to invest in their own local

communities. We know that in rural Manitoba any business is much more risky than a business in a larger centre. There have been some very successful businesses in rural Manitoba, but there have also been businesses that have failed. If you look at the risk that is associated with this, this then becomes very similar, it mirrors what the venture capital programs in this province are.

What she has done is she has changed a secure program, like the Grow Bonds program, where the government guarantees the investors their principal. She has turned this into a cost to the government of the tax credit, because it is the government that has to pay the tax credit, and there is no security for the person who invests. Can the minister explain to me how this makes some sense, as opposed to what was there before?

**Ms. Wowchuk:** The member is questioning this program and implying that it will not be successful. I can tell him that there are four or five communities that are working on this. They see it as a viable option. It is a new option and I believe it can work.

The member talks about Grow Bonds, and, yes, if a Grow Bond was not successful, the government paid out the bond. If it was successful, the bond was paid out and the people who had invested did not get anything anyway, so the people that were investing, once the bond was paid out, got their money back. So I can say to the member that we have changed the program because we have moved towards a tax credit that will have the people who make their investment get their money up front.

**Mr. Derkach:** Well, Mr. Chair, the minister has just admitted that this is now a venture capital program, and I want to ask the minister where the tax credit money is coming from. Is the tax credit money coming from the Treasury, the general Treasury, or is it indeed coming from monies that are supposed to be allocated or are being taken out of the allocation of the video lottery terminals? What is the source of the tax credit?

**Ms. Wowchuk:** Mr. Chairman, when we talk about tax credit, the member said, "Well, when the person got their money paid out from the successful bond, they got their interest," but if you look at tax credit versus interest, the tax credit is a higher value for the individual than, usually, what the interest rate is.

However, the member asked if it is a portion of the tax credit coming from this budget. Yes, a portion of it is coming from this budget, just as a portion of this budget would be used to pay out Grow Bonds that failed. Grow Bonds that failed in the past would have been paid out of this budget, so, in this case a portion of the tax credit will be paid out from this budget because we are looking for ways to encourage investment in rural Manitoba.

**Mr. Derkach:** This is sickening, Mr. Chair, to be honest with you. I have never seen a disaster like this. What the minister has just said is that she is going to take, now, money from the Grow Bonds program that is supposed to be invested in projects in rural Manitoba and she is going to pay out tax credits with it. This is an abuse of money that is owed to rural Manitoba.

Secondly, Mr. Chair, in the Grow Bonds program, and if I just might enlighten this minister, the Grow Bonds program was designed so that local people would invest in local projects. Their interest came from the success of the project. The risk that every individual was taking in Manitoba was that if, in fact, that project in their community were to be unsuccessful, the investor could realize the principal.

That means that every investor in Manitoba took some risk, but it was not a huge risk, because it was the interest that they were risking. When a member was paid out, he was paid out or she was paid out the principal plus the interest after the Grow Bond was paid out.

\* (16:40)

Mr. Chair, this program is a sham, because what we are doing is, instead of helping the businesses, we are providing another opportunity for those people who are investing in the New Yorks of this world to be able to extract from the Grow Bonds program, or from the lotteries program, an additional tax credit, which she says could amount to 30 percent. That is an absolute insult to what the objectives and the goals of an economic development program should be in rural Manitoba. This program makes no sense because what you are doing is you are lining the pockets of people who could get their money out of New York, but at the same time, although mutuals and stocks might disappear or might devalue, in a rural community if you lose your money in a business, you will never reinvest that money in a

small business again. So we will never have any kind of encouragement of people investing in their local community.

That is why, Mr. Chair, this program is a complete waste. I do not know what the minister found so objectionable about the Grow Bonds program. If she wanted to change the Grow Bonds program, fine. But it was touted across this country and beyond as one of the most innovative investment vehicles for small businesses across rural parts of Canada and the United States. We had people looking at this program from England, from Ireland, from Scotland, from the United States, from all across Canada. Then, just because it is philosophically contrary to this minister's thinking and this government's thinking, not only have they decimated the Department of Rural Development, but they have scrapped the program and put in its place a strictly venture capital program that lines the pockets of investors who can get their returns out of mutual and stock programs in New York and the banks.

So I do not understand. If the minister could provide any more clarity on this, I would be really happy to listen to it.

**Ms. Wowchuk:** The member has made a few comments that I would disagree with him on. I can tell the member that we, in fact, have enhanced the services to rural Manitoba. There are more economic development officers working there. There are more people working on economic development than there has been in the past. So the member is wrong on that.

I want to also tell the member that I would much rather people make their investment at home rather than the New York Stock Exchange that he is talking about. This program will help to create funds here in Manitoba and investment for small businesses.

I can also tell the member opposite that we have been asked to go to other provinces to talk about our tax credit program because they see this as a program that will work, and they are trying to develop a similar program.

**An Honourable Member:** Saskatchewan.

**Ms. Wowchuk:** I can tell the member—he refers to Saskatchewan, and he seems to have a dislike for Saskatchewan. I can tell him that it is the Maritime provinces that have been looking at this program

very favourably and asking us to work with them on this.

**Mr. Derkach:** Can the minister tell me how many projects have now taken advantage of this program, and which communities they are in and which projects they are?

**Ms. Wowchuk:** There are four communities that are in discussion with the department. None have concluded their agreements.

**Mr. Derkach:** Can the minister tell me which communities they are?

**Ms. Wowchuk:** Mr. Chairman, there has been interest from several parts of the province. I can indicate to the member that we are in discussions to establish a program with Pine Falls, Steinbach, Ste. Rose and Brandon. It is the business community that is coming forward to develop this package. I can tell the member that, as I said, this program is in its early stages, and I believe we have to give the chance for the program to work, but there is interest.

**Mr. Derkach:** Can the minister tell me what kinds of projects we are looking at?

**Ms. Wowchuk:** The Pine Falls project is a co-op dealing with forestry products. The Steinbach project is a furniture project. The Brandon project is a communication project. The Ste. Rose one is one that I will have to get back to the member on, but I can also tell you that there is also recent interest and early discussions with some sectors of the food industry.

**Mr. Derkach:** Can the minister tell me what the criteria are for this program?

**Ms. Wowchuk:** An eligible enterprise must receive endorsement or sponsorship from a local community development organization. The enterprise must employ no more than 200 employees, and at least 25 percent of the employees must reside in Manitoba.

Enterprises that are professional practices or involved in primary industry, mineral exploration, recreational and seasonal enterprises or commercial property developments are not eligible. So that would be the criteria to be eligible.

I said enterprises that are professional practices or involved in primary production, mineral

exploration, recreational or seasonal enterprises or commercial property development are not eligible, so things that do not fall into that area.

But the priority is to have received endorsement or sponsorship from a local community development corporation and employ no more than 200 employees, and at least 25 percent of them must be residents in Manitoba.

**Mr. Derkach:** The minister says that they must have support from their local community development corporation.

Can the minister tell me how much money she is putting into the Manitoba Community Development Corporations Association as an umbrella group?

**Ms. Wowchuk:** In the last year, we provided a cheque for \$5,000. There is a \$10,000 cheque that is waiting to be delivered to them. We are waiting for confirmation on federal support, plus in-kind support of \$15,000 which comes through the support we give them through Rural Forum.

**Mr. Derkach:** How much money does the—oh, pardon me. The federal government has just announced \$100,000 that they are prepared to give to the Manitoba Community Development Corporations Association.

If, in fact, the Province is prepared to match that, is the Province prepared to match the \$100,000 that the federal government is prepared to give to the Manitoba Community Development Corporations Association?

\* (16:50)

**Ms. Wowchuk:** The Member for Minnedosa (Mrs. Rowat) asked a similar question about an hour ago. We went and checked. We called the Rural Secretariat. What they told us is there is \$100,000 that is available, but it is for project funding. There is no commitment to core funding, and that is what we told the MCDC when we met with them, that we could not provide core funding. I have outlined to the member what we have provided for them in the last year and, in this coming year, we have not had any application for specific projects.

**Mr. Derkach:** Is the minister prepared to lay aside \$100,000 to match the federal government's money for project funding?

**Ms. Wowchuk:** Every project is considered on its merit, and I can indicate to the member that we have not had any application for projects, and each project is reviewed when they come to us.

**Mr. Derkach:** Well, the minister has to have some sort of a budget line for projects of that nature. Can she tell me where and what the project line for that is?

**Ms. Wowchuk:** Mr. Chairman, we have flex funding that is in the operating line that is there to accommodate projects as they come along. The member is asking is there a specific line in here that is there for MCDC. I can tell him no, because there have not been specific projects that have been made to us, but we review projects as they come forward, and there is the flexibility to deal with a variety of programs as they come forward.

The member knows full well that there could be programs that come up throughout the year that would then come under that operating budget.

**Mr. Derkach:** This is political gerrymandering then, because what the federal government has done is it has laid aside \$100,000 for project funding, which means that once those projects come in, they still have to be scrutinized by the Secretariat, but at the end of the day there is \$100,000 made available to the Manitoba Community Development Corporation Association for projects of that nature, as I understand it.

Is the minister going to be prepared to match those dollars for projects that are worthy, that are determined to be viable and fundable?

**Ms. Wowchuk:** The member is implying that there is \$100,000 that is available there for the MCDC and we have not had that confirmation, and those funds are available, but they will be made available as projects come forward.

The projects have not come forward, but the member is saying that, just as they have an operating line where they might be able to approve projects, we have an operating line where we might be able to approve projects, and they are approved on a case-by-case basis, but there is no core funding to go to organizations like this.

There are supports and we have supported them, and in particular in-kind, but when the federal government has also said that this kind of matching can come from other sources, it does not necessarily mean that it has to be funds that come from the Province. It could be the in-kind that we provide to the organization for their meetings, and what they do for us at Rural Forum can be considered part of what will be used for matching in other projects.

**Mr. Derkach:** Mr. Chair, there is no point in pursuing this. I think the minister, although she did not answer it, has given us an indication of where the Province stands on this issue. I think she will find out more at the annual meeting of the Manitoba Community Development Corporation Association where they stand on it.

Mr. Chair, I would like to ask through you, the minister indicates that the operating program funding under the Rural Economic Development Initiatives is \$16.4 million. Can the minister tell me, of that money, how much money is going into departmental operating costs?

**Ms. Wowchuk:** The program operating is 1.695 and that includes economic development, staff, some work that we did on livestock stewardship and a few areas in there. These were areas but the majority is on economic development and community rural development. Those were the areas, but it is 1.695.

**Mr. Derkach:** What is the 1.695, Mr. Chair?

**Ms. Wowchuk:** That is the total program operating that the member asked about, what part of the REDI funds was used for program operating and salaries.

**Mr. Derkach:** So can the minister tell me whether the other \$1.39 million, or \$13 million, I am sorry, is used for programs?

**Ms. Wowchuk:** The balance of the 16.4435 is used for various programs.

**Mr. Derkach:** Can the minister table the expenditures for those programs?

**Ms. Wowchuk:** I can provide the member a breakdown of where the money has gone, of the various departments where we are proposing to spend money in the upcoming year. I can provide that.

**Mr. Derkach:** Can I also ask for the breakdown of where the money was spent in 2004 and 2005 so that there would be a comparison as to where the money has gone and where it is intended to go this year?

**Ms. Wowchuk:** Yes, we can provide that for the member.

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

*The committee recessed at 4:59 p.m.*

*The committee resumed at 5:11 p.m.*

**Mr. Chairperson:** Will the committee please come to order?

**Mr. Eichler:** In the essence of time and the hours that have been allocated, Mr. Chairman, we would like to start into the approval of the Estimates. If we would start on that now, please.

**Mr. Chairperson:** I will read the resolutions.

Resolution 3.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$107,117,400 for Agriculture, Food and Rural Initiatives, Risk Management, Credit and Income Support Programs, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,639,500 for Agriculture, Food and Rural Initiatives, Agri-Industry Development and Innovation, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

Resolution 3.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$40,081,700 for Agriculture, Food and Rural Initiatives, Agri-Food and Rural Development, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

Resolution 3.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$533,800 for Agriculture, Food and Rural Initiatives, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

The last item to consider for the Estimates of this department is item 3.1.(a) the Minister's Salary contained in resolution 3.1.

At this point, we request the minister's staff leave the table for the consideration of this last item. The floor is open for questions.

**Mr. Derkach:** I have got a whole bunch of questions. I had not finished my questioning on 4.(h) and there were also questions on 4.(e) and 4.(c) that I had, but we will have to reserve those for another time. I would like to ask the minister if she could provide me with a list of capital projects that grants were extended to under the Capital Grants program under 4.(h).

**Ms. Wowchuk:** I believe the member would be asking for projects '04-05, and, if that is the case, yes, could provide him with information.

**Mr. Derkach:** Can the minister tell me what nature these capital grants would be provided for? What nature of projects that would fall into this category?

**Ms. Wowchuk:** There is a wide variety of programs under the capital. There is a new program that we have, which is the Hometown program, and it is the Main Street and Hometown Meeting Place programs that were part of it. There is support for the Brandon Keystone Centre that comes out of this initiative. There are some northern initiatives that I could provide the member assistance for. There were a couple of programs that were in the Department of Conservation that funds were used for that I could also provide the member information on. I will put a list together for the member on a list of programs that funds were provided for.

**Mr. Derkach:** These are just grants that are provided for capital projects, I would think, and the minister would have to have some criteria for projects to be eligible for application. I was wondering whether the minister could provide me the criteria that would be relevant to this program. But the other one I have is

can the minister tell me whether the Green Team program for rural Manitoba is still alive, and how much money is going to that program this year, as compared to last year.

**Ms. Wowchuk:** The Green Team program is still alive, and it was funded last year through this program. It will be funded again this year.

**Mr. Derkach:** Can the minister tell me how many dollars are flowing to this program, and whether or not the criteria under the Green Team program have been changed?

**Ms. Wowchuk:** There has been very little change to the Green Team criteria, and the funding is 19.7. You want the criteria for Green Team? Just give me a minute.

**Mr. Derkach:** If the minister would just provide them to me in writing, and if you could just give me the amount of money that is going to the Green Team, and whether or not the regulations regarding those who could apply for Green Team members have changed, and when that program is made available to communities and businesses.

**Ms. Wowchuk:** I apologize to the member that I am not able to put my figures out right now, but I will provide him with that information.

**Mr. Eichler:** I move, seconded by the member from Ste. Rose,

THAT line 3.1.(a), the Minister's Salary be reduced to a dollar.

**Mr. Chairperson:** It is moved

THAT line 3.1.(a) Minister's Salary be reduced to \$1.

The motion is in order. Shall the resolution pass?

**Some Honourable Members:** Agreed.

**Some Honourable Members:** No.

**Mr. Chairperson:** Shall the motion pass?

**Some Honourable Members:** Yes.

**Some Honourable Members:** No.

**Voice Vote**

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

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All those opposed to the motion, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** The Nays have it.

#### Formal Vote

**Mr. Derkach:** We request a recorded vote.

**Mr. Chairperson:** Does the member have support?

**Some Honourable Members:** Of course.

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

*The committee recessed at 5:21 p.m.*

*The committee resumed at 5:32 p.m.*

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

#### FINANCE

\* (14:50)

**Madam Chairperson (Bonnie Korzeniowski):** The Committee of Supply will be continuing with the Estimates of the Department of Finance.

When this committee last met on Friday, April 21, in the Chamber, it had been agreed to consider the items contained in Resolution 7.8. Consumer and Corporate Affairs. Is that still the will of the committee? *[Agreed]*

The floor is now open for questions.

**Mr. Gerald Hawranik (Lac du Bonnet):** I think where we left off was the Residential Tenancies Branch. There were a number of questions with respect to that branch from my colleague from Portage la Prairie. I have a few questions dealing with that branch as well.

I have noticed the minister had publicly stated that he did not plan to eliminate rent controls within

the province, and I am wondering whether there are any circumstances which would convince him to eliminate rent controls in the province.

**Hon. Greg Selinger (Minister of Finance):** The statement I made publicly was of rent regulation. I saw no immediate demise of rent regulation, and the member will note that we have tabled the bill today that makes some improvements in the rent regulation regime in Manitoba.

**Mr. Hawranik:** Can the minister indicate how many multiple-family dwelling units for rental were constructed in Winnipeg, and how many were in Manitoba for rental purposes just last year?

**Mr. Selinger:** Over the last three years, there has been construction of approximately a thousand rental units.

**Mr. Hawranik:** Is that within the city of Winnipeg or the entire province?

**Mr. Selinger:** Province-wide.

**Mr. Hawranik:** Can the minister indicate how many of those thousand units were private sector driven versus public sector driven?

**Mr. Selinger:** Subject to any corrections, the overwhelming majority of those would be private sector.

**Mr. Hawranik:** Were any of those units, in fact, condominiums which were for resale as opposed to for rental?

**Mr. Selinger:** We do not have that kind of information on whether the condominiums, when they were built, were for occupancy by the purchasers of them or were for acquisition in order to make available to the rental market as an individual unit. We suspect, however, that some of the condominiums that are constructed are for the purposes of the investor putting them on the market for rental purposes.

**Mr. Hawranik:** If I read you correctly you cannot tell me exactly how many units, multiple family units, were strictly for rental purposes in the province.

**Mr. Selinger:** When I gave the number of a thousand units for rental purposes, that does not



include condominiums. Any condominiums that were acquired or invested in for the purposes of rental as opposed to occupancy are over and above that number.

**Mr. David Faurshou (Portage la Prairie):** I was wondering whether the minister was able to research and provide for the answers to the questions last Thursday in regard to the Residential Tenancies Branch.

I might just ask the minister made reference to someone within the department being on long-term medical leave. Was that the director of the Residential Tenancies Branch, Mr. Roger Barsy?

**Mr. Selinger:** Yes, Roger Barsy is currently away for medical leave. We are optimistic he will make a full recovery and might be able to resume some duties with us.

On the specific questions the member asked me on April 21, I have a two-page answer. Do you want me to read it into the record or do you want me to provide it to you? It is your call.

**Mr. Faurshou:** I think the questions that I asked are very important and should be part of the official record, Madam Chairperson.

**Mr. Selinger:** The summary of the process: A landlord who is found to have charged rent in excess of the amounts permitted by legislation is required to reimburse the affected tenants the amount of the rent overpaid. Often landlords voluntarily reduce the rent to the allowable amount and return the amount of rent overpayment to tenants without receiving an order from the Residential Tenancies Branch. The branch will issue orders setting the rent and ordering the refund of overpaid rents to tenants if the landlord does not voluntarily comply.

In cases where the landlord cannot locate one or more tenants, the landlord must pay the amount owing to the branch. The landlord provides a list of tenants and the amount of overpayment each tenant is entitled to receive. When tenants present themselves to the branch, they are asked to produce identification and sign a statement that they are entitled to the overpaid rent. A cheque is then issued.

Although an active search is not conducted, the branch's computer system now allows tenants' names

to be flagged if the branch is holding money that they are owed. Any interaction with that person will alert staff to the fact that money is being held in trust for the individual. Staff will ask questions to confirm that they are the right person and inform them that the money is being held for them. The branch holds the amount for two years. At the end of two years, the amount is forfeited to the Crown and is paid into the Security Deposit Compensation Fund. So that is by way of process.

On the specific information: The number of landlords that paid money into the Residential Tenancies Branch for overpayment of rents in '03 was eight, and in '04 it was twenty. The amount paid into the RTB for overpaid rents for tenants that cannot be located, in '03 was \$15,700 and change, and in '04 was \$88,750 and change. The amount paid out to tenants who have been located was \$17,790 and change in '03, and \$22,900 and change in '04. Information respecting the number of landlords required to refund overpayments of rent to tenants is not available.

Additional information: The Security Deposit Compensation Fund is used to pay the amount owing to tenants if a landlord has failed to comply with an order from the branch to return all or part of a security deposit to a tenant and there are no reasonable and appropriate measures available to allow the order to be satisfied within a reasonable period of time. So that money that is forfeited after two years goes into this fund, and it pays back security deposits when other means are not available.

Money deposited into the Security Deposit Compensation Fund includes unclaimed security deposits, unclaimed rent overpayments and unclaimed property sale proceeds that have been held in trust by the branch for two years. If the balance of the fund exceeds \$30,000, the legislation provides that the excess amount can be used to contribute towards the cost of providing educational and other programs for landlords, tenants and the public. The legislation also states that any amount that is not required for future security deposit payments or to meet future costs of educational programs is to be paid as revenue into the Consolidated Fund. To date, there has not been a payment in the revenue account of the Consolidated Fund.

The amount transferred into the Security Deposit Compensation Fund in '03 was \$3,517, and in '04

was \$7,270. This amount, once again, includes unclaimed rent payments, overpayments, unclaimed security deposits and unpaid property sale proceeds. The amount paid out of the Security Deposit Compensation Fund for educational purposes in '03 was \$12,952, and in '04 was \$22,965. The balance in the Security Deposit Compensation Fund as of March 31, '05, is \$48,863.

The uses of the funds in this Security Deposit Compensation Fund for '03 and '04 went for things such as rewriting the guidebook, update to include changes in legislation regulations, updating fact sheets due to changes in legislation regulations, production of a newsletter, increased information for clients concerning changes in the guidebook, legislation regulations and focus testing of reasons for decision form, the form that they plan to use for rent regulation orders.

I can make a copy of that available to the member if he wishes.

\* (15:00)

**Mr. Faurischou:** I really appreciate the detail that has been provided, although probably a little quicker than I could transcribe it on my—

**Mr. Selinger:** Yes, and I will make a copy available, then.

**Mr. Faurischou:** If you could, that would be much appreciated.

So, understanding, then, the surplus monies, or monies that are unable to be returned after two years to renters that have not been able to be located; I find it, though, rather curious that the only activity that the branch takes on to actually locate renters is to wait to see if they appear on a current renter's list, and not have someone actively looking, or searching out these individuals through forwarded addresses or through other government agencies, whether it be the Finance Department, sir, that keeps pretty good records on people to make sure they pay their income taxes, or perhaps Manitoba Public Insurance Corporation. All of these others are quite accessible to you, sir, to make certain that these monies get back to the individual that it is duly owed to.

**Mr. Selinger:** The member is correct that the mechanism used to track people that have not

claimed a refund is the flagging of that individual's name in the data base of the Residential Tenancies Branch. Then when there is interaction for any reason with that individual, it pops up to indicate that there is a potential refund available to them. That is what they do. There is no cross-reference with tax data, et cetera. To do that would require a careful look at the personal protection of private information, before we started transferring data from one branch of government to another branch of government.

**Mr. Faurischou:** Madam Chairperson, it just last year alone paid out \$22,000 on the renters that were found by this method of flagging, and \$66,000 more, according to my quick writing here, is being held, \$66,000. That is a fair chunk of change to most people, and I would suggest that persons would not be too terribly concerned how the government, which department kept records on them that made sure that this money got back to them, because, I think, the personal privacy act is one that should allow for, and I believe does allow for, the exchange between branches within your own department, sir.

**Mr. Selinger:** I think the member is taking the 88.7 in '04 and deducting from it the amount paid out to tenants of \$22,900 to get his \$60,000 and change number. That \$22,900 covers the previous two years, and so there is still a possibility that more of the \$88,000 will be claimed on a two-year, go-forward basis. So I just do not want to leave the impression that it is a one-year kind of reconciliation and then, boom, the money is gone. It is a two-year time frame where people can claim their money. So that is just by way of clarification.

I think lying behind his question is: Are there more active measures that the branch might be able to take to allow tenants to get their cash back on an overpayment? and the member raises an interesting point. It is something we will take under consideration if there is more active measures that could be taken, but I do not want to leave the impression that these are people that have just moved recently. In some cases, these rent overpayments are calculated on circumstances that go back several years and the tenants could have long moved out and moved more than once, maybe several times, so the trail could be quite cold in this case.

So there are some challenges in doing this. If there are other practical and cost-effective measures

to get in touch with them, if the member has ideas, we are not going to say, "No, we will not consider them." We certainly will consider them. We are not going to hire a bunch of gumshoes to chase around looking for tenants to make an overpayment rebate. But, if there are some other practical measures the member has, I know the branch administration would consider that, as would I. If there are some other practical measures, we have an open mind to how we might be able to get overpayments back to people.

**Mr. Faurshou:** No, I do not make it a habit of suggesting that we spend more hard-earned taxpayers' dollars that are not cost-effectively spent. By all means. But, if there exist data bases that are easily accessed without too much effort that could assist in making certain the dollars that are duly owed to renters here in the province of Manitoba get back to the renters.

I want to follow through, though, the dollars that, after the two-year period, flow into the Security Deposit Compensation Fund, which is capped at \$30,000 and, then, if that fund then exceeds that level, the monies flow through to what I believe the minister said was an educational fund that provided for correspondence and newsletters and seminars and that. Where would I find that accounting, or mention thereof, in the Supplementary Estimates or the report?

**Mr. Selinger:** Just on the member's previous point about cross-referencing databases, income tax information is very sensitive information, so we normally do not cross-reference to that. My Deputy Minister of Finance will take that under advisement and look into the legalities of that and appropriateness of that. Because I understand the member's point, it could be to the benefit of the Manitoban in question. So we will take a look at that.

There might be requirements, but we will verify this, for releases to be signed, which would beg the question of how you get a hold of the person to get the release signed. So it gets tricky. But we will look into it and see what is possible.

On the question of the accounting, for how the monies over and above the \$30,000 are used for educational purposes, I am informed that there is not an accounting of that in the annual report. That will

be taken under consideration. If you want a specific breakdown of how that money was used, we would be happy to provide that to you.

**Mr. Faurshou:** Yes, I am interested, I know, in the amount. Perhaps, not the last year. But maybe if there is an accounting over the previous few years so that we can eventually track how the dollars flow because I am gravely concerned that the renters of Manitoba and, admittedly, perhaps, some of the landlords do not make a huge effort in finding previous renters so as to return monies.

Then the monies flow to the department and, unless flagged, they take up another residency somewhere that the Tenancies Branch has some involvement with. Again, does not make what I term a very strong effort in locating them.

These monies are flowing over in, I believe, quite a substantial amount over the course of the years. So these questions are being asked on behalf of all renters in the province of Manitoba, and I am yet unconvinced that we are making the best effort to safeguard renters here in the province of Manitoba.

So I think the minister should also be knowledgeable of the amount of money that we are talking about. It may not just be over the last couple of years, but maybe even the last decade, how much money does this accumulate to?

\*(15:10)

**Mr. Selinger:** We will take a look back a decade, if the member wishes. I did indicate to him that it was about \$22,965 in '04 and \$12,952 in '03 for educational purposes. We will go back an additional eight years and see how much monies were allocated for these purposes. Would the member like to get a breakdown of that money for, what, the last two or three years on the specifics of how it was used? You do not want it every year for 10 years, do you?

**Mr. Faurshou:** I think we are looking for a trend as to where the monies are actually done. Like one year, you might feel that it is very important to run a series of seminars, for instance, for making changes in legislation. If we are able to have three, or four, or five years to see basically how the education fund expends the surplus, or unreturned renters' monies, I think it is important to Manitobans to know how this

is spent. Now the point the minister made, the last point, is that there have been no funds paid into the Consolidated Fund out of the Residential Tenancies Branch. Is that over one year, two years, ten years, ever?

**Mr. Selinger:** Since 1990, there has been no money transferred from this Security Deposit Compensation Fund to the Consolidated Fund of the Government of Manitoba.

**Mr. Faurshou:** Now from the Security Deposit Compensation Fund, yes, which is capped at \$30,000, but what about the education fund? Are there monies deemed surplus in that fund flowed to the Consolidated Fund?

**Mr. Selinger:** Just for purposes of clarity there is only the Security Deposit Compensation Fund. After the amount remaining, the balance in that fund exceeds \$30,000. They have the legislative enablement to spend some of that balance over \$30,000 for education purposes. There have never been monies out of this fund transferred to the Consolidated Fund of government. There have only been monies used in excess of the \$30,000 for education purposes, and I have given the amounts for the last two years. I will give any amounts that may have been spent for the last 10 years. I will break out more details in terms of trend, the types of educational activities for the last five years unless the member wants more information than that.

**Mr. Faurshou:** So there does not exist an actual education fund. It is just deemed surplus monies. What line does it then flow to? If you got a cap at 30,000 in the compensation fund, and you have got \$48,000, where does that 18 then flow to? What line does it show up in?

**Mr. Selinger:** The balance over 30,000 remains in the fund and shows in the fund. A plan is put together for what educational purposes the balance over 30,000 may be used for in any given year. So it stays in that line.

**Mr. Faurshou:** I want to just then leave this line of questioning with the minister with the understanding that we will, for the last five or so years, be able to receive in detail of what educational-type activities have been undertaken by the branch and how things are going.

**An Honourable Member:** Yes.

**Mr. Hawranik:** With respect to that security deposit compensation plan, the tenants we have in this province, some of them are the poorest citizens we have in this province. I know the minister talks about leaving impressions and so on, but by not getting back to tenants, and not actually making a real concerted effort in getting back to tenants, I do not think he is leaving the right impression in the minds of Manitobans because it is in the best interest of government not to get back to tenants. The reason being is that it goes to the Security Deposit Compensation Fund and then it goes to education purposes, and then, even though the minister has said that no money has flowed to general revenue, in fact it could potentially go to general revenue.

I am wondering whether it would, and I know that the member from Portage la Prairie has indicated that we have to look in terms of cost recovery, what it really costs to search down people who are entitled to refunds, but certainly I think the minister could take the step of putting names of people who are entitled to refunds even on the Web site. That could be a potentially powerful tool, I think, to get back to people in terms that a refund is available, or even if not names of individuals, even addresses of properties that, in fact, have had orders made against them to refund rent overpayments of tenants. Would he consider that proposal?

**Mr. Selinger:** Well, a couple of comments. First of all, the responsibility to rebate to tenants any rents that they have overpaid is the obligation of the landlord who received that benefit, and most of that is returned through the landlords themselves. Only a small percentage is passed on to this compensation fund because the landlord was not able to locate the tenant or get the money into their hands. And, of course, I have indicated that we flag it in the Residential Tenancies data base and try to rebate monies which we have indicated the amounts that were rebated here.

There has never been a take-out of the fund for consolidated revenues. The only purposes to which the excess of \$30,000 has been used is to benefit people that are involved in landlord-tenant relations, landlords, tenants themselves and the general public. I am glad the member raised the question. We do not want to leave the impression that we are trying in any way to take advantage of these monies that are

accruing in the Security Deposit Compensation Fund, and that probably explains why there has never been a transfer to the Consolidated Fund. It has always been used for the benefit of landlords and tenants, people involved in these kinds of property relationships. We will break out the information how that money has been used.

The idea that the member asked me about posting the names of individuals on a Web site and indicating that they are eligible for a refund, on the face of it that might be helpful, but it might also raise privacy and security concerns with respect to those individuals. So we will have to take that under careful consideration under our private information protection act and see what issues that might raise. So I am not going to dismiss the member's suggestion out of hand, but my staff are already saying to me that it might raise some issues around privacy concerns and private information protection. So we will take it under advisement and see what is possible there without putting people at risk. Sometimes it could be dangerous to have somebody's name on a Web site with some money coming back to them. That might set them up for other kinds of experiences that would be unhelpful. They might be preyed upon for that reason.

So it is a delicate matter. I actually thank the member for the suggestion. These are small amounts of money in the larger scheme of things for government. They have no desire to take advantage of this for the Consolidated Revenue Fund and there has never been any benefit to the Consolidated Revenue Fund.

**Mr. Faurchou:** How far back would you be able to track if there was someone that was a renter and wanted to follow this up as to the rental monies that potentially were overcharged? How far back would your records be able to track this?

\* (15:20)

**Mr. Selinger:** The money is kept in the fund for two years before anything is moved along, and records retention is usually about seven years.

**Mr. Faurchou:** How many landlords would actually be assessed during any given year, perhaps last year or the year before that, who would be paying in monies to the branch for overpayment? I

think you may have mentioned 8 or 20 were paid out, but how many were paid in?

**Mr. Selinger:** The numbers that I gave to the member from Portage la Prairie were the number of landlords that paid money into the RTB for overpayment of rents. We do not have another number for the number of landlords that received overpayments. We would have to go back to every file and draw that out which would be quite onerous. We do not keep track of every landlord that overcharged rents who received overpayments. We do get a record of those that have overpayments that they were not able to get back to their tenants, either past or present. They are then sent on to us.

**Mr. Faurchou:** I am just trying to get a gauge as to how many landlords in the province are assessed or found to be in non-compliance with the legislation in a given year. Like last year, for instance, how many landlords were found that they were overcharging and the branch issued an order to return monies to renters?

**Mr. Selinger:** In the annual report on page 64, does the member have a copy of that with him? Page 64, '03-04, on the bottom table there, there is, are you with me? Madam Chairperson, '03-04, it is in the Manitoba Finance Annual Report. I will get this for the member.

What we have is a statistic on the number of unauthorized rent increases that were complained about. What we have is a statistic of the number of files opened where there is the possibility of an unauthorized rent increase. In '03-04 it was 725; in '02-03 it was 433; in '01-02 it was 426, but all these files open do not necessarily prove to be the case that they were a rent increase that was unauthorized. Some of them are found to be a complaint without substance. That is data base we have.

Now, you can see from that, that there is a very small number who wind up paying into the compensation fund because (1) they would have had to have been found to have an overpayment received or they overcharged, and (2) they had not been able to get the money back to all the tenants that should have gotten a rebate. It is in only those instances where those first two things have not been fulfilled. In the first case they have to have fulfilled that they overcharged; the second case, they could not find everybody. Only the remaining number of landlords

pay into this compensation fund the monies they have not been able to disburse.

**Mr. Faurschou:** I appreciate that we are trying to glean from it, and some of this information, I thought there would have been a database as to the number of actual orders of rent to be returned. How many landlords would actually have been ordered over the course of a year, last year, the year before actually to repay? I thought there would have been some type of record keeping as to how many orders for rent rebate going out from the department.

**Mr. Selinger:** Currently there is not necessarily, in the cases I indicated where there are files open, say 743 or whatever, it is not always the case that an order is issued. Sometimes just opening the file and having a discussion with the landlord, they will voluntarily agree to make a repayment of an overpayment. So then we do not keep track of it. I mean, they have looked after it. It is informally resolved. So, as you can see the way the branch operates, they are not trying to compile statistics. They are trying to get satisfaction for landlords and tenants and how they are treated under the act.

Now, as the member knows, there has been the acquisition of some new software in the last couple of years. There has been a complete re-engineering done of the technical capacity of the Residential Tenancies Branch to serve clients, and there has been quite a bit of capital put into upgrading their software. It could be considered for the future as one of the additional statistics that could be gathered, but at the moment it is not gathered.

**Mr. Faurschou:** Thank you, Mr. Minister, and I do appreciate it. I am just looking at making certain there is follow-through. If you have issued an order, because obviously if you are issuing the order the landlord has been less than compliant and less than agreeable and amenable to work with, so you issued an order. If you do not keep active logs of how many orders or who has been ordered to rebate rental monies, how do you make follow-up? In my own personal business filing, I would suggest, sir, that would be a fundamental ability within the department.

**Mr. Selinger:** Before a file is closed, in the case of a specific complaint, there has to be evidence that the money was returned to tenants or there is a cheque conveyed to the branch for those that they could not

return the money to. So there is a follow-up to make sure that each file is dealt with appropriately.

**Mr. Faurschou:** Well, I am not suggesting that the files are inappropriately handled or anything. I am just talking about a master list of actual active files that to me is a standard index of how many files have opened, how many are active. So that it is easy at a glance to know the current situation at the branch. But anyway it is a suggestion, and perhaps the new software can yield up that ability.

I wonder, though, can the branch tell me directly then, once the orders have been issued there is an appeal process that the landlord can engage in to ask for re-evaluation of the order to return rental monies. I wonder if the minister can tell me how many appeals actually came forward from landlords that felt that the assessment needed to be looked at again.

\* (15:30)

**Mr. Selinger:** While my staff is collecting that information for me, there is a count of how many files are open. But they are open for a variety of reasons not just for overpayments. The old technology did not have the ability to sort of refine the types of reasons they were. They were not analyzed into categories as to why they were opened, but they were, the complaint had to be resolved one way or the other before the file was closed. There is the possibility now with some of the new technology that we can start categorizing the types of complaints and tracking them by category as we go forward.

So I understand the member's point. I am just explaining to him the focus has been on getting satisfaction from landlords and tenants on a file-by-file basis in the past. The technical capacity to gather this kind of data was not really there in the past.

As to the member's question on the number of appeals on compliance issues, in the annual report, which I think he has for '03, if he would go to page 11. Yes, for the Residential Tenancies Commission Annual Report of '03, he will see there that appeals received in Winnipeg to the end of December 31, '03, were in Winnipeg; nine buildings, 103 units, and none for either Brandon or Thompson. This is specific for unauthorized rent issues. These are the number of appeals for that specific kind of complaint the member has been probing me on.

Now, as you go down that table, you can see, of those nine buildings, three were confirmed for 11 units, and there are seven still active. We may not have the same report. I am referring to the Residential Tenancies Commission Annual Report of '03. That might be it, we are not on the same page, I guess yet, but we will get there. Page 11 is the data they provided for us under part 9 of The Residential Tenancies Act.

So you can see, for the last two years, the number of appeals received: six for 165 units in '02, and nine for 103 units in '03. Then there is a carry-forward from the previous year. There was one building from 1 unit carried forward from '02 to '03.

**Mr. Faursehou:** So we are looking at nine buildings and then three where decisions were confirmed, one is carried forward. Where did the other six, well, four, five go?

**Mr. Selinger:** There were ten, one carried forward, nine new, for a total of ten. Three, the decisions that an overpayment occurred, were confirmed for 11 units. Seven on 93 units were still active; they had not been resolved yet, which gives you your totals, your reconciliation.

**Mr. Faursehou:** Well, I will thank the minister for that. I appreciate that looking into the commission side of things was my oversight, but I appreciate the minister's response in that regard.

I wanted to ask, just overall with the branch and the efforts being made to make sure that renters and landlords are treated fairly and equitably, the resources that are used within this department, I see, are getting larger. But the concern I have is that this branch, you know, is in relationship to the Ombudsman which is the independent party. That does yield up a great many files being opened at the Ombudsman's level.

I am wondering whether or not there is communication from the commission to the Ombudsman that there are areas that can be improved upon so the Ombudsman is not in receipt of as many complaints, I think, to the Residential Tenancies Branch and renters is second only to MPIC in the number of files opened by the Ombudsman on any given year.

I am asking, at this point in time if there is an effort to debrief and learn from some of the events or

files being carried over to the Ombudsman that we can maybe address or change our method of operation at the branch, so that the Ombudsman is not as active as he has been in the past in this regard.

**Mr. Selinger:** I thank the member for the question. My staff informed me that the number of issues that go to the Ombudsman with respect to this branch in relation to the number of files dealt with is actually quite small in percentage terms. They also believe they have a good relationship with the Ombudsman's office for how they resolve these complaints.

This is an area that is highly contentious, landlord-tenant relationships. There are a lot of units in this province. There are a lot of people living in these circumstances. There are a lot of misunderstandings and communication and real issues that arise there. It is a very people-intensive business. There is a lot of pressure on the people that work in this branch for the kinds of services they provide to the public, and usually providing services where people are unhappy. So it is a difficult area.

I know the staff work very hard, and I know the kind of stresses they are under from all sides. So I would say that there is quite a good ability to satisfy the concerns that are drawn to the attention of the Residential Tenancies Branch. In addition, people have the right if they feel that they have additional concerns, to go to the Ombudsman. There is a positive relationship between the Ombudsman's office and this particular branch on how those issues that go to the Ombudsman's office are resolved. My administration here feels that they have a positive working relationship with the Ombudsman's branch, and I do not think that the Ombudsman feels that the Residential Tenancies Branch is, in some way, not doing its job properly. I think they understand it as part and parcel of what is the nature of the business that they are dealing with.

**Mr. Faursehou:** Just one last question in regard to Manitoba Housing. For disputes that exist between renters within government-owned properties, does the branch carry forward with some of its services as well in that area? I do not know.

**Mr. Selinger:** With respect to landlord-tenant disputes, Manitoba Housing is treated like any other landlord. The only exemption they have is with respect to the rent-setting process itself. That is a rent geared to income process. On all other matters on

landlord-tenant relations, they are under the jurisdiction of the legislation governing this branch, and they are treated in the same way.

**Mr. Hawranik:** Yes, I have a question for the minister with respect to The Landlord and Tenant Act. There are many yearly sites and seasonal sites in campgrounds that are rented throughout my constituency. They go largely unregulated, both with respect to rent controls and with respect to rental conditions, as compared to regular residential tenancies. Is there any plan for the minister to expand the application of the act to those kinds of situations, particularly since they really are residential tenancies and some people, in fact, occupy them probably for six months or more every year?

\* (15:40)

**Mr. Selinger:** At the moment, there is no consideration of including campsites under residential tenancies legislation. I am aware that there was an issue with a private campground, not in the member's constituency, where there was an issue of charges on the campers there, and the Ombudsman looked into that. I think it was a situation where it was a private operator, but on Crown land, so it came under the jurisdiction of the Auditor in terms of how that operator was performing the responsibilities that they were required to perform as a condition of getting the lease for that campground. So the Ombudsman is available in circumstances like that and did make a recommendation for some corrective measures there. I think that is reported in the Annual Report of the Ombudsman for last year, but at the moment, there is no intent to expand the jurisdiction of the Residential Tenancies Branch to campgrounds.

**Mr. Hawranik:** I have another question with regard to the Residential Tenancies Commission. I will refer the minister to page 115 of the supplementary department list, Expenditure Estimates. On page 115, I have a question with regard to the second line down Professional/Technical Salaries and Employee Benefits. In 2004-2005, the salary paid for one person was \$58,000. In 2005-2006, the salary paid for, again, one person was \$111,500.

I ask the minister why is there more than a hundred percent increase in salary costs. Is there a new staff member? What could possibly make that difference in one year?

**Mr. Selinger:** I can understand the member's concern. On the face of it, it looks like that particular individual received a dramatic increase in salary. I can assure him that is not the case. What was done here is that in anticipation of this legislation, which is going to allow for the rehabilitation of distressed units, some resources were put aside under the Professional/Technical budget, but the FTE would have to be requested later on if the legislation passed. So they budgeted some resources for these rehabilitation schemes, but only when the legislation passes will they come forward and ask for an FTE to deploy those resources. So it was simply a budget measure to anticipate the legislation, which I actually tabled today.

I just want to get back to the critic. We had a commitment last time that we would go to Residential Tenancies and then proceed from the beginning of the Finance Branch to go through each area. Before I move to the member from Fort Whyte, and I do not know what his question is, but are we completed Residential Tenancies? I am trying to use my staff's resources efficiently here.

**An Honourable Member:** Yes, we have completed Residential Tenancies.

**Mr. Selinger:** So can we pass that then and get that out of the way in the budget process, so I can dismiss them, bring in the next crew and we can keep working?

**An Honourable Member:** Yes.

**Mr. Selinger:** Okay, so could you help us with that, how we pass this line?

**Madam Chairperson:** Yes, I will do that right now.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,277,600 for Finance, Consumer and Corporate Affairs, for the fiscal year ending the 31st day of March, 2006.

Shall the resolution pass?

**Mr. Hawranik:** Just for a point of clarification, we are not going to be passing all of Consumer and Corporate Affairs. The minister asked whether the Residential Tenancies Branch and the Residential Tenancies Commission would be passed, which is



section 7.8.(c) and section 7.8.(g), and I have no objection to that.

**Madam Chairperson:** The rules have changed. We no longer pass separate lines. We pass resolutions. So we will just set it aside to when you are ready to pass the resolution.

**Mr. Hawranik:** Yes, just so the minister is aware, even though we are not going to be passing those two lines, I will make a commitment that we will not be asking any more questions with respect to those two sections.

**Mr. Selinger:** In terms of trying to get an orderly proceeding, are we now going to continue to explore the rest of Consumer and Corporate Affairs and then go to other branches of Finance, because we were trying to get into sort of the process of going through the branches and resolving this?

**Mr. Hawranik:** Just with respect to that, the member from Portage la Prairie just has a couple of other questions within that section, so maybe we ought to complete that first before the Member for Fort Whyte (Mr. Loewen).

**Mr. Faurchou:** I want to ask the minister of an update as to the status on the Claimant Advisor's Office which comes under this section. I understand there has been more than a year since this was first announced as a press release and allowed for in the budget. In fact, this is the second budget year. How is the operation of this office going at the present time?

**Mr. Selinger:** I am informed that the staff have now been hired and training has occurred and an office has been put in place and there is an opening planned with proclamation of the legislation likely by the end of May.

**Mr. Faurchou:** I believe this particular office has appeared in three budget years already now, and there was a half year and then last year it was 468, this year we are looking at 665. I believe there was appropriations almost two years ago for about a quarter of a million dollars just to start the process of planning and engagement of the personnel that would be in this office.

**Mr. Selinger:** The legislation was passed by the Legislature last session, last summer, last spring. So our intention is to have it up and running this spring.

**Mr. Faurchou:** I understand. Well, this is long overdue. We supported it in the Legislature and it is going to provide support to persons that are most vulnerable. They have had injuries through accident and need to be looked at. Are they going to be afforded, through this office, actual legal counsel, because they are coming up before commissioners that, essentially, are appearing on behalf of Manitoba Public Insurance Corporation, very skilled legal personnel, and is this office going to afford at least equitable representation for persons that are appealing their injury claims?

\* (15:50)

**Mr. Selinger:** They will not be getting access through this office to legal counsel. They will be getting access to trained, skilled advocates. That is why there has been an extensive training program entered into before the office was open to the public. These people will be specialized in this particular area on how to advocate on behalf of clients who have concerns about the way they have been treated by MPIC. So it is very similar to the model used with the Workers Compensation Board, the workers advocates over there. The advocacy is not coming through legal counsel. It is coming through trained advocates, and that has been part of the reason there has been this period of time that has been used this year to get the people hired and trained properly.

**Mr. Faurchou:** It is a little bit different insofar as this is, by legislation, a quasi-judicial body that deals with injury claims. I suggest that having an advocate go up against two or more highly skilled barristers that the individual who is appealing the decision is seriously outgunned.

I would like to ask the minister, at the very least, are the advocates going to provide to the persons that have experienced injury and are appealing the decision of MPIC that they are given a list of potential lawyers who could then be engaged to assist in their representation in front of this commission.

**Mr. Selinger:** The model that is developed here is to have specialists in the MPIC act as trained advocates. They will not be providing a list of lawyers they can go shopping with to make their case in front of it which would drive up their costs. The purpose of putting this office in place was to have advice

available to people from trained, skilled advocates specific to the MPIC legislation.

Over time these people will become very good at what they do as compared to a person who is in private practice that might be doing this type of case among many other types of work they do. These people will only be focussing on this during their working career in these positions. They will get quite good at it, and that is why there has been an extensive period of training up to now. They have access to legal advice and legal opinions if they require it through civil legal services, but they are not lawyers. They are skilled, trained advocates on salaries not a fee-for-service basis or anything like that. That was done in order to make sure there was cost containment of this form of appeal support that is being made available to people that have concerns about how they have been treated by MPIC.

**Mr. Faurschou:** I think the minister can truly appreciate that one even as familiar as they might be able to make themselves does not have the schooling of years like lawyers do before they have to, effectively, pass the bar exam to become practising lawyers. Also, be mindful that MPIC lawyers are very focussed as well. They are not doing civil litigation or property real estate transactions, they are focussed very much on MPIC issues.

I suggest that the individual with only an advocate in their corner is still very much outgunned. I would believe this office should, under their mandate, be able to provide as part of their advocacy mandate the identification of lawyers in this province that are not in a conflict of interest that are potentially able to carry forward through legal representation individuals because it is a challenge for persons that are coming before the Automobile Injury Compensation Appeals Commission to find a lawyer.

You have to appreciate that MPIC does retain a number of firms throughout the province for their representation and by association this takes in the majority, if I will be so bold as to predict, of practising lawyers here in the province of Manitoba. A lot of time can actually be expended just trying to find a lawyer that does not have a conflict of interest. I think it should be part of the advocacy office's mandate to make it known, or compile a list at the very least, of practising lawyers here in the province of Manitoba that are available for representation to

individuals coming before compensation appeals commission.

**Mr. Selinger:** I think the member might be underestimating the ability of trained, skilled advocates to represent and advocate on behalf of people making an appeal. They will get good at what they do. This is not the first time this has ever been done. There are examples of this done in other areas, where the advocates get very effective at what they do.

It is probably not a good idea for them to be referring people to lawyers because every lawyer that did not get a referral might be unhappy with that. It could get extremely complicated. So it is not going to be their job—[interjection] Pardon me? It is not going to be their job to make referrals to lawyers.

I mean, the client, or the individual who has the concern has a choice. They can go and use the Advocate's office under the resources we are going to be providing for the first time, or they can contract with the private bar to have legal support and advocacy. If they wish, they have that choice.

But we do not think it is our job to be bringing them into the office, giving them advice and then referring them to a lawyer where they are going to rack up another bill. It is just not going to work that way. You can imagine the problems of them being accused of maybe referring them to the wrong person, or a person that may hold themselves out as being qualified, but then not available and not qualified as they thought.

So it is up to the individual to decide whether they want to get the Advocate's support or to get somebody from the private bar. That is a choice they have to make themselves.

**Mr. Faurschou:** I am not suggesting that the advocates, in fact, act as a referral agency. But there have been a number of individuals come forward with the very specific complaint that they have approached—and one individual said, "I have been to more than 50 lawyers trying to find somebody that does not have a conflict of interest either directly or indirectly through association," able to represent the individual.

So all I am suggesting is that I believe that part of this automobile injury compensation advocacy office, appeals office, compile a list of the practising

lawyers here in the province of Manitoba that are available to represent persons that are coming before the commission. It does not have to be a referral. But I am just saying that this is a need at the present time, and I am identifying it with you, Mr. Minister.

**Mr. Selinger:** I know the member's intentions are good here, to make sure that the person who has the concern gets the best representation they can get. But for them to have a list of lawyers that they would refer to, it might create insuperable problems.

I mean, a lawyer can have new clients roll in the door everyday. One day, he or she may have a conflict of interest, the next day they may or may not, depending on the case that is in question. So I do not think, I mean, I would have to create another agency to manage all the issues around conflict of interest. I do not think you would want me to spend taxpayers' dollars on that.

The private bar, if an individual like you said, "I cannot find somebody who is in a conflict of interest," this agency will not be able to help them sort that out. They do not have that kind of information about the private bar and what the caseloads of the private bar are. Those are usually confidential matters. You have to shop until you find somebody that is comfortable taking a case and does not believe they have a professional conflict of interest.

I understand the problems of that, but this agency will not be able to solve that problem. This agency provides an alternative to the private bar. If the private bar is not able to provide the services the individual wants, they now, for the first time ever, will have a trained, skilled advocate available to them to help them with an appeal in front of this commission, this Automobile Injury Compensation Appeal Commission. That resource was never available before. They will now have this resource.

But, if they want to access the private bar and get additional representation or substitute representation, if they are not happy with what they could get in this new agency and want to go to the private bar, we are not going to be able to keep an active, up-to-date list on all the potential conflicts of interest. I mean, I am going to leave it there, I guess. Anything else I could say might get me in trouble.

\* (16:00)

**Mr. Faurschou:** Your officer is responsible for trying to provide an appeals mechanism that is impartial to conflicts between individuals and Manitoba Public Insurance Corporation, and I am posing the question to yourself. How does the individual to which I cite that has approached 50 firms and has yet to secure some firm in the province of Manitoba to represent him because of the existence of conflict of interest. I do not think it changes on a day-to-day basis like the minister suggests. Manitoba Public Insurance does not engage one day and disengage another legal firm as the minister might suggest. But that is the question I leave for the minister, and I have to clear it up there.

**Mr. Selinger:** Once before this, I mean I understand that you have a particular individual that has not been able to find a lawyer that wishes to represent them—[interjection]

**An Honourable Member:** More than one. I am just reciting one that has got 50—

**Mr. Selinger:** Yes, the member is presenting to me the case of an individual that has tried 50 different firms to get legal representation without satisfaction. All I can say, once this agency is up and running within the next 30 days or so, they will now have an alternative to that. They will have a skilled advocate they can go to get support from, but that skilled advocate will not be finding for them a lawyer that does not have a conflict of interest. They will not have access to that information. They will not be able to do that, but they will be able to provide them a resource that was not available heretofore. You can come back to me on this if you wish.

**Mr. Hawranik:** At this time we would be prepared to move Resolution 7.8.

**Madam Chairperson:** Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,277,600 from Finance, Consumer and Corporate Affairs, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

**Mr. Selinger:** Which department or branch do you want to go to next now? We originally said we were going to go to the start of the Estimates book. I think the member from Fort Whyte has a question. I do not know which branch he wants to probe in now.

**Mr. John Loewen (Fort Whyte):** I can tell you it is, possibly, under Treasury, but I think, probably, if your deputy minister is at the table, it is probably not. It has to do with the holdings in Crocus in terms of clearing up some information presented to the House.

**Mr. Selinger:** I understood we were into a branch-by-branch review now that we are out of global. If there is a question with respect to the Treasury Branch, I understood we were going to work through from the front to the back, the branches now. If the member wants to jump to another branch, I guess I need to know that.

**Mr. Loewen:** Well, as the minister can appreciate, there are Estimates going on all over the place and members have different responsibilities to different places. So I have got a couple of questions dealing with some information that was brought to the House regarding the government's holdings in the Crocus Fund. I simply would like the opportunity to ask a couple questions. The minister can have who he wants at the table.

**Mr. Selinger:** If the official critic wants to bring Treasury forward now, we can try to answer any questions that might come under Treasury.

**Mr. Hawranik:** Yes, I would be prepared to bring Treasury forward at this point.

**Madam Chairperson:** If the minister would like to introduce his staff.

**Mr. Selinger:** Yes, in the House, I introduced the Deputy Minister of Finance, Ewald Boschmann, and the Director of Administration for Finance, Erroll Kavanagh. I now have with me the ADM of Treasury, Don Delisle, and two members of his staff, Gary Gibson and Scott Wiebe.

**Mr. Loewen:** It was raised in the House on a couple of occasions, particularly on April 12 by the Premier (Mr. Doer), that the holdings the Province owns in the Crocus Fund have been written off. I just wonder if the minister could describe for me the holdings the government owns in the Crocus Fund.

**Mr. Selinger:** I am informed that, with respect to the \$2 million provided by the previous government, at the time it was provided in 1993-94, it was fully

provided for. It still shows on the books as \$2 million, but it has been fully provided for.

**Mr. Loewen:** Well, I am asking for all the holdings. Can the minister indicate whether the Province still owns two million shares?

**Mr. Selinger:** The amount was \$2 million, and there is a full valuation allowance against that \$2 million for a net of nil, or zero. That is what is showing on the books in the Public Accounts of '03-04.

\* (16:10)

**Mr. Loewen:** I thank the minister for that. The Premier, in his statement in the House that he has made on a number of occasions, has indicated the Province has no ongoing pecuniary interest in the Crocus Fund and has no opportunity to benefit from it in terms of shares. I am just wondering if that is the case.

**Mr. Selinger:** When the valuation allowance was put against the \$2 million of shares by the previous government that, in effect, assumed that they would not get anything back.

**Mr. Loewen:** Is the minister aware of the term "warrant"?

**Mr. Selinger:** Yes.

**Mr. Loewen:** Is the minister aware that the Province has ownership of 200 000 warrants in the Crocus Fund?

**Mr. Selinger:** That question probably should go to the Minister of Industry and Trade because that is where this arrangement was originated. Finance is not aware of that.

**Mr. Loewen:** Well, just for the minister's clarification and just so that in future he will be fully apprised of the situation and be able to advise his Premier (Mr. Doer), I will read him a quote from the 2001 financial statements. This is a direct quote from 2001, September 30, of the Crocus Investment Fund. I quote from page 13.

"The rights and restrictions attributable to the Class "G" special shares held by the Province of Manitoba provide that these shares are non-convertible, non-redeemable equity allowing the

fund to use such equity as a loss reserve to absorb the deficits of the fund up to \$2 million on a permanent basis.

"In consideration, the fund issued to the Province of Manitoba, 200 000 Series 1 warrants, each warrant entitling the Province of Manitoba to purchase one redeemable participating Series 1 class "I" special share for \$10 exercisable at any time after the year 2000."

Does the Province still own these warrants?

**Mr. Selinger:** Well, we will take the question under advisement. I thank the member for drawing this piece of information to my attention, and if he would be willing to table the document, that would also help in verifying the question he is asking.

**Mr. Loewen:** Is the minister aware that at the time that this financial statement was published, the share price of Crocus was \$14.62? I am sorry, I have quoted the wrong figure. That was 2000, September 30, 2000, was \$14.82.

**Mr. Selinger:** Subject to verification, if the member is quoting from the annual report, that share price, I will take him at his word until I get to see the document myself.

**Mr. Loewen:** Well, my quick math indicates that if, at the end of 2000, and the share price was still at \$14.82, and the government had exercised its \$10 warrants, it would have been able to in fact generate 200 000 shares at \$4.82 per share, giving the government a profit of over \$960,000. Is the minister aware that type of transaction is open and available to the Province to take advantage of at any time or has something changed with the nature of these warrants?

**Mr. Selinger:** Well, once again, the member is bringing new information to my attention. What I would say is that when the previous government put a valuation allowance against the \$2-million investment, I think they were saying with that they had no intention of collecting any money back from that \$2 million of shares invested in Crocus.

**Mr. Loewen:** I understand that the minister, prior to entering his current position, did not have a whole lot of experience in financial matters in terms of corporations, as is, but would he not agree that the

statement in the financial statements of Crocus, starting with "in consideration," would indicate that, as a consideration for giving up its rights and writing off those shares, the government took in return the opportunity to exercise its rights as given under the warrants and to buy shares for \$10 and sell them for whatever price the shares were available at the time?

*Mr. Doug Martindale, Acting Chairperson, in the Chair*

**Mr. Selinger:** Yes, I understand the point that the member is making, and I am simply saying to him that the previous government had made a provision or a valuation against the 2 million shares. If they received some consideration for that, as pointed out in what looks like the member has indicated to me was the '01 annual report of the Crocus Fund, that is information we will take into account, but the previous government wrote off those shares. They may even have received some warrant consideration as the member points out here, and I thank the member for providing me with that information.

**Mr. Loewen:** I trust that the minister will bring this to the Premier's (Mr. Doer) attention forthwith, so we will not be faced with another situation in the House where somebody has to again get up and remind the government that they are making statements that are, as the Auditor has quoted, "misleading by omission."

I would refer the minister again; I only have one copy of the document here, it is a public document that the minister has. I see the Minister of Industry (Mr. Rondeau) at the table, and I am sure he has it in his files, which indicate that in fact the government did not just simply write off the value that it had in Crocus. In fact, it made a determination to write it off, and in consideration for that gesture, it received some warrants and considerable warrants that could have, had things gone right—unfortunately, for a lot of Manitobans they did not, due to the lack of oversight of this government—if they had gone right, then the government might have not only fully recovered its \$2 million but recovered more. In any event, at a point up to, at least, and including 2002, there was certainly a lot of value there.

With regard to a question that I asked previously to the minister, I wonder if he has had the opportunity to ask either the Crocus Fund or Mr. Curtis to ensure that his reference on the Web site that he is a financial advisor to the Minister of

Finance of the Province of Manitoba is removed immediately. I do think it leaves a rather false impression with the people who look into that Web site that, in fact, the Minister of Finance has a representative that is close to that board.

**Mr. Selinger:** I did correct for the member and for the public the status of Mr. Curtis, who is in full retirement now, with respect to his relationship with the Department of Finance, and I corrected the dates around that. That is now on the public record.

**Mr. Loewen:** I appreciate that, but, once again, it did not have anything to do with the question I asked. I asked him at the time, and I am asking him again if he or someone on his staff would follow up with Mr. Curtis and with the Crocus Fund and ask them, in whatever way it takes, and if it takes a harsh way maybe that is what should happen. I think it is definitely misleading for someone looking on that Web site to see that one of their board of directors is still putting himself out as a senior advisor to the Minister of Finance. I am just asking him to ensure for the public that that is corrected and definitely corrected before the fund might start selling shares again.

**Mr. Selinger:** As I have indicated, I have corrected the record for the public and that stands as the accurate information. The advisability of having conversations with either Mr. Curtis or any other member of Crocus, or Crocus itself, will be considered. The member might, as he has in previous Estimates questions, start querying me about which meetings and which conversations I have had with board members of Crocus as if, once again, he is trying to demonstrate that there is a conspiracy out there and that I was participating in it. The public record has been corrected and that has now been confirmed again.

\* (16:20)

**Mr. Loewen:** Well, I would just indicate to the minister that the Web site has not been corrected. I think somebody in his position with the Province of Manitoba should take the necessary steps to ensure that the Web site is corrected and corrected immediately. It does reflect poorly on the Province that someone is putting themselves out as a senior advisor to the Minister of Finance, when, in fact, the minister has indicated on the public record that they are. As the minister decided, since he raised it, I

guess I will ask him again. Was the minister made aware at any time—well, maybe, he can just tell us when he was first made aware there was a crisis at Crocus and the fund was facing serious problems with valuations.

**Mr. Selinger:** I have answered those questions before. I understood the purpose of today was to discuss Treasury Estimates. Anything related to Treasury and Crocus, the members ask questions, we are giving him the answers to our best ability. I do not believe we are back in global. We spent at least 10 hours on global discussion. I am here to discuss the Treasury Branch right now. That is the topic under discussion.

**Mr. Loewen:** That is the topic under discussion. That is why I am asking questions about warrants that apparently the minister knew nothing about and has allowed his Premier to make misleading statements in the House. It is interesting that the Minister of Industry (Mr. Rondeau), is here because maybe he will catch on to it as well. I mean, the arrogance this government is showing to the 33 000 Manitobans that have lost a lot of money, let alone the taxpayers who have seen \$60 million disappear, is disappointing.

I will just ask the minister one more time. It is a relevant question. He is responsible for the Treasury. He has an individual who has put himself out as an advisor to him. Can he tell us when he first learned there was a problem with valuations of shares at Crocus Investments?

**Mr. Selinger:** I have answered that question previously. I am ready for new questions with respect to the Treasury.

**Mr. Loewen:** The minister has not answered the question. Like other ministers, he continues to refuse to answer. So I will give him the same advice that I have given other ministers. Sir, keep your notes because one day you may be asked that question in a forum where you cannot duck it, where you have to actually live by rules of evidence and tell the public, with full and complete knowledge, exactly what you knew and when you knew it and provide them with an explanation of how your government could have sat there while \$60 million of their money was fleeced out of their pockets. I hope at some point you will live up to your responsibility for that. I hope at some point you will answer questions.

**Mr. Hawranik:** I have some questions with regard to Treasury as well. It indicates in the Departmental Expenditure Estimates that during 2005-2006 the government is expected to borrow about \$2.5 billion during this budget year. Can the minister indicate how much he is planning to borrow from international markets out of that \$2.5 billion and which countries he is intending to borrow from?

**Mr. Selinger:** In answer to the member's question. The way we borrow money through Treasury, we do not have a preconceived proportion of money we are planning to borrow from international markets. At the time we need the cash for the specific purposes required, we look and scan all the markets globally, and we make the best deal we can in whatever market is available to us at that time. If, for example, we were doing a borrowing today, it would likely be in Canadian dollars, in Canadian markets, because that is where we can get the best deal today. A few months ago that might have been different. We might have borrowed in the American market and swapped it back to Canadian dollars because that is where we could get the best bargain for Manitobans, its Crowns or the organizations we are borrowing for. It is a bit like playing football with audibles, not with a preconceived game plan. You do the best play or deal at the time that you need the cash given what is available in the marketplace.

**Mr. Hawranik:** With respect to past borrowings of the government, can the minister indicate how much has been borrowed from international markets, and which countries?

**Mr. Selinger:** I will try to get the specifics, but I just want to explain to the member that, when it comes to non-Hydro borrowings, we have no foreign exposure. All of our borrowings are translated through swaps back into Canadian dollars, so we have no foreign currency exposure with respect to government borrowings. There is some currency exposure in foreign currencies for Hydro, usually in U.S. borrowings, which is offset by revenues that are received from the U.S. market by Hydro itself. So they are hedged, in effect, one against the other.

**Mr. Hawranik:** Yes, and further on in the same book, page 46, it indicates in 2005-2006 the direct debt serviced by the branch, that is Treasury and banking operations, is expected to approximate \$20 billion. This debt will be represented by debentures, Builder Bonds, Treasury bills, promissory

notes and Canada Pension Plan debentures, all payable in Canadian dollars. Can the minister indicate how much he expects to raise through Builder Bonds?

**Mr. Selinger:** On the bonds or the Manitoba Builder Bonds, we usually generate revenues out of builder bonds in the order of \$200 to \$300 million a year, but we do not set a hard target on that because every year, the market is slightly different, interest rates are different, and there is a variety of competitive products out there. We have raised anywhere from 200 million to over 400 million depending on the conditions in that specific timeframe when we are putting that product out to Manitobans. We do it on a market basis. We do not subsidize it. It is a product that has to pay its own way with respect to the alternatives available to us for doing borrowings in the broader marketplace.

**Mr. Hawranik:** At this time, I would like to inform the minister that I would be prepared to pass line 7.2, Resolution 7.2.

**The Acting Chairperson (Mr. Doug Martindale):** Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,812,600 for Finance, Treasury, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

**Mr. Selinger:** My officials also are responsible. The Treasury officials thank you for passing their departmental, or their branch Estimates, but they are also responsible for the statutory public debt. Before I release them, I wondered if you had any questions you wanted to pursue there.

\* (16:30)

**Mr. Hawranik:** I am sorry, I do not—

**An Honourable Member:** Page 123.

**Mr. Hawranik:** No, I do not have any questions with respect to that.

I guess I would like to ask the minister now to proceed on a line-by-line basis from the beginning, section 7.1.

**The Acting Chairperson (Mr. Martindale):** Member for Lac du Bonnet, you have the floor.

**Mr. Hawranik:** Yes, I would like to have the Finance line by line being passed starting at 7.1.

**The Acting Chairperson (Mr. Martindale):** Okay. We will not be proceeding line by line because we do it by a resolution and the Minister's Salary always goes last.

**Mr. Hawranik:** Then I would be agreeable to starting at 7.3 and continuing onward.

**The Acting Chairperson (Mr. Martindale):** Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,849,400 for Finance, Comptroller, for the fiscal year ending the 31st day of March, 2006.

**Mr. Hawranik:** I have a question of the minister with respect to Public Accounts, '03-04, Volume 2, and this, I believe, would follow under that section. I turn to page 67 of Public Accounts, Volume 2 where it indicates that under the Leg Assembly there were a number of cheques written to Michael Hameluck from Whitemouth for \$17,165 during the '03-04 budget year. Can the minister indicate what those cheques or cheque was written for and over what period of time?

**Mr. Selinger:** I thank the member for the question, but that is actually not under my purview. That is under Legislative Assembly, and it is not a Finance expenditure. It is under the Leg Assembly, which, I think, is under the Legislative Assembly Management Committee.

**Mr. Hawranik:** Well, I thank the minister for that response, but the simple fact of the matter is that the Department of Finance is responsible for all expenditures across the government, and I wonder whether the minister would provide me with details as to—if he cannot provide that to me today, I understand that, but can he provide me with details as to what that expenditure was for and over what period of time in '03-04?

**Mr. Selinger:** I will have to take that question under advisement. Normally, the Minister of Finance does not interfere in allocations of expenditures made by the Legislative Assembly Management Committee. It is kind of hands off. So it may not be appropriate for me to provide information. It may have to come directly from the administrators and people responsible for that committee itself.

**Mr. Hawranik:** Will the minister at least make inquiries with respect to that cheque, and if he does receive an answer, will he undertake to provide me with an answer?

**Mr. Selinger:** All I can undertake is to ask Legislative Assembly Management Committee what the rules are and communicate back to him the information. They may not believe that they can release the information to me. They may have to get a query directly from the member.

**The Acting Chairperson (Mr. Martindale):** If I could offer some advice, Legislative Assembly Estimates are considered in Committee of Supply, and you could ask questions directly there.

**Mr. Hawranik:** I can also ask them here, just for the record. In any event, I did ask the question over a week ago about an expenditure to the La Vieille Gare for \$6,886, and I have yet to receive a response from the minister in terms of the details of that bill and how much was expended for alcoholic beverages.

*Madam Chairperson in the Chair*

**Mr. Selinger:** I have not had a chance to verify that information yet. I will have to get that to the member later.

**Mr. Hawranik:** I have a question with respect to another part of page 124 of volume 2 again. In the second column, there was an expenditure to the Sheraton Winnipeg for \$37,551. Can the minister indicate what that expenditure was for?

**Mr. Selinger:** Can the member repeat the name of that?

**Mr. Hawranik:** Yes, it was to the Sheraton Winnipeg for \$37,551, and it is located about 40 percent of the way down in the second column.

**Mr. Selinger:** I will have to take that as notice and get the member the specific information there.

**Mr. Hawranik:** I will take that comment from the minister. I hope that he will provide me with details, and I expect that he will undertake to provide me with those details as soon as he possibly can.

I believe those are all the questions I have of Resolution 7.3.



**Madam Chairperson:** Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,849,400 for Finance, Comptroller, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,886,500 for Finance, Taxation, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,247,100 for Finance, Federal-Provincial Relations and Research, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$407,800 for Finance, Insurance and Risk Management, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,095,700 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

\* (16:40)

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,105,600 for Finance, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

Resolution 7.10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$50,342,400 for Finance, Net Tax Credit Payments, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

**Mr. Hawranik:** I have a question about section 7.10, and that is with respect to the Estimates of Expenditure for Pensioner School Tax Assistance. Can the minister indicate why the expenditure is going down from \$3,263,000 to \$2,661,000? Why is it decreasing by \$600,000?

**Mr. Selinger:** It is likely because the ESL has been reduced and, therefore, there are not as many taxes to claim against here.

**Mr. Hawranik:** I notice the minister used the word "likely." If he does not have the information, can he get back to me and provide me with the exact information?

**Mr. Selinger:** If there is any correction on that answer, I will get it back to the member.

**Madam Chairperson:** For 7.10, the resolution was accordingly passed.

The last item to be considered for the Estimates of the Department of Finance is item 1.(a) Minister's Salary, \$29,400.

At this point we request that the minister's staff leave the table for the consideration of this item.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,104,700 for Finance, Administration and Finance, for the fiscal year ending the 31st day of March, 2006.

**Mr. Hawranik:** This is on the Minister's Salary, I take it, so it probably will not come as any surprise to the minister, but I intend on asking that we pass a resolution that the minister's salary be reduced to \$1. There are a number of reasons for that, and I think it is quite obvious. We have had a number of discussions during the Estimates and during the Budget Debate that really concerned me.

First, starting with questioning the accuracy of the budget numbers, and the Minister of Health's (Mr. Sale) comments about the '04-05 numbers for Health and the fact that he felt he deliberately understated the numbers in the Health, budget, and that begs the question as to why he did that.

My concern is that it possibly could have been so that it would appear as though the budget was actually balanced.

Also, with respect to inaccuracy in reporting deficits, the minister continues, no matter how many questions I put to the minister, he continues to publicly report that for the '03-04 financial year there was a \$13-million surplus, in spite of the fact that there was a \$604-million deficit. The minister has not given me any assurance that he will not increase taxes through the back door. None whatsoever.

He lost an opportunity, I believe, in this budget, with \$525 million in new revenues. He lost the opportunity to, in fact, eliminate school taxes on residential property and farmland. That is a promise that we made in the 2003 election. I clearly remember the minister and the Premier (Mr. Doer) both being shocked that we would actually promise that to happen within a four-year mandate, and continually asking the question of news reporters and the newspapers that, where are they going to get the money, where are they going to get the money? In fact, that money would come out of new revenues, and the future after 2003, after the election, bears that out.

This year alone, we have had \$525 million in new revenues. It is going to only cost, well, not only, it is a lot of money, but it would cost \$270 million or thereabouts to eliminate school taxes from residential property and farmland. There would have been plenty of money left over, as there usually is, for regular increases in program spending, whether it be inflation or new programs, as there had been in the past. About \$250 million is what it requires, year over year.

We lost the opportunity, therefore, to eliminate school taxes from residential property and farmland this year and forever. For that, I believe that is unforgivable, that we can actually fritter away the money here and there and everywhere. I am not denying there are other needs within the province, that there are other areas that need funding, but, in fact, he could have seized that opportunity and lost that opportunity.

I also am concerned about the increase in spending by this government since 1999. On average, there has been an increase in spending of about 5 percent a year, year over year, yet we have

only had inflationary increases to costs of about 1.8 percent a year. We have had less than 3% real GDP growth in this province year over year, and 5% increases in spending, I do not believe, is sustainable in the province. We have also had minimal population growth, less than one tenth of 1% growth in the province each year. If that is a boom to increases in population, I disagree.

We have had a total debt increase of \$526 million this year, in spite of \$525 million in new revenues. My question is how much will it take, how much money will it take, before this government would ensure that the debt does not go up. How much money will it take? Well, I can give you that answer. It would take the \$525 million in new revenue, of which every nickel was spent, and it would also take an extra \$526 million of extra debt, so it would take an increase of over \$1 billion year over year of revenues in order to take care of the spending habits that this government has.

Our debt goes up by almost a million and a half dollars a day. The time it takes for me to ask a question of the Finance Minister in the House, a minute, our debt goes up \$1,000. The time it takes for the minister to answer the question, it goes up another \$1,000. That is how fast it goes up. Denial by the Minister of Finance (Mr. Selinger) that the debt is going up is unacceptable. He continues to point to the operating debt, and that is only a small part of the debt. As I pointed out in numerous times to the minister, that operating debt can be manipulated by the minister because he is using every provision in the balanced budget legislation that he can find. It is a manipulated number. It is not a true number.

\*(16:50)

One of the most important factors to attract businesses to Manitoba and to retain businesses in Manitoba is competitiveness, and that is borne out by the opinions of the Canadian Federation of Independent Business, the Canadian Taxpayers Federation, both Chambers of Commerce and the Business Council. We are the only western Canadian province with a payroll tax. We are one of the only provinces in Canada with a corporation capital tax.

There is no long-term economic plan that I see coming from the minister or this Premier (Mr. Doer). We continue to spend without measuring results and

I think that is part of the problem. It is not an answer to continue to spend, spend, spend, and increase spending, and then to tout that as being the solution to our problems. There has to be some justification for what the government spends and there has to be measurable results.

I do not regard writing on the back of a napkin a long-term economic plan as a proper plan for this province. I think that is what the Premier and this Finance Minister are doing. They have to do much more, and as a result, I cannot support giving the salary to the minister.

I move

THAT line 7.1.(a) be amended so that the Minister's Salary be reduced to a dollar.

**Madam Chairperson:** It has been moved by the member from Lac du Bonnet

THAT line 7.1.(a) be amended so that the Minister's Salary be reduced to \$1.

The motion is in order. Debate may proceed.

Is the committee ready for the question?

The question before the committee is the motion moved by the honourable Member for Lac du Bonnet (Mr. Hawranik). The motion reads as follows:

Moved by the member

THAT line 7.1.(a) be amended so that the Minister's Salary be reduced to \$1.

Is it the pleasure of the committee to adopt the motion?

**Some Honourable Members:** Yes.

**Some Honourable Members:** No.

#### Voice Vote

**Madam Chairperson:** All those in favour of the motion, please say yea.

**Some Honourable Members:** Yea.

**Madam Chairperson:** All those opposed to the motion, please say nay.

**Some Honourable Members:** Nay.

**Madam Chairperson:** In my opinion, the Nays have it.

#### Formal Vote

**An Honourable Member:** I challenge the ruling.

**Madam Chairperson:** The Member for Lac du Bonnet?

**Mr. Hawranik:** Yes, recorded vote.

**Madam Chairperson:** A recorded vote is requested. Does the honourable member have support of another member?

**An Honourable Member:** Absolutely.

**Madam Chairperson:** The honourable member does have support. This committee will now recess in order to proceed to the Chamber for a counted vote. The section is now recessed.

*The committee recessed at 4:53 p.m.*

*The committee resumed at 5:14 p.m.*

**Madam Chairperson:** 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,104,700 for Finance, Administration and Finance, for the fiscal year ending the 31st day of March, 2006.

**Resolution agreed to.**

This completes the Estimates of the Department of Finance.

The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates of the Department of Intergovernmental Affairs and Trade. Shall we briefly—what is the will of the committee?

Brief recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates. We are recessed.

*The committee recessed at 5:15 p.m.*

\_\_\_\_\_

*The committee resumed at 5:22 p.m.*

**Madam Chairperson:** What is the will of the committee?

**An Honourable Member:** Committee rise.

**Madam Chairperson:** Committee rise.

### EXECUTIVE COUNCIL

\* (14:50)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply come to order, please. This section of Committee of Supply is dealing with Estimates for Executive Council. Will the Premier's staff please enter the Chamber. We are on page 21 of the Estimates book. Global discussion.

**Hon. Gary Doer (Premier):** A couple of items of notice yesterday. I think the staff is coming in, but preliminary review of the question raised by the honourable member from Springfield about a person that, obviously, he had some interest in. I am informed that the severance provisions for the individual were six weeks and two years for every year of service, and that the severance principles were applied to the individual.

Secondly, I want to provide a letter to the member of the opposition if I could. I promised that I would provide to members in this Chamber a copy of the letter from the Secretary of State's office to North Dakota. I want to say for the record, and I want to read this into the record, because I think it is very important.

"We understand that the State of North Dakota is planning to move forward with a water outlet project from Devils Lake that differs from the proposed federal project of the Army Corps of Engineers. In a recent statement about the state project, you are quoted as saying:—"and this you is Governor Hoeven—"Secretary Powell's decision strengthens

our efforts to move forward with our temporary outlet on Devils Lake. He has now provided additional assurance that an outlet would not violate the treaty and that water quality downstream will be protected.'

"I am writing to draw your attention to the fact that the Secretary of State's January 20, 2004, assurance concerned only the federal project under discussion for Devils Lake. The Secretary has not reviewed the state project and has expressed no view about that project.

"The Secretary reached his decision concerning the assurance regarding the proposed federal project after reviewing the U.S. Army Corps of Engineers Environmental Impact Statement of April 2003 and the Record of Decision issued by the Corps of Engineers on October 14, 2003. These documents did not address the effects of the state project.

"The Government of Canada has expressed the concern that the North Dakota state project, as currently envisioned, would not be consistent with the 1909 Boundary Waters Treaty, which would apply to North Dakota's project. The Department of State therefore urges that, in the spirit of trans-boundary water co-operation and to avoid unnecessary conflicts between the United States and Canada or its concerned provinces, you consult with us and appropriate other agencies at the earliest opportunity before proceeding with the temporary outlet."

So this letter is very consistent with the view we have expressed. We had received it on March 10, 2004. It is also very consistent with the fact it contradicts the governor saying he is proceeding to build this project, and Canada did not express, or the State Department did not express, any concerns about the state outlet. Obviously the Secretary of State's office was writing to the governor—

**An Honourable Member:** Is that who this is from?

**Mr. Doer:** Beg your pardon?

**An Honourable Member:** Who is it from?

**Mr. Doer:** Well, it is the legal counsel, it is the assistant secretary, but it is the lawyer for Legislative Affairs representing the Secretary of State. I think that is fairly important.

As I say, the member from Springfield is here in the House. I mentioned that it is six weeks and two weeks for severance. So the rumour on the soccer field is quite a bit higher than it sounds like the actual principle that was applied to the individual. But that is not to say all rumours on the soccer field are not right; just that one.

**Mr. Stuart Murray (Leader of the Official Opposition):** I thank the Premier for tabling this letter. I wondered, the other question that I had, I think the Premier was going to make best efforts to give a sense on the proclamation of Bill 10, if I recall correctly. I know he cannot give us a specific date, but I think he was going to try to bring best efforts back. I wonder if he might share that with us.

**Mr. Doer:** Yes, it will be within weeks. The proposal is going to Cabinet shortly, either next week or the week after, and whatever time the organizations need for an actual proclamation date, we are ready to deal with the regulations from the organizations in a week or two maximum. The latest date for us going to Cabinet is May 11.

Again, it is consistent with the groups that asked us to meet. I think it will be very consistent with the statement, about six weeks, even though I intended it to mean the House would pass it. I reread the document and I did not say that you were holding it up, standing it up or filibustering it or whatever else, but if you took that inflection.

I did say that the House would probably be dealing with it in the next six weeks. I did not know that meant the regulations. It looks like it is going to be fairly accurate without my knowledge.

**Mr. Murray:** Mr. Deputy Chair, I would be interested if the Premier, we had a discussion today in Question Period on the issue around the floodway, the floodway expansion. I wondered if, the Premier did not answer the question, so I just wonder if he could answer whether Mr. Kostyra's flight to Australia, where he spoke to, I do not have the exact name, but it was a union group there. I think I have got it here somewhere, but, anyway, I am sure the Premier is aware of it. It was in March of 2001, I believe, where he spoke to a union-organizing group in Australia. I just wonder if the Premier could confirm if Manitoba taxpayers in any way, shape or form paid for the trip, lodgings, food, or any part of the portion of the trip to Australia.

**Mr. Doer:** I will do a due diligence check on it, but I am informed that it was not paid for by the Government of Manitoba

**Mr. Murray:** I wonder if the Premier would, through his office, put that in writing. I would like to move on just so that we get an answer. I guess there is always concurrence, but just so we can move on. If he could provide that in writing, I would appreciate it.

**Mr. Doer:** If there is any variation in what I said, I will put it in writing.

**Mr. Murray:** I just want to make sure that we are very, very clear about this. He is saying to his knowledge that no taxpayer money was spent, and so he is going to check on that. On the basis that he checks on it and no taxpayer money was spent, if he is asking that under those circumstances he would not send a letter, I would ask him to send a letter, please, one way or another. I mean, I can always come back to it in concurrence. I just want to kind of move the process forward.

**Mr. Doer:** I will document this.

**Mr. Murray:** I know the Premier has numerous ways of explaining things. I have never said to anybody, "I will document this." Does that mean he will write a letter, he will document it to himself, he will document it in the House? It is a very simple question. I would like to move on. Can you just give an assurance that you will put it in writing to my attention? It is a very straightforward question, and I just would appreciate to have an answer in writing.

**Mr. Doer:** I would have thought Hansard is in writing. My understanding is there is no taxpayers' money for this trip to Australia, and if there is a change in that status, I will inform the member in writing in a letter.

**Mr. Murray:** Well, Mr. Deputy Chair, I know there are a lot of issues that we should move on to, but I would just ask again, very simply. I do not want the Premier to go on an environmental crusade about the fact that I am causing him to cut down trees to write a letter, but I must say that I have, in my time, just been in positions where people have made best efforts, and I believe they are best efforts, but I always think that a document is a good thing to have. I think the Premier would agree with that. So, again,

just very simply, if the Premier could provide—I know it is in Hansard. I know he has made comments, but my question would just simply be if he could provide me, in writing, an answer to the question that I posed, that was not answered in Question Period, that has not really been answered to my satisfaction. I would just ask him if he would just oblige my request.

**Mr. Doer:** Yes, I will provide it in writing. You know, you just ought to know that I assume that Hansard is in writing and my words in Hansard are in writing. I will provide in writing any correction. Right now, my information is there is no taxpayers' money, and this is just on the basis of an hour check or question. If there is any variation to that, I will definitely correct the record in writing.

**Mr. Murray:** When would the Premier do that?

**Mr. Doer:** I will do it as quickly as possible. I mean, you know, if it is not true, I am sure the member opposite will make a deal of it as he did in Question Period. I mean, it is better for us to know (a) we did not pay and (b) say it. That is basically our belief. I just want to ensure there is not a paper clip or something that is outstanding, but we did not pay for it.

\* (15:00)

**Mr. Murray:** It is not the paper clip we are worried about, Mr. Deputy Chair. In my mind, it is not a big issue, and I hope the Premier does not make it into a big issue.

I have asked in Estimates before for the Premier to table salaries and office changes and update that. That is just documented; it gets provided. It is not on the basis that if there are any changes I will put it into Hansard. It is strictly a piece of paper.

As I say, maybe it is because I am from the farm, but I just think it is an important question because of the nature of the job and the role that Mr. Kostyra has. I think all Manitobans would want to know. I would think the Premier would want to assure us in writing that no Manitoba taxpayers' money; the honourable First Minister talks about the government money, I just want to make sure that no Manitoba taxpayers' money went into paying, in any way shape or form, to Mr. Kostyra's trip to Australia. It is a very simple request. I would just ask him to oblige me.

If he wants to say that he will put it in Hansard and Hansard is in writing, then I have to go down another line of questioning and get some specific time because I know that the First Minister is not in the House tomorrow, and I respect that. I just do not want to let this sort of sit in abeyance. Simple question, simple answer.

**Mr. Doer:** My simple answer is, no, there was not taxpayers' money, but I will double-check it. If there is anything that is contrary; for example, if he was paid to give a speech and then was meeting with a company that was interested in coming to Manitoba, but all the expenses were paid for by somebody else.

I have had a situation where I have given the odd speech before and I might meet with a company, and in essence the taxpayers allow me, if I have given the speech in a place and I meet with other companies that are interested in expanding in Manitoba, I might buy breakfast, so I will double-check all these issues. So the general answer is in these Executive Council Estimates there are no expenses on this issue. I will ensure that there were not other expenditures, and I will put it in writing.

**Mr. Murray:** I wonder if the Premier would give his overview on the issue that you have an agreement in place and that forces non-unionized workers to pay union dues on the floodway expansion. We talked a bit about it in Question Period today.

I think the issue that Manitobans ask me about comes down to, in their opinion, a level of fairness. The level of fairness is simply put on the basis that we, as taxpayers, support the expansion of the floodway. I want to make sure that it is in Hansard because somehow I know the First Minister will do everything he can to say that we somehow are not, but we are. We believe it is the right thing to do. It is an important initiative for all of Manitoba. When people ask me about fairness in terms of forcing non-unionized companies to pay union dues, I am lost for words because when you apply the test of fairness, it does not possibly pass the smell test.

So I would ask the First Minister why he believes; we know we have heard: no strike, no lockout. He knows full well that non-unionized companies do not go on strike. He knows that there is a history during the '97 flood with the Z-dike being built, there was no master labour agreement, no issue

about a strike or lockout. People just did the job, did it on time, on budget.

I would like to get a sense that this First Minister really is respectful of taxpayer dollars on the basis that this additional cost, this cost that should not be borne by the taxpayers, should not even be required, frankly, but I would just like for the First Minister to give his sense as to what the rationale would be to force non-unionized workers to pay union dues during the floodway expansion.

**Mr. Doer:** It is the same rationale that Brian Mulroney used with the Charlottetown Confederation Bridge. The same rationale I suppose that the former administration of Hydro used during the 1960s. It is a very important trade-off in the public interest. I believe it is in the public interest to have no strike or lockout.

The members opposite, two years from now if a union went on strike and there are unionized workers that will be required, whether the member wants to admit it or not, for example all these crane operators and bridge operators are unionized. When they went on strike at the completion of the arena or even in the initial stages of the Health Sciences Centre, we did not panic about it but if they went on strike in a situation where flood protection was denied for a year because we were short sighted, the member opposite would be the first person standing up saying, you know the friends of the NDP, and everything else, went on strike. It would be the sky is falling, and you know you would be into your usual rhetorical rant—[*interjection*]

**An Honourable Member:** No strike or lockout and the sky is falling.

**Mr. Doer:** Yes both in one sentence. Some of us have to plan two, three, four, five, ten years ahead. You know we do not have to plan just for the 10-second sound bite in question period. We have to plan ahead. It is a new idea I know to the member opposite, but you have to plan a little bit ahead. You have to think where do you want to be three years from now, six years from now—[*interjection*] I have to write that speech for Friday.

I always remember Jim Downey saying why did you not get sworn in in '88. You could have had your picture on the wall at least. It is a good picture actually. We try to think, you know, a year ahead,

two years ahead, three years ahead, four years ahead. I am sure the administration in the sixties with Hydro development. I think Grand Rapids—

**An Honourable Member:** Planning ahead with Crocus.

**Mr. Doer:** Free enterprise is free enterprise.

Grand Rapids and Kelsey were developed with, well certainly Kelsey was developed with agreements in place. Again non-union workers had to go under a trade-off. This is a trade-off. It is a trade-off between the right to strike, which is in The Labour Relations Act and a prohibition of the right to strike in exchange for an agreement between union and non-union workers about how the project will proceed.

It is the same trade-off that your, and I hear he is doing better by the way, former boss, Brian Mulroney. I heard last week he is doing a lot better and that is good, but of course he worked with unions. He knew more about unions and management than all of us do. He was on the Cliche Commission. Robert Cliche should have been the Leader of the NDP in Québec until they appointed him to the bench. He was a very wise man, Robert Cliche. He knew a lot about labour-management relations. I am not sure who the labour person—I think Louis Laberge was on that committee and Brian Mulroney.

That was a good group, good team but he obviously knew a lot about labour-management relations. He is not exactly, you know, Joe Hill, Brian Mulroney. He is trying to make a management decision, and he wants to have predictability on the completion of a major capital investment called the Confederation Bridge and he then had an agreement.

Now the member opposite, I do not remember the member opposite, when he was working for Prime Minister Mulroney, resigning on a point of principle because we had non-union workers in P.E.I., which by the way has the lowest participation rate of unionization in Canada. I do not remember the member opposite drawing a line in the red dirt of P.E.I. and saying that I am going to resign on a point of principle. He carried on doing the advance and carrying the bags and getting things ready for the former Prime Minister. I assume this was not an

issue of principle or a hill to die on for the member opposite. Now, maybe he has had a latter-day conversion on the road to Manitoba—

\* (15:10)

**An Honourable Member:** You are mixing your metaphors.

**Mr. Doer:** I am mixing a lot of metaphors, but the bottom line is we had a recommendation actually from Mr. Gilroy, the CEO we asked to deal with. Why do we want Mr. Gilroy in there? Because he knew the city engineering and he knew some of the city people. He had dealt with the Province before, dare I say, Mr. Kostyra. *[interjection]* No, he already had a job.

He also had dealt with a lot of our departments, and he also knew a lot of people in Ottawa and had dealt with infrastructure proposals. So he recommended to us this proposal. We are only 50% partners here. When the Treasury Board minister indicated he wanted to review this practice, it was a newspaper article, I think, in April of 2004, he went back and found that there was a Treasury Board policy. He went back and found it was Brian Mulroney that brought it in. He said, "Well, this does not violate the Treasury Board conditions." So we are only a 50% player here. We do not dictate the—

**An Honourable Member:** He is making this up.

**Mr. Doer:** No, I am not making this up, this is all true. I know the truth—

**An Honourable Member:** I wish I could tell stories like this to my kids at night.

**Mr. Doer:** Little bad wolf will get you. That is my report.

**Mr. Murray:** Mr. Deputy Chair, the last thing I would want for the First Minister to think is that I would spend any time at all researching what happened on the Confederation Bridge. But it just so happened that when Charlie McMillan, the honourable member may know Charlie, I do not know if he knows him or not. He worked very closely with the former Prime Minister as a policy—*[interjection]* His brother was also very politically active in federal politics, and we got on a discussion of all things. I think he was making reference to a

comment that the president of the Chamber of Commerce, Nancy Hughes-Smith, I think is her name. She is the president of the Canadian Chamber of Commerce.

Anyway, it had come forward from the Chamber about this issue, about forcing non-unionized workers to pay union dues. I do not know, but probably she did not exactly fall to the floor, but I think when she basically said, "Let me understand this, you have got taxpayers agreeing to expand the floodway, and you have got a Premier who is forcing non-unionized companies, 95 percent of the heavy construction industry being non-unionized, forcing them to pay union dues, and that will then add, I mean it will not make it less expensive, it will make the floodway expansion more expensive because of the additional costs of the forced cost." She, at that point, had made a comment: talk about hanging a union shop label on the Province of Manitoba. I hope that when the First Minister is spending taxpayers' money on redesigning the logo, I understand they have had a meeting of sorts and they are getting close, but I hope it does not sort of have to say union-made on the back, so that somehow they cannot use it here, there or anywhere else because it is an issue.

When the Chamber of Commerce, the president of the Canadian Chamber of Commerce makes comments about the way Manitoba is becoming more sort of unionized, those people in business look at that and say then this NDP government, Manitoba is not open for business. I got into this discussion with Charlie McMillan and he mentioned the comment about I understand that they are trying to use this comment. They are forcing non-unionized to pay union dues on the floodway expansion in Manitoba. I said, "Yes, it is unbelievable," and I said, "Oh, by the way Charlie," the one thing that is always interesting in discussions, I said, "the current Premier makes comments that the former Prime Minister used the same agreement in building the Confederation Bridge."

I do not believe there is a seven-second delay on the system, so I cannot really repeat what he said, other than he said, "Well, I will just tell you that is absolutely not true. The developer"—which, according to the document, is called Strait Crossing Development Inc., "their decision was to do it."

I know the First Minister loves to sort of throw out names—



**An Honourable Member:** It was not government.

**Mr. Murray:** Yes, it really was not the Prime Minister, but that does not make a good story. It does not make a good story, and that is what we have seen time and time again. It is pretty close, or it is like horseshoes and grenades, and I would be happy to table the document if the First Minister wants to see it, but he knows, Mr. Speaker, that it just does not make—

**An Honourable Member:** Oh, read from the document, please.

**Mr. Murray:** Well, and it says in here, and talk about the agreement, strikes and lockouts were excluded from the project risk event and was a risk assumed by the developer. The developer, prior to financial closing, negotiated project labour agreements with all building trades in Atlantic Canada.

So the developer. Now, I know that somehow the developer, if you hold the word "developer" up to the mirror and turn it around and say some kind of magic words, that Brian Mulroney will appear out of that, but, Mr. Deputy Chair, again, it is just not factual.

So the First Minister, wanting to give all sorts of indications to try to mask the reality of why his government is forcing non-unionized workers to pay union dues to draw in the previous Prime Minister somehow, which again is factually incorrect.

This whole discussion simply comes down to the ideology of this government to try to placate labour union bosses and, although I do not agree with it, as a matter of fact I totally disagree with that process, I think the First Minister would stand stronger in all of Manitobans' eyes if he had simply said that is why they were doing it.

They are doing it because he as his left-hand man, Eugene Kostyra, says, well he would have to go all the way around to be on the left, but, as he said very clearly in the speech that he made in Australia, that he was a member. I just think I will read that into the comments that he made, because I thought it was very interesting when he said to the Australian Council of Trade Unions, ACTU: "At present, I work for the government of the province of Manitoba in Canada. The NDP, that is the party that the First Minister is the leader of, is closely aligned with

labour, and I am one of the number of labour folks that have been hired by government."

It is a very interesting speech because it talks about militant action against business, against government. It talks about new ways to unionize companies, Mr. Deputy Chair. I know that somewhere in the response to this, Brian Mulroney and the honourable First Minister—I should report because he did ask. Yes, he is getting better. I know that the First Minister would want to pass on best wishes to the former Prime Minister, and I will do that the next time that I speak to him.

The issue is simply that this is what Mr. Kostyra has advocated, new ways to unionize companies, new ways in Manitoba that he specifically talks about to get more unionization in companies, so when you find that he has been quietly, and I say quietly because, unless we went through the Orders-in-Council, there was no announcement that Mr. Kostyra had taken on the role of championing the floodway expansion, but one has to wonder why they would do that.

\* (15:20)

I know that the First Minister would want to assure Manitobans that they had no intention of forcing non-unionized companies to be part of a unionized drive, but, Mr. Deputy Chair, the question simply is this. If the First Minister wants to assure hardworking companies, non-unionized companies that they are not in any way, shape or form in jeopardy of being unionized during or after the floodway expansion, I think there would be a lot of comfort taken in the fact that Mr. Kostyra, a political appointee to that position, with his acknowledged background as a union organizer, would be simply removed from that position.

**Mr. Doer:** The member raises Mr. McMillan. I am trying to remember, there were two McMillans, one was the minister and one was the policy guy—

**An Honourable Member:** I am not going to give you the first name because it is hot on the e-mail there. It is the Blackberries, I am sure.

**Mr. Doer:** No, no, no.

**An Honourable Member:** Do you know if Riva sent it?

**Mr. Doer:** No, Charlie was the policy guy, and the minister was the other guy, and he was defeated after he referred Rafferty-Alameda—I will give you the history. I have got a good memory. After Rafferty-Alameda was referred by Minister McMillan to the national Clean Environment Commission, he was defeated, and, of course, patronage never existed under the Conservatives. He was appointed as the consul general in Boston. Just like Ron Irwin is the consul general from the Liberal Party, the former member of Sault Ste. Marie. The—

**An Honourable Member:** Oh, here is Riva's answer.

**Mr. Doer:** No, no. I do not need any answers. I know all this stuff.

**An Honourable Member:** Riva says—

**Mr. Doer:** Riva is not involved in this. Do not flatter yourself. The Member for Springfield (Mr. Schuler) should not flatter himself. Riva does not worry about him. We just want you to get out of the bubble again, and let your true extreme character come free. That is the only request we would have from Riva.

I know you have Riva on your mind a lot, but I am going to back to the question. Mr. McMillan was the policy guy. He was in Toronto, I think, and then worked I do not where. I think he was at York University. I am checking my historical memory of the one McMillan as opposed to the other McMillan. So one McMillan took a patronage job. Another McMillan, after the post-'93, I assume went back to academia, and maybe he is now an academic for think tanks, if he was here with the Chamber of Commerce. But the former McMillan, the Cabinet Minister McMillan, I am just trying to check but I think he was elected between '84 and '88 and then, of course, Mr Mulroney received a second election in '88—

**An Honourable Member:** It is irrelevant.

**Mr. Doer:** It is not irrelevant. The member opposite should listen to a little history; '88 to '93, and then, of course, there was a change in government. So I will double-check the dates to see whether the one McMillan was around when the Confederation Bridge was built. I am not sure, but I do know that he did want the Rafferty-Alameda dam to go to the federal environmental impact study.

I also know that his successor, you might have heard of this guy, appointed by Mr. Mulroney, one Lucien Bouchard was appointed by Mulroney to be the ambassador to France, then, of course, came back and ran in a by-election in the Lac-Saint-Jean area, and then became the new Environment Minister. I also know that Grant Devine did not want the Rafferty-Alameda project to go to an environment commission and, no more humiliation; it did not go to the commission. So it is an interesting story because the issue of Mr. McMillan, the genesis of Mr. McMillan that you quote is the genesis of the separatist movement in Canada. The genesis of McMillan—

**An Honourable Member:** Now I know how he gets his kids to sleep.

**Mr. Doer:** They play sports to go to sleep.

The defeated Mr. McMillan—*[interjection]* I know you do not care about the environment, but Mr. McMillan, his defeat in P.E.I. led to the appointment of Mr. Bouchard as the Minister of Environment, and Mr. Bouchard is the father of the Bloc Québécois, which, of course, is the leading voice for the separatists in Canada, so when you go back to Mr. McMillan, you are aiding and abetting the separatists here in Canada, and I am shocked and surprised he would do that. *[interjection]*

Back to the question. The Treasury Board criteria were changed by Brian Mulroney and the Conservative government to allow for labour-sponsored agreements. It was changed under, and I do not know whether Robert de Cotret was the Minister of Treasury Board; you would remember this better than I would, because you were part of that group, but it was changed under, I think, Mr. de Cotret when Prime Minister Mulroney was in office, and Mr. McMillan was either in the process of being defeated or defeated. Not Charlie McMillan, of course, who was a policy wonk from York University. He is an academic and nothing against academics to present company, but I am not an academic.

**An Honourable Member:** We know.

**Mr. Doer:** And neither are you. I try to teach a little history, and the Leader of the Opposition (Mr. Murray) has been part of this history.

Labour-sponsored agreement changes were made by Treasury Board under the Mulroney regime, and would you agree? Yes or no?

**Mr. Murray:** We saw this yesterday, and I know that the First Minister is always itching to get back on this side so that he can ask the questions. *[interjection]* I know. I think it was more fun.

But, Mr. Deputy Chair, I say this, that the First Minister gave a history lesson and, again, history is always somewhat interesting. I think there is history that would show that the First Minister, at one point, dabbled the opportunity of federal politics. I do not know that he would remember those dabbings but, certainly, a lot of us do.

I guess there is great history there, but I do not know that I will digress down that particular path unless we hear one more time about something that is not completely factual around the Confederation Bridge, because I think that is really what we need to do. We need to get to the facts of this debate.

The Premier loves these yes-or-no questions, and just to move the process along, I will ask him a yes-or-no question. Was there forced unionization when the Z-dike was built in the '97 flood? Yes, or no?

**An Honourable Member:** Now, that is a good question. How are the McMillans? Tell us about the McMillan house.

**Mr. Chairperson:** Let us respect some procedure here. The Leader of the Opposition has the floor and he asked a question. Unless a member gets the floor he does not speak.

**An Honourable Member:** What is your point? Heckling is allowed.

**Mr. Chairperson:** I am ignoring heckling.

**An Honourable Member:** You keep ignoring it, I am just going to keep doing it.

**Mr. Doer:** Mr. Deputy Speaker, I would like to say that the people that prepared the Z-dike did an excellent job. I just want the record to show that they did an excellent job and the people of Manitoba certainly appreciate the engineering work that was prepared in the Department of Highways and then in the Department of, at that point, Natural Resources,

the disaster assistance people. It was interesting because we actually raised some questions in the House because it was awful. You could see this wave of water coming up and it looked to us at the time that the western part of Winnipeg would be hit because the volume was so high.

It was interesting that they did build the west dike, and we are now making that permanent through activities with the floodway. We have begun to expand highways in the area and, whether it is the Z-dike or the Grande Pointe water protection, we are building highways and infrastructure that have a dual purpose: (1) to ensure that we do not have to have the so-called temporary Z-dike that we had in the past; and (2) in Grande Pointe, to have some of the artificial flooding that took place.

\* (15:30)

I would point out to the member opposite why Mr. Gilroy recommended that we have a labour agreement with no strike or lockout was that we, quite frankly, had not thought of it initially, but it was pointed—*[interjection]*

I am being honest. I think it was a good idea, and so I am saying that.

**An Honourable Member:** A horrible idea.

**Mr. Doer:** Well, I would say that we believe the—*[interjection]*

I miss this heckling. *[interjection]* I am sorry. I apologize to the Chair. *[interjection]* I kind of like heckling.

**Mr. Chairperson:** Heckling enlivens the procedure, but it sometimes gets unmanageable.

**Mr. Doer:** The Deputy Speaker is right.

There is no question in my mind that the initial stages of the floodway construction will have a considerable amount of bridge work. Also, we have gone through strikes with crane operators in two places. One was the arena which, of course, the members opposite would be aware of. I know that their opposition did not stop them from having a few cocktails on the opening night, and I was glad to see the member there. *[interjection]*

Yes, I am sure the member has. It is good to see. I have not seen the member from Fort Whyte there yet, but I am sure going to point him out when I find him. He better not show up there. I will have it broadcast far and wide. But I have been a little easier on the Leader of the Opposition (Mr. Murray). I will save it for the election campaign. We will save it for the campaign, which is about three years away. There are so many elections right now. I mean, the poor people. They have got civic elections and by-elections, they have got federal elections coming to the left of them and the right of them, so we will be patient and proceed accordingly.

So I think the crane operators are examples where we had a situation at the arena. Well, if the arena does not open up for a Moose game or two or three or a concert or two or three or an event, that is not a consequence that has a major impact on the economy. Even the Health Sciences Centre does not have a labour agreement, and obviously we want those operating theatres done, but crane operators are an example of a unionized workforce that does bridge work where we do not want to have a strike or lockout.

If you want to have the B.C. port situation where one group can close down the—I have never liked that situation where a group of people can close down the whole transportation system of Canada. One little local of employers.

**An Honourable Member:** Better go out to B.C. and help her because she is stuck.

**Mr. Doer:** Riva is going to be very flattered to be in Hansard. She is going to be extremely flattered to be in Hansard so much. She just wants you to really show your true self every day. She just wants you to uncork and let her rip because you are a wonderful asset for decent government. And I want to say that that is why we did it.

**Mr. Chairperson:** The honourable Leader of the Official Opposition has the floor.

**Mr. Murray:** Again, the Leader of the NDP, the current Premier, would know because, made mention by his left-hand operator, Mr. Kostyra, who makes comments about how closely aligned his government is with labour, so he would know this better than I,

but I would like him to answer the question because he is so concerned about a no-strike or lockout provision that that is something that could have been written into an agreement without forcing non-unionized workers to pay union dues.

We are not opposed to ensuring that there is no strike or lockout. We understand that, but how, then, do you try to sort of connect the dots to that kind of an arrangement saying, "Well, in the same way then, if you are non-unionized, you pony up and pay some union dues"? That, I must tell you, leaves me a little bit puzzled. As I said, the Leader of the NDP is a former union boss, union organizer, union leader, so he would understand that much better than I would. I would just ask him to explain how it is that if you want no strike or lockout, I get that. You write that into an agreement, but how then does that automatically square the issue that you have to have non-unionized workers paying union dues?

**Mr. Doer:** I think the issue of non-union workers paying union dues in this civil service, under the Rand Formula, was agreed to by the Roblin government in the late sixties. It was acknowledged and supported by the former member from Rosburn. There is right now in the public service of Manitoba an application of the Rand Formula.

That was a court case in Québec with General Motors back in the late forties that stated that people that get the benefits of representation pay their share. They do not have to join the union. The people are not going to have to join the union. We have a situation where this was recommended. This whole issue of, quote, "forced unionization" and all the other kind of hyperbole was knocked down like a house of cards with the report conducted by the independent individual, and that has—well, he has provided a lot of service to people. *[interjection]*

I do not want to go into his history, but I wish him well.

The bottom line is, we are not having these agreements at the new MTS Centre, which was then the True North. We did not have it at the Waterfront Drive. We do not have it with the Swan River hospital. In fact, a non-union contractor got the job. We do not have it at Brandon General Hospital. We did not have it at Gimli General Hospital. We did not have it at the Boundary Trails hospital.

**An Honourable Member:** We let the genie out.

**Mr. Doer:** We did not let it at Boundary Trails. We do not have it at the Health Sciences Centre, the 19 new operating rooms that we are building there. We do not have it in Concordia Hospital when we look at expanding it. We do not have it in many of the capital developments. In Red River College, all three phases were built without that kind of agreement. The expansion of the University of Manitoba, the Engineering Faculty, does not have that kind of agreement.

If you look at all the tenders that have been let directly or indirectly by the government, you have one. You have one. That is all you have and I will justify that. I am accountable for it and the federal government. If the federal government comes along and they check the Treasury Board conditions—there was an article about looking at it and reviewing it because there was a lot of noise about it last spring. In fact, I think it was your predominant issue. You had more lead questions on this than agriculture. This is your one-trick pony. This and Maples, and when you take those two things out of the table, it is—  
[interjection]

Anyway, I was just talking about last year. Your biggest issue was this. You did not go after the way we tendered the Health Sciences Centre, so I am assuming the way we tendered the Health Sciences Centre is acceptable. [interjection]

Well, you can talk to the Derksen brothers and their electrical contract at the Health Sciences Centre. I welcome you ripping up that contract.  
[interjection]

\*(15:40)

Well, then, you will not be ripping up the floodway agreement. Then you are saying to us that you are not going to rip up an agreement. It will be interesting. There is lots of speculation about a change in government. I think that—

**An Honourable Member:** What does your crystal ball say?

**Mr. Doer:** My crystal ball says that Senator Martin—no, I do not know what is going to happen. You know, people talked about Glen Murray running or not running. We dealt with Glen Murray up until the

time he left, and then we dealt with the new mayor when he was elected. That is the way things work.

**An Honourable Member:** Steven Fletcher took care of that for you.

**Mr. Doer:** We have got all kinds of contracts out there. There is one that you are fixated on. You know, the federal government agrees with us. They looked at it, they are there 50 percent. We do not have 50 percent plus 1 ownership here. We usually do things by consensus. We are doing the environmental hearings process by consensus. We are doing the funding by consensus. We are doing the staging by consensus. When we went back to rework the aquifer, we did it by consensus.

I mean there is no such thing. The Government of Manitoba and this Premier does not have a majority say on this floodway. It is a 50-50 partnership. That is why I think it was useful to have a guy like Ernie Gilroy as the CEO that had the capacity to work with City Hall. City Hall was not a direct partner into this. But, of course, some of the impact of the floodway has an impact on the City of Winnipeg. He has hired an engineer named Mr. McNeil. He has worked with the federal government before and he has worked with the provincial government in terms of work with various agreements.

So we hired him to manage this project. I have been in meetings with him, with contractors. Some of them concerned about it, all of them told me, by the way, that they are all going to tender. They are all going to compete for contracts. We will have to see what happens, but all of them told me they are going to compete.

**An Honourable Member:** All of them spoke to you?

**Mr. Doer:** Well, it was all of the representatives, all four of them.

**An Honourable Member:** All four of them?

**Mr. Doer:** Well, they represent four organizations. I am sorry, I will explain it to you later. I will get some crayons out and explain it. I am kidding—  
[interjection] Actually, I am not. Go ahead.

**Mr. Murray:** The First Minister makes comments about everything that was done by consensus. How

possibly can you say that you had consensus when two of the major players, Merit Contractors and Manitoba Heavy were forced away from the table? That is, I think, a very misleading statement to make because the facts are those companies who were troubled by the issue of having to relinquish their names of their employees to the Floodway Authority.

Again, the purpose of the questions today was pretty evident. You have got a former acknowledged—I will not read his whole speech—but as I say, I found it very interesting in terms of the way they talk about militant action against governments and business. You have got a clearly identified union organizer at the head of the floodway agreement. The companies that are non-unionized by democratic right are going to have to be forced to give up their names to the Floodway Authority of which the head, very quietly put in place through an OIC, is the left hand of the Premier.

No wonder that companies sort of felt that was a sense of unfair and would not make sense. Nobody has the right, I do not believe, to force people and should not force their companies to hand over their names to the Floodway Authority knowing that the head of it is a former union organizer.

Again, I would just ask the First Minister's perspective. It was interesting he went on sort of a litany of operations or buildings that had been done in the province of Manitoba without this agreement, without forcing non-unionized workers to pay union dues, without forcing non-unionized workers to have to put their names forward to a union organizer.

Then, if those other operations and buildings were not worked so fine, why would you then have to change it for this? Why would you then—and the First Minister says there is one issue, that the biggest building project in Manitoba's history in some years, I should not say in history, but in some years, I think is pretty big. It may not be for the First Minister, but it is for a lot of small businesses that are hopefully going to get an opportunity to work in this project.

We also find now that the Hydro tower downtown is going to have the same arrangement. These are two major initiatives this government has a watch over. They have their hands on the rudder. So to indicate that somehow, just because it is a onesy-twosy kind of thing, versus some of the other operations, I think, is a little thick. These are big, big

projects and if the outcome of these projects is that non-unionized companies are somehow going to be put in a position of having to relinquish names, and therefore a drive gets put on them, and remind, again, the First Minister that his left-hand operator has been very clear on looking at new ways to get union drives moving in the province of Manitoba.

These are big issues. If perhaps these companies would have a little bit more confidence in this NDP government if one of the things the Leader of the NDP, the Premier of the province, I believe he said to the business council that he would never do any changes to labour law and then came in and immediately took away the democratic right for workers to have a secret ballot. You start putting these issues in front of business and you wonder why they get forced away from a table because they are opposed to it. They want to speak against it. They want to speak for fairness. They want to speak on behalf of their workers who choose democratically not to be part of a union. I think that is an important part of this debate, not to just say every time that an issue gets raised, "Well, it is just one thing."

Well, it is not just one thing. It is about the principle of how this province is viewed by business. We have heard this Premier slag members of business organizations before. I think his famous or favourite line is one-trick ponies, or what do they know about this or that. When the president of the Canadian Chamber of Commerce makes a statement about what this province is doing to business under this NDP leader, that, Mr. Deputy Chair, is something that resonates throughout not only just Manitoba, but clearly throughout Canada, throughout all of the business communities throughout Canada. To try to downplay this as just one thing, I say to the Premier, he knows the stand of a lot of the business community, and whether he likes to call them, and I do not want to put words in his mouth because that is a serious issue, whether they are supposedly one-trick ponies.

The point is that it is serious enough that they are concerned and trying to make an appeal to this Premier to simply say that if we want to, or if there is an agreement in principle to get on with the expansion of the floodway, everybody supports that. Everybody, I believe, is in favour of that. It is the right thing to do. When those businesses are not allowed to be part of consensus building, as this Premier says they are, they are not able to sit at the

negotiating table, that is a serious issue and a big problem.

I guess, if I heard correctly, what this Premier is saying is despite the fact that Manitoba heavy construction, Merit Contractors, who represent a lot of operators, business operators, builders in the province of Manitoba, if he is saying that despite the fact that they have been pushed away they are all now somehow coming back and bidding on the process, I just want to make sure that I heard the First Minister say that. Could he clarify that all of the organizations that he calls in a so-called consensus-building process, all of those contractors, all of those associations, are now coming back and saying, "Where do we bid? Where do we sign? We want to be part of this project." Could he clarify that?

\* (15:50)

**Mr. Doer:** Well, he took my words totally out of context, and I will see whether he took them totally out of fact. I said this is a co-operative agreement between the federal government and provincial government, and it requires the consensus between the two parties on the implementation and the funding.

Secondly, those are the two parties that are the funders, the employers. Mr. Gilroy, an insurance agent, was the one who dealt with all the employers, the companies. The meetings that took place—the CEO of the operation was Mr. Gilroy. I do not know if you have any of his speeches in Australia or in Ottawa or anywhere else, but I think he is an insurance agent, if I am not mistaken, not exactly the most unionized workforce in the world. He recommended to us that the best and most predictable way to ensure that the floodway is done on time, and by definition on budget because if you are not on time you are in real trouble on liability, was to have no strike and no lockout.

The easier thing to do, by the way, was to go to one big contractor. *[interjection]* Well, it would have—

**An Honourable Member:** Listen to the industry.

**Mr. Doer:** I did listen to the industry, but it would have been easier for the government—

**An Honourable Member:** A lot of things would be easier for the government, but that does not mean it is right.

**Mr. Doer:** Well, that is right. So we went to the hard way of trying to get some understanding of how we were going to proceed. We could have just tendered it out, and one management group would have taken it. That would have potentially denied small Manitoba businesses access to work, but that would have been the easier political issue, if we just tendered it out, one big management contract. Probably what they did, by the way, in P.E.I., I should double-check this. Probably that is what they—I will double-check it. Now that you have given me that information, I will double-check it. *[interjection]*

Well, the Treasury Board was changed. The Treasury Board minute was changed to allow these things and it is very consistent. It is not inconsistent with what I said. Actually it is better, more factual information than I had. It is very useful to find out this because it is very consistent. I know you have never denied there was not a labour-management agreement on the Confederation Bridge, and this confirms there was.

**An Honourable Member:** It is just that it was not done by Brian Mulroney.

**Mr. Doer:** Oh, Brian Mulroney changes the Treasury Board conditions. Then a company bids that way and the bottom line is—*[interjection]* So Brian Mulroney was not accountable. This individual has a labour-management agreement with no strikes, no lockouts, all union, not even just paying the equivalent of union dues, all union, and you now say that Brian Mulroney is not accountable for a project worth billions of dollars. *[interjection]* Oh, yes, Brian Mulroney did not know what was going on with the largest capital project in his government. That is right. He did not know a thing.

**An Honourable Member:** He said workers have no rights.

**Mr. Doer:** Well, he was involved in the Cliche Commission. I do not want to go back and table that. The Cliche Commission was quite interesting on—

**An Honourable Member:** Yes, like you read it.

**Mr. Doer:** I actually have read it.

**An Honourable Member:** Oh, give me a break, Gary. Come on. There is only so much we can swallow.

**Mr. Doer:** Well, I actually bet the Leader of the Opposition (Mr. Murray) has read it, or he has certainly been briefed on it.

**Mr. Chairperson:** Who has the floor?

**Mr. Doer:** I do, Sir. The Cliche Commission—and actually, this is something, by the way, that the member from Springfield should read, because you know what the Cliche Commission was about? It was about corruption in the building trade unions in Québec. The Cliche Commission went, and Mulroney was the management representative. Robert Cliche was the chair. Trudeau wisely appointed him to the bench and took him away from the then-CCF at the time. Louis Laberge was the union person. They wrote an excellent report in Québec on cleaning up what was happening on the docks of New York and it was coming north. It was a very good document.

If you are still the Labour critic, you should read that report. I have read it. I know you do not think that, but I have read it.

So I am back to my point. The CEO is Ernie Gilroy. Ernie Gilroy was an insurance agent before he was involved in politics. So, you know, maybe we will find his speeches in Australia somewhere.

I would point out now, Mr. Brennan has a very good relationship with building trades organizations. He is the CEO of Manitoba Hydro. The CEO of Manitoba Hydro deals with the IBW and, dare I use the word, CUPE. He deals with building trades issues all the time. They are in the business of capital construction—*[interjection]*

I know members opposite are like Pavlov's dog when you mention a union but try to restrain yourselves. We have agreed to disagree but our record is pretty good on that. We are builders. There is no question we are building a lot of stuff. We are the building party. You are the mothball party. Manitobans know if they want a non-union mothball and cobwebs all across this province—when the building crane was an endangered species, that is when the Conservatives were in office. Well, a building crane is not an endangered species anymore, and that is why the public likes builders. They do not like doubters.

**Mr. Ron Schuler (Springfield):** I know the Premier answered some of the question and he answered it again. I, unfortunately, was not in the House. I was collecting my papers when he initially answered the question. I just want to be very clear. The severance package to Terry Duguid was approximately six weeks, and that is all the payout he got. That was it. He gave his two weeks' notice. He got his last paycheque. Six weeks' severance, and that is it. There was no further payout, nothing else added on to a paycheque.

**Mr. Doer:** I believe I said that the severance or the separation was six weeks' pay and two weeks' pay for every year of service. I believe, and I will double-check, he got paid, not two years' severance was the question yesterday, or one-year severance. He got paid, I believe, in and around 12 weeks. I will double-check that, but that is the range we are talking about.

**Mr. Schuler:** That would have been all that he received besides his last two weeks' pay. His severance package in totality would have been six weeks and approximately two weeks for every year he worked. There was no other payout under a different name. That was it.

**Mr. Doer:** You asked me the separation pay or severance pay, and that is what it was. I will get the exact number. I am not sure if there is something else. Under the labour law, and I am sure the member realizes, there are conditions dealing with vacation entitlement. I am not sure whether there was any of that, but in terms of separation pay in any place in government, and there is nothing in the Executive Council, the severance was six weeks and two weeks for each year of service. I believe he got three years' service; it was six weeks. I believe in and around 12 weeks was the number.

The soccer field rumour, I had not heard that rumour on the soccer field. I still go out to East St. Paul for soccer, but I had not heard that rumour. *[interjection]*

The school is in volleyball but not in soccer.

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, my question, through you to the Premier, has to do with the situation in Powerview and Pine Falls. I understand there is an amalgamation which was



recommended by the Municipal Board as occurring on April 1, 2005. Is that proceeding?

\* (16:00)

**Mr. Doer:** I understand there was a Municipal Board hearing, and I am not aware, I will double-check, but I am not aware of whether that has been recommended to Cabinet or not. I will double-check. I am aware of the controversy. There were people at—

**Mr. Gerrard:** The Municipal Board hearing was held, or the hearing and then their recommendations I believe came out in November. November 25, 2004, was the report and recommendations. One of the recommendations was that an election be called as soon as possible to elect four councillors from Pine Falls with the view that those four elected councillors from Pine Falls be on a transition team and that the transition team meet regularly before April 1, 2005.

There seems to be a problem in terms of following the Municipal Board recommendation because there has not yet been an election. In terms of an election, which was supposed to occur and then a transition team meeting leading up to an amalgamation in April 1, 2005, so I am just trying to understand why the government has not followed the Municipal Board recommendation of having that election as soon as possible so there could be this transition team and things could proceed smoothly to have the amalgamation.

**Mr. Doer:** Because of some of the issues that were raised by citizens after the Municipal Board, well, during the time the Municipal Board dealt with it and after, part of the decision on the municipality, the municipal decision, was made last week, and part of the other issue is dealing with the school board is in mediation.

So the school board part is in mediation, the municipal part has been dealt with. I am not aware of the exact conversations the Minister of Intergovernmental Affairs (Mr. Smith) and his officials, the deputy minister, have had with the municipality on that, but as I understand it, they are proceeding consistent with the Municipal Board recommendations.

So it may be slower than the April 1 date but they are proceeding with it, and I am not sure what

they have notified the community on, so I want to be a little careful here because I just want the ministry to discuss this with the municipality and the new municipality. Secondly, the issue of the school board is in mediation.

**Mr. Gerrard:** I raise this issue, in part, because clearly the Municipal Board is an important institution and it would appear that, as I said, the government is not following these recommendations because there is no election been held so far and that means that there has been no transition team set up, and so that, you know, having this amalgamation by April 1, 2005, they are certainly not going to meet the recommendations of the Municipal Board. I am just concerned that the government does not seem to be treating the Municipal Board recommendations as seriously as one would ordinarily expect.

**Mr. Doer:** Well, if we have accepted the recommendations, as I say, it went to Cabinet just recently, and they are discussing the implementation of the Municipal Board decision currently with the municipality, I understand. I will double-check that, but it was a little bit later because there were lots of issues raised at the minister's office level too after the Municipal Board.

In fact, there were people raising it publicly in all kinds of venues, as the member would know, after the Municipal Board dealt with it. I think also the Department of Intergovernmental Affairs had some legal issues to deal with as well.

**Mr. Gerrard:** I am just trying to get a sense, then, of what the government is doing. They are accepting the Municipal Board recommendations, but throwing out the dates that were set in the Municipal Board recommendations and moving everything back so that each of these recommendations will occur in sequence, but then does the Premier have some projected date in the future when amalgamation will actually occur? Can he give us any advice in terms of when an election may occur and when the transition team may be set up and so on?

**Mr. Doer:** I will have the Minister of Intergovernmental Affairs (Mr. Smith) confirm the dates. They are obviously a little later than the recommendation of the Municipal Board, but I also believe the Municipal Board had recommendations dealing with the Tembec company's obligations

under infrastructure agreements. That took some time.

So part of the implementation of the report was dealing with a company, a private company, and obviously that had an impact on the go-forward basis. But I will have the dates confirmed with the Minister of Intergovernmental Affairs to the member.

There were some delays with ensuring that part of the Municipal Board decision on Tembec was accommodated properly on infrastructure.

**Mr. Gerrard:** So what the Premier is, as I understand it, sort of confirming that the Municipal Board recommendations will be followed, that what the Premier is saying is that the arrangement with Tembec will follow the outlines of the Municipal Board, but that it took some delay in setting that up so that essentially each of the activities which was recommended will occur but they will occur with some significant delay because of the delay in dealing with the Tembec issues.

**Mr. Doer:** Well, it will not be a significant delay. I think the issue of securing Tembec's agreement, which is a private company, is pretty important for elections. If you are running for office, you want to know what some of the financial arrangements are. People would want to know that ahead of any kind of transition in an election.

Apparently, it did take a little longer. There is a delay, but there is not a disagreement on the recommendations.

**Mr. Gerrard:** I would ask the Premier this: Will there be a normal period for an election campaign and so on allowed as part of this process?

**Mr. Doer:** I am just guessing, but, by law, you could not have a Municipal Board recommendation for a municipal election that would be short of the law. Obviously, there is one parameter for elections called "summer." There is another parameter called "today," and it has to be within that period of time.

**Mr. Gerrard:** The Premier seems to have found the Municipal Board useful, although it was not in terms of time line followed precisely. I am just wondering why the Premier has decided not to take Waverley West issues to the Municipal Board when they could

have been quite helpful in terms of dealing with this situation with Waverley West.

**Mr. Doer:** Well, I want to go back to Waverley West's history. The former mayor proposed to us, when we were creating the Capital Region committee, that it was his recommendation that the biggest landholder in Winnipeg that was holding up economic growth in Winnipeg and leading to growth outside of Winnipeg was the fact that the Province of Manitoba in the seventies owned the Waverley West land tract. He recommended to us that we develop that land and make it available to them.

Yes, it was owned by the Province of Manitoba. In fact, at one point, in most of the years, its value was inflated. So, if you actually sold the land, and, in fact, when we were first looking at selling it, I believe the land value was lower than the book cost, so we were actually going to have to lose money. Not to put too fine a point on the alleged conflict of interest.

\* (16:10)

The Province did own the land. We owned land in southeast Winnipeg which was developed by the previous government. We amended that plan to include more forest area and a bridge in the Seine River area, but that land bank was sold and it was maintained and planned under the jurisdiction of the City of Winnipeg.

The former mayor came to us and asked us to sell the land, and started the process in place to amend Plan Winnipeg to accommodate the land. The current mayor carried that process through and the City of Winnipeg—which we had our own planning document before the City of Winnipeg planning group had its own document. There was a little difference on land value and projected impact, and there was a difference on whether you would require more infrastructure in Waverley versus the plan to the new Kenaston underpass.

Having said that, the recommendation from the City of Winnipeg Planning branch was to go ahead. The recommendation from our planning branch was to go ahead. That went to public hearings at City Hall, and those public hearings had people opposed to it and they had people in favour of it. I would note that just recently there was an article in the *National Post* that said that affordable housing is contingent

upon affordable land, and they actually mentioned Waverley West as an example where affordable land will allow Winnipeggers to have more affordable options.

We have also developed the inner city. We have developed over 4000 homes under Neighbourhoods Alive! so to us, it is not an either or. We do believe that Waverley West is inside the city of Winnipeg. It is connected to the infrastructure, as opposed to developments that have taken place outside of the city of Winnipeg and have been devoid of any water management, water stewardship. It is adjacent to the infrastructure dealing with hospitals, you know, libraries, et cetera. It will need more infrastructure as it proceeds and it is inside the Perimeter Highway.

Now if you look at the last 15 years in terms of regional development, particularly in the nineties, the majority of the development took place outside of Winnipeg. The former mayor argued that this is not fair to Winnipeg, and it is not fair to Winnipeg that you do not allow us to develop and it is even worse when you do not sell the land. He is right. He is right.

So we had a vigorous process, but in most cases dealing with City Council of Winnipeg with its planning expertise recommending areas that are clearly within the city of Winnipeg catchment area, to be developed from agricultural to housing. The history has been, whether it is Whyte Ridge, Cairns, whether it has been south St. Vital when the member from Inkster was a member of this Chamber in 1998. It has not gone to the Municipal Board because the City of Winnipeg has the expertise, the planners, the impact people and the public hearing process.

So this is not an inconsistent decision with south St. Vital where a land bank was sold. This is not inconsistent with an amendment to Plan Winnipeg in Lindenwoods. I was Minister of Urban Affairs with Cairns Development in Whyte Ridge. It was not inconsistent with that. We did not take it to the Municipal Board.

If it had been a proposal to merge Headingley and the R.M. of Headingley, it might have gone to the Municipal Board, but this is clearly within the jurisdiction of the City of Winnipeg.

I mean, the member opposite was arguing for the former mayor's "new deal." Well, part of the new

deal was we would not have any rights at all. I remember him arguing, "Accept the new deal holus-bolus." Well, actually, in that new deal we had no authority. So, you know, part of the new deal was, kind of, the City plans its own land. Period.

So there are occasions to send matters to the Municipal Board, but the practice in terms of the City of Winnipeg has been whether it is the former government with south St. Vital, ourselves with Whyte Ridge, is not to second-guess City Hall and their own planning department. They have good planners. They have good people. You know, they are worried and they should be worried that if we do not—I mean, Winnipeg is not Singapore. I just point that out to the member. If there is no available land in Winnipeg available for housing, housing will develop in areas outside of Winnipeg in the Capital Region where there is not half the infrastructure and where there is not half the ability to build a revenue base of the major capital city in Manitoba.

In terms of the process, we have followed the same process as south St. Vital, and there is a little bit of land, I think, in northwest Winnipeg that is also owned by the Province that we want to get the right development for. I am not sure whether that member would want it to go to the municipal board or have it developed without it, but I do not want him to answer, because I am just saying it is a very small area. If I could show you 15 decisions from the City of Winnipeg, and the City of Winnipeg planning, this decision was very consistent with past precedent.

**Mr. Gerrard:** I just wanted to get on the record, very clearly, the Premier's position and to understand that, clearly, Waverley West, in its size and the potential for 40 000 people living there, is not quite equivalent to a lot of the other developments he is talking about which are significantly smaller.

I would caution the Premier in one respect. Yes, I indicated that from a provincial perspective, we should be working to see what could be negotiated in terms of a new deal. I did not say that we would accept holus-bolus everything that was proposed by the former mayor of Winnipeg. Just so that we are clear on that.

My next question deals with the Wuskwatim dam. The time lines for that, of course, have been shifting. Can the Premier tell us what the time lines are currently in terms of processes that have yet to be

followed and when the construction might be expected to start if all those processes were completed in order?

**Mr. Doer:** I am going to have to go back to November or December of 2003 and pull out Hansard on your statement on the new deal. I seem to recall you demanding that I accept the new deal forthwith. I am going to pull out Hansard, so, if the member's recollection is accurate, it will be accurately recorded in Hansard. The good thing about Hansard is we are all held accountable. That is why you are asking me the questions right now. I respect that but I am going to pull it out and we will see. My impression of your question, 18 months later, is that you wanted me to put approved on my forehead and stamp it on the new deal right away. We will have to—*[interjection]* It was going to hurt. That is why I did not do it.

The new deal included tax increases by the Province, less tax decreases by the City. I seem to remember that one member was asking me to reject it and one member was asking me to accept it literally within 10 minutes of each other, as I recall. Of course, we were the balanced voice in that. I am going to go back to Hansard, but if somebody can pull that up for me, I would really like to look at it. *[interjection]*

She is flattered. She is too busy getting the next building announcement in Manitoba, build, build, build.

Secondly—*[interjection]* It is the cobwebs of the past that are the building of the future.

On to Wuskwatim, I will have to check the dates because there is a second referendum in the community, and I am not sure of the date of that. I understand the Tories are going on a fact-finding mission to the north. We will make sure they get a great big atlas to find the North. I will have to double-check the dates.

\* (16:20)

**Mr. Gerrard:** I would look forward to receiving that material from the Premier and hope that can be done expeditiously. Clearly, it is an important issue. I think the Premier should recognize that if I ask whether he is going to accept the new deal, it does not mean that I necessarily support every item in the

new deal. Look, let us be a little careful in how you interpret things.

What I would ask the Premier is what is the Premier doing on the major toxic waste spill at Sherridon, Cold Lake, Kississing Lake? It has been there for a fair number of years, and essentially, in five and a half years, there has been not very much of substance accomplished in terms of isolating or cleaning up that spill.

**Mr. Doer:** Again, the Department of Conservation would be able to give you more accurate information. I know that this is one of the top proposals we made with the national government when they announced their toxic clean-up fund. Just like the acid rain agreement that had federal-provincial agreement and support from the federal government, from the previous Mulroney government, maybe even Mr. McMillan, the former Thomas McMillan, as opposed to Charlie McMillan took—but it is important, and it is a major liability.

We have done some work there, but there is a lot more that needs to be done, and I know where we propose that. At least I will find out where the progress of that is, but he is right about the issue. I am glad he is not having any vegetable juice or whatever, cranberry juice today, but it is a beautiful area of the world, and there is a lot of mining profit challenges for us and we recognize that.

**Mr. Gerrard:** If there has been a proposal put forward by the Province, would the Premier be in a position that that could be made public or shared?

**Mr. Doer:** I will double-check that. There have been discussions before verbally on it, and I do believe, again, when you write a letter to somebody you have got to respect the person who gets the letter, but there has been communication in a verbal way and there has been communication in a formal way.

**Mr. Gerrard:** Has the government just submitted a short letter, or is there a formal proposal of the procedure that would need to be followed with cost-sharing and so on and so forth?

**Mr. Doer:** There is an item in the federal budget which is in itself an item of dispute, but we did put a proposal in it. The federal budget has not passed, but we did put a proposal in under the clean-up fund in

the federal budget for this site, and we did so because we agree with the member.

**Mr. Gerrard:** It would appear to need to be a two-phase project. One is to isolate the site so that you do not get further leaching into Kississing Lake and the second would be a clean-up phase. Clearly, it would be a big advantage to have the isolation of the site occurring as speedily as possible so that you do not have continued leaching of toxic wastes into Kississing Lake. I wonder if the Premier is going to proceed at all, or is he waiting for something to happen with the federal government before taking any action at all?

**Mr. Doer:** We have got commitment from the all-party agreement here for our federal cousins, except for the separatists. *[interjection]* Well, I do not know. All I know is it takes more than even two parties to potentially keep a government in place, given the separatists in the House. I will get back to the member opposite on the details of it. I know we have done survey work and we have done a lot of analysis.

**Mr. Gerrard:** Just a question on the progress on the Manitoba Lowlands National Park. I know that there was a considerable delay because the Premier did not and his government did not appoint for many months a provincial person to play a role in moving that forward. Can the minister speak to the items which have got to be cleared up and what sort of a time line things might be on?

**Mr. Doer:** There was some agreement from the First Nation community on proceeding with the Lowlands Park, and there is now some concern in the community. So we are working with the First Nation that has the land area or is adjacent to the land area. We are also looking at Limestone Lake, and we are trying to work with the First Nations and others on that piece of property.

So it is a little slower than I want from the announcement we had with Minister Anderson last year almost at this time. There seemed to be a lot of announcements last year at this time. We believe we should develop this land as much as possible with consensus with the people that primarily reside there, and that is what we are trying to do.

**Mr. Gerrard:** Are there outstanding legal issues between Manitoba Hydro and the Grand Rapids First Nation which are involved here?

**Mr. Doer:** There have been settlements with Hydro and First Nations, but even after the settlements, there could be litigation.

**Mr. Gerrard:** I wondered if the issues which I hear may be coming up next week are going to be part and parcel of what has to be cleared up before the Lowlands National Park.

**Mr. Doer:** We are not panicked about the timing of this. We want it to go ahead. We want it to proceed, but if it takes longer to do it with the First Nation that is in the area, we think that is a lot more intelligent in the long run than trying to do it without. We want to try to get an agreement. Not an agreement, I guess that is the wrong word. We want to work out a respectful implementation of a vision we have.

There are lots of people from Winnipeg who want us to proceed with this park. We would like to proceed with it, but the people living there are going to be there 365 days a year. Is the tourism potential there and the economic development potential there and the eco-opportunities there going to be sufficient for the First Nation community to believe they should be a partner, or do they feel this is going to be a liability? We thought we had some agreement. We do not. We knew there were objections from the Métis community adjacent to the Grand Rapids First Nation so we are trying to get a consensus here. I just say that we do not have an artificial deadline that we have imposed upon ourselves on this. As I say, it is better to take our time and get it right than not get it right.

**Mr. Gerrard:** One of the issues on Hydra House in the Auditor General's report was some issues of potential criminal wrongdoing by Hydra House, and I just wondered what is the status of that investigation and whether the RCMP are involved.

**Mr. Doer:** I am not commenting on any ongoing criminal investigation. I cannot and I will not. There is a definite separation between criminal investigations and the Premier's office. If there is any question on status of investigations, you may be able to ask it with the Minister of Justice (Mr. Mackintosh). There is a complete separation from this office to the investigative part of the justice system, and there should be.

\* (16:30)

**Mr. Gerrard:** I was just trying to ask whether there was an investigation going on or not.

**Mr. Doer:** Well, even if I was to say something, and let us just not take the Hydra House, but even if I was to say there is an investigation from the RCMP going on, you know, myself, even if you say there is an investigation on somebody, and there is not, if anybody is listening, that I know of, but that in itself becomes, in our system, information that I do not feel I am able to or entitled to provide.

The Auditor provided a report, the report goes to the Ministry of Justice, if there is an issue of dealing with a government individual, and there was with Mr. Funk, it would then go to an independent Crown.

If it is not dealing with a person in government, it could go to the RCMP, and if the RCMP decide to lay a charge, I am just talking about the process, the RCMP feel there is sufficient evidence to lay a charge, then it would go to the Prosecutions Branch, which would probably have an independent prosecutor to make sure that the disposition of the charge pursuant to the police information is properly laid.

So there are checks and balances. Of course, since the British Parliamentary tradition goes back to the 1920s, governments do not and cannot and should not interfere in any police investigation or any possible prosecutions with any citizens. There is a separation of politics and prosecutions, which I think is a good thing.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chair, I did have one question regarding democratic reform, if I could put it that way. We have seen other provinces move towards fixed dates for elections. In Manitoba, we had an experience in terms of moving from an appointed speaker to an elected speaker, and I think that has been generally well-received.

What we see when we look across the province of British Columbia is now under an election. It is no surprise. People knew it. Party organizations, whether they were the New Democrats in B.C., or the Green Party in B.C., were able to be put more on an equal playing field.

I think that it would not be necessarily earth-shattering to see Manitoba move in that direction in the sense that it is already happening in other jurisdictions, but I am very much interested in terms

of what the Premier really does believe on the issue of fixed election dates.

I know I have had opportunity to talk about this issue with others, and one of the natural questions comes up is, when would you have elections? Myself, I look at how the municipal elections are always in the fall time. There is probably a good reason, good rationale that was used at that point, to come up with that fixed date, but whether it is fall or spring, it really does not matter to me as much as the Province of Manitoba moving forward on the issue of fixed dates.

If I could just get the Premier to indicate to what degree would he be prepared to entertain looking at fixed election dates.

**Mr. Doer:** I bet Prime Minister Martin would like a fixed date right now, but perhaps he has one.

It is interesting because I sort of went through the process of having an election with the former government about every four years and seven to eight months. Certainly, except for the minority situation, but in the majority, it was about that period of time.

I think sometimes in Manitoba, there are a lot of weather-related issues. I think first of all right now, there are a lot of elections. We had a civic election in '02. We had a provincial election in '03. We had a federal election in '04 and another civic election in '04. We have, potentially, something going on in '05. I do not know what is going on. We will then have a civic election in '06, and in June of '08, there will be another provincial election.

We have a situation where we are still three years and three months away from the end of our mandate and that is 39 months from now, almost 40 months from now. The issues that have to prejudice an election are, do you have a late seeding time? In 2003, we had an earlier seeding time. Do you have a late harvest in 2004, where you still had farmers on the fields in October and, actually, in early November we had that break period where some people could recover degraded grain from the August frost and they were out full tilt.

I do not believe you should have an election in the summer or in the winter, but sometimes weather plays an interesting part. Are people going to be

electioned-out by the time we have had—we are going to have three civic elections by '06. It will be '02, '04, and '06. We are going to have, it looks like, if you go by Stephen Harper today, an election in the next six weeks or if you go by Prime Minister Martin, the next nine months. There are going to be a lot of elections, so I think all of these issues pertain as to what is going on.

I never thought Premier Filmon abused his responsibilities in calling an election at four years and nine months.

**An Honourable Member:** How about Pawley?

**Mr. Doer:** I think he called his at four years and four months, five months, for March 18, a date that you and I both got elected on. [*interjection*]

We are not going to comment on that. Forever young.

**Mr. John Loewen (Fort Whyte):** Mr. Chair, while we learned today that Waverley West passed third reading at the City of Winnipeg in today's council meeting. I am sure the Premier is more than pleased about that.

I would just ask him, because he did indicate the other day that he would be willing to make sure that the business plan became public and I just would indicate to him that there was a document tabled on May 29, 1989, regarding Royalwood which gave a very detailed description of the cash flows and the profits that would flow, not only to Ladco, but to MHRC over a period of over 13 years that they were predicting the development, I think it would be in the best interests of the Legislature and for the people of Manitoba to receive a similar type of pro forma on the Waverley West so we can establish just where the numbers are coming from that supposedly are going to lead to this profit that somehow is going to be used to help redevelop the inner city, so I just ask the Premier if he would be willing to ask his minister to table with the House at some point in the very near future now that the situation passed a similar pro forma that would show the projected cash distributions and cash flows to MHRC and to all parties, so we can understand just the details of what is being looked at.

**Mr. Doer:** There was a plan, I think, by ND LEA, I think that was the name of the planners. I believe that

is a public document. I certainly can provide it to the member. I believe after the City did its own document under Mr. Finnegan, their planning department did some of their own analysis. The document would be dated a bit because there are four conditions that arose out of the public hearings that took place with the City of Winnipeg from the minister. I did not know it was actually going to be passed today.

We will have to refine those numbers based on discussions on those four conditions with the City. I can provide the initial document. It is not the final document. I would say for us that, just so we are clear, that developing the inner city is not contingent upon proceeds from this operation if we are still in government. We have been developing Neighbourhoods Alive! and other projects in the inner city irrespective of this project, and even the document the member opposite has, and I assume it is '99, he says '89, I am not sure, but even that document would be outdated because we have spent more of the proceeds from that sale to go to parkland in southeast Winnipeg.

\* (16:40)

**Mr. Loewen:** I thank the Premier for that answer. I will indicate to him that I am not sure he has had a chance to read the ND LEA report and what has been made public. But what has been made public is, in fact, very sketchy. If he will check back to 1999, he will see that it is a very detailed pro forma that is put forward and that was done by then-Minister Ducharme. I believe that is who tabled it. I could be wrong there, but in any event it is regarding Royalwood. I think, once again, the public is served better by having that type of information in the public realm.

I am not really looking for the ND LEA report. I am looking for the government's figures and MHRC's projections in terms of profitability and where it will come from so there can be a more fulsome discussion. The government's choice was not to send the issue to the Municipal Board, and that stifled some ability to raise questions and raise issues on behalf of people who have concerns and particularly from my constituents who are very concerned about the infrastructure deficit. I just want to make it clear that is the type of information I would be looking for and asking the Premier for, and I would hope he would table that.

With regard to statements made in the House by the Premier on April 12 and subsequent days, he certainly indicated it was his belief the Province had, sometime in the 1990s, written off the value of the shares it had in Crocus, which are 2 million shares. Just for your information, the Province stills owns 2 million shares of the Crocus Fund. I just wonder if he could indicate if, in fact, I am interpreting his statements right that the Province does not have any value in shares in Crocus.

**Mr. Doer:** I will go back and get the exact title of the shares, and I will send the prospective of 1999 to the member and I will send the—I cannot send Treasury Board minutes, but there was certainly the decision made to treat these funds in a certain way, and they show up as a certain value of shares in Crocus. Our belief is that is consistent with the answer I gave in the House.

**Mr. Loewen:** Is the Premier aware of any other form of ownership—I mean, Crocus has obviously been a fairly hot topic of conversation I am sure at Treasury Board, at the Cabinet table and in the Premier's office, but I am just wondering if he is aware of any other ownership that the government has in the Crocus Fund.

**Mr. Doer:** The member talks about the fund and makes a statement about, it is this, it is that. We certainly followed the development of the Crocus Fund from the time that Mr. Filmon, then-Premier Filmon, established the Crocus Fund in Manitoba. We certainly respected the legislation that he passed and the prospectus that was in place. We consider it risk capital in exchange for federal and provincial tax reductions, and we believe that is what it is, that is what it was, and we have acted on the fund consistently.

There are provisions in the memorandum of agreement in 1992 to provide oversight responsibility to the Auditor. There was a report of the Auditor in 1998 that formed our approach to Crocus, that this was a, "retail fund similar to a mutual fund." His words were a similar view that we had when we came into office.

**Mr. Loewen:** Once again, the Premier conveniently omits parts of this puzzle, and he conveniently forgets that it was this Legislature, while he sat in the chair he occupies now, that passed amendments to the Crocus act, which his minister stood in this

House and described as giving them broad-ranging and much-needed powers to monitor the fund. So I will leave that with him in terms of how he explains that to the people of Manitoba, given that we have seen in the last year \$60 million of value disappear while his government has put themselves out as the monitors of the fund.

I guess, really what I am trying to clarify here are some statements that the Premier has made in the House because often I find we sort of get half the picture or half the information and I sort of find myself in the same place as the Auditor General, where I am sitting here thinking, "Well, this information is really misleading by omission." I guess I just ask the Premier if he is—I am not sure how familiar he is with financial markets, but does he have an understanding of what a warrant is?

**Mr. Doer:** You know, to comment on the Auditor General, I think, I did not know the member opposite was perceiving himself to be the surrogate of the Auditor General's Office and I am quite surprised about that.

I accept the Auditor General's report. In 1998, he quoted, and I state clearly, dealing with the various funds administered by the Province of Manitoba, that the labour-sponsored funds, and there were two of them in 1998, are retail funds similar to a mutual fund. When we came into office we were aware of challenges on MIOP loans. We were aware of all kinds of financial challenges with SmartHealth and all kinds of other issues that had been noted in the books but not disclosed to the public. We tried to work as diligently as we could. We have done so consistent with the Auditor General's report.

**Mr. Loewen:** Well, the Premier, once again, instead of answering the questions he just keeps trying to distance himself from the fact that his government has and bears a lot of responsibility for the state that fund is in now. They gave themselves, through legislation, the power to monitor the fund. They said they were going to monitor it. Instead, it appears they have not only done more than turn a blind eye, they have been actually involved in some of the manipulations and machinations that have gone on.

Just to clarify, because I think that the Premier is interested in bringing true and full information to the House at all times. So I will quote to him from the September 30, 2001 financial statements from the



Crocus Investment Fund. This is a public document. If he ever wants to take the opportunity to read it, he can find this particular part on page 13, and I quote, "The rights and restrictions attributable to the Class "G" special shares held by the Province of Manitoba provide that these shares are non-convertible, non-redeemable equity, allowing the fund to use such equity as a loss reserve to absorb deficits of the fund up to \$2 million on a permanent basis. In consideration, the fund issued to the Province of Manitoba, 200 000 Series 1 warrants, each warrant entitling the Province of Manitoba to purchase one redeemable participating Series 1 Class "I" special share for \$10, exercisable at any time after the year 2000."

Now, just so the Premier is fully aware of what that means, it means that at any time the Province can exercise these 200 000 warrants. In other words, buy shares at \$10 and sell them at market price. At the time that this took place and, in fact, at the end of 2000, the shares were trading somewhere in the \$14 to \$15 range, which meant immediately at the time that the government had an opportunity to realize a profit of somewhere close to between 900,000 and a million dollars.

\* (16:50)

So, when he comes to the House and tells the people of Manitoba that the government has given up all and any rights as he did on April 12 and other dates, I think it is just important that he actually get his researchers to look at this whole file and get his minister to understand exactly what the rights are of the Province regarding this.

I should also tell him that even his Minister of Finance, whose Estimates I just left, did not have this understanding and, in fact, had to take the question under advisement.

I would just ask the Premier if he is aware that the Province owned these 200 000 warrants. In fact, whenever the share price was over \$10, which was up until the cutoff on December 10 when the trading halt was issued, the government had the opportunity to realize a profit from its holding in Crocus. Was he not aware of this?

**Mr. Doer:** Just to go back, I am very aware of what the Auditor stated in his report in 1998. The Auditor stated in his report in 1998, and this is pursuant to the fact that the memorandum of agreement, signed

by the members opposite, by the way, giving all authority to the Manitoba Federation of Labour board—when they go on one of these emotional statements—signed by one Eric Stefanson, and I will read the documents, but I read the prospectus in 1999 before we came into office, and I did read the Auditor's report in 1998. Definitely, the Auditor stated in his report in 1998 that this is a retail fund, similar to a mutual fund.

We, obviously, in macro terms, treated the fund as a risk capital fund. You know, the Government of Manitoba has different degrees of financial arrangements. There are the Builder Bonds which are guaranteed by the Province of Manitoba. There are the Hydro bonds which are guaranteed by the Province of Manitoba. There are tax provisions from the federal and provincial governments to deal with venture capital, risk capital.

You know, the shares, I think, when it first started, were at \$7, when it first began, and went up. The whole issue of valuation is obviously being reviewed by the Securities Commission. So I have read the '99 prospectus, and I believe it is consistent with my answer in the House.

**Mr. Loewen:** Well, I just wanted to make sure the Premier was fully aware of the government's ownership situation at Crocus before he came back into the House and issued statements that did not reflect the government's entire position in the fund. I think, again, it is very important for not only all the taxpayers of Manitoba but particularly those 33 000 Manitobans who have seen their funds disappear, basically fleeced out of their pockets while this government sat idly by.

I can appreciate his falling back on reports from 1998 in his sort of desperate attempt to distance himself and his government from this fund, but, in reality, he does owe the people of Manitoba the courtesy of making sure they do find out the full, true and plain facts that surround this case.

I would ask the minister if he would indicate when he first became aware, when he was first told that there was an impending crisis at Crocus with regard to problems with share valuations.

**Mr. Doer:** Let us just go back and recall that in 1992 the then-Premier, Filmon, stated, "This is a labour-sponsored fund that has been established by our

government, and no NDP government has ever established one of these funds." This was established.

There have been laws put in place. There are the laws covering the Securities Commission. There are the laws covering the various other provisions in government, including the Crocus Fund. Clayton Manness very clearly said it is separated from government. We basically have been following the laws of the land.

The situation with the Crocus Fund, just to make sure members understand, is a risk-capital fund. Individuals receive tax reductions from the provincial government, and they receive tax reductions from the federal government in exchange for participating in a risk capital fund.

The prospectus states, and I want to make sure the member opposite knows this, none of the security administrators or any other department or agency at government has assessed the merits of an investment in the fund. The security administrators and the governments make no recommendations concerning such an investment and assume no liability or obligation to any investor of the fund. The Securities Commission wrote, and I quote: "The prospectus disclosure is consistent with the requirements in the Crocus Investment act. Whether or not that prospectus disclosure was followed is up to the MSC and an independent quasi-judicial tribunal."

The very, very definite requirement is that we not be part of individual investment decisions and very much be clear of this issue. I would say there was one violation of the act that we became aware of. We became aware of the law of Manitoba under The Securities Commission Act being breached, when in 1997 a decision was made by the previous government to place in envelopes of civil servants a promotion for Crocus. That agreement was reached by the Civil Service Commission and we stopped it when we became aware of it shortly, not shortly after, but I think in 2001 or 2002. I will check the date.

Some of us just get our cheques electronically and just keep all the stubs and we will reconcile them at the end of the year. But the Securities Commission said to us that the active promotion of the Crocus Fund in civil servants' paycheques was contrary to the securities act and we, in fact, when that came to

our attention from the Securities Commission we acted upon it.

They are ringing the bells.

### Report

**Ms. Bonnie Korzeniowski (Chairperson of the Committee of Supply meeting in Room 255):** Mr. Chairperson, in the section of the Committee of Supply meeting in Room 255 considering the Estimates of the Department of Finance, the honourable Member for Lac du Bonnet (Mr. Hawranik) moved a motion to Resolution 7.1.(a) Minister's Salary.

The motion reads as follows:

THAT line 7.1.(a) be amended so that the Minister's Salary be reduced to \$1.

Mr. Chairperson, this motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

### Formal Vote

**Mr. Chairperson:** A recorded vote has been requested. Call in the members.

*All sections in Chamber for formal vote.*

Order, please. In the section of the Committee of Supply meeting in Room 255 considering the Estimates of the Department of Finance, the honourable Member for Lac du Bonnet moved a motion to Resolution 7.1.(a) Minister's Salary. The motion reads as follows:

THAT line 7.1 (a) be amended so that the Minister's Salary be reduced to \$1.

This motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 21, Nays 29.*

**Mr. Chairperson:** The motion is accordingly defeated.

\* \* \*

**Mr. Chairperson:** The sections of Committee of Supply will now resume considerations of the Estimates.

\* (17:10)

*Mr. Daryl Reid, Acting Chairperson, in the Chair*

**Mr. David Faurshou (Portage la Prairie):** I want to ask the First Minister in regard to the Portage Diversion and the Winnipeg Red River Floodway which is receiving a lot of attention. I just want to have the minister's assurance that he will treat the Portage Diversion and the Assiniboine River with the regard that he seems to be paying attention to the Red River because it does form a very vital flood control structure here in the province of Manitoba.

**Mr. Doer:** First of all, I want to thank all the people, probably a lot from Portage that helped with the ice damage that took place. They repaired some of the damage there. I know there are three farms that were affected in the overflow area. I believe we have allocated over \$300,000 for repairs in that area of the Assiniboine Diversion. We hope that the investments can be made properly for the issue of the Shellmouth Dam. We think the Shellmouth Dam improvements obviously have to be balanced with the people adjacent to that watershed, will provide better nutrient levels on the Assiniboine River for the one-in-nine years where the water levels are too low, but it is our view that the answer to your question is yes. The Assiniboine Diversion forms a useful part of the three systems in place for flood protection, and I know there was ice damage and repair work at the site. I think I stated that on April 6 on the radio, thanking the people.

**Mr. Gerald Hawranik (Lac du Bonnet):** I have one question for the Premier, and that is with respect to the Public Accounts '03-04, Volume 2. Under Legislative Assembly in '03-04 Public Accounts, there was payment for \$17,165 to Michael Hameluck during the '03-04 financial year, and I appreciate that the minister may not have that information handy immediately, but I ask the Premier to provide me with details as to what that payment was for. Was it a series of cheques? Was it one cheque? For what was that payment? Over what period of time that that was paid, exact period of time that was paid? I ask the Premier to provide that detail to me.

**Mr. Doer:** I do not recall any allocation in the Executive Council Estimates, is that a delineation of Executive Council?

**Mr. Hawranik:** Yes, that is in Legislative Assembly.

**Mr. Doer:** Legislative Assembly is reviewed by the Legislative Assembly Management Commission, LAMC, and I actually am not a member of that committee, but I will take the question as notice. I think the member asked some legitimate questions about an individual I believe I know, and I believe he knows. I cannot understand the motivation for asking the question, but he is entitled to an answer, so I will—[interjection] He has run more times than I have.

**Mr. Murray:** I think we are prepared to go line by line through all of the lines that are in front of us to close off this portion, and of course, we will be delighted to see the Premier in concurrence, but we would like to thank him and his staff for his time.

*Mr. Chairperson in the Chair*

Bring in the heavyweights for the line by line.

**Mr. Chairperson:** Does the Premier want to make a comment?

**Mr. Doer:** Thank you very much for the questions, and I am sure I will see you in concurrence.

**Mr. Chairperson:** Resolution 2.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,600 for Executive Council, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

The last item to be considered for the Estimates of the Executive Council is 1.(a) Premier and President of the Council's Salary, \$47,000, contained in Resolution 2.1.

At this point, we request that the Premier's staff leave the table for consideration of this item. Any questions? Comments?

Resolution 2.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,602,100 for Executive Council, General Administration, for the fiscal year ending the 31st day of March, 2006.

*Resolution agreed to.*

This concludes the Estimates for Executive Council, and the next set of Estimates will be for the Water Stewardship Department. Shall we briefly recess or just continue? Is there a call for 5:30?

**An Honourable Member:** 5:30.

**Mr. Chairperson:** Is there agreement that this section in committee in the Chamber will recess until 5:30? *[Agreed]*

Let me clarify, by that agreement, it means that by becoming 5:30, this committee is shut down. Then the House adjourns. The Speaker comes and then adjourns the House.

We are in recess.

*The committee recessed at 5:18 p.m.*

*The committee resumed at 5:30 p.m.*

**Mr. Chairperson:** Committee, please come to order.

#### **Report**

**Mr. Harry Schellenberg (Chairperson of the Committee of Supply meeting in Room 254):** Mr. Chairperson, in a section of the Committee of Supply meeting in Room 254 concerning the Estimates of the Department of Agriculture, Food and Rural Initiatives, the honourable Member for Lakeside (Mr. Eichler) moved the following motion:

THAT line 3.1.(a) Minister's Salary be reduced to \$1.

Mr. Chairperson, this motion was defeated on a voice vote. Subsequently, two members requested a formal vote on this matter be taken.

#### **Formal Vote**

**Mr. Chairperson:** A recorded vote has been requested. Call in the members.

*All sections in Chamber for formal vote.*

Order, please. In the section of Committee of Supply meeting in Room 254 considering the Estimates of the Department of Agriculture, Food and Rural Initiatives, the honourable Member for Lakeside moved the following motion:

THAT line 3.1.(a) Minister's Salary be reduced to \$1.

This motion was defeated on a voice vote. Subsequently, two members requested that a formal vote on this matter be taken.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 21, Nays 30.*

**Mr. Chairperson:** The motion is accordingly defeated.

The hour being after 5:30, committee rise. Call in the Speaker.

#### **IN SESSION**

**Mr. Speaker:** The hour being 5:30 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 27, 2005

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
<b>Petitions</b>		Bill 39—The Investment Trust Unitholders' Protection Act Selinger	1927
Provincial Road 355 Rowat	1923		
Pembina Trails School Division—New High School Loewen	1923	<b>Oral Questions</b> Floodway Authority Murray; Doer Penner; Ashton	1928 1930
Ambulance Service Schuler	1924	Government Contracts Murray; Doer	1929
Minimum Sitting Days for Manitoba Legislature Lamoureux	1924	Prairie Production Centre Reimer; Selinger	1931
Coverage of Insulin Pumps Hawranik	1925	Crocus Fund Loewen; Rondeau Loewen; Selinger Lamoureux; Rondeau	1932 1932 1934
Closure of Victoria General Hospital Maternity Ward Gerrard	1925	Hip and Knee Replacement Surgery Stefanson; Chomiak	1933
<b>Committee Reports</b>		CAIS Committee Eichler; Wowchuk	1933
Standing Committee on Legislative Affairs Fourth Report Irvin-Ross	1925	Provincial Nominee Program Aglugub; Allan	1935
<b>Tabling of Reports</b>		MCDCA Rowat; Wowchuk	1935
Supplementary Information for Legislative Review 2005-2006—Departmental Expenditure Estimates—Water Stewardship Ashton	1927	Rural Economic Development Rowat; Wowchuk	1936
Supplementary Information for Legislative Review 2005-2006—Departmental Expenditure Estimates—Healthy Child Manitoba Oswald	1927	<b>Members' Statements</b> Williamson Curling Team Rowat	1936
<b>Introduction of Bills</b>		Movement Disorder Clinic Korzeniowski	1936
Bill 34—The Highway Traffic Amendment Act Mackintosh	1927	Pension Benefits Amendment Act Schuler	1937
Bill 38—The Residential Tenancies Amendment Act Selinger	1927	Maples Collegiate Aglugub Health Department Planning Gerrard	1937 1938

## **ORDERS OF THE DAY**

### **GOVERNMENT BUSINESS**

#### **Committee of Supply** (Concurrent Sections)

Agriculture, Food and Rural Initiatives	1939
Finance	1960
Executive Council	1980

The Legislative Assembly of Manitoba Debates and Proceedings  
are also available on the Internet at the following address:

**<http://www.gov.mb.ca/legislature/hansard/index.html>**