



HANSARD

First Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 31, 2000

The House met at 1:30 p.m.

### PRAYERS

#### ROUTINE PROCEEDINGS

#### PRESENTING PETITIONS

##### Winnipeg Police Athletic Clubs

**Mrs. Louise Dacquay (Seine River):** I beg to present the petition of Louise March, Doris LaChance, Donna Rigaux and others praying that the Legislative Assembly of Manitoba request that the Minister of Justice (Mr. Mackintosh) encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come.

#### READING AND RECEIVING PETITIONS

##### Winnipeg Police Athletic Clubs

**Mr. Speaker:** I have reviewed the petition and find that the petitioners have complied with the authorities and practices of this House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Clerk, please read.

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

THAT Winnipeg Police Athletic Clubs, located in 13 schools in Winnipeg, provide young people between from the ages of 10 to 17 an opportunity to participate in community

sports under the supervision of university students and police officers; and

THAT the Winnipeg Police Athletic Clubs help reduce neighbourhood crime, enhance the relationship between young people and the police and create positive alternatives to undesirable pastimes for youth; and

THAT total attendance at the Winnipeg Police Athletic Clubs in January and February 2000 was more than 8000; and

THAT the importance of athletic activity on a child's physical and cognitive development is well established and should not be overlooked; and

THAT during the 1999 provincial election, the New Democratic Party, led by the Member for Concordia, promised "to open schools after hours and expand recreation activities for children and youth"; and

THAT the Winnipeg Police Athletic Clubs provide an excellent example of communities partnering with government, schools and law enforcement to provide a safe place for youth to go; and

THAT many parents throughout Winnipeg are very concerned that the Government of Manitoba may choose to close the Winnipeg Police Athletic Clubs.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of Manitoba request that the Minister of Justice encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

### Committee of Supply

**Mr. Conrad Santos (Wellington):** Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Selkirk (Mr. Dewar), that the report of the Committee be received.

*Motion agreed to.*

## MINISTERIAL STATEMENTS

### Manitoba Mine Rescue Competition

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** Mr. Speaker, I have a ministerial statement. I would like to take this opportunity to acknowledge the efforts and successes of those men and women in the mining industry who participated in the 2000 Manitoba Provincial Mine Rescue, a competition held this past weekend at the AECL Underground Research Lab in Lac du Bonnet.

The mining industry in Manitoba has a proud history of outstanding achievements for mine safety due in large part to an emphasis on prevention and risk management dating back to the 1940s. We are very fortunate in Manitoba that, should the need arise, we have highly skilled professionals to deal with the emergency situations. Teams consist of volunteers who take time out of their schedules for practice and training. If summoned underground, any move they make may jeopardize the safety of the rescue team, the people who are in the mine or the mine itself, so these teams must display remarkable teamwork and communication skills to ensure that any mine accidents are dealt with safely.

Particularly, I would like to congratulate Kevin Clark from the underground research lab in Pinawa for being named winner of the Technician Award. I also acknowledge the runner-up team from Ruttan Mine in Leaf Rapids and the winner of the competition, the

team from Tantalum Mining Corporation of Lac du Bonnet.

\* (13:35)

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, I want to thank the Minister for joining in the congratulations that this side of the House offered the team and the competition yesterday, in fact in this Assembly. Better late than never. But I do want to say to the Minister that her presence at the event in Lac du Bonnet on Saturday was welcome, and her comments about the mining industry that her government would be continuing the policies brought in by the Filmon administration to ensure an active and competitive mining sector were very welcome. I want to thank her for those because it is very important that the mining community be sent a signal that Manitoba is open for business.

It took us a long time on this side of the House to be able to accomplish that and reverse the policies of the New Democrats in their last period in government. We hope her colleagues will join with her in supporting the mining industry, and again, as we did yesterday, we offer our congratulations to all of those who participated in the mine rescue in Lac du Bonnet. I was particularly pleased to have three teams from my constituency, including the winners. So, again, we thank the Minister for joining us in those congratulations.

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today His Excellency Sunai Bunyasiriphant, Ambassador of the Kingdom of Thailand to Canada.

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

Also, seated in the gallery, we have, from Joseph Wolinsky Collegiate, 35 Grade 11 students under the direction of Mrs. Linda Connor and Mrs. Sharon Freed. This school is located in the constituency of the Honourable Member for Tuxedo (Mr. Filmon).

Also we have seated in the public gallery, from the Nellie McClung Collegiate, 38 Grade 11 students under the direction of Mr. Grant Caldwell and Mr. Scott Hill. This school is located in the constituency of the Honourable Member for Pembina (Mr. Dyck).

Also, seated in the gallery, we have, from Willow Grove School, 14 Grades 2 to 9 students under the direction of Mr. Kevin Toews. This school is located in the constituency of the Honourable Member for Lac du Bonnet (Mr. Praznik).

Also, seated in the public gallery, we have, from the Original Women's Network, 14 visitors under the direction of Mrs. Sandra Funk. This group is located in the constituency of the Honourable Member for Point Douglas (Mr. Hickes).

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

\* (13:40)

## ORAL QUESTION PERIOD

### First Nations Casinos Selection Committee Recommendations

**Mr. Harold Gillehammer (Minnedosa):** Mr. Speaker, since taking office this government has moved very quickly to increase gaming in Manitoba with the fast-tracking of five First Nations casinos. This process has been rushed, information is lacking, and community opposition continues to grow. Now that the May 31 deadline is upon us for the NDP's two-person selection committee to present their recommendations to government, hopefully Manitobans will finally get some answers.

I ask the Minister responsible: Has his two-person selection committee presented their casino site recommendations to him and to cabinet?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, I would like to thank the Member for the question. We have not received the recommendations as yet.

**Mr. Gillehammer:** Mr. Speaker, will the Minister commit to making the independent committee's recommendations and the casino proposals public so that Manitobans can finally get the information they so rightly deserve? He has indicated that this is a non-political process. Will he make those recommendations public?

**Mr. Lemieux:** Mr. Speaker, we have not received the recommendations as yet, as I pointed out in my previous answer. We will certainly make the recommendations from the selection committee public in due course.

**Mr. Gillehammer:** Mr. Speaker, I believe these recommendations have been promised to the public before.

Since the Premier himself, in a scrum outside the House, said, and I quote: "The more you hold on to something, the more you look like you are hiding something", can the Minister be a little more specific? Can he indicate when he will make these public?

**Mr. Lemieux:** Mr. Speaker, we have not received the recommendations as yet. Certainly we await them in anticipation, and until that time I just cannot comment on that. We just await the recommendations from the selection committee.

### First Nations Casinos Community Opposition

**Mr. Jack Reimer (Southdale):** Mr. Speaker, as has been noted, there has been a lot of opposition for the creation of additional casinos in this province. Headingley held a referendum and public pressure in St. Andrews convinced the local council to rescind support for the casino development. Most recently I have received numerous petitions signed by St. Andrews residents opposed to the establishment of the casino in their area.

My question to the Minister responsible now that he has also received the petition signed by some 3000 residents of St. Andrews and is fully aware—Mr. Speaker, I should note that there were only 3700 people who voted in St. Andrews and 3000 people signed this petition. So I would ask the Member now: Is he fully aware of the Headingley referendum, and will he

now rule out establishing casinos in these two communities?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, we as the Government and I am sure the Opposition as well recognize that certainly all its citizens have a right to pass on recommendations, suggestions, petitions to their government. As a government we are open. We have probably been one of the most open governments certainly in the history of this province, and we welcome the suggestions from the province.

#### Community Plebiscites

**Mr. Jack Reimer (Southdale):** Mr. Speaker, it is amazing how open this government is at certain times and for their convenience, but when the public is asking for a referendum, when the public is asking for a plebiscite as to not having casinos in their community, I will ask the Minister then: Will he abide by holding public plebiscites or referendums in communities before the casinos are awarded?

\* (13:45)

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** I certainly did not see the previous government act on concerns of the public with regard to expansion of casinos, with regard to MTS and a lot of other certain concerns that we have seen take place over the last while.

This process that we have, an independent selection committee, was unbiased. We tried to depoliticize it. Certainly all the proposals have taken into consideration the adjacent or neighbouring communities and concerns they may have and all the issues related too.

**Mr. Reimer:** Mr. Speaker, I am amazed how this minister can revolve around a two-person selection committee.

**Mr. Speaker:** Order, please. The Honourable Government House Leader, on a point of order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Yes, Mr. Speaker. Now I know what a

figure of speech looks like. If you could remind the Member that *Beauchesne's* Citation 410 says supplementary questions require no preamble.

**Mr. Speaker:** The Honourable Member does have a point of order, and I would like to quote *Beauchesne's* Citation 409(2): Advise that a supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Member to please put his question.

#### Bill 200

#### Government Support

**Mr. Jack Reimer (Southdale):** Thank you very much, Mr. Speaker. I will ask the Minister then: Will he commit to the speedy passage of a bill that was just recently introduced that that minister seconded, I believe the Minister seconded it, in regard to the Lotteries accountability bill? Will they proceed with a speedy passage of that bill which involves public consultations and more input by the public before there is the addition of casinos in any community in Manitoba? Let the public decide.

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** Too bad that legislation could not be retroactive prior to McPhillips and Regent, but I just want to say we have gone from an election promise to 62 First Nations down to 12 proposals. Now we await in anticipation of the recommendations from the selection committee, and they will certainly have an opportunity to look at that. The selection process is almost over and certainly there will be due diligence. We will certainly look forward again to receiving those recommendations in due course.

#### First Nations Casinos All-Party Committee

**Mr. Jim Penner (Steinbach):** Mr. Speaker, my question is for the Minister of Highways (Mr. Ashton) who on July 8 of last year stated in this House, and I quote: When we are dealing with addiction issues, when we are dealing with something that can have a significant impact on

communities like VLTs, surely we can have something of an all-party approach, perhaps a committee of the Legislature.

Mr. Speaker, can the Minister advise the House how his efforts to bring an all-party committee to look at the placement of native run casinos are progressing with cabinet?

\* (13:50)

### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, Mr. Speaker, I just refer the questioner and yourself to *Beauchesne's* Citation 409. The questions put to ministers must deal with the matters that the Minister is responsible for and responsible to the House for.

**Mr. Speaker:** The Honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, *Beauchesne's* 409, the Honourable Government House Leader is correct that it should have been directed to a minister of the Crown, but if the Minister of Highways (Mr. Ashton) would like to retract his statement, as when he was just a backbencher, we would be willing to accept that. I am sure our critic will put his question again to the proper minister.

**Mr. Speaker:** Order. On the point of order raised, a question must be within the scope and responsibilities of the Government. "The Minister to whom the question is directed is responsible to the House for his or her present Ministry and not for any decisions taken in a previous portfolio."

I would ask the Honourable Member for Steinbach (Mr. Jim Penner) to please rephrase his question.

\* \* \*

**Mr. Jim Penner:** Mr. Speaker, I will rephrase the question to the Minister responsible for Gaming. There was a quote made in the House last year on July 8: When we are dealing with

addiction issues, when we are dealing with something that can have a significant impact on communities like VLTs, surely we can have something of an all-party approach, perhaps a committee of the Legislature.

To the Minister of Gaming: How do you expect this will be fulfilled?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** On this side of the Legislature, we have all been supportive of First Nations gaming and casinos. We feel that it is an opportunity for First Nations people to have job creation and economic development in those communities, and this has been long overdue.

I mean they had the opportunity. They had the Bostrom report, which they commissioned, to their credit, and sat on it and sat on the Bostrom report that suggested up to five First Nations casinos be put in place for all the specific benefits and the benefits that I, over the past months, have certainly made comment to.

### Community Plebiscites

**Mr. Jim Penner (Steinbach):** Again to the Minister of Gaming, my question is: Will the petition signed last year by 550 individuals calling on the Government to allow for local governments to hold plebiscites on the expansion of gambling in their communities be reintroduced?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** Once again, Mr. Speaker, I thank the Member for Steinbach for the question. I just want to state that, again, all citizens certainly have the right to pass on recommendations, suggestions to governments, petitions, and so on. We welcome suggestions from Manitobans with regard to all issues, different types of issues. So I thank the Member for the question. Once again, we are certainly an open government, and we want to continue to be.

**Mr. Jim Penner:** Mr. Speaker, my final question to the Minister responsible for Consumer and Corporate Affairs and Gaming will be today: Will he listen to the advice given

last year by his cabinet colleagues and provide Manitobans with a voice before the heavy hand of the Government forces casinos upon unwilling communities?

**Mr. Lemieux:** I know certainly the Member opposite for Steinbach is new, as I am, but a little less, and he should ask his colleagues about heavy-handedness at MTS and what took place then when they cut off debate in this House, if he would start looking around and asking his colleagues about that.

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

**Mr. Speaker:** Order. I would like to remind all members that it is very clear, when the Speaker stands, to at least pay respect to the Speaker with quietness.

\* (13:55)

#### Point of Order

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

Mr. Speaker, the question was clear. Will he hold referendums, as his cabinet colleagues had asked for previous to being in government?

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

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, the answer certainly was brief. It was about the matter raised. The matter raised was about heavy-handedness and allegations. The answer dealt with heavy-handedness, a fact.

**Mr. Speaker:** On the point of order raised, I would like to remind the Honourable Minister that, according to *Beauchesne's* Citation 417, answers to questions should not provoke debate.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Minister to please conclude his comments.

**Mr. Lemieux:** Thank you, Mr. Speaker. I think I have answered it in many different ways. I certainly want to just conclude by saying that, once again, we as a government are open to suggestions and recommendations from the public, and we will continue to be that way.

#### First Nations Casinos Community Plebiscites

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, the Minister of Consumer and Corporate Affairs has totally missed the point. The point here is that members of his own party have continually called for consultation. The Minister of Mines (Ms. Mihychuk) brought a petition to this House, 3000 names, calling I believe for a referendum on these questions. The Minister of Highways (Mr. Ashton) suggested an all-party committee. His party is continually saying you should consult and seek approval. I ask the Minister today—

**Mr. Speaker:** Order, please. The Honourable Government House Leader, on a point of order.

#### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, and I hesitate to rise, Mr. Speaker. I know the Member opposite should know the rules, but I know that a couple of weeks ago the Opposition House Leader insisted that initial questions should be only one carefully drawn sentence. I agree. I think there is consensus across the floor of the House, and I ask that you ask the Member opposite to put his question with one carefully drawn sentence.

**Mr. Speaker:** The Honourable Member for Lac du Bonnet, on the same point of order.

**Mr. Praznik:** Mr. Speaker, a member is entitled to a preamble to his question, and if the Government House Leader and members of the Government are worried about the truth coming out, are worried about the hypocrisy being exposed, then they are abusing the rules of this House.

**Mr. Speaker:** Order. I would like to remind all members that *Beauchesne's* Citation 492 says that a preamble should not exceed one carefully



drawn sentence, but I would also like to share with the House at this time that I am using a stopwatch which gives me guidance.

\* \* \*

**Mr. Speaker:** I would ask the Member to please put his question.

**Mr. Praznik:** Mr. Speaker, my question to the Minister is, given that his party has told the people of Manitoba so many times that it believes in consultation, that it believes in public input, that it believes in a referendum in these cases, why then is he today saying, no, they will not do that? Why is he changing a fundamental position that his party has taken in the past?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, one of the criteria within the request for proposals certainly was dealing with the issue that the Member opposite certainly spoke to or raised the question about, but if we are talking about the truth, let us talk about the truth. It is an issue we talked about before the election, during the election, and the people of Manitoba certainly voted on that on September 21. That is something that we have done, and we are about to deliver on that promise.

**Mr. Praznik:** Mr. Speaker, I would ask the Minister of Consumer and Corporate Affairs if he could show us where his colleague the Member for Rossmere (Mr. Schellenberg) or his colleague the Member for St. Vital (Ms. Allan) or his colleague the Member for Riel (Ms. Asper) went to their voters saying that, if elected, they were going to bring in five First Nations casinos. Let us see the proof.

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

**Mr. Speaker:** Order.

\* (14:00)

**Mr. Lemieux:** Thank you, Mr. Speaker. I can certainly look at myself in the mirror in the morning with confidence that in the different media outlets, whether it was the *Free Press*, *The Winnipeg Sun*, we dealt with this issue

straight up, and I would like the Opposition to look in the mirror. Are they retracting on their support to First Nations people? They had a committee of cabinet that supported job creation, economic development. Look in the mirror now and see if you support First Nations.

**Mr. Praznik:** Mr. Speaker, it would appear the Minister is looking in the mirror every day for support for casinos. He is ignoring the people of St. Andrews and Headingley and of other communities.

### Selection Committee—Extension

**Mr. Darren Praznik (Lac du Bonnet):** I ask the Minister: Did the committee ask him for an extension past the May 31 deadline? If so, what is that extension, or did the Government request it so they could put off this decision until after this House rose for the summer and they would not have to face the public?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** No, Mr. Speaker, we have had pride in the fact that this selection committee has been truly independent, depoliticized. They have been independent to make their own decisions and so on. We do not need any lessons from members opposite about consultation.

**Mr. Speaker:** The Honourable Member for Lac du Bonnet, on a new question.

### All-Party Committee

**Mr. Darren Praznik (Lac du Bonnet):** On a new question, Mr. Speaker. The Minister said to the House he does not need to take lessons on consultation; I think he should. I would ask him if he would take the lessons from his own colleagues, from the Member for Thompson, now the Minister of Highways (Mr. Ashton). Would he listen to what the Member said a year ago and consider an all-party committee for this? I would ask him if he would consider what the Member for Minto (Ms. Mihychuk) said a year ago about having a referendum. Will he listen to his own party about consultation?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** Mr. Speaker, I certainly listen to my own colleagues all the time. In fact I was pleased to listen to the Minister of Highways when he said how important it was to continue the twinning of Highway 59 in my constituency.

**Mr. Praznik:** Is the Minister now telling this House that the New Democratic Party, who said to the people of Manitoba last year we should have referendums on gambling, we should have all-party committees, is he now telling us, since he listens to his colleagues, that they have changed their position, that they have flip-flopped on this issue and that they, like Big Brother, will impose this decision on communities across this province?

**Mr. Lemieux:** I wish the members opposite would have listened to even some of my own constituents that would have liked the Member opposite to be the leader of that party, but obviously they are not listening to each other and so on. I just want to say I for one would have thought the Member opposite for Lac du Bonnet would have done a great job as leader, but those opposite—but I will not tell you leader of what.

The important point, I think, that is being lost—and I certainly respect the members opposite and I respect your question—here is that First Nations people look at this as such an important initiative, taking a look at such an important step for them, just one small step. We promised this before the election and during the election, and we are going to deliver on this after the election, something quite unique obviously to members opposite.

#### **Community Plebiscites**

**Mr. Darren Praznik (Lac du Bonnet):** The voters of Rossmere might have a different view as to what was committed during the election. But I would ask the Minister, given that we know that there are communities, and I would hazard a guess that communities like The Pas would probably be very supportive of this project, why, then, is he afraid to test before the people in those communities his belief in a referendum on whether or not those com-

munities would like those casinos? Why is he saying today that they will impose them on the St. Andrews and the Headingleys and the other communities who clearly do not want them? Why will he not commit to going to the people of those communities?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** This divide-and-conquer type of politics, Rossmere, The Pas, that type of an approach to taking a look at the province of Manitoba certainly is not our approach. We believe the people in Rossmere are fair-minded people who want the First Nations people of this province to have opportunities like we all have opportunities, from Emerson to Churchill to Russell to Falcon Lake. That is where we stand, Mr. Speaker. I am not sure where they stand.

#### **Drinking Water Laboratory Privatization**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, my question to the Premier. The recent events in Walkerton, Ontario, and in Elkhorn, Manitoba, have highlighted issues surrounding the quality of our water supplies, privatization of labs, environmental liabilities at a provincial level, indeed the Manitoba Round Table on Sustainable Development. I ask the Premier: What is the Premier's view of the privatization of the lab involved in testing of water, and what are his plans for the future?

**Hon. Gary Doer (Premier):** I think it is well known to members in this Chamber and to the public that we opposed the privatization of the lab when the decision was made, I believe in 1996, and I think the Hansard is pretty clear about some of the concerns we raised.

I should report to the House that the test results so far dealing with the children from Elkhorn are inconclusive, and there are retests going on. I certainly believe that the issue of testing and user fees in high-risk areas is a serious matter. We have looked at a reduction in tests since the privatization from 60 000 a year to about 40 000 a year, so that is an area of public concern for us.

### Contamination—Liability

**Hon. Jon Gerrard (River Heights):** A supplementary to the Premier. The issue of groundwater contamination raises the potential for provincial liabilities, and I would ask the Premier whether he is going to, in future budgets, incorporate into the financial planning the environmental liabilities so that the province will have a full accounting in this area.

**Hon. Gary Doer (Premier):** I think, Mr. Speaker, first of all, there are a number of private wells, and then there are a number of municipal wells, and there are a number of other water systems that we are testing and continue to test on an ongoing basis.

I think it is important that our first concern today and our first concern tomorrow is going to deal with the safety of our water and the health of our citizens. So we are primarily focused on the health of people and the safety of our water, and that is our priority as a government today.

### Round Table on Sustainable Development Premier's Membership

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, supplementary to the Premier: After eight months, when will the Premier step to the plate, take on his responsibilities, as did the former premier, and chair the Manitoba Round Table on Sustainable Development?

**Hon. Gary Doer (Premier):** Mr. Speaker, on the one hand the Member for River Heights criticizes the previous government for privatizing the water testing and then he asks me to follow that leadership in chairing the Sustainable Development company. The Member was factually incorrect yesterday. The last OC, the chair, I believe was the Member for Ste. Rose (Mr. Cummings).

\* (14:10)

In such a serious subject, I think we should be careful that our priority here is the safety of our province. Notwithstanding the factual error of the Member for River Heights—and good research would be helpful—the Department of Health and my colleague have been working

with the situation since Walkerton, certainly prior to the Elkhorn incident. We are initiating, through the Department of Health, which I believe will be announced as early as tomorrow—I will announce it today—a 1-800 number to deal with a lot of the questions that are being raised publicly and privately on the concerns that have been raised by Walkerton.

We are looking at some of the testing and whether there are high-risk areas that are not being tested because of the user fee, and we are looking at a strategy to deal with that issue. We are looking at an immediate information piece that could be provided to the public so there is a checklist, particularly with private wells.

We are taking action, but it is not on the liability issue to begin with, it is on the safety of our water and the health of our citizens.

### Income Tax Provincial Comparisons

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, on Friday I had the pleasure of touring the CFB base in Shilo with the Premier (Mr. Doer) and the Legislature's all-party committee. We met Major Fred Aubin who gave us a tour of 1RCHA's new headquarters, and I found it interesting that his first comment to the Premier, on meeting him, was a question: Why are my taxes so high?

I would ask the Premier: How does he expect to convince the military to maintain their presence in Manitoba when their staffs and senior officers' primary concern is the fact that they are going to be paying the highest personal income taxes in the country if they stay in Manitoba?

**Hon. Gary Doer (Premier):** Mr. Speaker, I do recall the Major mentioning that he was quite surprised at the tax level when he arrived in Manitoba. I asked him when he arrived in Manitoba, and it was June of 1999.

**Mr. Loewen:** I was there. The Premier did not have an answer on Friday. It is obvious he does not have an answer today.

So my question to the Premier is: Has his own Finance Minister (Mr. Selinger) made him aware that professionals such as Major Aubin are paying more taxes today as a result of his Finance Minister's budget than they were on May 9? Is he aware of that?

**Mr. Doer:** One of the strong arguments being made by the Major and a number of other very highly qualified individuals at the Shilo site, when they were showing us with great pride the improvements at that site and the other infrastructure that is available when the Germans leave, is how great Shilo is and how much they would want to keep their forces in Shilo, to keep their kids being educated in Shilo, to keep their families working in Shilo and in Brandon. I am surprised this member is so negative when the members at that military base want to keep Shilo's forces in Shilo. I thought that was very positive.

**Mr. Loewen:** We heard a lot of great comments about Shilo, but we heard a lot of concern about taxes. I would ask this Premier how he can explain to the people of Manitoba how he intends to provide economic growth, to provide career opportunities for them and their families in Manitoba when they are going to be paying the highest personal income taxes in all of Canada, higher today than they were May 9?

**Mr. Doer:** I think it is important to recognize that we have moved to the tax system that has eliminated two of the surtaxes. I also think it is important to recognize that during the election—I know this is a novel idea for members opposite—campaign we promised to reduce property taxes in our first budget, and we delivered on it, and, Mr. Speaker, starting seven months from now and one day, \$68 million of income tax reductions targeted to families, families like the ones in Shilo, will be implemented. They go beyond our election promises and build on hope and optimism here for Manitoba.

#### **Budget Income Tax**

**Mr. Eric Stefanson (Kirkfield Park):** As we are hearing here today, the NDP has consistently failed to acknowledge that many Manitobans are paying more personal income taxes this year as a

result of their budget. Price Waterhouse recently in their release, in their analysis: "Those who were hoping for tax cuts will surely be disappointed."

My question to the Premier is: Can the Premier advise the House today exactly how much more personal income taxes disappointed Manitobans are paying this year because of his decision to separate the tax systems one year earlier than originally planned?

**Hon. Gary Doer (Premier):** Mr. Speaker, I read the CIBC report, and it mentioned that all Manitoba source taxes were the fourth lowest in Canada. I read another article this weekend dealing with all the budgets, and it said that the provincial source tax rates—I think it was in *The Globe and Mail*—were fifth in Canada.

\* (14:20)

The members opposite know in the election campaign we campaigned on rebuilding health care. Little did we know we would be \$150 million over budget. Perhaps if we had the \$33 million that they blew on SmartHealth and the money they blew on frozen food, the taxes could even be lower today.

**Mr. Stefanson:** Mr. Speaker, I remind the Premier he did not campaign to Manitobans on the basis of delinking from the federal system one year early and costing Manitobans some \$30 million in tax reductions. He refers to what he has read from—

**Mr. Speaker:** Order, the Honourable Government House Leader, on a point of order.

#### **Point of Order**

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, on a point of order, could you remind the Member and direct him to put his question. *Beauchesne's* Citation 410(8): "supplementary questions require no preambles." The Member knows that. Would you please direct him to do so?

**Mr. Speaker:** On the point of order raised, the Honourable Member does have a point of order. *Beauchesne's* Citation 409(2) advises that a

supplementary question should not require a preamble.

\* \* \*

**Mr. Speaker:** I ask the Honourable Member to please put his question.

**Mr. Stefanson:** Mr. Speaker, I ask the Premier, in reading CIBC and other documents that he refers to, can he advise this House today whether or not his Minister of Finance and officials have presented him, the Premier of Manitoba, with any calculations on different income tax levels and different family arrangements that show the tax implications to Manitobans both before and after his budget? Has he seen any of that information, either from his minister or from officials within government?

**Mr. Doer:** Mr. Speaker, I can advise the Member opposite that I was advised by the financial officials, including Treasury Board, when we first came into office that this member, as a former health care minister, was overspending his budget month after month after month and did not have the decency to let the public know.

Mr. Speaker, if we had the \$400 million in health care that was overexpended by members opposite after they fired a thousand nurses, I think we would be in a lot better financial shape and would be able to move faster on tax competitiveness. The members opposite want to overspend in health care, overspend in lotteries, overspend in frozen food and SmartHealth. They should look in the mirror.

#### Point of Order

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

Mr. Speaker, we have given the Honourable First Minister the leeway that we give to the leaders of the parties in the House, but I do believe he has overextended that leeway.

**Mr. Speaker:** The Honourable First Minister, on the same point of order.

**Mr. Doer:** Yes, if I have overextended, I apologize.

**Mr. Speaker:** Order. On the point of order of the First Minister, if there was any stretching of the rules or whatever, he has apologized. I think that should deal with the matter.

\* \* \*

**Mr. Stefanson:** I ask the Premier, who obviously is very sensitive to the issue that he has made Manitoba the highest taxed province in Canada in his very first budget, will he now—*[interjection]* Just read the book.

Mr. Speaker, will this Premier now demand his Finance Minister retract his very inaccurate statement that no Manitoban is worse off in terms of personal income taxes on May 11 as compared to May 9, that is before and after the delinking with the federal system?

**Mr. Doer:** Mr. Speaker, when we look forward to the 2001 tax year and look at the \$68-million reduction in income taxes targeted to families, we know that Manitoba families will be better off.

#### Income Tax Provincial Comparisons

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, the Premier likes to talk about how Manitobans are better off because of this budget, and yet evidence continues to confirm Manitoba as the highest taxed province in Canada.

Dianne and Jim McNaughton *[phonetic]* wrote: We have recently moved from Ontario. We are absolutely appalled however by the taxes we are paying. Our family is paying approximately \$500 a month more to live in Manitoba than we were in Ontario.

Mr. Speaker, my question is: What does the Premier have to say to the McNaughtons who are appalled by the amount of taxes that they pay in Manitoba in comparison to Ontario?

**Hon. Gary Doer (Premier):** I would remind members opposite that there are lower sales taxes, gasoline taxes. Mr. Speaker, I can speak from first-hand knowledge of the doubling of hydro rates in Ontario compared to Manitoba with the folly of former Conservative governments on nuclear expansion. The records are clear.

Mr. Speaker, last year when the former Minister of Finance announced a one and a half point reduction in the fiscal year starting July 1, he said the reason why we could not go any further was because of the balanced budget legislation. We, too, are working within the balanced budget legislation. Ontario has raised their debt by \$19 billion over the last four or five years. We think it is important to have a balanced approach between balancing the Budget, rebuilding health care in a way that is sustainable in the Budget, giving hope to our young people with lower tuition fees than Ontario, and also having tax reductions. That is the balance we are going to bring to Manitoba.

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

## MEMBERS' STATEMENTS

### Pembina Hills Gallery

**Mr. Peter Dyck (Pembina):** On May 12, I had the distinct pleasure of attending the Pembina Hills Gallery open house in Morden. The art gallery celebrated its anniversary and marked the new millennium with the opening of an exhibit entitled 2000 Vessels. The exhibit features a wide variety of art objects ranging from sculptures to paintings to wood carvings to antiques. Each piece of art was representative of some kind of vessel. From seeds to grain to bottles to boats, all kinds of objects fit into the theme.

I was most impressed by the displays and the hard work that went into them. Developing this kind of exhibit and maintaining an art gallery in a smaller centre such as Morden would certainly not be possible without the hard work of volunteers. Many of those involved receive no remuneration for their efforts. I want to thank them for their vital contributions. I am

very pleased to see that communities in my constituency are offering cultural attractions. It is a real testament to the generosity of the people of Pembina that it is the volunteers who make it possible. Thank you very much.

### Western Canada Aviation Museum

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, I have had the privilege of touring the Western Canada Aviation Museum with its Executive Director, George Elliott, and attending its annual award dinner as the MLA for St. James, the constituency which is home to the museum. I would like to commend the museum's members and its 400-and-some volunteers on their tremendous energy and enthusiasm. They have transformed the museum from the small basement facility that it was when it opened 26 years ago into the dynamic archival, educational and recreational venture that it is now.

Their desire to share the passion they have for aviation with others in the community demonstrates the volunteerism for which Manitobans are well-known. It is the second largest aviation heritage institute in Canada. Each year it attracts 30 000 to 35 000 visitors, one-third of them from outside the city. It has 24 aircraft on display, including a Vickers Vedette, the first aircraft designed and built in Canada, as well as other aircraft important to the development of bush flying and the opening up of our North. Thanks to the many dedicated volunteers, and especially to Ted Mayo, the museum has the largest aviation reference library in Canada and a photo archive with over 40 000 images.

The Western Canada Aviation Museum has positioned itself as an integral part of our education system. Its Spaceways gallery captures the imagination of students with a simulated flight to Mars and a lab area with experiments that dovetail into our school science curriculum. There is also a Skyways gallery, which teaches children the fundamentals of flight through interactive exhibits. Another exceptional feature of the museum is its computer-based flight simulation training program. It is run by a team of volunteers that includes pilots, educators and computer

specialists under the leadership of Egon Jensen, a retired Air Canada captain.

The museum staff and volunteers can be well pleased with the investment they have made in the museum, as can the successive provincial governments which have contributed to it in cash and kind. Thank you, Mr. Speaker.

\* (14:30)

### **Vincent Massey Collegiate Reunion**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, it was my pleasure to attend the Vincent Massey Collegiate's 40th Annual Alumni Reunion on Saturday, May 27, at the Winnipeg Convention Centre. Over 1400 Vincent Massey Collegiate alumni from all over the world enjoyed reminiscing with old friends at this extremely well-organized event. Those who attended the reunion enjoyed a full day of activities that culminated with a banquet and dance at the Winnipeg Convention Centre. My husband, who is an alumni of Vincent Massey Collegiate, and I enjoyed meeting with some of the old school chums and hearing old stories from his high school days. As MLA for Fort Garry I was very proud to attend an event that celebrates the years of learning and growing that has taken place with over 10 000 students at Vincent Massey Collegiate over the last 40 years. My congratulations and thanks to all of the volunteers who helped organize this fantastic event.

I would like to commend Paul Sveinson, the reunion chairperson, and the 2000 reunion committee members, Greg Agnew, Barb Bergman, Jan Bones, Joanne Gibson, Gerry Loeb, Barb McMullen, Diane Page, and Lynne Ransby, for ensuring that all alumni who attended the event had a wonderful time. Through your time and effort, Vincent Massey's 40th alumni reunion was a resounding success. I wish them all the best in the future and I look forward to seeing them at the 50th reunion in the year 2010. Thank you, Mr. Speaker.

### **Families and Schools Together Graduation**

**Ms. Linda Asper (Riel):** Mr. Speaker, the Minister of Family Services and Housing (Mr.

Sale) and I had the pleasure of attending Victor H. L. Wyatt School's Families and Schools Together Canada graduation on May 25, 2000, at the school. Thank you to Sylvia Madill, school principal, and her colleagues for hosting us.

The evening was the combination of a collaborative early intervention prevention program designed to enhance family functioning, decrease problem behaviours associated with poor child outcomes and increase parental involvement in school and school-related activities.

Families and Schools Together Canada creates this opportunity for families to come together at their child's school initially once a week for eight weeks and thereafter once a month for two years. Each session includes six key elements, including a meal shared as a family unit at their own family table, several communication games played at the family table and time for the children to socialize with each other.

Congratulations to the collaborative partners involved in the Victor H. L. Wyatt School program, the school staff and the families, the Family Centre of Winnipeg, the Child Guidance Clinic, and the Addictions Foundation of Manitoba.

The Minister and I shared an interesting and informative evening with the participating families, the teams of professionals and the community volunteers. Thank you, Mr. Speaker.

### **Round Table on Sustainable Development**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I rise to say a few words about the environment and about the Manitoba Round Table on Sustainable Development.

The recent events in Walkerton, where there were problems we presume with groundwater contamination of the water supplies and E. coli in the water and the deaths of now nine people, have raised serious concerns in Manitoba and indeed across Canada about the quality of our water supplies and quality of our groundwater.

It is for this very reason that environmental issues are so important to Manitobans because they touch the very heart, the very lives of Manitobans on a day-to-day basis. It is for this reason that The Sustainable Development Act and the Manitoba Round Table on Sustainable Development play a very important and pivotal role in reassuring Manitobans that environmental issues are handled well.

I will quote from a recent letter from several senior members of the environment community. The enactment of this act and the establishment of the round table were applauded by all sectors of the community, including private industry, non-governmental organizations and citizens committed to sustainable development in Manitoba.

Sadly, the NDP government, in more than eight months, has failed even to appoint a chair to this important round table. The Premier (Mr. Doer), who really should be the chair following precedent for most of the round table's existence and its former existence as the Round Table on the Economy and the Environment, has failed to step to the plate.

We have an act which has been breached. We have Manitobans who are very concerned about the future dealings by this government on environmental issues. They are highlighted by the serious nature of water quality issues. That, Mr. Speaker, is my word for the day.

#### ORDERS OF THE DAY

**Hon. Gord Mackintosh (Government House Leader):** Before moving the Supply motion, Mr. Speaker, I wish to obtain the unanimous consent of the House to amend the sequence for consideration of Estimates tabled on May 17, and subsequently amended, to consider in the Chamber the Estimates of the Department of Industry, Trade and Mines. These changes are to apply for today only, I believe.

**Mr. Speaker:** Is there unanimous consent of the House to change in the Chamber Labour to Industry, Trade and Mines for today only? Is there agreement? *[Agreed]*

**Mr. Mackintosh:** I wish to obtain the consent of the House, Mr. Speaker, to amend the sequence for Estimates to consider in Room 254 the Estimates of the Department of Agriculture. As I recall, these changes are to apply for today only as well.

**Mr. Speaker:** Is there agreement to change in Room 254 for today only Finance to Agriculture and Food. *[Agreed]*

**Mr. Mackintosh:** I move, seconded by the Minister of Labour (Ms. Barrett), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

*Motion agreed to.*

**Mr. Speaker:** I would like to advise the House that as the Member for Rossmere (Mr. Schellenberg) is unavailable today, the Honourable Member for Transcona (Mr. Reid) will be chairing the section of the Committee of Supply meeting in Room 254 for today only.

#### COMMITTEE OF SUPPLY (Concurrent Sections)

#### AGRICULTURE AND FOOD

\* (14:50)

**The Acting Chairperson (Mr. Daryl Reid):** Good afternoon. Would the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Agriculture.

When the Committee last sat, it had been considering in the Chamber item 3.2. Risk Management and Income Support Programs (b) Net Income Stabilization Account of \$19,200,000 on page 26 of the main Estimates. The Committee had agreed to set aside resolution 3.1 for further consideration at a later point.

At this point we will be discussing item 2.(b), and I am wondering if the item shall pass.



**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Chairman, I wonder if I might have the co-operation of the Committee given that some of my staff is not able to be here today. First of all, the Agricultural Credit Corporation staff is not able to be here. One of the other department people has had to go to a funeral. I wonder whether we might be able to go to line 4, Agricultural Development and Marketing, if we could have agreement of the Committee to do that.

**The Acting Chairperson (Mr. Reid):** Is it the will of the Committee to move to line 4 of the Estimates of the Department of Agriculture?

**Mr. Jack Penner (Emerson):** Mr. Chairman, we had the other day, I think, agreed that the Agricultural Credit Corporation would be next on the agenda. I appreciate the fact that some of the staff cannot always be at hand, realizing that most of them are a distance from here.

I wonder whether the Minister would be amenable to setting a date when MACC could be here and that we could deal with the matter then. Maybe what we could do then, we could develop a bit of a process by which we could determine which of the Department would be next and how we would proceed through this in an orderly fashion, if that is possible.

I think that would expedite the whole process and would give us an opportunity to do a bit of the background work that is needed to be done, I think, by the Minister, myself and everybody. If we could get agreement on that, then I would have no difficulty in moving to item No. 4 on the agenda.

**Ms. Wowchuk:** I appreciate the Member's comments. I apologize for the inconvenience. I believe I did let the Member know the other day privately that our MACC staff would not be here this week and would not be able to do those Estimates. He has said he is agreeable to go to item 4. Then from that point, next week we will be able to do the MACC department and then follow everything in order after that, if that is agreeable.

**Mr. Jack Penner:** If that is the Minister's wish, I have no problem with that. I, however, did

understand the other day that when the Minister indicated to me that—and I think we both thought that we would be in Estimates the day before yesterday. I understood her to say that they could not be here the day before yesterday, so I assumed that they would be here today.

That is fine by me. I have no difficulty. We can proceed with item no. 4. That would include the Marketing and Farm Business Management Branch. Is that the one we are one?

**The Acting Chairperson (Mr. Reid):** Is there leave of the Committee to set aside item No. 3, the Manitoba Agricultural Credit Corporation, for further consideration at a future hearing time? *[Agreed]*

With leave of the Committee, we will then proceed with item No. 4, the Agricultural Development and Marketing. Is there leave to proceed with this section? *[Agreed]*

Then we will deal with section 4. Thank you. Resolution 3.4. Agricultural Development and Marketing (a) Marketing and Farm Business Management (1) Salaries and Employee Benefits \$1,785,700.

**Ms. Wowchuk:** Before we begin, I would like to take the opportunity to introduce staff that are joining with me at the table: Deputy Minister Don Zasada, and Mr. Dave Donaghy, who is the Assistant Deputy Minister of Agricultural Development and the Marketing division.

**Mr. Jack Penner:** This section, the Marketing and Farm Business Management Branch appropriations, deals with how many of the items on the agenda? Does that deal with the whole marketing of the entire Agriculture Department? All the marketing is identified under here and all the management activities?

**Ms. Wowchuk:** Mr. Chairman, this section deals with all the marketing and farm business management aspects of the Department, but it does not deal with the trade section of the Department.

**Mr. Jack Penner:** The first item in this section is the ag society section. How many ag societies have we still got in the province?

**Ms. Wowchuk:** I believe that there are 62 active ag societies in the province of Manitoba. The Member raised the issue of ag societies. Certainly one of the issues that we have with ag societies, I look at the ones I have in my area of the province. They are an aging group of people that are trying to carry on an awful lot of activity. Because younger people tend to be so busy with other volunteer groups, it is very difficult to get people involved in ag societies.

When I look at the fairs that I have attended, there has been less participation in the events. The entries into the various competitions that the ag societies sponsor are going down. It is certainly a challenge for those ag societies that we have for many of them to continue to operate as they have in the past. There is a little bit less interest in some of the activities. We have an aging membership that is trying to carry on a heavy workload and a big responsibility.

**Mr. Jack Penner:** What direction has the Department taken in ag societies? Has the Department been relatively aggressively pursuing the maintenance of the ag societies? There was time when the ag societies had a very significant involvement in community activities whether it was from research to education and ag development. All those kinds of initiatives were very often done in our area.

I will never fail to marvel at the initial group of people who were established in the Altona area. It was back in the '20s, before my time, but they took on the responsibility as an ag society, and I think initially were actually started as an educational group and developed an agricultural college in Altona. The Agricultural School it was called. So it became quite a training centre for young agrarian entrepreneurs. Then later on, the ag society, of course, took on the development of the fair, which evolved into the Sunflower Festival, which still runs today.

But there was a tremendous amount of effort by local people who joined under the ag society's umbrella that started numerous things. I still credit the Altona ag society and the then-chairman, Mr. Siemens, for the initiation of the oil-crushing industry in western Canada, in Canada indeed, I believe. CDO was spearheaded by Mr. Siemens, who was quite involved in the

ag society. It was largely due to the efforts of the ag society that much of this kind of development took place.

I wonder sometimes whether our department truly appreciates the value of the ag society movement, if we would try and instil that same new developmental-type mentality into the ag society. I agree with the term the Minister used that many of the ag societies' directors today are elderly people trying to hang on to something that was there. But I think the opportunity has vastly changed that was there and could change immensely if we gave them a bit of an incentive to change a bit of direction.

I wonder whether the Minister is considering any of those kinds of initiatives or whether she is giving some direction to her department that would give a bit of light to the ag society's movement to start that evolutionary change that I think is required.

\* (15:00)

**Ms. Wowchuk:** Mr. Chairman, I want to assure the Member that we certainly do value the role that ag societies play in our communities and the importance that they have in educating the public and providing services for the communities.

I want to just highlight a few. First of all, the Member talked about membership, and I raised the issue of membership in ag societies. I want to let the Member know that Manitoba has one of the most active 4-H movements in all of Canada. Certainly, although 4-H members are not directly connected to ag societies, they do work together on many things. I look at 4-H clubs and 4-H groups as the groundwork for ag societies. When I look at the ag society in my constituency, I see that many of the members in that group are previous 4-H members and many of them are 4-H leaders now, so there is some continuity and some base. When I said that I was concerned about the aging level of the ag society members, I want to clarify a little bit. I do not want to leave the impression that there is no interest by young people in ag societies because there is, but there is also an aging group in them.

I want to outline one ag society. Dauphin Ag Society has organized an event along with the Department of Agriculture called Dauphin's Challenge of Production where we launched our beef prospectus program this year. That has grown into a very important educational event for the beef industry and for other parts of the agriculture industry that happens on an annual basis in Dauphin.

The ag societies are involved with various fairs. For example, one the Member would be aware of is the Morris Ag Expo where the ag societies play a very active role there. Certainly, there is work in co-operation with the staff of Manitoba Agriculture and Food in such areas as agri-tourism, farm safety, various leadership programs, and working with ag education. The ag societies are also involved with the ARDI program, which is a very important research program that we have in this province.

Mr. Chairman, if I could, joining us at the table, as well, is Dorynne Gingera-Beauchemin, Director of Marketing and Farm Business Management Branch.

**Mr. Jack Penner:** Mr. Chairman, I see in some of the former minister's briefing notes that most of the emphasis in the briefing notes is made towards exactly what the Minister has just enunciated, and that is fair activities and those types of activities. The question I ask is whether the Minister has given any thought to giving any direction, redirection to her department to try and initiate or generate an activity that I thought was very important at one time for ag societies, and that is to create new interests and new initiatives and drive a new economic thinking and maybe even develop think tanks through the ag society to encourage ag societies to do this, but to regain and be involved in a regeneration of communities because we are, as we indicated the other day in our Estimates process, in a major way changing the face of agriculture in this province. Whether we like it or not, it is happening.

I was wondering whether the Minister was recognizing this and was prepared to give some direction to her department to involve the ag societies and ag society memberships to regenerate an interest in the societies and maybe

bring a whole new generation into the ag societies program, because I truly think that it provided, in many instances, and still can today provide a leadership role in developing even such things as value-added industries and those kinds, for a discussion basis for value-added industries in communities.

You know, having been a former president of the Rhineland Ag Society for quite a number of years and taken it upon ourselves to build a community centre that was—there we spent a half a million dollars. At the time, the NDP were the government, and we went to them and asked them whether there would be a bit of support to build this community centre, and there was none at the time. We got an absolute flat no from them.

So we built it ourselves. We raised the money and built a community centre, which now has become the activity base for the whole area. Although the ag society board has sort of drifted and is virtually inactive now, I believe, which I think is sad, but had they been given a bit of encouragement to take a new direction, there could have been a sense of ownership created I think and we would still have the ag society there. They largely become now involved in the horse show during the fair and that sort of thing.

I think there is a real opportunity to regenerate the interest there if the Minister would show some initiative and leadership and give direction to her department that would encourage I think the Department to take that on, because there are some real opportunities here I think.

**Ms. Wowchuk:** Mr. Chairman, I know that the Member realizes that I have only been in this job for seven months, and it has been a very busy seven months dealing with some very major issues. But I want to say that I recognize the value of the ag societies, as he does.

I recognize the need to get more young people involved in ag societies. He knows that I am a very strong supporter of the 4-H movement which is the grounds for new people to become involved, and the Department recognizes the importance of ag societies and works co-operatively with the people in the societies in

various areas. Leadership training, the Department works with Keystone Agricultural Producers, the Women's Institute and with ag societies to develop leadership training in programs such as Producers Making It Happen. Those are programs that the Department works with. The Department works with the ag society in Dauphin in an educational program.

So I say to the Member, I think we agree the ag societies play a very important role, and as agriculture changes, it is very important that we have these groups that not only take on things like fairs but also do some education programs and the promotion of agriculture. I feel that they play an important role. The funding has not decreased. In fact, it has been maintained at the same level for a very long time for the ag societies. Certainly, there are certain challenges that various societies face with construction of their facilities, but I do not think that is the role we see the societies playing, but we do see them playing a very important role in the education and the promotion of agriculture throughout Manitoba.

\* (15:10)

**Mr. Jack Penner:** I do not want to get into the funding or the maintenance of funding because I could really get into that if I wanted to, and I have some of my own views as to what it means to maintain funding over the last 10 years at the same level. That simply means, in my view, that funding has dropped by 50% real value to an organization if you make that kind of a statement. That saddens me when I see that because of the tremendous importance that I place on agricultural societies or the possibilities for agricultural societies.

The reason I asked the question, I wanted to find out what sort of a vision the Minister had for ag societies or whether she, in fact, wanted to or was really aggressively going to approach the regeneration within communities of ag societies, and I think I had the answer.

I would like to move on. I see by the program that the Manitoba Agricultural Hall of Fame is being maintained. Is Donald Gordon still the chairman of the Hall of Fame board? There is a board, is there not? Is he still the

chairman? Don McKenzie, is he still the chairman of the Hall of Fame? Who is the chairman now—I should put it that way—of the Hall of Fame committee or is there such a thing; is there such an animal?

**Ms. Wowchuk:** I do not have that particular board with me here, so I will indicate that, when we get back to Estimates, to the Member. But I can tell you that the Hall of Fame has a Carol Midwinter who is the office manager of the Agriculture Extension Centre where the Hall of Fame is located. That would be the person who manages it. But the name of the Board, I do not have that right here. I can get back to the Member.

**Mr. Jack Penner:** Did you say it was at the Ag Extension Centre in Brandon where the office is maintained?

**Ms. Wowchuk:** The office is at the Ag Extension Centre in Brandon, and the Hall of Fame is at the Keystone Centre in Brandon. That is where the display for the Hall of Fame is.

**Mr. Jack Penner:** Can you describe for me the process of putting forward a nominee and how nominees are selected for the Hall of Fame?

**Ms. Wowchuk:** The Hall of Fame is a totally separate operation from the Department of Agriculture. They have their own nominating process. They put calls out to the community, where they invite people to be nominated and people can nominate from individuals or they can nominate couples to be recognized for the contribution that they have made to agriculture.

Certainly if you look at the displays that are at the Keystone Centre, you can see some very creditable people who have contributed tremendously to the growth of the agriculture industry in Manitoba. I think it is a very worthwhile process that we have, given the importance of this industry in Manitoba and the growth that we have had over the years. There are people who have given a lot of time and a lot of effort and shared their knowledge to help in the growth of the industry. I believe that it is very important that these people be recognized. The Hall of Fame is a very important place where this can be done.

Applications are available. Should somebody phone the Department of Agriculture, the applications can be made available through the Department of Agriculture offices, but I want to indicate that they are separate. Their board is a separate board. They do their own selection of their board. There is no connection in that sense to the Department of Agriculture and Food.

**Mr. Jack Penner:** You say they do their own selection of the Board?

**Ms. Wowchuk:** I indicated that the Hall of Fame committee has their own process and do their own board there. It is not government-appointed people to this board, as many other agriculture boards that are appointed by government. This one is a board that is a separate entity from the Department. They have their annual meeting. They put their board in place. Then that is the Board that makes the decision on who will be the next member.

There is some funding to the Board from the Department, but that is a small portion. They do their own fundraising. As I say, there is some funding that comes from the department, but they are a separate entity from the Department of Agriculture.

\*(15:20)

**Mr. Jack Penner:** First of all, how much funding do we provide to the Agricultural Hall of Fame?

**Ms. Wowchuk:** We provide \$11,000 plus free space for their office, which I indicated was at the Extension Centre in Brandon.

**Mr. Jack Penner:** Okay. Then I want to go back to: Does the Department know how one gets to be a board member? By what process? Do they have an association? Do they have a membership fee in their association? How do you get to be a member in the association, if there is one? Who elects or appoints the Board? How does the Board get there? How does the Department give some legitimacy to this board?

**Ms. Wowchuk:** The Hall of Fame committee has been in place since 1974, and they hold their annual meeting. The people that are interested in

the ag society would be the ones who attend in the Hall of Fame, would be the ones who would attend the meeting. I guess just like any other organization, they would from there select their board but, again, I can tell the Member that they are a separate board. They are not tied to the Department. The people from the Department, if they are interested, could participate in the event.

The Hall of Fame also provides us with their annual report and their budget and their audited statements, so that we are aware of what is going on. They are a separate entity that we believe provides a very important service in recognition of people who have contributed to agriculture. There is some support offered to them, as I indicated, \$11,000 annually, but they are a entity separate from the Department.

**Mr. Jack Penner:** How many members have they got?

**Ms. Wowchuk:** Mr. Chairman, I indicated to the Member that they are separate from the Department, and we do not know how many board members there are because it is not part of this department. They are a separate entity and the number of people on the Board is not known, but I can tell the Member that this is a very important organization and through time they have issued a total of 85 plaques honouring 90 people. One of the plaques went to the Pioneer Women of Manitoba recognizing three women who were not identified. There are three plaques recognizing married couples, eight plaques recognizing women and 73 plaques recognizing men who have contributed to this important industry of agriculture and helped it grow to the point that it is today.

**Mr. Jack Penner:** I find it interesting, quite frankly, that our department will spend \$11,000 on an organization that we do not know whether they have one member or 10 members or 100 members. We have no idea as to what their financial state is. We have no idea what their responsibilities are other than identifying people to induct into an Agricultural Hall of Fame.

I am not being critical of spending the \$11,000. What I am questioning is the lack of knowledge that the Minister has on the make-up of the organization of the Agricultural Hall of

Fame. I would ask that she apprise herself of the make-up and the requirements for membership and how one becomes a member. I would like to know this because I might want to become a member. I think very highly of an organization that recognizes its peers, and I think we do not do enough of this in society, recognizing our peers. I think this is one way that we have identified clearly that the leaders in agriculture could be identified and could be recognized and these people have obviously done that.

I would like to know whether it is totally funded by government, whether they have a means of raising funds some other way, whether there is a membership fee that one could buy to become officially a member, whether that member then could, in fact, become a voting member at an annual meeting electing a board, and whether that member could, in fact, be involved in the appointment and/or designation of the selection committee that would do the selection of the awarding of the citizen of the year or whatever they call it.

**Ms. Wowchuk:** Mr. Chairman, recognizing the importance of this issue and the importance of the society, I am very pleased that the Member would be interested in joining. What we will do is make an effort to get him a full package of information on the society and provide that for him.

I want to also indicate to the Member when he talked about funding, the Department annually reviews the financial statement, the report is audited, and I take comfort in the fact that that is reviewed and staff is comfortable with the finances of it. Eleven thousand dollars is not enough to keep the society going. They do have fundraising abilities, and I am sure that they do that, but that will be included in the full package. Our commitment, as I said, is \$11,000 plus space at the Extension Centre to an organization that plays a very important role in recognizing those people that have built agriculture to the industry that it is, but we will get the Member that package and certainly if there is any additional information that he is looking for, we would want to help him in any way we can in his interest in joining this organization.

**Mr. Jack Penner:** I am pleased to hear that the Minister will apprise herself of the information, that she will have a knowledge of what the make-up is, first of all, and the funding and/or membership requirement in the organization. I look forward to receiving that information. I am somewhat surprised that she does not have that at her fingertips. I suppose in an organization such as the Department of Agriculture, one does not always have everything at one's fingertips.

I want to comment very briefly on the Century Farm Awards program and, again, I think this is an excellent way. I understand this is done by the Department. Is that correct? I commend the Department for maintaining this kind of a program, because, having been a participant in a number of the Century Farm Awards celebrations in a couple of my neighbourhoods and, most recently, in my constituency, I think it gives the opportunity for the family, that day when the awards are made, to reflect on its history, and to give some credit to the pioneers, and some recognition to the pioneers, that opened our province and allowed us to make it what it is today.

I believe that we do not often enough recognize the efforts of the people that came here first of all, no matter what ethnic background they came from, or what countries they came from. One can only visit some of the museums and recognize what kind of a dismal start, one would say now, some of these people had, and what kind of tools they had to use, and how they had to make their living when they first came here: dig holes out of the ground, some did, and put roots over top, and then in the spring of the year, they found they were in a low spot and their whole house flooded.

Of course, those of us who live in the Red River Valley are sort of used to that, when you are flooded four out of five times of the last five years, you sort of almost become used to it. The clean-up is what really bugs you. But recognizing what they had to go through, and then looking at what we have today, and looking at the tools that we use today to make a living on our farms, demonstrates the dramatic changes that have taken place. I only want to make that comment because I think that gets us into some of the other sectors of the Department.

\* (15:30)

I truly believe that the Department of Agriculture has a tremendous leadership role to play, and has played a dramatic leadership role in the development of the agricultural community and the economic base that this province has. When I look at the increase in exports that agriculture has generated in over the last decade, it is almost phenomenal. Sometimes we sit back and say: How much more capacity have we within our agriculture industry to keep on creating more wealth? Then, when I look at some of the changes that are happening on some of our farms today, it is almost inconceivable that we could very easily double our agriculture income over the next decade, by the massive changes that are happening today.

Some of us were quite upset about 15 or 20 years ago, when one of the professors from the University of Manitoba wrote an article saying that we should probably turn much of the Prairies back to the buffalo. Quite frankly, in Manitoba, we have done a lot of that literally, because of a part of our wildlife being virtually extinct for a while, now having had numbers, and I refer to the bison industry, approaching ten thousand, in this province alone, I think it is just an indication of how innovative some of our producers within the industry are, and can be.

I think that the farm management section in your department demonstrates the need for training, for promoting good, ongoing training programs and seminars, on an ongoing basis, to allow producers to update their skills on a regular basis. I want to commend the Department for encouraging many of their Ag reps, agricultural people, out in the field, and the exemplary job they do in accommodating those kinds of updated training programs, and working with the agriculture people, to make sure that they have the skills, and I refer somewhat to myself, because today our combines are all operated by computer.

Our boys just bought a new planter for beans and corn and sunflower, and one of the little gadgets that came with the thing is directly tied to a satellite. So it is satellite imagery that is now being used in the planting even of our crops. It is the same as another little gadget in the combine,

which is to connect it to the satellite, and it gives us a reading of what our yields are within a hundred feet of a given field.

That, of course, allows us to set up another unit, which is our fertilizer application unit, and it changes the variation of fertilizer applied in a back-and-forth operation in a field. It allows us to change application from a low spot in a field to a high spot in a field. It does it automatically, based on what your yields were on your monitor in the combine.

Similarly, the application of fertilizer, when you plant a bean crop or micronutrients can be done in the same way. So the technological changes that are required today in agriculture are absolutely astounding and phenomenal. We need an ongoing process of education to ensure that our ageing farm community is able to keep up to speed with much of this. If we do not, we will fall behind in our whole agrarian knowledge base.

I see the Canada-Manitoba Farm Business Management Agreement. What does the agreement do, and how is the program applied? Is it done through a national program? The partnership program, I understand, is equally funded by the federal government and the provincial government. Is that correct, the Farm Business Management Agreement?

**Ms. Wowchuk:** Mr. Chairman, the Member asked about the Canada-Manitoba Farm Business Management Agreement, but I want to go back a bit to an issue he talked about earlier. That is the whole issue of the Century Farm Program and how important it is that we have this program in Manitoba. He talked about recognizing farm families. Although the program has been in place since 1981, and through that time 1092 century farms have been recognized, the part of the province that I come from was developed a little bit later. We just had our first century farms I believe two years ago. It was quite an exciting time to be able to recognize those first pioneers to the Swan River Valley.

It is now going to be an ongoing process where we recognize many more of those people. We will have the farm signs on those gates of

those farms that have been settled and homesteaded and have been in operation for over a hundred years by the same family. I was quite excited to be at that one, and I am pleased that the recognition it has given to farmers who settled the southern part of the province is now being spread to the other parts.

I see my colleague the Member for Dauphin (Mr. Struthers) is at the table as well, and there has been a little earlier recognition in the Dauphin area. But, as well, it is that part of the province that we are starting to recognize for their contribution to agriculture. It just shows that we recognize that the south was developed much earlier and that the Parklands Region was developed a little bit later. Certainly those people who settled that part of the country went through some very, very challenging times. If you read the history of the development of that area, they certainly deserve the recognition that they have been able to toil it out and maintain those homesteads for a hundred years.

\* (15:40)

So I am glad the Member raised that particular issue and the importance of recognizing the century farms. I am pleased that we continue to have that program within the Department.

With respect to the Canada-Manitoba Farm Business Management Agreement, the funding comes from the federal government and it is matched in kind by the province with services that are provided rather than cash by the provinces. Unfortunately, it is being phased out by the federal government. Over the next two years, it will be gone. Unfortunately, also, the federal government has eliminated training assistance, that part of it, and it can only go to local organizations. There is no classroom type of programs anymore.

Some of the programs that are the kinds of programs that are covered by this program are Agri-tourism, the Beef Prospectus that we announced this year, The Beef Marketing Programs, Black Pork opportunities, Beef Week seminars, Dairy Management, Country Vacations, and the program is managed by an Agreement Management Committee, which

oversees the operations of the Manitoba Farm Business Management Council. The Council consists of seven farm and three industry and three government representatives. The Council assesses the projects and makes recommendations to the Agreement Management Committee.

**Mr. Jack Penner:** Seeing the Minister make comment on the Century Farm Award, I could not agree more with her when she said, she talks about the pride of having recognized the first two families, settlers families in the Swan River area. I always, having travelled to the Swan River area many times, think that the Swan River area is one of the more beautiful areas of the province. The fertile valley there is certainly conducive to production. That makes us in the Red River Valley envious. They can grow canola and grains to much greater yields than we can, and we are envious of that.

Secondly, the beauty that surrounds the whole valley, you have to wonder why settlers did not go out there much sooner and settle, because many of us think of it as God's country, except when the flood hit it in 1988. I will come back later to that issue. Certainly I hope that we continue with the recognition of the Century Farm Award program. I think the people she refers to that settled in large part in the Dauphin area and the Swan River area at the same time settled in the southeast part of the province. Many of the Ukrainian settlers that came in the early 1900s and the latter part of the 1800s settled in the Vita, Tolstoi, Gardenton, Sundown area and made quite a livelihood for themselves and have become expert, expert cattle producers in that area.

I think the R.M. of Piney and the R.M. of Stuartburn are now recognized as probably some of the highest per capita municipality in population of cattle in all of the province, according to the Department's statistics. I think that is just an indication of the massive changes that we have seen in the last decade or two in agriculture.

When I was a young man and travelled out to that area, there were not very many cattle around that area. Many of them tried to make a living raising grain. That has virtually come to a



halt over there and become cowboy country. They are very good at it and raise some excellent, excellent cattle. So I think the recognition of those efforts that turned stones and cut wood and built homes in that part of the province need to be recognized.

Getting back to what the Minister said about the phasing out of the Farm Business Management Agreement between Canada and Manitoba, I wonder in light of the fact that the federal government seems to be phasing out everything in respect to agriculture and it appears that we in western Canada have not done a good enough job of electing enough farmers as members of Parliament to Ottawa, because we have not been able to impress upon Ottawa that the farm community in western Canada is also part of Canada and should be recognized as Canadian.

I think that it is sad. It is a sad day when the federal government indicates that these kinds of programs will be phased out as they eliminated the Crow and as they are eliminating many of the other programs. I think that is not going to serve the agriculture community well over the long term. What I indicated before to the Minister I think is more important now than it was even five years ago, and that is the ongoing educational ability.

I wonder whether the Minister and her department are going to impress upon the Minister of Finance (Mr. Selinger) and Treasury Board in this province that even though Ottawa backs out of and will not recognize the need of the agricultural community in western Canada, whether we are going to maintain this programming ability to ensure that our farmers maintain the educational ability through ongoing seminars and those kinds of things to keep them up to speed.

*Mr. Stan Struthers, Acting Chairperson, in the Chair*

**Ms. Wowchuk:** The need for education and training for farmers in this changing environment is, no doubt, a very, very important issue. As we look towards increasing our livestock production, our beef cattle, our hogs, and with all the new technology that is out there,

there is no doubt that we have to look at how we continue to provide the training that people need. With respect to this program being phased out, we will continue to deal with the federal-provincial relationship, trying to get another program in place to see that the federal government plays its role. There is no doubt that the federal government does have a responsibility and has to recognize the importance of the industry.

The one-day seminars that are offered can still be offered under this program. It is the longer classroom programs that were previously offered—that are no longer being funded—programs that are offered through ACC. There is no doubt that through this department, through education, we have to look at the needs of the farming community. We have to look at the changing industry, and ensure that we find ways to bring that extra knowledge to the people who are in the industry. The Member, I am sure, is well aware of all the new technology. We now have computer systems, and we have the Internet that information is provided on. There are distance education courses that are available. We have to look at all of those tools. We have to look at every opportunity that we can, to ensure that our farmers have updated and relevant information to continue their operations.

\* (15:50)

**Mr. Jack Penner:** The Minister indicated that, in all likelihood, there would not be an attempt made by her or by her department to underpin, or try to find, funding to continue the longer-term agricultural education and training program, so that the short-term, one day or so, seminars might be maintained. I wonder, in reflection on that, whether the Minister might make comments, or make a commitment to try and convince her Treasury Board to allocate funding to do that. I think that is where the emphasis should lie.

When I chaired the task force, the value-added tax force, one of the key elements, I think, that was identified at virtually everyone of the 28 meetings and conferences that we held across the province, asking people what their views were, and what should be done or could be done within their communities to cause value added,

within their communities to cause value added, either production or processing within their communities, or what kind of initiatives could be taken was always education, continuing education. It was one of the key items that was identified to keep people informed—information services. I know most of us now have the capacity to access the Internet. The Internet is a tremendous source of information for most of us. I also think that it is important for farmers and their families to be able to get together in groupings. In that kind of cross-sharing of ideas is where the building of communities really starts.

I think that it is extremely important that we keep on providing, even though Ottawa negates its responsibility and does not recognize the potential. I think that it is important that the Minister impress upon her colleagues—and she is the only agrarian that we have in government, today. She is the only one with any kind of agricultural background in government. I think that is really sad, that we have a government that has virtually nobody in agriculture that knows the agricultural industry. So you have a tremendous responsibility, Madam Minister, to impress upon your colleagues and your Treasury Board, the need to maintain, and the utmost importance that it is to maintain the funding for these kinds of programs.

So I am asking: Are you making a commitment that you will go to Treasury Board and ask Treasury Board to maintain the programming and the funding for this kind of initiative?

**Ms. Wowchuk:** Mr. Chairman, I think the Member is aware that farm management is still a very important part of the Department. The Department is involved with the delivery of many, many programs. The federal government is pulling some money out, but the Department continues to do seminars and education and updating of information for farmers.

As an example of some of the things that the Department does, there is Ag Society training. I know that the Member has been to Ag Days in Brandon, which is a very important event that is attended by hundreds of farmers who come to take part in the seminars—beef week seminars.

There are district production seminars that are held across the province, where the staff plays a very important role. Hog and poultry days, horticulture days—all of these things are services that are provided by the Department; and educational services, where new information is provided each year during the season when farmers are not out on the land. During the winter months, there is a tremendous amount of time and effort put in by staff to run the seminars and to bring in speakers on various topics, to give the farmers the tools that they need and the education that they need.

The federal government is abandoning their responsibility in a lot of areas. This agreement is not over; it is being phased out. We have to continue to deal with the federal government to get them to recognize that they have a responsibility to agriculture. I do not believe that the Member really means that the Department of Agriculture and that the Government of Manitoba should backfill everything that the federal government pulls out of their support.

It is very, very unfortunate that the federal government has been taking these steps, and has been failing to recognize the importance of the industry—failing to recognize how important western Canada is to the economy of this country. But we are seeing it. We saw it with the elimination of the Crow. We saw it in other areas. We see it in this program here, where the federal government is not prepared to fund. We saw it in the whole issue of the safety net package, where we are moving away from funding safety net programs based on risk, going towards a program where it is funded based on farm cash receipts. It is a negative for western Canada, a very big negative for Manitoba. We see all of these things happening.

I am not prepared today to say that, oh, the federal government can walk away and we are going to backfill everything that the federal government falls away from. We are going to continue to lobby the federal government to try to get them to recognize the importance of education, the importance of training, and the important responsibility that they have in that. That is a small portion of what is provided by the Department. The Department will continue to offer many, many courses and seminars and

workshops, what they have done in previous years, during the previous administration, and during the administration before that. The Department and the Ag staff always play a very important role, and update themselves on the latest information that is available, and then provide that information to the farming community.

I do not want to pass by the Member's comments about my being the only person with an agricultural background in this caucus. I would have to say that in other governments, in the previous government, they did not have anybody that was a forester, but they managed to deal with the forestry industry. They did not have anybody that was a miner, but they managed to deal with the mining industry. I do not know if they had anybody from a labour background, but they managed to deal with labour issues. I want to give credit to my colleagues. I believe with the difficult challenges that we walked into when we formed government—that the agricultural industry was facing—my colleagues were very, very supportive of me, and were prepared to support the farming community.

I want to give my colleagues more credit than I hear from the Member. I think that they have a very good understanding of the industry. They recognize the importance of the industry, and I appreciate the support that they have given me.

\* (16:00)

**Mr. Jack Penner:** First of all, in reflection of what the Minister said, that we had nobody that knew the forestry industry, I do not know whether the Minister knows this, but when I was a very young man, my first job was in the forestry industry. I worked in the forestry industry for a number of years. I had a fairly good knowledge and background of how the pulp business worked, and how the woodlots operation or operators in the forest operated.

So I had a fairly good background in that. I think there were a number of other colleagues who worked or were working through labour type of initiatives, that had a fairly good understanding of the labour movement and

others. So we had a fairly rounded group of people that represent government. I, quite frankly, do not see that in the current government, but then so be it.

I am surprised that the Minister will not make the commitment to go to Treasury Board to try and maintain the \$1.8 million in funding towards the educational program and the training program that was expended during the three-year period that this program was in place. I would encourage her to change her mind in that. I think it is important that, even though we recognize that the federal Liberals are walking away from a responsibility in agriculture and in training, we as a province cannot. We are far too dependent on a good, sound, solid agricultural industry, and the maintenance of programming for that industry over the long haul. That will only happen if we keep our farmers up to speed. So I beg the Minister to change her mind in that regard, and to not look at it as underpinning for shortfalls that the federal government has created. Look at it as fulfilling a need of the very people that we in government serve. I would seriously ask her to reconsider the statement that she has just made.

**Ms. Wowchuk:** Mr. Chairman, I guess those are really, really interesting comments. I wonder whether the Member went to his Minister of Agriculture in the period from 1996 to 1997 to ask him to backfill the amount of money. The amount of money in this program has been decreasing from 1996 to 1997, 1998. The money was decreasing. So I wonder, education to the farming community is important now, and was important then. I did not hear him standing up in the Legislature or in Estimates, asking his colleague to backfill then. I do not see that his government went to Treasury Board to backfill.

That just shows how it is not a very wise recommendation to be making. There are things that you can take on as a province, and there are things that you cannot. We are not prepared to say: Okay, federal government, you are losing your interest in agriculture, so we are going to pick it all up by the province.

We are going to continue to lobby the federal government to fulfill their responsibilities. I think the way we do that is by

negotiating and by working on another agreement. The backfill that the Member is asking for did not happen when his party was in government. I think that it is not a very wise recommendation to be saying that we should be backfilling all of that right now. Education is an important issue, but there is a federal responsibility here.

**Mr. Jack Penner:** It was always my view, Mr. Chairman, that the Minister of Agriculture was the proponent for the agricultural community. Any time I went to my Minister of Agriculture and raised these kinds of issues with him, he assured me that he would do his utmost to maintain the funding for the agricultural community. As he indicated a little while ago, I was significantly often at his door, reminding him of the importance of the maintenance of proper funding for agriculture. I think that even the Deputy Minister would attest to you the frequency with which I visited him and his colleagues on various issues, whether they were livestock issues or other issues.

I will not rest, even though the federal Liberals walk away from the farm community. I will not rest and allow my Minister of Agriculture to tell the farm community that she will not be their proponent to go to her Treasury Board to underpin the funding that is being negated by the feds. We cannot allow, Madam Minister, our farm community to deteriorate because there is not a recognition in Ottawa on the importance of the industry.

So I beg you, again, to impress upon your colleagues and your Treasury Board to maintain the budgetary provisions within your department, to allow the progressive maintenance of an educational process to be applied through your department to the agricultural community.

I want to reflect only on one other topic in the initial part of this section. When I look at No. 3 under Lender Seminars, and those kinds of things, one of the topics includes the expansion of the hog industry that you have been dealing with, the potato industry, livestock manure management systems and regulations potential, and cost of various pulse crops, precision farming technology, herb and spice industry, and the up-to-date agricultural Internet home page,

and the management plus-2 database and how lenders can make use of and access these kinds of programs.

Again, I say to you that this demonstrates the importance of maintaining the funding in this sector, to this whole area. For instance, the pulse crops, I looked through the former minister's briefing book and I see very little reference. Virtually no reference to the bean industry or the pulse crop industry in this province, and the bean industry is probably, I think, in reality becoming one of the key and important economic industries in this province. We are now the largest producers of beans in Canada without question, and the small industries that have sprung up and are springing up to serve these industries are I think a clear indication of the tremendous employment potential that is being created by this industry. Yet, when I go through the Estimates process, I find very little initiative. I find a lot on the livestock sector. I find a lot of initiatives in the dairy sector and most of the other sectors, but I fail to see much of an emphasis put on by the Minister's department on the bean crop area.

I recognize that it is a relatively new industry, but the only reason I raise it I think it is important for the Department to recognize the need to become quite involved as we have in other sectors in the livestock industry especially. And I think it is only a demonstration of what can happen when you do that as a department. So I encourage the Minister to seek again the Treasury Board consideration to do the expansion, to bring in the expertise that I think is required from a marketing standpoint, an educational standpoint, and a developmental standpoint of a new industry.

We have lost our sugar beet industry through no fault of the department or government. I do not blame a government; the only government I blame is the federal government for the loss of that because they did not have the political guts to put in place a national sugar policy. Had we done that we would have had an expanding industry, but we did not. We did not need a huge subsidization of the industry because the sugar beet industry, in fact, was a lesser subsidized industry than our

wheat industry ever was. Yet we saw fit to abandon it or allow it to be abandoned.

\* (16:10)

I think it was a sad day for Manitoba, and it happened under our administration. Being a beet grower myself was one of the saddest days of my life when I was notified that the plant would close, and that we would have no processing capacity. We had a significant discussion with our friends across the line who are owners of five major sugar beet processing plants, and they are farm owners. All those are owned by a new generation co-operative and owned by the farm community although they were running into severe difficulty last year and again this year. But it demonstrates that you can, in fact, maintain in the valley an industry that was probably one of the most efficient sugar producing industries in all of North America, and yet our federal Liberals in Ottawa did not think twice about letting it die.

Again, I hope that we make every effort, not to reflect on the negativeness of that, that we reflect on the positive, look forward and look at the new industries, the innovativeness that is happening on those very farms because these guys that were in sugar beets learned what it was like to develop machinery and what it was like to run up and down fields following rows. So they were row croppers, and they had no hesitancy at all in changing direction, picking up a new industry, experimenting with it and have done very well, and to the pioneers of that—I hope I did not have the effect on the Minister that she lost a glass out of her spectacles; and, if I did, I apologize because I did not want her to give me that kind of a stare that would cause her glasses to disintegrate.

These people are innovators, and they have no problem at all taking the risk. I suggest to the Minister that she should try and impress upon her Treasury Board that if and when you have a group of people like the bean growers, there is a need to underpin their efforts and add a little bit of additional funding to provide also some assistance to that industry. I am wondering if she is prepared to do that.

**Ms. Wowchuk:** The Member has covered a wide range of issues here. In particular, he began by talking about the lender seminars that are being held, and I wanted to tell the Member that it is the farm management specialists that deliver the seminars. It is the department people who deliver those seminars to the agricultural lending institutes on issues in agriculture related to debt capital, investment financing and costs of production of various enterprises, but it is the lenders that facilitate and pay for those things, so it is a joint effort between the Department providing the courses and the industry being part of it as well.

He talked about the bean industry, and I want to say that a great deal of effort has been put in by the department to promote the bean industry. I want to commend the previous minister, the Member for Lakeside (Mr. Enns), who played a very important role in getting this industry and developing markets through trade missions to Mexico and to various places, to promote the markets for that industry.

We have continued that effort to ensure that there are markets. Trade missions have focussed on various pulses, beans, in Mexico and in China. We look at areas where there is an interest in that type of food. Certainly beans are a staple food, particularly in the South American communities. There are opportunities. There is no doubt that that market is going to grow. There will be continued efforts to further develop those markets.

I also want to recognize the producers, because the loss of the sugar beet industry was a big loss to Manitoba. I remember the efforts that were made by people on our side of the House to try to keep that facility, that processing plant, here in Manitoba. We thought it was a huge loss. The processors lost jobs, granted, but the farmers were the ones who had the equipment, had to find another way to make a living. They were able to pick up another crop and make big investments. They were able to do that. It just shows a bit of the ingenuity of farmers who are not going to give up. When they lose a market for one crop, they are prepared to take on another crop.

But I also want to recognize the Department for the work that they do. Although there is not a line in the Budget dedicated to the bean industry, there is a lot of support. I think if the Member looks at the previous government's books, Estimates books, he will see that there was not a line dedicated to the bean industry either. That is right. The Member is looking at the book. The bean industry is not outlined in there, but he will know that there is a lot of work that has been done. There is a pulse specialist. There is not a bean specialist, there is a pulse specialist. But a good majority of that individual's time is spent on the development of the bean industry.

\* (16:20)

I think you look at crop insurance, changes that were made to crop insurance recognizing that there is a new crop and new varieties and that they should be insured. Those kinds of things are ongoing. Market development, research, development of crops, work through the pulse specialist are all very important and work that we are going to continue.

There are also joint studies that have been done with western Canada on beans and peas recognizing the importance of those crops. I know that the bean crop is very important in the Member's area. It is a very important part of his farming operation. The loss of the beet industry affected his community and his own farming operation. But credit has to be given to all people involved. I am pleased with the support that is provided through the diversification centre and in other areas and the work that is being done. I can assure the Member that we will continue on the work to promote the markets, because the markets and the processing are very important.

I guess the other people who have to be recognized are the processors who have established themselves in southwestern Manitoba to take on the part of the sale of these products. They play a very important role. So the pulse industry, the bean industry is very important to the economy of Manitoba. In fact, the growth has been, in 1998, it was around \$30.5 million, gone up to \$40.9 million in production. So those are very substantial numbers that we have.

If we look at the numbers of the value of exports of the dried bean industry, if you look back at 1993, it was \$6 million. It has grown gradually, continued to grow, where it went from \$6 million in 1993, to 1999, where it was over \$53 million. So it is a very important crop.

We also have the pea industry as well that has not grown the same way. Beans have certainly taken over. That is just an indication of the kind of soil, that the people have found a crop to adapt to the soil, that we had to find another crop with the loss of the sugar beet industry, so an important industry, one that we will want to continue to support and, I have to say, a lot of credit to the producers who have adapted to this so well.

**An Honourable Member:** I wish Jack would ask about my special Mexican advisor, Raoul.

**Mr. Jack Penner:** I know Raoul is a bit of a special person to the former Minister of Agriculture. I think we are going to leave Raoul in the former Minister's Agriculture portfolio that he can converse with on an ongoing basis. I think the advice that he will receive there is going to be very important, because the Mexican market and the South American market and others are extremely important markets to us, as well as some of the new emerging markets.

I found it interesting, you know, I was in New Zealand on the first holiday that I have had in the last four years. Dora and I went to New Zealand. We walked into a grocery store and they had the big, white beans on their shelf. I looked at him and I said, where do you get these beans? He said, I think they are from Canada. I said, I would not be too surprised if they were grown on our farm. He said, I will look to see where they come from.

They came from Manitoba. Having been one of the three or four producers in the province, they could well have been raised on our farm. I found it very interesting that you go out virtually halfway around the world and find a product that at least was produced in your own province and processed and value added to your own products and exported virtually halfway around the world.

I think that is the kind of potential I see in the bean industry. I see further growth there if we are able to support the industry with the kind of technology and ongoing ability to ensure that they are able to access the utmost in technological advancement. That is why I asked the Minister whether she would be prepared to go to her Treasury Board and ask whether there would be some consideration given by Treasury Board to put some programming in place for the continuation of the growth factor in that industry. It is not only marketing. It is that there are tremendous advancements coming in breeding, in changes in breeding patterns.

We within the bean industry are not very happy with the way SeCan is dealing with us in those areas. I would not be too surprised that the Minister might see in the near future a proposal by the pulse growers to set up some form of a process of seed production on their own, because the bean growers simply think that they cannot afford to pay the kind of fees that we are being forced to pay now for the new programming.

We believe that there is a real opportunity for us to start breeding varieties that would be much more acceptable to Manitoba. We think that if we did some of the breeding in the province and some of the seed development in the province, we could probably expand the area that beans are grown. I believe that there are varieties there that have a greater degree of cold tolerance. If you interbreed them, I think that is what the pulse growers would like to see done, to see some program development. I am not sure that SeCan is very receptive to that sort of thinking.

I see the Member come to the table, which I welcome, because he certainly does have the expertise in that area. I think that if we work together very closely with the Pulse Growers Association and some of the people that have been involved in bean production for much longer than I have, I think we can probably work out a system that would see a greater expansion, but only with eventual technological changes that I think are required, and maybe even bring different genetic material into a breeding program.

So I would hope that the Minister would see fit to try and promote that sort of initiative to her colleagues, especially the Minister of Finance and Treasury Board, to apply a bit more funding in that direction.

**Ms. Wowchuk:** I would like to introduce Mr. Barry Todd, Director of the Soils and Crops Branch, who has joined us at the table to help us with this issue.

The Member talks about the bean industry. Again, I believe that there are opportunities for growth in the industry. He talked about a proposal that is going to be put forward by the pulse growers. I certainly would look forward to meeting with them and hearing about their proposal in the development of seed stock. Certainly no matter what crop is being grown, the need for a healthy seed stock is very important. If you can have seed stock produced right in your own area or in close proximity within the province, that is also very, very healthy for the industry.

I have to tell the Member that we are very committed to these things and to research and development of new crops. I have had meetings with various groups. I know that the Member will be pleasantly surprised over the next while, over the next year, as we make some announcements of some of the areas that we intend to move in as far as development. I know that as a farmer he will be very pleased with some of the directions that we are looking at.

In discussion on funding for specialty crops, there is work being done. The Member should know that through the Agriculture Research and Development Initiative currently \$656,760 is being spent on work to support the pulse crop research, and, of course, this amount doubles because it is then matched by the industry side of it. So there are funds going into research and development, and there is a fairly substantial amount of money that is in that fund. We certainly look forward to additional proposals where that funding can be used for further development and research. We are looking for disease forecasting. It is not developed yet, but if you could have some disease forecasting in the bean industry, in the pulse industry, I know that that will also be very helpful to the producers. I

think that they will welcome that development when it is in place.

\* (16:30)

**Mr. Jack Penner:** Well, Mr. Acting Chairman. I was going to raise this at a different time, but we might as well discuss this now because the Minister has raised it, and that is the area of research, Agri-Food Research and Development Initiative and the agricultural sustainable development initiative.

I see in your budget that you have decreased your research budget by one and a half million dollars, \$1.6 million, but your new budget now says you are going to have \$1 million for Ag Research and Development Initiatives. Last year, the budget showed \$2.6 million in Ag Research and Development Initiatives. I find that absolutely astounding that during a period of time when agriculture is facing the massive changes and we are going to need a huge amount of research done to facilitate those changes, and especially in this whole area of genetic engineering—and I am one of these people, and I will stand tall anywhere in the world—I am one of these people who believes that the genetic manipulation of plants is the way to go, is the wave of the future in plant breeding and development of new material.

**The Acting Chairperson (Mr. Struthers):** Can I have order, please? Is it my understanding that we are jumping ahead to 3.7, and if we are—*[interjection]* Order, please. If we are jumping ahead, then we would need leave of the committee to do so. Could the Member for Emerson clarify?

**Mr. Jack Penner:** Mr. Acting Chairman, I am simply raising this issue because the Minister opened the discussion on research and research development. I think it was largely because of the question I asked, whether she would be going to her Treasury Board to ask for the maintenance or additional funding in this area of crop development. I was really not referring at the time to the research section in the budget. However, the Minister raised this area, so I was commenting on the comments that the Minister made. When we get back to the line items, we will go line by line. I thought we had understood

the other day that we could basically roam on the lines, and we would then go back and do the line by line on the issues. If that is not acceptable, then I will revert to section 4.(a)(13) where we were at in our debates.

**The Acting Chairperson (Mr. Struthers):** Well, my understanding is that there was not agreement to do this in a global way. I understand if there is leave to do so, we can if there is a conversation between the critic and the Minister.

**Mr. Jack Penner:** I will revert to section 4.(a)(13), but I would suggest that this is in keeping with this section inasmuch that we are looking at the whole area of training and research and funding for training and research in agriculture through agricultural adaptation type programs and we are now approaching the employment standards part. But the Minister made reference to the issue, so that is why I raised it.

**Ms. Wowchuk:** I want to say the Member was talking about the bean industry, and I raised the issue of the funding that came from ARDI and opened up another area. But, if the Member would not mind if we could revert to this line and then we will get into the discussion on ARDI a little later.

**The Acting Chairperson (Mr. Struthers):** It is my understanding then that the committee will revert to 3.4.(a) Marketing and Farm Business Management (1) Salaries and Employee Benefits. Is that the understanding of all members? *[Agreed]*

**Ms. Wowchuk:** Mr. Acting Chairman, before the Member goes, I would like to indicate that Mr. Les Baseraba, Assistant Deputy Minister of Operations and Regional Agriculture Services, is joining us at the table now, and I would like to indicate to the members at the table here that this is Mr. Baseraba's last day in this kind of position, where he will have the opportunity to sit at Estimates and assist the Minister with questions. So I welcome him at the table and hope he enjoys his last day in this position.

**Mr. Jack Penner:** Not having known Mr. Baseraba very well, but having seen him in the



hallways many times, and having had some dealings with him—and I thought Mr. Baseraba had been around the agricultural community around the same length of time—I would really like to suggest to you, Mr. Chairman, that we should probably have a minute of silence in recognition of the passing of an era, and I say that in all sincerity. I think that people like Mr. Baseraba, and specifically Mr. Baseraba, who has served the farm community with integrity, and I think he will be missed. I think we will miss his expertise and his guidance, and I know that the people of the Department will.

So I want to say to you, if I can, Les. that I wish you well in your future endeavours, and I know you will become a consultant. We then will see you here again at this table, and maybe you can help the Minister then recognize the true importance of the bean industry and other new developments that we are looking at in southern Manitoba.

**Ms. Wowchuk:** Mr. Chairman, Mr. Baseraba has served the Department for 30 years, and I think he served in a very capable fashion. The Member has suggested a minute of silence, and I would have to say that silence is not something that is in keeping with Mr. Baseraba's character, so I would discourage that minute of silence and ask that we go on with the Estimates, but also recognizing the important role that he has played. I certainly have to tell the Member that he has provided a tremendous amount of guidance in my short time as minister of this department.

**Mr. Jack Penner:** Mr. Chairman, I concur with the Minister that we should get on with the business at hand, but we do, all of us on our side of the House—and I am sure the previous minister would reiterate this—wish Mr. Baseraba all the best in his future endeavours. Whatever we can assist with and help in the future, we will only be too glad to see him come down the hallway with a smile. So, again, all the best.

The agricultural employment standards, could the minister give us a bit of an overview as to what this area pertains to? I am not as familiar with this area as maybe I should be. Maybe you can give me a bit of an overview as to what is contained here, what it all means.

\* (16:40)

**Ms. Wowchuk:** Mr. Chairman, the Member has worked and lived in the agriculture industry for a long time. I believe he has been at it for the majority of his working life, so he knows that agriculture is changing. He also knows that farm workers are excluded from the employment standards. As the industry changes, there are different needs, more people working in agriculture, but they are not covered by many of the regulations. For example, under the Manitoba farm employment regulations, employment standards, such as minimum wage, are not compulsory, hours of work and overtime are not compulsory, holiday and vacation pay, termination, maternity leave, these things are not compulsory.

Equal work for equal value is something that is compulsory. Those are the kinds of things that workers within the industry are raising. There are certain parts of the industry that are recognizing that the employment has changed. Some representatives of the industry are leading the way, where they are providing some of these protections and some of these coverages for their employees.

As a department, we recognize the importance of standards but also recognize the needs for flexible application of employment standards to educational production. We also recognize the unpredictable nature of the biological basis of the industry as well as the need to react to weather and that the standards do not always fit with the normal employment standards. So we are looking at those standards.

We have had discussions with people in the industry about these issues and are looking at ways to address some of those issues employees and employers are raising, being cognizant that this is a different industry. It is not a nine-to-five job. I think one of the places that it does come up, in particular, is in the hog industry. The requirements are hogs have to eat seven days a week so people have to work seven days a week, but one employee cannot work for seven days a week without having some of the protections, you know, the ability to take a holiday, the time for family time. So it is a recognition that there

are changes in the agriculture industry and looking at ways to address that.

I am sure that, as the Member knows, there are going to be some consultation on the hog industry. I am sure that when we get into that consultation, that is probably one of the issues that will be raised by people. We will work along with the industry to try to address the whole issue of farm labour.

**Mr. Jack Penner:** Mr. Chairman and Madam Minister, this is a very difficult area for Agriculture and a very serious one. Sometimes I am of two minds in this very section, recognizing full well that the family farm depends on a great deal of flexibility within work hours.

I think most farms find ways to accommodate either hourly applications or a holiday or days off or weekdays. There are, however, periods of time especially in those—and maybe I can include all of agriculture today where farm families are becoming much smaller. I mean, we do not have 13 kids on a family farm anymore. There are probably two or three as there are in city families. So the farm families are becoming smaller. That means that they have to perform a wider range of duties in many cases and the diversity on the farm is becoming much, much greater. The requirement of training, as I said before, is extremely important, but also the flexibility to maintain an employer-employee relationship and schedule is becoming more important today than it was a couple of decades ago.

That is a real concern to us when we have, as the Minister has referred to, a large livestock operation. Whether it is hog operations or cattle operations or poultry operations, in many cases, they are larger and can require a constant vigilance within those industries and in those barns. Whether it is power failures or other failures of equipment that prevent hogs from being fed or chickens from being fed or eggs from being gathered is something that needs to be recognized when new standards or regulations are being drafted. I do not know how one accommodates all that.

I am certainly not a great one to give advice in this area, except for one thing. When we do draft new regulations, recognize the importance of the urgency of taking off a crop of wheat when it is lying in swath, recognize the importance of cutting a field of beans when it is ready to cut because if you leave it for one hot day, you can lose the crop, and recognize the importance of cutting beans after midnight because that is when we cut most of our beans, at night. You cannot cut them during the heat of the day, you would lose them.

So there has to be a tremendous flexibility on farms today, much greater than what we used to have. When we used to work with horses and horse-drawn equipment, we basically started when the horses woke up in the morning and we put them to bed when they were tired, and the same thing happened with people working the horse, but today that has changed dramatically.

I have that same kind of reservation for our young people growing up on the farm that we train to become good operators. We start training them at a very young age, sometimes far too young, but we do. Most of those young people, and I think this is the important issue that most of those farm families train their kids at a very early young age, those are the ones that you keep on the farm. Those are the ones that become the farmers. Those are the ones that maintain the interest, and there has to be an interest.

So training of young people becomes a very important element of maintaining longevity of a family farm, training your kids and allowing them to do things that are at times dangerous, and we all agree with that. Sometimes we, as fathers, cringe when we see the first round being made by a young person, sometimes as young as eight or nine years old, on a tractor by themselves, but we do this. I have a grandson who is 11 years old and he is a better truck operator than most that we would hire, at 11 years of age. He operates in the field and he will pull under a combine and does a better job of unloading on the go than most men that we hire and it is because of training.

\* (16:50)

The reason I say this, Mr. Chairman, and it has, again, nothing to do with this section, but I know that there is a process in place now of assessing what needs to be done in driver training and driver education and driver licensing. I only say to the people that are making those decisions as to what regulations or how you apply a new licensing and training for drivers, recognize the importance of training people on the farm at a very young age and what kind of experts they become. By the time we would even license them today, they are better drivers than most drivers that have driven for a long time, and they are safer drivers in most cases, I would say. There are always those that will take the risk.

When I say this, I say to you that I have a young grandson that is 11 years old and he has become now the second-place motocross racer in this province. He is running in second place right now in the western division, but I am not proud of that. I do not go to his races because I cannot openly sit there and watch him sail over a hill and he would clear the ceiling no problem. I just hate the thought of him hitting the ground the wrong way, and he did this in a race not too long ago, but he was not hurt. I mean, they wear good protective clothing.

The only reason I say this is these young kids, if they are trained properly, if they are educated well enough have abilities way beyond what we give them credit for. The same thing, I think, is included in the employment of tasks. This same young man is an expert at driving a tractor. He cuts beans better than I do, much better. And he is a much better operator, so you know, I think we need to be very careful that we build enough flexibility into regulations and/or in drafting procedures of employment standards because we are going to need that flexibility because the depopulation on the farm is very significant. We are losing many of the people because they have other job opportunities that are year-round, many times, and they go to where the jobs are. In my part of the province, I think we are at zero-minus employment right now, and we are going to have to utilize every warm-blooded person to get the crop off in the fall or put the crop in, in the spring. So I say to you have some consideration about that when your government drafts new processes for

employment regulations, and that is all I am going to say about that part of the area.

I want to address, and I heard what the Minister said about before that we have an excellent 4-H program in the province. I think we do have a tremendous 4-H program and that again becomes a training ground for many of our kids, whether it is through home economics and others, but it is a wonderful, wonderful program. Having grown up in the 4-H program myself, and I think Doreen knows this, having been a 4-H member and having been a 4-H leader and a director, I have a great deal of appreciation. When there was some discussion a few years back that we might want to disband the 4-H program or not provide the funding for it, there was some discussion about that, I was one of the people that was very adamant that we maintain a 4-H program. I am very, very glad to see that we still provide funding for 4-H and if I can help it, I would provide even better funding for the 4-H program because that is where you provide the fundamentals of child development. That is a program that you can utilize in child development and developing responsible attitudes in agriculture especially and in rural Manitoba.

I was very pleased to see that there is a group of, I believe, nine or 11 kids now going to Tanzania, Africa, and they are going to be ambassadors for the 4-H program. They are going to try and demonstrate to the young people in Africa how the 4-H program works and how it can be initiated in Africa. I think it would be quite something if young Manitobans would be able to be given credit for it sometime in the future for having initiated a program that was developed in Roland, born in Roland, Manitoba, being utilized in other countries of the world and born in Africa to teach young Tanzanians agriculture or help them develop their agricultural skills.

Having been in Tanzania, having been on the Canadian wheat project in Tanzania and visited that project, I think this 4-H program would fit in very well, because over there many of the families who live on those farms have significantly large families. They need a program, something like this to get the young

kids involved in agriculture. I think the 4-H program would fit extremely well.

I attended the final rally at Woodmore the other day. I was amazed at the programming. You know, it is not often that you see 6-, 7- and 8-year old kids being part of a group of kids that also included 16- and 17-year-old kids. In a small community such as Woodmore, all of them become part of the same group. They did performances together and they interacted together. I thought it was a wonderful demonstration of community development. It taught kids how to interact with each other at different levels. It taught skills that you could not teach any other way.

To have the 4-H specialist there for the southeast region, it was great to have her there. There were two people there that drove. One drove all the way from Beausejour to come out to Woodmore. I believe the specialist lives in the Grunthal area.

So it was a significant trip for them to make. It just demonstrated how dedicated our civil servants are. These people gave of their time in the evening to spend the time with the kids. I took my hat off to them. I congratulated those two people, the home economist and the 4-H person for coming out and joining us that evening, a great deal of support. I would hope that we can continue this program and continue adequate funding, Madam Minister, for the maintenance of the 4-H program.

**Ms. Wowchuk:** The Member raises the issue of 4-H. I have to tell the Member that I am also an adamant supporter of the 4-H clubs and have worked as a 4-H leader. My children had the opportunity to participate in 4-H. I consider it to be an excellent learning experience for them. I remember their protests when it came time to do public speaking, but today they are much more appreciative of the efforts that they had to put into writing those speeches and getting up in front of people to make them when they as adults have to sometimes get up and speak in front of people, a very, very important program and one that I recognize as very important and am very committed to support.

I want to assure the Member that that commitment is there. I want to put on the record that Manitoba is the only province that provides staff support at local, regional and provincial levels. I can remember at the time when the previous government was reducing some of their supports to 4-H. There was a real outcry from the community in that aspect. I think that they were looking at taking it out of, not having the Ag reps and the—*[interjection]* That is right. There used to be 4-H aides that we no longer have. People were very upset. It was the Member's government that made those changes. So I am pleased that it was aimed at the Ag reps and the home economists were able to continue on in providing that service, because I recognize it as a very, very important program.

\* (17:00)

When you look at the broad range of programs that are offered and the training that is there, it is just excellent. I guess it is 4-H season and wind-ups, and I too had the opportunity to attend the 4-H wind-up in a small community called Cowan, where there is a new 4-H club that is only four years in existence now but was in existence about 25 years ago. We ran the club for a couple of years. I happened to be the head leader at that time, and then we joined in with another club. But I was very pleased that the residents of the community decided, the parents of the community and, of course, mostly the mothers in that community have decided that they want to be 4-H leaders again. We have a small club going there. It was quite exciting to see the woodworking and the photography and the cooking displays.

But the most interesting part for me was the public speaking. It was quite interesting to watch the younger kids. The ones that are about 8 years old had no trouble at all getting up there and making their speeches, but the 14-year-olds were a little shyer and having a little more difficult time making those speeches, but an excellent ground work for young people I talked about earlier. Many people who are in 4-H end up being the people that are leaders in the community, end up being the ones that get involved in ag societies, so it is a place where people learn responsibility, pride in their community, and it is just an excellent basis.

I also had the opportunity to participate with a couple of 4-H clubs in the highway cleanup this last weekend which is also a very important project, one that gives the young people an opportunity to earn a little bit of money for their clubs but also to take pride in their community. If you look at it, this is the 13th annual clean-up campaign with 96 4-H clubs; 96 4-H clubs cleaned up 4453 bags of garbage from 1172 kilometres of highway. Those clubs were able to earn a sum of over \$20,000 from the Department of Highways. So it is a good program, and I tell you the good training part about it is that the next time when somebody is driving down the road and they have this package from potato chips or this can from pop, those kids in the car think twice about throwing it out or telling people in the car to throw it out because they are the ones that have to pick it up. Since the time the program has been implemented there has been a change in attitude I believe by a lot of people about respect for their roadways and for their communities. I believe that is just an excellent program.

*Mr. Daryl Reid, Acting Chairperson, in the Chair*

The 4-H program of Manitobans to Tanzania is also one that I recognize as very important. It is aimed at helping young people in both Manitoba and in Tanzania through a program of entrepreneurship, skill development, exploration of international marketing opportunities and leadership skill development, and I think that these young people who have gone to Tanzania will come back with a wealth of knowledge.

When I was in Mexico this winter on the trade mission I met with people in Durango who are interested in coming to Manitoba to bring some young people to Manitoba to learn about how the 4-H program works and they have some of what they call 4-H, but it is very different than what we have here. *[interjection]* A young farmers group works it, and I hope that we can develop that program just as we have the one here with people going to Tanzania, the exchange programs that have happened with Japan, that the young people from Mexico can have the opportunity. The Japan Youth Exchange program; there is a U.K. Exchange program; there is the 4-H trip, and I am sure that the young people would love to go to Chicago to

the Food Marketing Institute show. So there are various programs. At the 4-H achievement night that I was at the other night, they were looking for people to host the next round of Japanese children coming over and talking about the opportunity that if you host then you will then have the opportunity to go back and visit Japan. A wonderful program and one that I hope will continue for many years in Manitoba just because of the opportunities and the skills that young people learn through it and just a wide variety of courses: babysitting courses, sewing courses, creative projects, horse program, leadership in activities, money management, very good programs.

The programs have changed over the years. What was a program several years ago may not be as relevant today, so there are new programs that are always being developed. There is a lot of co-operation and I want to say that our Manitoba 4-H council co-sponsors the agriculture display that you have seen and they co-sponsor this with KAP, Manitoba Agriculture Societies, Provincial Exhibition, Agricore, and this display has been used at Ag Days, KAP general meeting, Ag in the Classroom, and the display has already been booked for the Royal Winter Fair, for the Royal Bank Ag Awareness Days and it was displayed at the Horse Summit. So it is used in a wide variety of places and certainly the 4-H council has played an important role in that.

I want to get back a little bit to the Member's comments on labour and the review that will happen in farm employment. I just want to for the record indicate some statistics, fully recognizing that farm labour is a different type of labour and the need to have flexible hours, the need to cut the beans at midnight and sometimes during harvest season to have to run the combine all night. I mean, that is what agriculture is about. It is different, but it is a changing environment, and if we look at the census numbers, we can see that the percentage of hired help that was in part-time employment back in 1985, it was 51 percent of part-time employment. Then in 1991 it dropped to 41 percent part time, and by 1996 there is only 34 percent part time.

If you look at the number of employees, the farm report, paid-wage, year-round employment,

in 1986, the census showed us that there were 2600 people employed year-round on the farm. That is the number of farms. I am sorry, not the number of employed, the number of farms. In 1985, there were 2600 that had full-time employees. By 1991, it had risen to 3487 farms that had year-round full-time employees. By '96, it was 7992 employees year-round. So that is just an indication that there are more people who are employed on a full-time basis.

Within that employment, if you are going to stick at being a full-time employee on the farm, those people recognize the flexibility, but these numbers indicate that there is a change in farm employment and that is the reason for reviewing it. That is why people in the industry are making some changes to the benefits and to the protection that they offer their employees.

Although the Member was talking about the 4-H section, I wanted to just put those numbers on the record to indicate that it is a changing environment.

\* (17:10)

The Member also talked about children and graduated licences and those kinds of things. I think that we are all very cognizant of the high level of accidents on farms and the fact that the majority of the accidents are either young people or older people. It is very important that we continue to work to provide training for people in recognition of the need to work with equipment very safely. You know, have good training and recognize that technology is changing and some of this equipment that is being used on the farms is very high tech and very big equipment. Safety is very important, and we have to continue to take initiatives to provide training and awareness of the importance of farm safety.

**Mr. Jack Penner:** I could not agree more with what the Minister just reflected in training. I say to the Minister that on the farm I think most parents that would allow their kids to operate any kind of equipment would see to it that there is adequate training provided before any of the young kids are allowed to operate equipment.

However, I say to the Minister be very careful how you change the employment standards because the diversity of the requirements of an employee on the farm today is much, much greater than it has ever been. On our farm, if we hire a permanent employee, we will require that employee to operate a tractor, a bean cutter and a combine and in winter might have to be on the road on a semitrailer. I mean, that is just simply the nature of the business.

I think you want to be very careful how you apply rules and regulations to these operations that depend on that diversity and how you apply standards to the employment of those operations, because they are different than anything that you will operate in a town environment or in an urban environment.

The rural environment, as the Minister might be aware of, but I am not sure she has an appreciation of the huge changes in many of the technological aspects that have and are taking place on the farms. I would invite her to describe to me a bean cutter. I would invite her to describe to me the workings of a bean combine or whether she can describe to me how you raise coriander or how you raise and harvest watermelons, and all those kinds of things. As I say, there is a tremendous diversity happening out there and it takes a tremendous amount of flexibility within the employees and employment on those farms that is vastly different than anything that you can point at in an urban type of industrial environment.

So all I say is caution when you reflect on how to deal with employees on the farm, whether they are in the hog business—and if you want to maintain the small family farm, if that is your desire, I have heard the Minister speak many times about the importance of maintaining the small family farm. The small family farm is very often a farm where an employee will be hired that must work either in the hog barn during the morning and in the evening, be in the field in the afternoon and probably even operate a combine or anything else in the late evening. If you restrict the hourly requirements that person can work or the provisions under which they can work, you will cause a detriment to that family farm.

It is not only large farms that you deal with; it is very often very small farms that you deal with because many of those small farms are making what we consider the all-farm investment to supplement their income, and that is largely very often investing in a hog farm either by themselves or with other partners of other small operations to build a larger operation, and many of those people go back and forth from the barn operation to the field operation. Let us not forget that, when you put in place standards, so-called standards, that would change them dramatically from what they are today, you might, in fact, impose a difficulty that you will restrict the development of that small farm.

**Ms. Wowchuk:** Mr. Chairman, a very important issue, but I know the Member has previously tried to imply that I do not understand agriculture. I know he said this; I am told he said it at a meeting, where he was not even sure if I was connected to the farm. Now he talks about whether I would be able to identify a bean cutter and whether I would know how beans are harvested. Well, I want to tell the Member that I come from a farm, and I understand how you have to get up in the morning and feed the chickens or feed the cows and then go out to the field and cut the grain or harvest it. I am well aware of those issues, although our small farming operation is smaller than it used to be. Given my husband's health, it is a smaller operation, but I do understand farming, and I understand the hardships and the financial difficulties that are faced.

I also understand that there are safety issues that we have to address, and I understand the people in the industry are looking at both the employees and—for example, processors are looking at changes to farm labour. Given the numbers that I just put on the record, we can see that there are more people that are in full-time employment, and it is an issue that has been raised with us. When changes are being made, and changes are being contemplated, there will be consultation. You know, there is a farm organization called Keystone Agriculture Producers that will have input; there is another farm organization called the National Farmers Union, there is Manitoba Cattle Producers, Manitoba Pork Council. These are all people

involved in the industry, people that we have contact with and very good working relationships with. I name a few of them, but there are also the chicken growers and the turkey growers and there are many, many other aspects. The Member is well aware of all the aspects of agriculture and the need for good consultation as changes are being made.

The number of full-time employees are increasing, and I am sure the Member is not saying—I would doubt very much that he is saying—that people who are working full time should not be treated as fairly as other full-time employees where they would get holidays and they would get paid for overtime. Everybody recognizes that there is the need for flexibility in hours, and farm employees have been doing this for a long time. So you know there is the whole issue of workers compensation for a farm employee that is working full time. I would ask the Member if someone who is working full time in the farm industry should not have the opportunity to have workers compensation. That is not in place right now, and I would be interested in further discussions as we look at the employment standards, to get the Member's feedback on whether some of those things should be covered off by regulation.

\* (17:20)

As a department, we recognize the importance of farm safety, and the Department of Agriculture and Food has assisted in the development of extension material on employment issues, including employment standards, and these materials include "The Employer's Handbook for Agriculture and Horticulture in Manitoba." This was published by the Canadian Farm Business Management Council. There is a brochure entitled "Guidelines to Farm Employment Standards"; there is another brochure developed in co-operation with Employment and Immigration Canada entitled "The Keys to Good Farming Labour Relations." So the Department is well aware that there is a changing environment out there, that there are issues that have to be addressed, and it is a different climate, a different environment where it is not a nine-to-five job. The Department is well aware of that, and these brochures address that. But, again, it is an issue that has been raised

by the industry with the growth particularly in the value-added industry, where things are changing and what farm labour is and what off-farm labour is.

All of those things will be addressed, and I look forward to the Member's input when we get to the point when we begin further discussions. There is nothing that is changing right now, but there are people who are making changes within their own businesses, addressing this.

I have to tell you also that the officials at Manitoba Labour tell us that they have received 500 phone calls and two to three letters per month regarding the application of employment standards to agriculture. By way of comparison, they receive about ten thousand calls a month, in total. The agriculture calls that they are getting are focussed on hours of work, overtime and working on holidays. So I want the Member to be aware that this is not an issue that is being fabricated by someone. There are a lot of calls that are coming to Manitoba Labour to have this issue addressed.

**Mr. Jack Penner:** Mr. Acting Chairman, did the Minister say two to three calls a month?

**Ms. Wowchuk:** No, what I said is that Manitoba Labour officials advise us that they receive 500 phone calls and two to three letters per month on this particular issue. It is an issue that is raised quite often. I would say that that is a good number of calls to come in. Given the size of the agriculture labour force, that is, I would say, a lot of calls.

**Mr. Jack Penner:** What the Minister has said now concerns me even more than what she said before. Two letters a month is 24 letters a year. Three letters a month is 36 letters a year. Phone calls, you know, are quite easily made for information purposes and all those kind of things. I know how phone calls go. But I have a great deal of respect if there are two complaints a month in written form or three complaints a month. I respect that. If the Minister is telling me that she is receiving 500 calls a month from farm labour complaining about conditions or standards of work, then I would have a great deal of concern.

I think the Minister wants to be a bit careful not to portray the 500 calls as complaining about the conditions and/or asking for changes to the regulations or the legislation dealing with the employment standards under which they had to work. That would shock me. I think, as well, that it would shock everybody else. I ask the Minister to carefully review what she said and what it means, because I think she is putting something on record here that I would want some real clarity on.

**Ms. Wowchuk:** To correct the record, the calls go to Manitoba Labour, not to our department. That is where the calls are made. The calls are people calling because they have concerns about working conditions, they have concerns about hours of work and holiday pay. Those are the kinds of issues. People are not calling the Department of Labour to say, I am really happy with what is happening. They are calling to make inquiries about various things.

The Member says he only puts credit into, he values the letters higher than the phone calls. Phoning is a way of communicating that many people communicate in this day and age. I bring to the Member's attention that people are calling Manitoba Labour and they are making inquiries about employment standards to agriculture. That is what the inquiries are being made about, various issues. Hours of work, overtime, working on holidays, various issues like that are being raised. I would say to the Member that I think as a farmer he would be concerned if there are that many calls coming to the Department of Labour on a monthly basis, that he would want that issue to be looked at.

**Mr. Jack Penner:** Again I think the Minister has just corrected herself. I appreciate that. I have not heard her say there were 500 complaints a month. She said there were 500 inquiries. New people working in new environments would certainly lead one to want to request or have the information about what certain requirements are, rights are. I would suspect employees especially would pick up the phone and ask about what the conditions of employment are. That does not surprise me at all. It does not surprise me that the Department of Labour gets 500 calls a month.



I find it interesting that they are able to determine that they are all agricultural. I do not know how they do that. I would like the Minister to explain to me how that is done, whether that is clearly identified, whether it is done by finding out which area of the province they are calling from or through what kind of inquiries they are and whether the Minister has a clear record of actual complaints of employment or standards that are being applied within various jobs. If she gets 500 complaints a month or the Department of Labour does, then I am very concerned. If there are 500 inquiries, that I would suspect would be relatively normal. If she gets two to three letters a month complaining about their employment place or the standards applied, that would also concern me.

But, if there are letters inquiring, then I am not surprised, because I would suspect that that would be about right. People ask me questions, and I have said phone the Department of Labour, they will tell you what it is, or phone the Minister's office. That is my response to them. I would hope they would do it, because very often when I get questions like that, it is simply for information's sake. They want information. They want to be as certain of what their rights are. I think that is totally understandable and should be that because that is their right to know.

I have seldom ever received complaints from people employed in the agricultural sector. That amazes me because normally we, as elected people, are very often the front line, because these people know us personally and they pick up the phone and they call you and complain. During the 12 years I have been there, I have received exactly three calls from farm people that were employed complaining about their condition. I think that is an amazing record and that speaks very highly of the general farm population that employs people. I think it speaks extremely highly. I would say to the Minister that I think that most of the employee-employer agreements that are there today are worked out and not always satisfactory right at start but giving them a bit of leeway. They are able to work out a condition of employment that I think is relatively amenable to both parties. I think it is extremely important that that kind of a relationship be encouraged and maintained on the farm.

\* (17:30)

I hear far more people, whether it is employees or employers, whether they are farmers or other industry, tell me to get government out of their hair. Here the Minister is telling me that they are going to get more government involvement, contemplating more government involvement, in the agriculture sector. I would encourage the Minister, if they are getting that kind of complaint, that we really start what I was indicating before: put more money in place to educate. Part of the education program, what the rights of the employee and employer are, the current rights, and whether they have rights to Workers Compensation and all those kind of things. Those are the kind of questions I get: if I work on the farm, can I get Workers Compensation, that sort of stuff? And I said, sure you can, absolutely you can. But if there is an agreement between the employer and the employee, if they work it out, so be it. Most of the time they are able to work it out. I do not think it needs a massive change in law in employee standards to accommodate the ongoing performance and operation of the farm.

**Ms. Wowchuk:** Mr. Chairman, to once again clarify for the Member, he is interested in complaints and inquiries. I will tell him again Manitoba Labour officials advised that they received 500 calls and two or three letters per month regarding the application of employment standards to agriculture. By comparison, they receive 10,000 calls per month of their whole calls, and the agriculture calls are focussed on work, overtime and working holidays. My understanding from what we have been told by the Department is most of these calls are concerns with level of pay and with hours of work and overtime. So there are complaints; there are inquiries.

I think that the Member is talking about our move to put in more regulation, and he is not recognizing that the industry itself is recognizing that changes have to be made. Given the shift in numbers from part-time to full-time employees, the managers of the industry are also looking for some changes as are employees. There are managers that are recognizing that they have to make some changes. So it is not as if we are

coming in heavy-handed and saying these kind of changes are going to take place.

I want the Member to also realize that the Department does play a role in training. He said that we should be focussing more on training. There is the hog workers training program that the Department plays a role in with continued growth in the swine industry. It has created numerous employment opportunities, and some of the opportunities are in hog production. Looking at these trends, there is need for more employees. We anticipate that there will be 1200 to 1500 more employees that will be full-time. In addition to what we have as full-time employees now, we could see 1200 to 1500 more over the next three or four years.

So there are going to be more full-time employees. When you have full-time employees, full-time employees should have some of the protection and benefits that other full-time employees have. Right now those employees are outside the labour standards. Agriculture employees are outside of that. That is something that has to be addressed. Certainly, through the Department, there are various courses that have been offered and completed. Leadership and supervision, interviewing and selection, conflict management, motivating employees, team building, employee handbooks, advanced production analysis, quality assurance, introductory statistical process control. These courses are offered by the Department. Human resources management plays a very important role in this. All of this is recognition of the changing agriculture industry.

I want the Member to know as a department, Manitoba Agriculture and Food is prepared to and does provide technical support and advice and leadership through the co-operative effort on the development of the pork production management certification program and various other programs. So, we, as a department, are offering many, many courses and programs in management to build a higher level of workforce, because I think that is very important. It is an industry that is changing. A wide variety of skills are needed and certainly the Department recognizes that. The Member can see that the Department continues to work to

provide the kind of courses that I believe are very important to develop a strong workforce.

**Mr. Jack Penner:** The Minister just made a statement that she has received numerous inquiries as to changes in employment standards and requests from the farm community for employment standards or consideration of employment standards changes. Can you name one or two or three of the producers that have approached you to change the employment standards? Can you name for me a number of employees that have come to you to change the employment standards?

**Ms. Wowchuk:** Mr. Chairman, I indicated that Manitoba Labour officials advised that they received 500 phone calls and two to three letters per month regarding application of employment standards to agriculture. By comparison, they receive 10 000 calls per month in total. The agriculture calls are focussed on work hours, overtime and working on holidays. The Member has asked me to put on the record individuals who might have called me about concerns in working conditions or labour standards or the various employees. I think that the Member knows full well that I would not be prepared to put individuals' names on the record who have discussed issues with me in confidence.

**Mr. Jack Penner:** Then I ask the Minister: How many calls has she received from the agricultural community requesting that there be significant changes made in The Employment Standards Act reflecting their industry?

**Ms. Wowchuk:** There have been many calls to my office, but my office would not be the area where issues of labour would go through. Normally the issues of labour go through Manitoba Labour. We have indicated to the Member several times now that Manitoba Labour advises us that on average they receive 500 calls and two to three letters per month regarding the application of employment standards to agriculture. My office has received calls on this issue. We have had discussions on it but the area where this would be addressed is through Manitoba Labour. Manitoba Labour tell us that if you look at it, about 5 percent of their calls are inquiries about agriculture employment standards.

If you look at the number of employees that are involved in the agriculture field compared to the general employment across the province and the other areas, I would say that those are a fairly substantial number of calls. We have received a fair number of calls in my office requesting information and raising issues from full-time employees who made inquiries about labour standards.

\* (17:40)

**Mr. Jack Penner:** Mr. Chairman, I think the Minister is treading on very soft ground here. I think she is being very mischievous with numbers. I think she is painting a picture for the record that is not correct, and I challenge her to put on the record how many calls she has received directly from producers or producer organizations requesting significant changes to The Employment Standards Act. Put that on the record. You just said you receive numerous phone calls. So do all of us receive numerous phone calls on a whole range of issues.

But I do not think that you are any different than we are, and we do not receive phone calls requesting employment standards for agriculture. Matter of fact, I receive far more calls asking us to get government out of their hair, and you are indicating that you are going to put more government standards and regulations regarding agriculture and employment standards on agriculture. I find that amazing.

I think, Madam Minister, you are being very mischievous in your answers. I would suspect that you might want to reconsider some of the things that you said and that you want to put the correct information on the record, that the inquiries that Labour receives are simply inquiries, most of them. If there is any way to indicate whether they are complaints, then I would like to hear what numbers of complaints they have received or what numbers of complaints you receive in your office because most of the agricultural people that I know would think, first of all when they deal with this matter, they would think agriculture, and they would pick up the phone and they would call you or the Ag rep. The first question they would have: Who do we call to deal with this?

How many calls have you received from individual producers or farm organizations requesting that you change the employment standards for agriculture?

**Ms. Wowchuk:** The Member indicated that I was skating on thin ice. I will have to tell the Member that I think he is skating on thin ice when he questions my credibility as to the information that I am putting on the record. I have put clearly on the record the numbers that we have received from Manitoba Labour with regard to the calls that they have received. For the Member's information, I will once again tell him Manitoba Labour officials advise us that they receive 500 calls and two to three letters per month regarding application of labour standards to agriculture. By comparison, they receive 10 000 calls per month in total. The agriculture calls focus on the hours of work, overtime, and work and holidays.

I also indicated to the Member, and I am sure the Member knows this, that agriculture labour is changing, that there are more full-time employees in it. I just indicated to the Member that we anticipate in the next two to three years that we could have up to 1200 to 1500 new full-time employees in hog barns. Those people are making inquiries.

The Member is questioning my credibility as to the number of calls that come into my office. I told the Member that we get many calls into our office. I do not have the numbers here, but for the Member to say that we are not getting calls, then he is questioning my credibility, and I think that is wrong. I am putting on the record what I have been provided by Manitoba Labour and the calls that we are getting. The Member has also said, I believe, that we are going to make dramatic changes to the labour regulations—

**Mr. Jack Penner:** No, I did not say dramatic; I said significant.

**Ms. Wowchuk:** He tells me he said significant, not dramatic, that there are going to be significant changes. Nobody has said that there are going to be significant changes to the labour regulations. I know the Member is a forward-thinking man. He talks about his farm and how progressive they have been and how they

adapted to changes in the bean industry. Well, you know, we have to be looking forward on how agriculture employment is changing. We know that wages have gone up to year-round employment from 1985, where it was 2600; in 1991 it went to close to 3500; in 1996 close to 8000 year-round employees. We anticipate with the growth in the livestock industry, in the hog industry there will be an estimated 1200 to 1500 additional full-time employees coming into the agriculture industry as employees.

Surely to goodness the Member is not saying that he is not interested in those full-time employees having some of the benefits that other full-time employees are having. I am sure the Member would want to correct the record and put on the record that he would want people who are working full-time to have some of the benefits that other full-time employees have, giving full recognition that agriculture is a different industry, agriculture is an industry where you have flexible hours, agriculture is an industry where if it is raining on a day when you are supposed to be harvesting and you cannot do it, you either do some other work or you might have your day off then and then have to work on the Sunday or work through the night.

Taking all of those things into consideration, I am sure the Member is not saying that he would not want some of the benefits that full-time employees have. I want to give credit to employees who are out there, because I think that there are lots of farm employees who provide those already, but there are many that are not. If they were all having those kinds of benefits provided, there would not be the number of calls that come to Manitoba Labour.

So nobody is moving forward with changes immediately, but it is an issue that is coming forward. It is a changing environment, and there are more full-time employees in the agriculture industry.

**Mr. Jack Penner:** I really, honestly cannot believe what I have just heard. I have sat around this table for many years. I have never seen an Agriculture minister imply the state of the industry and the employee-and-employer relationships as she has just done. She even implied that I put on record something that the

record will show I did not. I think, Mr. Acting Chairman, that the Minister is not representing the best interests of the agricultural community, simply by the way she has answered or not answered the question.

I asked a very simple question. How many complaints has she received in her office from employees and/or employers or industry people or farm organizations requesting changes in The Employment Standards Act? She refuses to answer that question. That is up to her. Instead, she implies that she receives, or the Department of Labour receives, and through them she receives 500 complaints a month from employees. I think that is totally unfair when the Department of Labour actually says they receive 500 phone calls of inquiry. I think that is the correct terminology the Minister should use in indicating two letters a month, which is 24 letters a year or up to 3 letters a month, which would be 36 letters a year, but not complaints. I have not heard the Minister say that they are complaints. She implied they were complaints.

She is being mischievous with her responses. I think that is unfair to the farm industry and the agricultural industry. I believe that, in general, the agricultural managers and the operators of farms out there, whether they be livestock farms or grain farms, are the most fairest people in the world to deal with, as are most employees or employers in cities and/or towns. Yet she is leaving us with the impression that there is a real problem out there, that she is getting 500 complaints or calls to Labour complaining about the standards of employment. I find that absolutely astounding that the Minister would want to put that kind of impression on the record. I think it is a severe retribution to the agricultural community and a slap in the face of the people who operate the farms in this province.

\* (17:50)

She should, quite frankly and quite openly, be willing to say how many complaints she has received in her office. How many phone calls has she received complaining about the standards of employment on our farms in this province? I want to know that because I think she owes an apology to the farm community in

this province. I cannot understand how a minister would want to imply that the farmer-employee relationship is as bad as she portrays it to be. I find that very, very interesting.

I would say to the Minister think long and hard before you want to leave that kind of impression on the record, because it is an impression that you created, nobody else. I would sincerely suggest that you try and correct the impression that you left on the record here today, because if the press picks up what you have left here, it will not paint a pretty picture for society in general. It will portray farmers as being mean to their employees. I do not believe that that is the case at all, because 500 complaints a month are a lot of complaints that Labour would receive. Five hundred inquiries about what the rights of employees are or what their holiday rights are and all those kinds of things, that is normal, I would think.

There is nothing wrong with that if you are gaining the kind of new employees in the industry that you have demonstrated—and I have not a question in the world that that is correct. You should have a lot of inquiries from people inquiring what their rights are or what the terms of employment should be. You should be getting a lot of phone calls from farmers asking what are the requirements under the Act from the Department of Labour or from your office or from your department. I would suspect that I would be getting a lot, but I am not.

So the impression that the Minister leaves on the record and not giving us a direct answer on a simple question—how many calls a day, how many calls a month, or how many calls in total since she has been in office has she received from farmers or farm businessmen or the farm leaders, requests to change The Employment Standards Act because they are unworkable? How many has she received? I ask her that.

**Ms. Wowchuk:** Mr. Chairman, I think that the Member chooses not to listen. I told him that we have had many inquiries in our office, and I would suggest to the Member that rather than have me repeat the answer again, Hansard will be available and read through the comments that I made about the number of inquiries that are made to Manitoba Labour and the issues surrounding it and the fact that we are having a growing labour force.

I could repeat for the Member again, but I think that the Member is being a little bit petty right now. I have indicated to him several times now that we have had many calls in the office asking about various issues related to farm labour, both from employees and from farmers and from processors and people in the value-added industry.

**Mr. Jack Penner:** Mr. Chairman, again, the Minister leaves the impression that there are concerns that have been expressed to her. Inquiries, absolutely, I would suspect, I would hope that people would call the Minister's office and ask about. If they are not knowledgeable, why would they not ask? But you leave the impression that they are complaints. Quite frankly, what I am afraid of that the reporters will read what we have discussed here today, and they will paint this industry in a very bad light because of the impression that you leave on the record. I say to you, Madam Minister, do not paint the picture, do not paint a grim picture of employment standards on the farm, because it is not that way. Allow the negotiations to take place between the manager and the employee, as has been the tradition. It has worked well and it still is working well today.

I talked to many managers of hog operations, of cattle operations, of chicken operations, of grain operations, and seldom ever do I hear complaints or even inquiries about what their rights are. I find this amazing. So I do not hear what she is hearing. I am totally amazed that she would want to leave on the record an impression that there are major concerns out there from the employment side or the management side.

The 500 calls a month, do you know that that is 6000 calls a year complaining about the employee-employer relations? Six thousand calls a year? I would doubt that. Madam Minister, I would really, honestly doubt that. So I say to you, create a correct impression on the record for the farm community's sake, for agriculture's sake.

**Ms. Wowchuk:** Mr. Chairman, I have to say that I think it is the Member opposite who is trying to create the impression that there are complaints out there. If the Member will look at

Hansard when it is printed, he will see very clearly that I have said Manitoba Labour officials advise that they receive 500 phone calls and two to three letters per month regarding the application of labour standards to agriculture. By way of comparison, they receive 10 000 calls per month in total. The agriculture calls are focussed on the hours of work, overtime, and working on holidays. At no point did I say that Manitoba Labour received complaints, and at no point did I say that I received complaints at my office. I said that we have many calls in the office asking about this issue.

The Member is trying to create an issue out there, issue saying that there are a lot of complaints. We are telling him and I have said that there have been a lot of calls making inquiries about this. Labour tells us that many of them are concerned with working standards and with hours of employment. At no point has anybody put on the record that we have a terrible bunch of employers out there. The Member is trying to create the impression that that is what I am saying when, in fact, he is the one putting those words on the record.

So I would advise the Member as well to be very careful, because people could read parts of this Hansard and hear his comments about the working conditions in the farming community. I know the Member likes to play a little bit of games like this, but he should also be very careful in what he says, because we are trying to build an agriculture industry. It is growing and we are having more full-time employees. We are looking to attract more people into the industry. For the Member to try to turn things and say I am not happy with the standards and I am creating the impression out there that there is terrible working conditions, I think that the Member should also be a little bit careful about what he is putting on the record.

If he will read Hansard, he will realize that I did say that farm employees are very good employees. Farm workers are very good employees because they are very flexible people and sometimes work 12 and 14 hours a day when the weather is right and then take a day off when the weather is raining. All of those things are very important to the way the agriculture industry operates, but the record also shows us

that we are having more and more full-time employees. When we have full-time employees, they should also have the benefits.

Agriculture is outside the labour standards now. There are people that are looking because of the change in the agriculture industry for the application of employment standards to agriculture. That is what people are looking for. As we move to more and more full-time employees, we have to address those concerns. The department also has to continue in the role that they play in educating the employers and in educating the employees and working in that area.

I do not think that the Member wants to create the impression that he is saying that this government is going to be bringing a whole bunch of changes to labour standards. There is a subject of discussion. It was a subject of discussion when his party was in government, because the numbers have not changed that dramatically from the time they lost government to the time we took government. The number of employees that are working full time is increasing. The value-added industry is growing, the livestock industry is growing. In all of those industries there are going to be more and more full-time employees.

There are many inquiries, many inquiries to Manitoba Labour. I think that those are fairly significant numbers. There are also inquiries to my office asking about these various issues. That is why staff in the regions are prepared to provide information on all of these issues. I believe the kind of information that is needed is provided.

I think the Member is trying to take this opportunity to say that, you know, here is a government that is going to impose a whole bunch of changes to the employment standards of agriculture. What I have indicated to the Member is that there have been many calls on this issue. He may not think that 500 inquiries a month is a significant number. I think that 500 calls a month is a fairly significant number, given the number of employees that we have. I think that we cannot turn a blind eye to that issue. I know that the Member, if he got 500 calls on another issue per month, would not want

to turn a blind eye to it. If you got 500 calls, whether they were inquiries, whether they were looking for additional information or whether they were complaints or concerns that are raised—

**The Acting Chairperson (Mr. Reid):** The hour being six o'clock, I am interrupting the proceedings. Committee rise.

## HIGHWAYS AND GOVERNMENT SERVICES

\* (14:50)

**Madam Chairperson (Bonnie Korzeniowski):** Good afternoon. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 255 will resume deliberation of the Estimates of the Department of Highways and Government Services.

As had been previously agreed, questioning for this department will follow in a global manner with all line items to be passed once the questioning has been completed. The floor is now open for questions.

**Mr. Glen Cummings (Ste. Rose):** Madam Chairperson, when I asked yesterday about the disposal of materials that were, in some cases, waste, I am satisfied with what the Minister said that he would take a look at other alternative means, but I am not sure I understood the aspect of whether or not in cases where there is replacement of say a culvert, was the answer that the contractor responsible might, in fact, take ownership of what he is taking out? Is that possible?

**Hon. Steve Ashton (Minister of Highways and Government Services):** That is the case, and it has partly sort of been a practice that develops out of the fact it makes some sense in terms of the contract was there, the contract was on-site, then it has been a normal part of contracts. But I do want to indicate that I will be reviewing that. I think the Member raised a good point, and it is one of those things where if we can perhaps check and see what has been happening, how much is taken in terms of salvage, and what is reusable, I think it would be useful.

**Mr. Cummings:** Thank you, and just for the record I want to reiterate that it is only on behalf of the municipalities where work is being done that I raise this issue. There are times when they can use what would be considered less than top quality material for maintaining some of their less-used roads and appreciate any savings that they can get.

Now, when the Minister was talking about his preference on the contracting out of certain aspects of departmental responsibility versus gearing up with staff and equipment to take on specific responsibilities in the regions, the one area that he mentioned that he would not be renewing, as I understood it, was where they were private contracts to maintain roads.

I am asking him: Does that mean that the door is closed on any future possibility in this respect, or if the first attempt was not successful does that mean that we, in his opinion, would not ever consider this type of arrangement again?

**Mr. Ashton:** I think it is sort of at this point probably important just to delineate the various different dimensions, you know, where the Department might or might not deal with the private sector, and we will continue to deal with the private sector. If we need equipment, for example, on a contractual basis, there has been private equipment that has been put in place because of the poor condition of our own fleet. So we will continue to use that particular option. There may be other contracts, as well, in terms of what I would call non-essential maintenance or at least maintenance that is not urgent, may be essential in a longer term.

The key area we are looking at now is that there were three contracts in place that dealt with actual road maintenance. One of the difficulties that other jurisdictions have had when they have moved to privatization at that level is you may get a good bid in a particular year. I believe it was in British Columbia where they had a significant jump thereafter, so you have to be careful you do not buy into a short term, what appears to be savings that in the long term can cost you a significant amount of money, particularly if you get out of the business. I mean, if you get out of the business, you sell your equipment, you lay off the staff, you are

then in a very vulnerable position. So there is that dimension and there is also a dimension of reliability, of service.

The key difference: When our department provides it, it is their No. 1 goal is to provide the service to the public whereas if people are in a contracting situation they obviously have some obligations for service, but they also put in a bid, they are quite legitimately trying to live within that bid and make a profit. Of the three contracts that were in place, I certainly would not want to be critical of any of the contractors, but we did receive significant concerns, particularly with one of the contracts. In part of my regular meetings with municipal officials they did raise this as a concern and once again it was related to the reliability and the quality of the service that was provided. If you put it in context I assume the previous government when it did move on this really looked at it as more of a test project. It was three contracts. Most of the contracts that we have, other than for work other than what we do as a department on terms of actual road maintenance or actually with R.M.s, that is dealing now with the public sector. It is another level of government. so it is in a quite a different category. It has a lot more to do with the rationalization.

If you look at the location of main market roads, you look at highways in a lot of cases, you know, by working out some arrangements between R.M.s and the Department of Highways, we can help rationalize our service and they can rationalize their service. But based on that, we are not going to be renewing the contracts based on the experience, and we as a government certainly believe that the Department of Highways can provide this service in an efficient manner and also on a reliable basis, and I stress the reliability because that was the concern with at least one of the contracts.

**Mr. Cummings:** Well, then, that raises the question that I would like to pursue this a little bit with the Minister about if he has looked at this. I have no axe to grind on this, but I think the Minister would have to acknowledge that he, along with any other ministry that is providing service of the physical type that Highways is, has to look at every viable option in order to make your dollars go as far as they will.

\* (15:00)

I would ask the Minister if he thinks there may be contractual models in other jurisdictions that he would be prepared to look at that might in fact deal with some of the issues around, I would say, continuity of service. I mean, certainly he has already pointed to another jurisdiction where there was a problem and yet we continue to see—I know that it has very little relevance to Manitoba, but I believe that there is a major \$700-million road being built in New Brunswick right now, being built by the private sector. There was a big battle over tolling and I am not interested in the toll issue so much as the fact that other jurisdictions are seeking to find alternative ways to raise capital. It is no denying that the Highways, this previous government, was short of capital for capital projects, and I just want assurance from the Minister that he is not going to close his mind philosophically to looking at all options to provide the infrastructure that we need out there.

**Mr. Ashton:** I can assure the Member that that is, in fact, exactly the approach we are taking. I think it is important to distinguish here between highways maintenance. There have been a number of provinces that have privatized highways maintenance. I mentioned the concerns, once again, that when you are dealing with highways maintenance, one of the key things you are paying for is the reliability and availability of the service.

You know, if you have a snowstorm, you cannot wait for 12 hours, 24 hours, 36 hours until equipment is available. That I think is one of the key points that has to be recognized, is maintenance is a particularly sensitive category. We have had discussions not just with the private sector but also with the R.M.s, and it is very easy for people to a lot of times say, well, we have equipment and we could do this kind of work. My response has always been is it dedicated?

If we have Highways do the maintenance and there is a snowstorm, that equipment is out as soon as possible, and that is what the public expects. I think the Member is quite aware of this because if you then have even a delay of



whatever period of time and it is not dedicated service, that simply is not good enough, not only for the public in a service sense but for various people on the economic side. I mean, a lot of private businesses would be in serious jeopardy if you could not rely on that.

So I separate out the highways maintenance from what I think the Member is getting into which is another area which is in terms of financing of capital projects. Indeed there have been different approaches. I certainly am not a fan of toll roads, so I do not see that as being something we should be looking at, although I do not dispute the fact that in other jurisdictions it has been a choice they have made probably for reasons that they saw in their own area.

Usually where toll roads have been brought in, it is usually sort of a major improvement. Usually, you have sort of an expressway that people are willing to pay extra for. I do not see any circumstance in Manitoba, any road, quite frankly, where that would be the case, and, in fact, if anything, our direction has been against tolls. We have eliminated the need for tolls for three communities for the winter road system.

But, in terms of other means of financing, I am certainly open as minister, and I believe we would be as a government, to other ways of financing it.

It is important to recognize, too, by the way, that the balanced budget legislation does put some significant restrictions in terms of how governments can finance public works such as roads; so do normal accounting principles. One thing that I find rather frustrating is the fact that our Highways capital expenditures are operating expenditures for budgetary purposes. As the Member knows, there is the Part B: Capital.

To my mind, if you are in the private sector or the public sector, the logical thing to do when you have an investment that carries over any period of time, particularly dealing with something that will last in the case of highways 20, 30 years, is to be able to amortize the cost over that period.

So there are very good reasons that we have to look at all types of options. So in saying that

we are not going to be privatizing highways maintenance, that I think is dealing with that one very specific issue.

It does not mean that we are not open to creative financing. I include, by the way, remote access, particularly in that area. I have indicated in the House, I think the Member is aware, that we are open to creative ways of financing and working with other partners, and, in fact, particularly working with other levels of government. There is often the assumption, you talk about public-private partnerships, but what is going to be necessary particularly for remote access and on our existing transportation system, is going to be working with other public sector players, whether they be municipal governments, First Nations or the Government of Canada.

**Mr. Cummings:** That has long been a difficult area to deal with in terms of roads relative to servicing First Nations and construction on First Nations land. Does the Minister have any changes or approaches to constructing roads on First Nations land that he has given the department any policy direction on?

**Mr. Ashton:** In terms of First Nations land itself, obviously there are very obvious jurisdictional factors involved. I give the Member sort of a case example of the kind of approach we would like to take. I look at Peguis, for example, which the Member may or may not be aware has one stretch of highway going through the community which is a major source of concern. One thing we are looking at in the initial stage is 224. There are concerns about the condition of it. One thing that we have started at very early stages now is we will be contacting Peguis to see about possible alternative routing of the highway, some creative solutions that can deal with the highway that does run through the community and is important to access off 17, 224.

You have to work very closely with the First Nations communities. We are also trying to finish in terms of the Birdtail Sioux, for example, which I am sure the Member is quite aware of the long story there back and forth which is off a municipal road working with the federal government and the First Nations community. It is very hard to give any answer

other than the fact that we do, as the previous government did, recognize the unique jurisdictional questions when you are dealing with First Nations communities. Probably the direction of the Department is probably similar to the kind of direction that has been in place before, which is to work on each community on a case-by-case basis.

I just want to add to that that one of the areas that I know my colleague the Minister of Northern and Aboriginal Affairs (Mr. Robinson) has raised already with the Minister of Indian Affairs, and one area that I had been looking at as Minister of Highways, is also access outside of the First Nations communities, not just in the North, by the way, but across the province. Some of the access roads into First Nations communities are in pretty deplorable shape, and a lot of it is jurisdictional. It is off reserve boundaries so it is beyond the jurisdiction of the First Nations community.

\* (15:10)

The federal government traditionally has not provided significant support. I mean, there has been some specific project funding. The municipalities, obviously it does not serve communities that are in their municipality jurisdiction, so you will often find the First Nations communities roads are in pretty poor condition. I have asked the Department for a review of that and also once again seeing if we cannot work with other partners, particularly the federal government, to upgrade those highways because I do believe that the federal government with its jurisdiction and the unique fiduciary relationship between the First Nations and the federal government, it should be a lot more involved in First Nations access and not just in remote areas and not just in northern areas. I am sure there are many First Nations communities in the Member's area that are in the same sort of situation.

So, as I said, we are looking both internally within First Nations and externally in terms of access as well.

**Mr. Cummings:** Well, the Member has put his finger on what is bothering me. I believe that one of the greatest abuses that have been

inflicted upon our First Nations citizens is that we have misled them many times on what might happen and then services have not been delivered. That boundary that the Minister mentioned, when it is access to First Nations land or access rights on First Nations land, as opposed to where there is a mutual benefit where a road is going through. Certainly, the public interest is such that it needs to go through, and they can benefit both ways if this does not create too much of a problem. But there has always been a jurisdictional problem relative to construction on First Nations property where it is strictly for access. I wonder if there is any change in policy under this minister in regard to how that would be handled.

**Mr. Ashton:** I am not sure there really would be that much of a change. I mean, we essentially have not, in the past, put money into roads other than if they are provincial right-of-ways, and there may be some cost-sharing sort of relatively speaking. Where there is a right-of-way involved, obviously it is a right-of-way. We feel that is important. I am prepared to look at more partnerships.

I think it is important to recognize that First Nations people are citizens of Manitoba and of Canada. I am always careful not to try and interfere with the particular relationship between First Nations and the federal government, because I think that is important not only in terms of jurisdiction, but it is important to the First Nations. I think it is important for the Government of Canada to live up to its obligations under the treaties and other obligations that are in place.

But I do think it is important, in a lot of cases, not to be at the point where we do not do anything. I give the example with northern airports, which is a good example, I think, in the sense of where I think the federal government should be more involved. We are going to approach the federal government to be partners on the upgrading that needs to take place in our airports. They are already committed, for example, on the Wasagamack airport to a significant cost-share, which I think is positive.

But I think part of what needs to happen there, sometimes there are areas that we, as a

province, also have to show some flexibility ourselves. I think what we can do is develop a much greater sense of partnership out there, whether it be on our roads or on our airports. That is why I have asked for a view of access into a number of the First Nations communities, because there seems to be a pattern there. I think it is one of those jurisdictional black holes we have fallen into.

I am very concerned. I represent First Nations communities that have no access or poor access. I know myself, and the Member knows as well that certainly in his region of the province the situation facing a lot of First Nations people, and the key thing is partnership. You know, jurisdictions will not change. We do not really control the jurisdictions, that is constitutional. But attitudes can change and when attitudes change I think we can accomplish a heck of a lot more, and I do want to see some real improvements.

I said this before and I will say it again that the best social program and the best economic development initiative is a road, and I think to the quality of life in a community having a reasonable road is important, too. That applies no matter where you are in the province—First Nations, Northern Affairs communities or R.M.s. It is a challenge, given limited budgets, but I think we can do somewhat better.

I want to put on the record the willingness communicated to us by the federal Minister of Indian Affairs to at least look at these kinds of areas. I think he, representing an area in northwest Ontario very similar to much of this province, is very open, and I welcome that.

**Mr. Cummings:** Well, I believe the Minister is being fair and honest in his comments, and I have an ulterior motive for asking the question because I represent three First Nations communities as well, and there are roads on these communities that are not good roads, to be blunt about it, but it has always been an issue about whether or not the Province would upgrade those roads, and I share the frustration of not having what I consider, either myself or them or this government either for that matter, having the type of clear understanding from the federal authorities on how they might fund some

of those roads or get adequate support to fund them.

Can I confirm, then, that the Province would not normally build on First Nation property for only the access of the First Nation?

**Mr. Ashton:** On reserve, up to now, that has not been the policy, unless there is a provincial right-of-way involved, but I want to indicate to the Member that I am prepared—in fact in the process of reviewing that as well. I mean, I think that you have to review some of the underlying reasons behind that. You have to look at the results of that sort of policy, and I am concerned about the condition of access roads to First Nations communities and to Northern Affairs communities, by the way, as well. It is not strictly First Nations communities. As well, there are rural communities in similar circumstances, but the road conditions on reserve in a lot of cases are—*[interjection]* Deplorable is a good word. I know my colleague the Minister of Northern Affairs (Mr. Robinson) is working on that as well.

I will give you sort of a quick example. In Cross Lake, you have one of the important access roads for the First Nations community is located on the community. It basically serves the airport, and I know the Member for The Pas (Mr. Lathlin) who represents that community has raised this issue, as has the Minister of Northern Affairs, and one of the ways in which we can help improve that access there is by helping to upgrade the road within the community. Now, Northern Affairs communities are eligible under grant in aid, along with municipalities, and I recently was able to announce a significant number of grants to Northern Affairs communities.

But I am willing to look more generally, and, in fact, what I am hoping to do with the federal government, working with my colleague the Minister of Aboriginal and Northern Affairs (Mr. Robinson), is essentially see if we cannot work out more areas of co-operation. It may mean areas where the province is involved in ways which it might not have been involved in the past.

The reason I mentioned airports a few minutes ago is back in the early 1970s the Schreyer government basically was faced with the choice of either getting involved or not in providing airport service. It did not say, because these are First Nations communities, we are going to sit back and do nothing. It said First Nations residents are citizens of this province, and, you know, it meant that we as a province assumed some of those costs in the same way, by the way, that we did with the winter road extension this year. Never once did I question whether it was correct or not to extend the road network in Tadoule Lake, Lac Brochet, Brochet, based on the fact of whether it was First Nations or not. Obviously, when we sit down at the table, we are going to point out to the federal government the fact that it should be involved where First Nations people are involved.

So I am prepared to look at some of the areas the Member is identifying. The reason I mentioned it earlier that I know the area that he represents, and knowing that he does represent First Nations communities, I know he would be, I am sure, supportive if we could get a more comprehensive approach with the federal government that would deal with all the transportation needs and, by the way, I do include internal roads. I am not suggesting that we are going to sort of immediately have the ability to assume full jurisdiction for those internal roads. We do not do that in terms of municipalities. There are some reasons for jurisdictional differences.

But even with municipalities, we do work in partnership—grant in aid being a good example. In Northern Affairs communities, it is the same thing. We work through the grant-in-aid process and have provided numerous grants, fairly small, relatively speaking, in some communities. But as the Member will know, it often does not take a heck of a lot of money to improve streets within a community. But it does take some money, and there is often no money available.

\* (15:20)

**Mr. Cummings:** Whether he meant to or not, I think the Member confirmed what, in a related area, I believe, is important to note that the JERI program, for example, that was administered

here in the Red River flood ended up being a cost-shared program because of the nature of the larger agreement that was struck. That was the point that the Opposition was trying to make from the very beginning relative to the southwest flood, that, in fact, if a program of that nature was going to be replicated—which it never was, obviously, so it now becomes a moot point—but the Minister's thinking confirms my own thinking and relative to that other issue.

I am not going to criticize or anything other than observe, but I think it makes the point very succinctly that whether we like it or not the co-operation with the federal jurisdiction on matters such as we are discussing here, and of course the previous disaster issues, are ultimately what makes or breaks the ability to deliver any kind of a program.

I would ask if you would entertain a few questions from my colleague for Morris, and I have a few questions on short-line railway regulations shortly.

**Mr. Frank Pitura (Morris):** Madam Chairperson, I have some more questions dealing with the constituency of Morris, and the first question relates to Highway 26 going through the community of St. François Xavier.

Since the last election with the realignment of the boundaries and that area becoming part of Morris, in travelling through that community Highway 26 has been reconstructed and paved from White Horse Plains corner to the outside reaches of the community, and then beyond the community it is then again resurfaced up to I think just past Pigeon Lake.

I was wondering within the confines of the community itself—and I know that some discussion has gone on with the R.M. council as to the reconstruction of the road through the community as to whether there would be a curb and gutter system put in place, which would be potentially cost-shared with the municipality, or whether the road would be upgraded as the highway is at the present time with just a new top put on it.

I know that the community itself is a very interesting tourist destination for people visiting

the province. There are many historical buildings there. The St. François Xavier area has had historical significance in the development of the province of Manitoba, and so I was just wondering what are the plans for the reconstruction of the main street through the community of St. François Xavier?

**Mr. Ashton:** There has been some work done, as the Member is aware, and I can certainly provide him more detail on some of the background. He is probably aware, I know, from the residents of the area. So some work has been done. It is one of the projects that is obviously potentially available for consideration but is subject to the limited resources that Finance ministers provide Highways ministers I guess for good reasons. I guess I should not say that, because the Finance minister is in Estimates on the other side. But bottom line is it is at that stage. There has been a fair amount of work and discussion that has taken place. It has not been programmed.

**Mr. Pitura:** Has there been a decision made as to what the plan for the main road going through the community? Is it going to be curb and gutter or is it going to be just as an existing road the way it is right now?

**Mr. Ashton:** The information that we have is that we proposed a rural cross section that has been supported by the municipality.

**Mr. Pitura:** Could you explain what you mean by—is it rural cross section, did you say?

**Mr. Ashton:** Ditches, not curbs. Ditches are rural. Curbs are urban.

**Mr. Pitura:** So ditches, no curb.

**Mr. Ashton:** Yes.

**Mr. Pitura:** The other area I would like to ask a question about relates to Highway No. 1 near the White Horse Plains turn-off. In discussions with the Municipality of St. François Xavier, they expressed some concerns that there are culverts that go under the highway at that point and that the highway is actually starting to settle down and that these culverts have somewhat collapsed. They know that the Department of Highways is

looking at putting another lift of asphalt on top of that particular section of the highway, so they are suggesting that at this point in time prior to that work being done on the highway that those culverts be replaced.

I realize that those culverts are not cheap because they are fairly large culverts, but at the same time their argument is, and I concur with them, that before a new lift is put on that highway, the culverts should be replaced even though they are expensive to give good value for the money in terms of improving the highway for the long term.

**Mr. Ashton:** The Member is correct. The culverts are not perfect by any stretch of the imagination. They are structurally sound. I am advised it would be about \$600,000 to replace them, so it becomes very much a finance-related issue. It will be given consideration. But we are dealing with other areas who have similar types of structures that are not necessarily sound and that has to be sort of the initial priority. The Member is quite correct and I think the municipality is quite correct in identifying that there is a problem in terms of the hydraulics of the culverts.

**Mr. Pitura:** My next question deals with dust control on some of the gravel PR roads which indicated the other day that the constituency of Morris is blessed with having many kilometres of gravel PR roads. I happened to receive a phone call this morning from a constituent south of Starbuck, in fact, on PR 332. It was indicated to me that the PR north of Starbuck, from there to Dakota, had been treated for dust control.

Her concern was that there was a tremendous amount of dust on the PR road by their place. She attributed that to the large amount of grain going through and truck traffic from the south to the north, either turning on Highway No. 2 going to Elm Creek, dumping at Starbuck of course, and there is a new Agricore terminal going up there that she says conditions are going to get worse instead of better. She was wondering if the Department of Highways was going to treat the area south of Starbuck on 332.

\* (15:30)

**Mr. Ashton:** The criteria in place for a number of years were based on traffic count and it is just below it, both north and south, but obviously with reviews of traffic count they do take on it and place on a regular basis, we can look at that as we do with all highways. Dust control does make a difference particularly with higher volumes, so I appreciate the Member raising this concern. I was made aware of this earlier today. His constituent has contacted our office directly as well.

**Mr. Pitura:** I am just interested, Madam Chair, if the Minister could relate to me what the criteria is for dust control. I was not aware that there was a criteria in place for employing dust control.

**Mr. Ashton:** The criteria has not changed. It is approximately 250 vehicles. By the way, north of Starbuck is covered by dust control; it is south that is not. So those criteria have not changed.

**Mr. Pitura:** My understanding is 250 vehicles per day is required for any kind of dust control to be employed by the Department.

**Mr. Ashton:** Yes, that is normal criteria. Apparently, there have been some other roads where there is significant seasonal traffic. In the summer where you end up with a significant increase, that is maybe not reflected in the yearly count on the seasonal basis, but basically those criteria have not changed with a change of government or change of minister.

**Mr. Pitura:** My final question for the Minister is: The provincial road—and I am sorry, I should have taken your offer and kept the map. Is the provincial road that goes from Cartier to St. Eustache—I often refer to it as Colony Row. PR241, I believe, there are approximately five Hutterite colonies that are located along that section of road. Over the last year, there has been the installation of the water infrastructure. As well, I believe there is work on the intersection at No. 1 Highway and 241 reconfiguring that whole intersection there. South goes to Lido Plage and north it goes to St. Eustache.

I know that there has been quite a bit of concern about the quality of that road because it

does meander along the river. It is a fairly old road. It has got a low topographic position and it is heavily, heavily used by the Hutterites because of the five colonies that are located along there. I was just wondering what are the plans with respect to PR241? There has been quite a bit of discussion, and I believe the Honourable Member for River Heights (Mr. Gerrard) lives along that road as well. I was just wondering what the long-range plans were on that road.

**Mr. Ashton:** In fact, one of the initial announcements I made just recently as Minister did include two programs on 241, grading spot improvements 10 km east of PR 248 to 14 kilometres east of PR 248. So that has already been programmed and announced. It is several hundred thousand dollars. It is a fairly significant project. Also, structure, the Barickman Coulee, that has also been announced as well. That was in the advertising schedule we put out earlier this year.

**Mr. Pitura:** I thank the Minister for those answers. I will pass it on to my colleague from Portage la Prairie.

**Mr. David Faurshou (Portage la Prairie):** Good afternoon, Mr. Minister. I do not know if the Minister was aware that his department made the front page of the *Portage Daily Graphic* yesterday in regard to allocations of Highways dollars for this construction year. The headline reads: Province comes up short on road repairs cash for city. The Highways Department has informed the City of Portage la Prairie of allocations of dollars to their roadways within the city limits of only \$7,800, which is a significant change from last year's \$88,000. The City is very concerned that the projects that were proposed fell within the criteria of the 50-50 support program that the Department of Highways has been very consistently supporting to communities within the province of Manitoba.

I would like to ask the Minister, this is a significant change to the level of support the City of Portage la Prairie has had in recent memory. The councillors and city administrators, none can remember the level of support being so low as it is announced for this year at \$7,800.

I am wondering if the Minister has changed some criteria in regard to the level of support that has been seen in Portage la Prairie over recent memory.

**Mr. Ashton:** The program is the same level it was previously. The criteria have not changed. What does vary, particularly from year to year, is that some communities, including Portage, have had a significant number of projects approved in previous years. There is an effort put in place to provide some balance. Obviously when you have a program which is in place, it does in this case result in more applications than we have in terms of actual funding. I just look at some of the other communities. You will see a fluctuation from year to year in many of the communities. Some communities this year will be receiving more money in some cases because they have not had significant improvements within the community. Some years communities decide not to put in an application. In some cases we have had communities receive potential funding and not proceed, withdraw their own commitment.

So that is essentially what has happened. There has been no particular change in the formula. Obviously, we as a Department have to make decisions based on the fact that there are more applications than there are dollars available. That is essentially what has happened here. I can only encourage Portage to apply again next year. We have many communities that did not receive the full amount of what they had requested. That has been a normal process that I am sure was the case with previous Finance ministers. Essentially the Budget has not changed. It has not been reduced. It is not any different than it was in previous years. The oversubscription, the higher numbers of applications compared to dollars has always been a problem. So, it is certainly not singling out Portage la Prairie, and I can provide the Member with some of the previous years, but Portage did receive a significant amount of funding in other years.

**Mr. Faurshou:** I would like to ask the Minister, in regard to the criteria of selection of supportable projects whether there is weight given to the economic initiative that that highways project would have in relationship to

two specific projects, one is the Crescent Road project which was to provide improved access to the Island of Lights, which is a significant tourism project in Portage la Prairie where more than 8000 vehicles attended last year. And now, the City of Portage la Prairie has purchased from the City of Winnipeg, the Assiniboine Zoo, Lights of the Wild, I believe it is called, which will significantly enhance that tourism draw in Portage la Prairie, as well as another project which involved continued expansion of the dust control which in and around Portage la Prairie is a significant concern on the premise that more truck traffic has been spawned by the enhanced production at the McCain's facility on the north side of Portage la Prairie.

\* (15:40)

Both those particular requests had significant economic bearing on the community of Portage la Prairie. So if the Minister can respond as to whether this particular point is one weighted within the formula.

**Mr. Ashton:** There are a number of criteria that are involved. It serves major streets, for example, serving commercial, industrial and major recreational areas. I mean, that is sort of a general criteria. Hospitals, personal care homes, educational institutions, waste disposal sites, obviously that is a factor as well. One of the purposes of the program has been to particularly focus in on some of the communities that do not have the resources to provide some assistance, and it is weighted by population. There are some of the smaller communities that do receive a higher per capita amount. I think that is fairly reasonable. I think the Member probably in his own area would know of communities that are in that same situation.

What I would say is this year there were more applications than there were communities, and I would certainly encourage the Member to communicate to his constituents to reapply. I mean, this has happened in the past where obviously some communities received a certain amount of money in certain years. The Department does make an effort to provide some balance. Obviously that is important. There are some communities that do not have an ability

even to have a regular upgrading program in terms of streets.

You know, if you look at some of the grants that are involved, some of the smaller communities can make a huge difference. In some cases it is for the lifeline in the community, and I certainly can appreciate Portage obviously wanting to maximize its access to the program. But we have tried to balance it out. I have information available in terms of other communities, but I think it is particularly important to focus in on some of the smaller communities that are out there that do not have the tax base to have this kind of access. But once again, I would encourage Portage to apply next year. Many communities this year have applied previously and been rejected. Some projects have been raised, two, three, four times. Over time, with a limited amount of money you can still manage to make a fairly significant difference. It is certainly a program that we have kept in place. I think it is a good program, and I would encourage Portage to reapply.

**Mr. Faurchou:** I appreciate the Minister's response. Certainly the program's applicants and the number that the Minister has received are a testament that the program is one that is welcomed by the communities throughout Manitoba. I would suggest to the Minister, look very strongly at the program of 50-50 cost-shared as a very good program, one that could be considered for enhancement.

Now one of the projects that was not supported in this year's funding was a railway crossing at Eighth Street. Most people that are familiar with Portage la Prairie have had opportunity to travel that truck route in the city of Portage la Prairie. I would like to go back again to emphasize to the Minister that there is significant cost related to the transportation road network within this province that is directly related to the railway network within the province. I would again encourage the Minister to use these particular examples to discuss the utilization of locomotive fuel tax on projects that are directly related to the railway system within their province.

This is just another example. I had others previously in Committee and again would like to

strongly emphasize that the Minister looks at this particular revenue source as one that can be used to provide for projects directly related to the rail network.

**Mr. Harold Gilleshammer (Minnedosa):** I had a question I wanted to ask on signage and proximity to highways. Is there a standard set of rules and regulations pertaining to signage adjacent to provincial highways?

**Mr. Ashton:** Yes. As administrated by the Highway Traffic Board.

**Mr. Gilleshammer:** I wonder if I could have a copy of that sent to me at some point as I have a constituent who seems to be in the process of having a wee bit of a disagreement with the Government, and I think there is a lack of understanding here of what the regulations are.

**Mr. Ashton:** We will get those guidelines from the Highway Traffic Board and give them to the Member as soon as we can.

**Mr. Gilleshammer:** Are there any variations within the regulations on signage depending on the type of highway that we are speaking of, or are they standard throughout the entire province?

**Mr. Ashton:** The criteria apply regardless of the category of the highway.

**Mr. Gilleshammer:** Is there any difference with temporary signage? I know that there are areas in my constituency where there is cottage country, and I see vendors who are selling fruit and vegetables and other things who are on an access road and their signage is on the apron of the highway. This is I presume permissible because I see it happening quite regularly.

**Mr. Ashton:** I would not necessarily assume that because a sign is there it meets the guidelines. That is one of the problems currently. There are more permissive guidelines in terms of agricultural related activities such as the Member was referring to. It is an area I am reviewing as minister.

What is of particular concern to me is the proliferation of a lot of signs that spring up, which in some cases—I am sure the Member is



aware of this—are businesses who are no longer even in business and the signs are still there. There is some real difficulty for the Department in terms of actually taking down signs. I think what we have to do is provide a balance between legitimate advertising for businesses and providing notice and at the same time preventing the proliferation of some of the signs we have seen. I personally feel the balance has been lost. For example, we just drove up to Pine Falls recently, and there were a fair proliferation of commercial signs that have sprung up with very little regulation, et cetera, in some very beautiful park-type areas.

\* (15:50)

So I will be reviewing it, and I would appreciate any advice from the Member or members of the Legislature generally on this. It is something that really has led to all sorts of signs that are up that do not meet any guidelines. They are not put up formally or legally, and it creates a really difficult situation when people are continuing to do that and others who go through the normal procedures or try and follow the guidelines operate under a different set of rules.

**Mr. Gilleshammer:** I am not trying to lead a crusade on signage, but I was asked to visit some folks in my constituency. Their sign is clearly in the ditch, I believe, on road allowance, and somebody has asked them to move it. My only promise to them is that they should get fair and equal treatment with everybody else, and they seemed satisfied with that.

*Ms. Marianne Cerilli, Acting Chairperson, in the Chair*

Then they started rhying off 10 other locations that they were aware of that they think are doing a similar practice. I said that I was not going to start reinforcing the Department's role here.

I guess I was wondering whether there was a push on in that area of the province, in the southwest, to do something about this or whether this was just, not really a confrontation, but a meeting between an official of your department and a citizen who is trying to start a business. I

certainly support him complying with whatever the regulation is. If he says that everybody should comply with it, then I have very little argument with him because I think that is fair ball.

**Mr. Ashton:** The reality is, if everybody complied with the guidelines, there would be nothing in the right of way, period. If everybody complied with the guidelines, there would be no signage in the right of way, period. What essentially happens is there are cases where the Department intervenes where there are safety factors, if it obscures the view of part of the highway or highway traffic signage.

I think the Member's point is well taken. What essentially has happened is the result of the lack of really consistently enforced guidelines. Perhaps we have not looked at other mechanisms. I mean there are other ways of dealing with these types of problems, regulating for example, permits. I am open to all sorts of ideas because, in the end, if you know that there are people who, for legitimate reasons, are going to do this, you are far better off, I think, having a system whereby you set up a system and enforce it across the board, because exactly what the Member talks about happens.

Probably a lot of the signs that the person who raised this with you is referring to are not legal signs. So you end up with relative degrees of, I would not say illegal, but non-legal signs. I always believe, when you have any set of guidelines, one of the first things you do is make sure you have a level playing field, and you enforce them consistently across the board, because otherwise it makes a mockery out of it. I think it is particularly perverse when you get people who do try and follow the rules or try and follow what they see as a basic sort of standard ending up being disappointed, whereas others who do not care about the rules and just go ahead and do what they want to do anyway end up doing that and then do not face any consequences and in some cases get sort of a distinct advantage by doing it.

But I can assure the Member I will be reviewing this and will certainly be open to input on it. There are other jurisdictions that have very differing approaches to signage. I personally

believe that, as I said, the balance has gone much more towards the end of a proliferation of signage. It is uncontrolled. I get complaints from constituents, members of the public, more on the proliferation of signs rather than on the other end. But I also think, if we are going to have signage available for legitimate advertising reasons, that we should do it in a way in which people like your constituents and others can know what the rules are, know that everybody follows the rules and then can proceed accordingly.

**Mr. Gilleshammer:** So my assumption is that if it is in the ditch or what I would call the road allowance, it is not a legal sign. Is that correct?

**Mr. Ashton:** That is correct. The only exception, I am advised, would be temporary agricultural purposes of someone selling fruit or vegetables on the side of the road.

Sorry, I forgot one, political signs. I can mention that we all have our different views on that, but I personally, if I had my own personal way, would not have signs. It varies according to different parts of the province, but I find that some people get very incensed about signs put on the right of way, but that is legal for other reasons other than the Department of Highways.

**Mr. Gilleshammer:** This is not one that falls within that category. It is a business that is starting up and attempting to sell recreational vehicles, and so forth. I will certainly indicate to them that their sign is not legally placed and that, if they want to compare it to others, I would suggest he write to your department and have it adjudicated there. So I thank you for that information.

Just maybe one other question while I am here: Does the same apply to provincial highways that go through major centres? I am thinking of Brandon where I think No. 10 Highway—is 1st Street part of No. 10 Highway there? Or let us say 18th is, are there different rules for that? There must be, because you are in an urban setting.

**Mr. Ashton:** Even though we do continue to control the right of way, it is under the jurisdiction of the City. So in the city of Brandon

it would be the City of Brandon that would be the relevant authority on that.

**Mr. Cummings:** I would like to ask one question along the line my colleague for Minnedosa was just pursuing but more of a broader nature. Would the Minister be prepared to review what is being done in some other jurisdictions about signage? I recall being in some provinces of this country where the highway signage also allows for—below the junction sign that says the junctions of 240 and Highway 5, there might also be two or three arms located that say: Mother's Bakery to the right, and so on. The point being, I would argue, that sometimes we are so restrictive that those who are trying to do business and use signage to attract business, especially in the tourism area, are very often disadvantaged.

I think it is, in my own opinion, probably time that if this minister wants to look at things with a fresh set of eyes, perhaps would he consider looking at what is happening in some other jurisdictions?

**Mr. Ashton:** Definitely and in fact I have already had discussions. I was just reminded actually that I have a meeting on this scheduled for tomorrow morning on this very issue. Just to give you an example, some of my concerns, you know, when you have a lot of the commercial signs detailed down to the point of phone numbers, et cetera, you consider sort of what the logic of that is. You are driving down the Trans-Canada and there are a series of signs for motels coming up in Brandon with phone numbers, et cetera. I mean, the logical thing for that would be, if you wanted to get that kind of information out, it would be at tourist booths, rest stops.

There are various places where you can stop and get that kind of access. I have seen that in other jurisdictions as well. That is when that advertising actually becomes even more useful than a sort of random sign along the side of the road.

\* (16:00)

I appreciate the point too in terms of other jurisdictions, I think Alberta is one that has been mentioned, I know, by staff. I think that that is

the situation that is in place, because there are obviously going to be legitimate reasons for providing information to the public and advertising. This proliferation, I mean, I have seen areas where you have 10, 15, 20 billboard-sized signs in a 1-kilometer stretch in the right of way.

I do not know what I am worried about more. In a way, partly it is the impact on sort of the esthetics, the environment, to tell you the truth, but also the safety. If people are actually looking at those signs, if they are actually working as advertising, they are not paying that much attention to the road.

So I agree with the Member. Other jurisdictions have found ways to find that balance. I take his information actually very seriously, his suggestion, because that may be the route to go, providing the advertising venue in a way that is more useful to the businesses and less obtrusive and less of a safety factor in terms of what is happening now on the right-of-way.

**Mr. Cummings:** I would only use one other example that I think in the area that I represent, Highway 16 and Highway 5 are pretty main highways. You get on numbered roads, 3-numbered roads, signposts, you are not going to have a proliferation of signs. As an example, if you are coming past Silver Ridge on your way to Alonsa, it seems to me that restrictive regulations on signage or a better way of doing signage would be more appropriate to local businesses in areas where you are on lower-volume roads. The Minister does not need to respond. The free advice is worth it.

I would like to talk about railways, short-line railways, and I guess without much preamble: What are the goals and objectives of the Ministry in introducing legislation in this area? I know we will have ample opportunity to debate the legislation itself, but in terms of transportation we are now getting into, we have, what, two short-line railways in this province and we are going to write legislation to regulate them, or maybe three. I think I need an explanation. OmniTRAX would be federally regulated. I take it these other lines are not?

**Mr. Ashton:** Yes, there are three. The legislation is directed at the point at which short lines are no longer federally regulated, sets up an equivalent to the federal process. It is not exact. We will, I am sure, get into details during the debate, but it does set up a similar sort of process recognizing that when you get the mainlines moving to a short line takeover for a particular route, you also have to deal with the potential for the short line itself to, after a period of time, seek to dispose of the line itself. It is an attempt to make sure that that is not a process that is taken lightly and that other options are looked at.

**Mr. Cummings:** Well, I think there may be a concern that this is an area that we are getting into regulation on. Perhaps we need to be more sensitive to the fact that these are not necessarily high profit centres, what area of competition they are actually facing, and what is their purpose. These are a public service, but they generally survive for a very specific reason.

I really would like to hear a little better rationale about why we would go so far as to introduce legislation to regulate, when from my point of view at least, while there should not be a totally unregulated area for safety reasons, I am very concerned that we are going to get into regulation that will ultimately lead to a more difficult situation for these short lines than what they already have.

Can the Minister provide some background as to why he felt this was important?

**Mr. Ashton:** I think the important thing to recognize, when you dealing with rail line abandonment, is the real danger is that you will end up with the scrap value having far too much weight in the decision process. That could be the same whether it is transferred from a mainline, which is looking to abandon the rail line, going to a short line, or in the case of a short-line operator that may then seek to abandon the rail line.

One of the provisions, by the way, is we have moved a provision that will be more permissive on the economic viability test in the sense we have to, I think, be flexible and not draconian in terms of our regulation on that particular score.

One of the concerns again, and this is something that we committed to in the election, I think, is a concern, if you look at just the whole history of rail line abandonment, is the fact that simply getting a short-line operator in does not always solve the problem. You know there are some very successful short-line operators. I hope that continues.

The Member mentioned OmniTRAX. They have been I think very successful thus far, but we do have three short lines: the Southern Manitoba, which is owned by Tulare Valley in Utah; Central Manitoba, which is owned by Cando Contracting; and the Prairie Dog Central. So there are those lines that are in place.

We want to ensure that every step is taken to ensure short-line ongoing viability. Because once that track is ripped up, that is it. If it does happen, if it goes to that point, I think there is also a point to look at the rails-to-trails concept. But I have seen a lot of areas where if you look at the historic importance of those rail lines, and even too the lost opportunity you can get in short-term economic outlooks, I mean many areas of the province we are seeing dramatic shifts in the rural economy.

A lot of our rail system has been driven certainly until recently by grain transport. What is happening now in the rural economy, as the Member knows probably better than anyone, is quite a variety of agricultural activities and also non-agricultural activities that are starting to come into play. So if you have a system that was built on, for example, grain before, it may have other viability down the line in terms of other commodities, minerals, aggregates, forestry. There are all sorts of other areas.

So what we are doing in this process is making sure that the three lines would be under provincial jurisdiction or any line in the future that might be under provincial jurisdiction. The short lines will go through the same process that the federal government does. It gives, dare I use the phrase "sober second thought," and allows others to have a potential role in the process, including the province. I do not think it is an attempt to overregulate in this particular area or to make it particularly difficult for short line operations. In fact, we are trying to balance it,

trying to be more permissive on the economic viability side. But my preference as minister, I think, and I think the Government's clear policy decision is wherever possible to try and save the rail line, whether it be the mainline or a short line and only as an absolute last resort see that rail line cease operation and then do more work to really develop a viable rail-to-trails concept.

**Mr. Cummings:** I suspect that there are going to be some questions raised by the operators whether or not it truly enhances their viability. We can have that debate as we get into the bowels of the legislation. But I think the Minister has to remember that short line operator, regardless of what price he acquired the tracks at, does not have the same kind of resources or does not have the same historical benefits that have been bestowed on him as the two national railways had. Therefore, there was a lot less compunction on the part of the public regulators and anyone else who was involved in it to expect the railways, when they wanted to abandon, to walk away more willingly or to give away their assets more willingly, and I would flag for the Minister that he should be carefully considering and listen to, when he has the opportunity, the people involved in the industry. I guess that raises the question: Has he had any consultation with the people and the very limited number that this is going to be regulating, and have they had any input into this?

\* (16:10)

**Mr. Ashton:** I can indicate there has been some general consultation through the Kruger-Estey process. We have also written directly to the short line operators for additional comments on the specific bill, and I would certainly welcome their input at the Committee.

I would stress again that one of the key functions here is to recognize the danger of having a process where someone can come in and purchase a line for salvage purposes. There is such an overwhelming pressure when you look at the scrap value of a rail line that can put a lot of incentive in for that type of operator. We want to make sure that is not in place. We have some regular operations in this province, so we have to look at not only the existing short lines but other potential short line operators in the

but other potential short line operators in the province to make sure that we protect our rail against, shall I say "salvage purchase." I mean, if that is the only option that is available, that is one thing. But just generally again, I am open to input and certainly will listen to the Member's comments during the debate which I am sure we will be involved in on an ongoing basis in the next few weeks.

**Mr. Cummings:** Again, without directly using facts and figures, there could potentially be an element of this that inadvertently expropriates value. "Expropriation" is a strong word, so I use it with some caution. I hope the Minister can prove me wrong. I understand what he is saying when he talks about we do not want somebody to buy a line under the guise, if you will, of running it and then turning around and salvaging it or when a line is running and then have them walk away from it and have it knowingly go to salvage and lose the opportunity for other investments.

*Madam Chairperson in the Chair*

But you are dealing with operations that are not of the same national and historic support mechanism as the two large railways were to begin with. When there are regulations put in place to limit their ability to realize on their capital investment or to sell it, I think there is a fine balance between the public issue.

I would raise a question about whether there has been or whether there will be some further discussion with municipalities on this issue because municipalities, in many respects, along with the Department of Highways, are going to be the beneficiaries of alternate transportation for bulk goods because that is generally—the two lines that are not being used for recreational use are bulk transport of goods, unless there are other optics come up. There was an opportunity for a line further north where wood and wood products would have been one of the main sources of revenue, but that has not come to fruition. I have put the Minister on notice that there will likely be some serious questions asked about what might be some of the unforeseen implications of this bill, and I am pleased to hear him say that he is of an open mind.

That is the first step because sometimes we get into these legislative desires with the best of intentions, and I for one, if the Minister keeps an open mind, and I have lots of experience at that, and I am not going to deny that, but let us make sure that we do this right because I do not think the experience in Saskatchewan has necessarily been all that positive in terms of regulation.

This is such a small, and I would say even struggling, aspect of transportation that I would hate to be part of anything that made it more difficult for them, and yet I look south of the line and I see some short-line railways that continue to operate. I see that some of our American competitors have access to cheaper transportation in a way we have not been able to maintain in this country, so I will be very interested in this discussion.

I see by the Minister nodding his head that he is prepared to keep an open mind.

**Mr. Ashton:** Certainly. I just want to assure the Member that there is no intent in terms of expropriation of value here. What should be stressed is there is nothing stopping a short-line operator, under this bill, from selling the line to another short-line operator. If it does go through the process and there is no other viable alternative then accessing the scrap value.

The difference though, and I think this is important because this is part of the principle behind what happens federally and also provincially, is to make sure that we are not in a situation where they hide scrap value and end up with a decision to proceed on the scrap end of it rather than with a viable operation. That is the process that is in place federally. I think it is a very useful process. We have seen already where that process often results in situations in which different kinds of alternatives are brought forward, different kinds of potential uses, different operators. It involves companies, involves municipalities. There have been various different players involved. That is what this provincial process will do. It will not prevent a company from having access to the full value of its assets if no other alternative is made available.

I think it is a reasonable balance. I think short-line operations essentially result from that process initially, so they are more than aware of that. I will keep an open mind. We have a lot of details in the Bill, and I have sat in committees enough to know that sometimes the greatest plans of ministers and departments can go awry in terms of specific details or unanticipated consequences. So I do have an open mind on it, and will listen to representations from all players, including the short line operators, as well as other municipalities and others who have been very active on the rail issue.

**Mr. Cummings:** One last point on short line before we leave them, what are the criteria for federal versus provincial regulation in this area? When does the federal regulation no longer apply?

**Mr. Ashton:** It basically is whether they cross the boundary or not. If the scope is entirely within the province, it would then be provincial.

**Mr. Cummings:** So the reason OmniTRAX is federally regulated is because it wanders into Saskatchewan?

**Mr. Ashton:** That is correct.

**Mr. Cummings:** Just so the Minister understands. The reason that I have some concerns about whether or not the regulation could impact on the realization of assets is that I am of the impression that the time that property would be held cannot be moved or total completion of sale might not be realized, that that is in fact longer than the current federal regulation. If that is the case, that in itself is going to raise some issues.

**Mr. Ashton:** I think we are getting some of the detail, but there is discretion to reduce the time within the ability of the Board so that there is some flexibility in the Bill. Those are the kinds of details, by the way, that I certainly appreciate the Member's point on as well. I just want to make one other final point in terms of the rail line issue. We have, and I have indicated this before publicly, but we have been supportive in concept of a regional rail line, and one of the other options out there in terms of rail is that we are certainly very supportive of looking at it as a

regional rail concept. Obviously, to have a regional rail, you have to have some ability to maintain tracks in place. So, there are some very important public policy reasons behind our overall policy on rail line abandonment, and also, quite frankly, we want, wherever possible, to support the existing short line use.

\* (16:20)

A number of the short lines have turned out quite well. OmniTRAX, which is not in our direct jurisdiction, is probably an example that most people are aware of, and they are putting a significant investment in this year on the rail line, have done a lot to promote the port. I have certainly been impressed by what has happened, and I think there are some real opportunities out there. It shows what taking a second look can do when you get companies that are willing to invest and take a creative approach; you see the end results. That is what the short line process is about.

**Mr. Cummings:** The Minister's comments lead to a further question: Did I miss something in the implication of what he was referring to, an overall abandonment policy? Is he talking about within provincial jurisdiction, and was this meant to establish that policy, or did I misunderstand what he said?

**Mr. Ashton:** No, I was talking about rail line abandonment, regional rail, and the fact that I think we may see some further changes in the next six months to a year, some real shifts. We are dealing with the mainlines now looking at mergers. CN-Burlington has been delayed because of the Americans, but you are seeing some major shifts on the mainlines. I think that there is going to be a real pressure at the federal level. We have certainly raised this, and I have raised it with the federal minister to look at whether we also need some balance similar to what has been in place, for example, with the Air Canada merger. We have now a monopoly, effective monopoly, and where it has been important to stress the need to maintain a regional air service as some sort of competitive pressure.

I can see on the short-line side, the existing short-line operations and also possibly for

regional rail lines as a sort of counter to that, because we will end up with a very powerful duopoly on the mainlines, even more powerful than we have now, even more control over the market. Our concern is to protect the rail service, protect people who use that rail service, protect the producers out there. That was my reference, was to overall rail policy and the fact that we do see this as part of a broader approach by the provincial government to try and maintain rail service in this province. We have a distinct vested interest, I must admit. I think it is good for the economy. It is also good to keep pressure off our highway system and something I think everybody would be supportive of in this province.

**Mr. Cummings:** There are almost no branch lines left out there. We may look back historically, we are sitting here, the four of us, beating a dead horse. There are only one or two left that come to my mind that would even have any possibility of coming back to life, the Cowan sub being one of them. I take it there has not been an application for operation of the Cowan sub, I think it is called.

**Mr. Ashton:** Yes, and we have certainly a concern with the Cowan subdivision. I would certainly indicate publicly my hope, given some of the potential changes that might take place in the next six months or a year in the rail industry generally, that there would not be a continuance with abandonment of the Cowan line. There has been good efforts; it has come close. I would really hate to see us lose that. I go back again to, for example, the regional rail concept. If there is a viable regional rail proposal developed, that subdivision, for example, could have a viability as part of a bigger network that it might not have to the same degree as a separate short line. I hope we are not flogging a dead horse, to use that analogy. I guess what we need is some time and I will say it on the public record, that certainly the Cowan subdivision—and I have expressed this to people I have met with on the subdivision as has the Minister of Agriculture.

It is really important not to just go through the full process, rip out the tracks. Once you have done that, that is it. It is irreversible. I tend to think we may have some disagreements on the legislation. We may not in the end result. But I

am sure all the members of the Legislature would support the general concept of leaving no stone unturned to make sure that rail lines can remain operative. They really are, I mean for the province, a huge potential asset in just keeping pressure off our road system. I keep getting back to that. They are worth it in and as of themselves in that sense.

I think rail—we have seen that elsewhere. Short lines have worked in a lot of cases. One of the reasons the OmniTRAX, the Hudson Bay rail line is working is because CN did not care about the Hudson Bay rail line. Never did as far as I am concerned. Never cared about the Port of Churchill. Used its position as part of the duopoly basically, decided this was not its concern. The bottom line is I do not think there would be any disagreement from members opposite. I mean, I have been fighting for the Port of Churchill and the Hudson Bay rail line ever since I have been in this Legislature, sat on the Port of Churchill Development Board.

In a lot of cases, we were not up against economics; we were up against vested interests. There were various grain companies that did not care about Churchill, obviously did not have an interest up there. But Churchill has survived against all odds.

What is interesting about Churchill, by the way, is that a lot of its trade now is with Latin America. If the Baltic market ever recovers, I could see Churchill going through a tremendous period of opportunity, because the Baltic is where the Port of Churchill has its greatest competitive edge in terms of distance.

The moves that OmniTRAX has made in terms of moving bulk commodities, peas, for example, frustrates me with some of the diverse agricultural products, that we are not shipping more of it out of the Port of Churchill. Lentils, we are one of the major suppliers of lentils in a lot of countries. I know I have talked to Greek trade officials. We are not providing out of the Port of Churchill, so a lot of what we have to do I think really, as a province, is support our strategic assets. That includes the Port of Churchill. It includes our rail system. That includes the short-line operators, whether they are in federal or provincial jurisdiction.

I think we have seen across the world where rail, if you were to simply sort of look at trends, say 20 or 30 years ago, most people would assume the rail system was going to be dead. It is not. It is working in a lot of countries. It has become the backbone in a lot of countries, with their proper investment. I think, particularly with our Port of Churchill, rail can play a huge role.

Just to give you some idea of the value of that asset, you want to build a road to Churchill, it is going to cost you hundreds of millions of dollars. The rail line is there. It was put there at a huge cost in money and human lives, irreplaceable.

I think with CN, we were getting that close to seeing it shut down. So I am a strong believer. I just want to assure the Member that I am a strong believer that the short-line rail companies can play a role. A lot of it is based on OmniTRAX. I have been very impressed by what they have done.

What we are trying to do is, not in any way, shape or form, inhibit short-line operators; that is not the intent, but in a way to make sure that short-line operations, under whatever ownership, are as viable as possible. The only way we shut down a rail line is if we have left no stone unturned.

I suspect, by the way, that we are probably in general agreement. It may be more of a disagreement on some of the details in the Bill.

**Mr. Cummings:** We are in support of short-line railways. I remind the Minister of two things. One is it is private money, and they are not getting any help from anybody, and the main competition is trucking. They are not competing with CN or CP. They are competing with B-trains. As long as we keep those two things in mind when we deal with these short lines in terms of regulating them, then probably we will not hurt them. But that does mean that it is a little different world of regulation than what you might be used to when you are dealing with a Trans-Canada railway or north-south trans-continental system that we are about to have. So I really have to stress that point, and that is the bottom line for the questions that I have been asking.

The Member for Gimli has some questions.

\* (16:30)

**Mr. Edward Helwer (Gimli):** Just a question to the Minister regarding the short-line branch line, since we are on that topic. The one running north of Winnipeg to Arborg subdivision runs from Winnipeg here up to Arborg, goes through Stonewall, Teulon and the middle of the Interlake. This line was protected until the year 2000, actually. It is a CP line, and they have been looking at it just to find out what to do with it. I guess it is up for abandonment. I know Cando Contracting from Brandon were looking at it as to whether it could be a short line. There are a number of grain elevators at the present time along it. There is a lot of grain movement there, and I think it would make sense to make a short line out of that particular line.

Agricore is building a new elevator just north of Winnipeg here on Highway 7. just on that same line. Apparently they have purchased a portion of the rail line up to, I do not know what mile it is exactly, but just past their new elevator, and from there to Arborg would be the part that CP wants to give up.

I am just wondering if the Minister has had any discussions with Cando or with Agricore or with anyone along that line? I know I was at a meeting last year, I guess, with the grain companies and the railways, trying to find some way to get somebody to operate as a short line because CP does not seem to want to bother, and the grain companies were certainly interested because they have a number of fairly large elevators along that route.

There is another factor. Part of the road is up to RTAC weights but part is not. I understand the tender is just out now for part of No. 7 from 231 north. I would think that is part way to Arborg probably. Once that is done that will be made up to a full weight highway also. I am just wondering if the Minister has any new information to add to that?

**Mr. Ashton:** It is designated currently, but there is a 12-month period, so it is not imminent in that sense. A lot of it will depend on the grain companies, what happens. The new high



throughput and how that will impact on the existing elevators. I think it is a line that, depending on some of those factors that I have referenced, would obviously also be a very good candidate for a short line.

What I will do is certainly keep the Member posted on that. I know the Department has been monitoring the status of that rail line on a regular basis. As I said, they were not in sort of an imminent situation, but certainly there will be decisions made over the next year or so that will make a big difference on whether that line is maintained.

**Mr. Helwer:** There is also a problem at Arborg. I think the Member for Interlake (Mr. Nevakshonoff) probably could talk about that more, but there is a bridge across the Icelandic River that is not in very good condition, apparently. The problem is some of the elevators are located north of the river. Therefore, it is important that the bridge be kept there to get the trains to the elevator.

Is there anything to help some of the short lines such as Cando contracting to maybe maintain some of the bridges and things of that nature so that it could be maintained as a short line?

**Mr. Ashton:** I assume everybody is talking about highway bridges, not rail bridges.

**Mr. Helwer:** No, it is a railway bridge.

**Mr. Ashton:** We would not be involved in that. Once again, it is a commercial activity, and we obviously have to put our priority on our own road system. So we would not be in a position to provide any assistance.

**Mr. Helwer:** Yes, well, I realize that I guess the bridges there belong to the railways, and it is their responsibility to maintain them, but if the line was sold or transferred from CP to, as an example, Cando, or whoever it might be, whoever else might be interested, I do not know, in the short line, there certainly is a need I believe for that branch line because of the amount of grain that is grown in that area, the northern part of the Interlake, and the amount of trucks that are on No. 7 and No. 8 now is just

phenomenal. To build these highways to the standards and to maintain them is quite expensive for the Department of Highways, I realize. So it would make sense to try to convince the railways or to have some discussion with CP, and there may be a short line there to see whether something could be done to maintain that line there and keep it open. So I would appreciate it if the Minister would see what could be done there.

**Mr. Ashton:** We certainly will do whatever we can, short of actually getting involved in that end of it. Obviously in the Interlake, as the Member knows, there are a lot of pressures on our road system. That has to be where the priority is. I am looking, for example, at the amount of grain movement in the Arborg area. We have done a fair amount of work in that area. I will be looking at some additional work in the Interlake generally, so that will be our focus. But certainly we will basically be involved, as we have been as a department, and certainly this government will be involved in a very active way in promoting short lines as an alternative to abandonment. I want to stress that. That has been a clear policy decision, I think, of this government, and we will follow through on it in each and every situation that arises, including this one.

**Mr. Leonard Derkach (Russell):** Mr. Minister, I live in a part of the world where—and I think you know it somewhat—there is a lot of truck traffic because we have lost our branch lines. I think basically if you look at any region in the province, that is one region that has lost the largest number of kilometres of trackage over the course of the last five or six years. However, that being said, there is an issue that continues to plague that area and that is the condition of highways.

It was no different when we were in government and continues today. Last year, there was some work done on Highway 16 or 83, where they are one and the same, between Binscarth and Russell. There was shoulder widening done in that area. This spring the pavement on that stretch is starting to give way quite rapidly. Now I am wondering whether or not there is going to be any work done this year

on the paving of that stretch between those two communities.

**Mr. Ashton:** Yes, I am certainly aware of the situation. I have been up there myself and met with people from the area, so certainly we will take the Member's concerns under advisement. I think the Department is aware and I am aware of the condition of the highway. Unfortunately, there are a lot of highways in very similar circumstances, so it is the same challenge I know that the Member would have had when he was in government, as well trying to take the numerous projects or deserving projects and put them into the limited funding.

I think we are right now looking at a list of about \$1.8-billion worth of potential projects and \$100.5-million capital budget. So, I appreciate the concerns, and it is certainly a stretch of the highway that we will be looking at. It has been identified by the Department based on the same sort of observations the Member has.

\* (16:40)

**Mr. Derkach:** I know that the Minister has not tabled his highways program yet and probably will not until after the Estimates process, but certainly there has to have been some consideration given to that area as a result of the shoulder widening that took place last year. The shoulders are extremely soft, and with the expansion of Canamera Foods and the additional two elevators on 83, that road is enduring some severe impact from the traffic.

I may be corrected, but I believe that there was an intent to pave that section this year. Is that intent still there or has it been reprioritized?

**Mr. Ashton:** There is nothing in the program of that nature, so there was no intent to do anything. It was not programmed. I do want to stress once again, in terms of the Member's area, that when I went out in the area I know one of the other concerns was Highway 21 north of Hamiota, and in our first advertising schedule this year we announced a very significant project. It was several million dollars that will make a big difference on Highway 21 north of Hamiota, so we are certainly aware of the concerns in the Member's area.

The fact is I had the opportunity, as I said, to go out there and meet with municipal officials from the area, and we responded on 21. We will also take in account the Member's concerns on 83. I know 21 has been in the process for quite a well. It has been talked about for a quite awhile, but once again, we are committed to work with people in that area. I can assure the Member the kind of thing we have done on 21, I think, is a clear commitment of that nature. It is a several million dollar project that I know is very much needed in that area and very much appreciated by local residents.

**Mr. Derkach:** To the Minister, Madam Chair. I believe that the original number of kilometres that were supposed to have been built north of Hamiota was—I do not know if it was kilometres or miles. I may be confused in terms of the kilometres or miles, but it was 10. I believe that has been scaled down to 4? Is that correct?

**Mr. Ashton:** There was some scaling back due to the price of asphalt but not to that limited a basis. This is basically a \$3-million project. It is a very significant project, so the only scaling back is to reflect the fact we do have higher prices for asphalt. We have had to do that on some other projects as well, but we are still continuing with the major part of that project.

I am also advised here that there was some shoulder work there that was not anticipated that also needed to be done on that particular section of highway, but, as I said, to put it in perspective in that announcement, that was the second largest that we put out in that particular announcement. It was one of the more significant projects in the province.

**Mr. Derkach:** Well I think it is understandable in that area given the—Highway 83, Highway 16 and Highway 45 all converging in that area, and 21, but I want to ask about the type of work that is going to be done on Highway 21 north of Hamiota.

I met with council, who advised me that the specs on that highway are going to be somewhat different than they were on the highway south of Hamiota, in that the shoulders will not be paved on the stretch that is going to be done as they were south of Hamiota. Is that correct or is that

something that is being misinterpreted by the municipal officials?

**Mr. Ashton:** Yes, it would be the same 0.8 metres, the shoulder, so I am not sure what the concern is.

**Mr. Derkach:** The concern that was expressed to me—I am not trying to put the Minister in a corner here; I am just asking, as a result of my meeting with the municipality—21 Highway south of Hamiota has fully paved shoulders. The municipality informed me that they have been advised that the shoulders on the highway north of Hamiota would not have the fully paved shoulders but rather a four-foot paved strip on the shoulder.

**Mr. Ashton:** I am advised that basically what happened, we are applying the same standard that has been in place since I guess the previous, previous minister of Highways was in. What happened at that time was the government of the day, which the Member was part of, did change some of the thresholds for fully paved shoulders, recognizing the limited budget in the Highways Department. What we are doing now is in accordance with the current standard. It is not fully paved, but it is partially paved. It reflects the reality again that the previous government faced that we are also faced with, which is, in prioritizing Highways expenditures, this does provide some additional benefits in terms of the shoulders.

We are certainly not in any more of a position to have fully paved shoulders than the previous government was when it made the change in standards. I think that probably explains it for the Member.

And this happens elsewhere. I mean, this happens even in terms of four-laning. That was changed, the standards there. So you will find circumstances in which, under the old guidelines—it is not standards really but guidelines, in terms of traffic count, et cetera—you may have paved shoulders or, in some cases, four-laning. Whereas currently, with the changes that took place in the thresholds, that will not necessarily trigger the case. That would explain the difference.

But I do want to assure the Member that the standards that are going to be put in place not only have not changed in terms of any change in the minister or government but that is the same standard that will be applied in similar circumstances elsewhere in the province as well.

**Mr. Derkach:** Well, Madam Chair, to the Minister, there will be a change, because I think if you look at the traffic counts in that Shoal Lake to Quadra region, where you have major elevator terminals at either end and two large cattle feedlot operations in between, that indeed this road is the bearer of some very heavy traffic. I think the wisdom of paving the shoulders on the stretch south of Hamiota was good in that it does allow for slower traffic to be able to get off the road, and it also allows for equipment that is being towed on these roads to allow for the other traffic to go by.

Nevertheless, the amount of traffic on this road—I am sure the Department has the numbers—has been increasing in the last few years as a result of the two major terminals at either end. As a matter of fact, in Quadra there has been an expansion to the Cargill facility now where there is a terminal built there as well. So the traffic numbers are going to continue to increase.

So is the Minister telling me now that the standard that was used south of Hamiota is going to be different on the stretch north of Hamiota?

**Mr. Ashton:** Basically, the previous government changed the thresholds. Elsewhere in the province we have roads with much higher traffic volumes that have the same standard in terms of the 0.8 metre standard. I am not getting into any of the politics of it, but I think the previous government did probably the only thing, only appropriate choice. The Member was part of that decision. The standards that are in place have been in place for a number of years and are applied across the province, and I would say that this is a very significant project. I appreciate that people in the area would like to see even more, but this is one of the largest projects we announced. It was in response to a very real need in the community, and I think it was the appropriate decision. I am not criticizing the previous government or the previous minister. It

was the appropriate decision then, and that decision has not changed.

\* (16:50)

**Mr. Derkach:** My question is straightforward. Are the shoulders going to be paved to the same standard north of Hamiota that they were south of Hamiota?

**Mr. Ashton:** My answer was straightforward as well, and that is it is paved to the current standard, which is not the same standard that was used south of Hamiota. That was a decision made by the previous government and a decision that we have maintained with the current government. The bottom line is, this has happened in a number of other areas where thresholds have changed and standards have changed, recognizing the pressure on budgets, so the difference relates to the fact that that was put in place when that was the criteria at the time south of Hamiota. Currently, the criteria being applied are the same applied across the province, and that is there will be partial shoulders. I wish we could pave all the shoulders in the province. We obviously cannot. We have to make some decisions in terms of that, and I think the decision that was made by the previous government was the appropriate decision, and that decision stands.

**Mr. Derkach:** I hate to contradict the Minister, but I was present at the meeting with the previous minister and the municipalities when they discussed the project. The question was very specific with regard to the paving width on the shoulders, and the answer was very clear. The municipality was under that same impression that the shoulders would be paved fully on the shoulders north of Hamiota. Now that was different than it was north of Shoal Lake. I think that was acknowledged. The standard was different. But between Shoal Lake and Hamiota, my understanding at the meeting, and I think it was also the understanding of the municipality, that that road would receive fully-paved shoulders.

**Mr. Ashton:** In 1995, the criteria were changed. Recognizing fully paved shoulders can increase construction costs by as much as 25 percent, and that the real benefit is in the first metre. That is

where the 0.8 metre partial paved shoulders came into place. At that time, the general guideline that was accepted was not placing fully-paved shoulders on roads with less than 3500 traffic count on an average annual daily basis. This road is significantly under that. The criteria were changed in 1995. The same criteria are in place today, and the stretch south of Hamiota would have been developed at a time when there were different criteria in place. I acknowledge there is a difference between north and south, but it is based on the fact the criteria have changed. That is no different from what has happened, for example, with four laning. In a lot of cases, the thresholds were increased. There are stretches in the province, which 10, 20, 30 years ago would have been four lane with similar traffic counts, where because of budgetary challenges and changes in criteria, they are now not four lane. So it is in a very similar sort of circumstance.

As I said, the change took place in '95. What we are doing is consistent with that, and I think the explanation to the community is that the previous stretch of road was built prior to the change in the criteria. But I want to assure the Member that the people in Hamiota and that stretch of highway and the people in the local area are going to get the same relative treatment as other people in the province as well.

I understand some of the disappointments, but it is a very significant project. I think it had to be scaled back somewhat, but we are talking about a \$3-million project, which is a very significant project, and when I was in the area was listed as the No. 1 priority project by all the municipal councils that we met with. They identified it as a priority, and we are delivering on it. I appreciate the Member's point, but unfortunately, I wish I could change criteria. I know I have the same budgetary constraints.

I am not criticizing the former minister. I think Minister Findlay, at the time, probably faced the same circumstance I face now, and I certainly do not criticize that decision. I think it was probably a very sound decision. It is certainly not one we are looking at reviewing or changing. There has to be some sort of balance. I think having that extended shoulder, it does not

give the full shoulder, I realize that, but it gives the significant part of the benefit.

I have actually heard some very positive comments about the partial paved shoulders that are in place from some of the people I have met with. So I think they acknowledge obviously. You know once again, you would like to have the perfect situation, but short of that this is probably the best balance of providing some additional safety for the public.

**Mr. Derkach:** We can flog this one to death, but I think your position is clear.

On another project, and I do not know whether the municipality has received any word, and it is a project that goes into the Birdtail First Nation reserve northwest of Miniota. I forget the highway number, Mr. Minister, so forgive me for that. It is a municipal road that leads into the First Nations, but there was some federal money committed to it. No, it is not a municipal road. I am sorry. It is a municipal road that changes into a provincial road and then leads into the First Nation reserve. If you told me the number, I would tell you. It is the extension of 355, I believe.

I am just wondering what the status of that is, whether the money has been confirmed for that project. I mean the First Nations band has been writing about it, but also the municipality has as well.

**Mr. Ashton:** I have personally been on that stretch of highway, met with the municipal leaders. It is a programmed item, so the province's money is on the table. We continue to have difficulty with the federal government, and I consider it a priority for us. We are trying to push this to get it done. It has been kicking around for far too long, through no fault of the province, by the way. I am not criticizing anyone. It is has been a lot of the back and forth with the federal government.

I can assure the Member, I know I made this comment at the meeting with municipal officials from the area. We recognize the difficulty. It is a municipal road with a difficult circumstance and the need for improved access. It is a priority for

us, and our money is most definitely on the table.

**Mr. Derkach:** The deputy, I am sure will appreciate this one. Highway 45 through Waywayseecappo First Nation is a provincial road. However, the chief and council there have been asking for, first of all, a speed limit, which we finally were able to achieve, after many months of requests. However, they have also requested that there be some widening of the shoulders through the built-up area, because there is a lot of pedestrian traffic. Highway 45 is fairly narrow, and there are a lot of pedestrians on that road who walk from their homes to the community centre, if you like, and there is an element of danger there.

Now we have addressed it somewhat by reducing the speed limit, but chief and council are still very concerned that there either has to be a full frontage road or some turning lanes and stacking lanes at the entrances of the built-up area in that community. I am just wondering whether or not this is an item that has been discussed by the Department in terms of addressing this issue.

\* (17:00)

**Mr. Ashton:** Yes, I have met with them on other issues. We just met a very short time ago. It is another one of those projects that has been sort of looked at. Work has been done on the project. We will certainly look at it, and it is subject to the same sort of financial constraints obviously that we are dealing with on a lot of other projects. But I appreciate the Member raising it.

Certainly, having just met with the community, I look forward to their feedback. They raised some other issues with us actually at the meeting, along with the surrounding municipality. We are also working on those particular concerns. I am sure I do not have to get into it because I am sure the Member is aware of those as well.

**Mr. Derkach:** One last area, signage. A very curious thing happened at the opening of the new ski hill at Assessippi. There was a meeting with the Department of Highways and I believe the Department of Tourism, back in the previous

administration, with regard to signage for the ski hill. There was agreement that the proponents of the ski hill, the operators, would pay for the signage just to have the highway signed so that people would know where they were going.

This past winter, I had a number of people from outside the area who said: We cannot understand why you do not have signage to this facility. This is the only facility they said that they have attended where there is absolutely no signage. There is a little sign, one of those little standard signs that has a skier going down a hill image, and that is the only signage that there is to Asessippi ski hill.

However, the people who own the facility had a sign made. They had it attached to the highway sign. It was in no way restricting any vision. All it was doing was pointing to where the Asessippi ski hill was. Now it took several months for the Department to take no action on putting those signs up or having them put up, but once this operator put the sign up, in three days he was ordered to take it down. It was not an intrusive sign of any kind. It was simply pointing to where the ski hill location was so that people who were travelling to the facility would know where it is.

I would simply ask the Minister whether or not there might be I guess a more friendly approach to signing some of our destination facilities and key facilities in our province so that indeed people visiting our province would know where these facilities are, would not be going by them. I am not just speaking about this particular case. I think it is a general case. It is a criticism that I have had for a long time, and I am wanting to know whether the Minister's view of this is one where we are going to be more proactive in signing and making sure that people who visit our province can get to these locations without having to almost find someone who knows where the facility is and ask for directions in this day and age.

**Mr. Ashton:** In fact, we had a fairly extensive discussion about this earlier. I indicated that coincidentally actually I have a meeting tomorrow with departmental officials to look at this whole question. First of all, in terms of attaching anything to highway signs, even

though I was not the Minister, I can indicate that I do not feel it is appropriate to attach anything to a highway sign.

**An Honourable Member:** It was not to the sign. It was not attached to the highway sign. It was attached to two standards.

**Mr. Ashton:** Sign or standard, I think that is not the proper solution to it. I think the Department's reaction was probably—

**Mr. Derkach:** They had approval. I am sorry, Madam Minister. Just to clarify for the Minister's sake, there was agreement reached that as long as they paid for these signs, that that in fact could be done. However, somehow the messages did not get through.

**Mr. Ashton:** Certainly my officials are not aware of any agreement, so I cannot comment on that.

**An Honourable Member:** I was at the meeting. I have notes on it too. I am sorry.

**Madam Chairperson:** Could I remind you, please, that for the sake of the Hansard, I must recognize.

**Mr. Ashton:** I do not think the Member was Minister of Highways or Deputy Minister at the time, so it may have been something to do with that. I just want to stress I do not think that would have been appropriate. I think the solution to this is not through attaching signs paid for or not paid for to any Department of Highways sign or standard or anything of that nature. The solution is what we talked about earlier. I tend to think on this we are probably closer to some agreement.

We have a whole proliferation of signs in this province that are not necessarily legal signs. When people try and go the legal route, or, should I say, the creative route, because I think that is probably a fairly accurate description of the suggestion the Member put forward before in terms of disagreement, what happens is that all sorts of other people put signs up in the right of way which are not necessarily legal. That sets the standard, not something that is a formal standard.

My personal view is we have far too many illegal signs out there and there are far better ways for people to advertise. What we have to do I think is accommodate legitimate reasons. I am certainly sympathetic with the ski hill. I know my ski hill in Thompson years ago had the same problem. Their solution was just to put a sign up in the right of way. It is still there.

A lot of signs that are put up in right of ways are still there, some for businesses that have been out of business for years. I mean, if you have travelled in rural Manitoba, it is a kind of historic tour of businesses. That does not serve anybody. It does not serve the business's need to advertise. It does not serve the public. I can assure the Member, and I assured the critic before, we are reviewing that whole issue. I appreciate any suggestions that the Member has. Other jurisdictions have some very different ways of dealing with it. As you know, Alberta and others have actually formalized a combination of advertising with highway signs. So we are open on that.

But I hope we can avoid this in the future. I think the unfortunate part in the case of the ski facility that the Member is referring to is that they obviously did try the formal route, and it did not work. A lot of other people just go bang up a sign, do not even try to go through that, and those signs are still there. That is not the kind of system you want in place. You want a system whereby people that are willing to abide by rules generally and try and accommodate our needs as a department and as a province get the best opportunity to do what they need to do, which in this case is to advertise their location. So I do take it very seriously.

It is a mess out there. When I say a mess, not just a sort of esthetic mess, it is just a mess in terms of the signs that are up and the signs that do not go up. I get really concerned when people do try through legitimate channels and do not succeed. Others just go out and put the signs up and have it sitting there for years after they are even out of business. I appreciate the concerns the Member has raised.

**Mr. Larry Maguire (Arthur-Virden):** Madam Chair, I just have a few questions that I would like to ask the Minister in regard to Highways,

particularly a couple of issues, I guess, one that I raised the first day that we sat. I got some replies from the Minister in regard to the changes in federal legislation and transportation that are going to put some dollars into Manitoba roads and highways. I appreciate his answers in that regard. I think it was \$32 million he indicated that Manitoba would get over six years, nothing this year in that area.

I just wanted to just reiterate to the Minister, with the Minister what his commitment will be or his Government's commitment in regard to the spending priorities for that \$32 million at some point when they come back. I believe it has been indicated that it could be used for such things as diversification as opposed to perhaps all of the inland terminals that we have that would like to continue to gather grain to export it out of the country or out of our region. If he could give us just an update on his thoughts in regard to whether they would put a priority on using those dollars to access processing facilities in Manitoba to process their grain, add further value to it, and create more jobs here.

**Mr. Ashton:** It is a federal initiative. The latest figure we have is actually \$33.8 million. I outlined the process on the first day of the Committee with PFRA. Obviously we would have to respect any federal guidelines put in place, but we will be certainly in the next period of time talking to other people in rural Manitoba. We will I am sure be meeting with agricultural producers, KAP, and also the AMM to get some input as well. Beyond that I think our commitment is to take the money and put it to best use. It is still not anywhere near enough. I do not want to give any false illusions out there in terms of what impact it is going to have.

\* (17:10)

The Members before raised various different projects. The Hamiota project, for example, that is \$3 million. You put that in perspective, that single project alone is 50 percent of what we are going to see on an annualized basis from the federal government. It is not going to give the major upgrade of the rural road system that we really need. Obviously \$6 million a year is better than nothing and may allow us to develop some projects that would not necessarily normally

make the cutoffs in terms of the capital projects. So we will work with AMM, KAP and the federal government.

**Mr. Maguire:** I appreciate that the Minister is very aware that the \$6 million is not enough. I thank him for that as well. Certainly we know that and I acknowledge from that that perhaps he is very aware of the commitment, work with his colleagues to try and get more into the Highways budget so we can do more in the province in regard to our infrastructure needs on an annual basis. I am very well aware and he has pointed out as well that none of this money, if I am correct, is available in the immediate year. It will be coming in the 2001 budget. I appreciate that as well. I just wanted to have that discussion with him. I appreciate his answer.

The situation up in Russell with \$3 million I realize would be half of one year's appropriation. I guess if I looked at it, that would give us 10 such projects in Manitoba over a very short period of time, 5 years, if we were looking at that, albeit many think that is a long period of time, six, I guess, if you count the year that we are not going to get anything in the first year here. That kind of commitment, though, I think to the kind of infrastructure that we are talking about will do our province a lot more good. I want to know if the Minister agrees with me on that as opposed to perhaps—I am not saying that the grain companies are not making jobs, they are, and perhaps the grain companies will be the ones that diversify. Some of them are involved in projects like feedlots and some of the ones I will not put commercial names on at this point.

It has been their experience to bring grain in and export it out of the country. There is a large return. We have to do that. It is a good basis for a domestic product, part of our growth in Manitoba. But would he agree that it would be somewhat better to spend it in regard to that manner than to perhaps use it for access to high-throughput elevator companies that are exporting raw material out of the country.

**Mr. Ashton:** I suspect it is an area that is probably more appropriate for discussion with the Minister of Agriculture (Ms. Wowchuk). The reason I am raising that is because Agriculture will be very much involved in this. They will be

administering the program. In terms of determining criteria, I would suspect that they would have somewhat more of a say than we would, although we certainly plan on working very closely with them, because while there may be agricultural issues that have to reflect somewhat the Member is talking about, we obviously do have responsibility for the highway system itself.

We want to make sure that they are properly integrated, so I am not trying to duck the question, but I suspect the Member may want to raise it up with the Minister of Agriculture in Estimates.

**Mr. Maguire:** We may do that. I guess I reiterate the point that I think, though, when you first mentioned that my—and I was not here when my fellow member for Russell mentioned his particular project that might require \$3 million, but I think my first thought was, well, that is just as you replied, a good big chunk of one year's budget of this money coming from the federal government. We know it is not enough, but would you agree that 10 such projects spread out all over Manitoba in regard to the value-added processes for grain would be better? Albeit I have had some of these discussions with the Minister of Agriculture, and you are right on.

She will, we hope, play a large part in that, but the direction from those people in regard to your department would be—I mean, you will have to take the leadership in regard to that, and I would encourage you to do so. I would encourage you to look at that. I just wanted to know what your personal priority would be in regard to the kinds of—if it would be a help. Those kinds of things will certainly be required to, in the long run, give the investors in these, whether they are local investors or outside investors, the confidence to invest in them.

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Mr. Ashton:** I will just put a perspective on it, and we are talking about 150 kilometres of upgrading. It is in over that length of time, so it is unfortunately a much smaller scale than we might otherwise want to see. I think we are in total agreement on that.



Part of what I want to see happen, quite frankly, is to see us as a province do better planning, better planning in transportation. I mentioned before there has been a certain amount of talk about the need for that. Something we are looking at very closely now as a department has been requested by KAP. It has been requested by AMM, to have a province-wide planning exercise, because what I would rather see happen that, in an area that is as important this, rather than myself or even the Minister of Agriculture or even the Member indicate our personal opinions and then try and have those personal opinions or suggestions or ideas sort of then become the policies.

I think what we are dealing with is overall planning. The goal is to get more collective ownership of what is out there and more collective decision making. Largely what happens now is that we are in a two-year cycle. A lot of people lobby for projects in their own area, and I am not talking about members strictly, which we all do—I mean, we are here to represent our constituents—but R.M.s and agricultural producers and organizations. In the end, you end up with this huge wish list and not enough direction.

What I find very useful as minister is that we have some highways—I will give an example, Highway 6. There is a very active committee that runs pretty well up to St. Martin. They have brought in some proposals. They have identified their clear priority and listed them. It is very helpful to us in setting the budget process, because if you end up with 10 different projects, and everybody says, 10 different people say, they are all the best projects, it is very difficult to make decisions.

I remember one rather creative meeting in which one area of the province came in and said: We have three kinds of projects, high, higher and highest. Pretty creative spinning, but the reality is they cannot all be high. They cannot all be higher, and they cannot all be highest. If we are going to get the kind of targeting we need, and which, I think, is what the Member is getting at, we need a better planning process. I am hoping to be in a position, actually, in the very near future to be able to have some further developments on that. I look forward to the

Member's support and participation if we are able to get such a process moving. I particularly look forward to his input on the agricultural side of it, too. You know, I recognize his agriculture background and interest in areas of this nature because that is going to be fairly critical to us. The reality is the less money you have—it does not mean you cannot do anything—it means the more you have to plan and the more you have to target.

**Mr. Maguire:** I appreciate that, and I certainly was not saying that we limit it to 10. I agree with the Minister in regard to the planning process. It needs to be well-thought out, well down the road, as much as you can living day-to-day as we have to with the investments that are made in the province, and I would not want to take away from that process and what the Minister and his department are presently doing. His officials, in my mind, are doing a good job from what I have seen looking at Estimates. I am assuming that we will get the outcome of projections of construction projects that are ongoing for the coming year, or the ones that are able to be tabling that at some point either for this year or the next year.

How long a period of time do you go right now with projections?

**Mr. Ashton:** Apparently, we are on a two-year cycle. That has not changed. I think part of it, too, is regardless what happens on the actual programming side—I mean, programming is where you have items that are close to being cash flow and you have sort of the cash flow aspect of it—what does need to happen I think is to have some discussion on the kind of targeting the Member was talking about, the kind of strategic long-term plan for the province.

You mentioned some potential choices between serving the high throughputs, serving other sorts of activities. We have the whole question of hog production, which is going to be a significant factor. Highways is going to be part of that. We have pressures now from parts of the province, so paradoxically some of the more marginal farmland now has become the main area of hog production, and so the areas that have not traditionally had the full RTAC weights, in terms of roads, are now looking at a

huge impact through hog production, which is only going to increase. Regardless of what would happen with Schneider's, we would have seen a major increase in production.

\* (17:20)

So we have to start getting a grip on that, and I think have to have a much better planning process, quite frankly, in this province. We are not a large province really, a million people. It should be possible for us as a province to come up with plans, strategies at least. They have to be flexible for changing circumstances, but I think we should be able to do it certainly in the area of transportation. We are talking about \$100.5 million plus whatever we get from the feds and other programs. We know what is out there. We know how much money we put into the system. It should be possible for us to come up with better planning and more of a long-term outlook.

**Mr. Maguire:** I appreciate that. I guess my line of questioning here is to go back to where I started. I appreciate the fact that the Minister has a limited amount of dollars and that these are federal dollars that are coming in because of, you know, with their program here and the changes of the way they are handling grain and the direction the federal government is going. So we do not have much say in what the federal government is going to do with that, and I appreciate that.

I have had a number of dealings with them over the last 20 years, as well, and I have had an opportunity to deal with the government in Saskatchewan, in the Highways Department there with Mr. King and others. As well, I am very well aware from my background how many miles and miles of road in Saskatchewan will never get paved that have requests in.

I think the Minister made a good point himself in that we are looking here at a small amount of money, and you indicated 150 kilometres of road or whatever over those years. You know, that is very true, and I think with a number of the inland high-throughput terminals that are being built today, those companies are making a strategic decision to build, most of them at least, within very close proximity to a major highway. My understanding would be that that would already be in the long run planning of

the budgets of the Government in regard to where they are located. Maybe there would be a mile of access road or a kilometre or two needed there. Some of them may request up from the RTAC road today, the facility, but those kinds of things can be planned in as well. I am not saying that none of it be used from the funds coming from the federal government in the changes they just announced. I guess we have both been, or I was part of the delegation that met with you, Mr. Minister, in regard to a project in my own area and I guess would look at whether funds could be used and committed over a five-year program or some commitment given in those areas, and that is what I thought of when you mentioned the shorter roads here, I guess.

For some of the facilities that will need upgrading, where there is not presently a facility located—I am thinking of a mill that is being talked about in the community of Hartney that we talked about earlier and you have had the presentation on in this particular case, and wondering if there is any outside opportunity to be able to give some commitment, even though it is only a two-year commitment, we are only going out two years. Even if it is a commitment over time and even if it is a kilometre a year, I guess, to look at that kind of extension, although I realize that there are costs of moving in and out with these kinds of things, but would the Minister be looking at using those funds for those kinds of projects? I guess we do these things on a first-come, first-served basis because we are looking at, within the group that are there because there are only so many presently being on the books I assume to be developed in the province—and you try to look at the long-term implications and the size of each project.

I mean obviously for half-a-million-dollar project you are not going to build 10 miles of road, but I guess when somebody is looking at making a \$10-million to \$15-million investment and product coming into the province from even outside the province and creating jobs and other issues here and spinoff effects for it, would the Minister be prepared to look at those kinds of projects?

*Madam Chairperson in the Chair*

**Mr. Ashton:** I thank the Member for the question. I know I have met with the

community, and I think the advantage of the program we are looking at, the Acra Canada [phonetic] program, is it would allow for perhaps more planning of that nature. Quite frankly, I have not had a chance to meet with other communities in terms of that, so I really could not make any sort of commitment in that sense. But if we do have a fund that is available for strategic investment, which this is, depending upon what the federal criteria are, depending quite frankly too on our own criteria as a province, you know, that will be subject to consultations with various stakeholders, conceptually, it would allow for some more flexibility that way. And I think what will tend to happen is, when you have a five-year program, that is what is going to happen. You know, if you have got an upgrading of 150 kilometres of highway, if you do two here, two there, sort of in a shotgun approach, it will not benefit anybody. So it will have to be very much a sort of question of targeting. So, as I said, I cannot give any commitments as it is a fairly early stage in terms of that. But I would hope that we would, and I would certainly encourage the federal government—I would hope that they would allow for some flexibility and I believe it would have some long-term upgrading.

**Mr. Maguire:** Absolutely. We do not know the criteria they will put on that money, as you mentioned earlier. I was thinking of a particular 12.5-kilometre stretch that I have known of for 5 years—at 2.5 kilometres a year might do the job. Can you just clarify to me again, I believe that in an RTAC situation for delivering product, as we were talking about by the delegation that came in there that day from Hartney, you are allowed to haul full loads so many kilometres, is it eight kilometres off of RTAC?

**Mr. Ashton:** Just before I answer the question, I should apologize. We had agreed actually to adjourn at 5:30 p.m. I am not trying to cut the Member off or any anything, and I appreciate the ability to be able to adjourn. I would like to thank the opposition critics.

Yes, there have been some concessions made in the past. The problem, of course, is that it does have significant impact on the highway itself. It does have a cost involved, and we have done it up to, where there is a community, eight

kilometres, and we do check the bridges, of course, because there is an obvious safety factor involved.

**Mr. Maguire:** In regard to that, that is fine. If we do not finish here today, Mr. Minister, I do have some more questions, but I appreciate it, if you are leaving at 5:30. I have no problem with that. It has been agreed upon, so I do not have any say in that anyway.

I have talked with your ADM here, Mr. Cooper, as well, in regard to some of the bridges in that particular stretch that I believe had been built in the '80s. There is only the one major one in the north, and I believe it fits RTAC. That bridge at Hartney, I believe, does come up to standards.

**Mr. Ashton:** It is not an issue of bridges. The issue is of road surface. It is an AST and that sort of form.

**Mr. Maguire:** The bridge does meet RTAC standards.

**Mr. Ashton:** Bridges are up to RTAC standards, yes.

**Mr. Maguire:** I appreciate that. I could get into some discussion in regard to the whole area of No. 10, but while we are on bridges and you have some of the staff here relevant to that, can you just quickly give me, in the last few minutes here, an update on where we are at structure-wise in the kinds of bridges that are being developed today. You have indicated there are some new projects on 59. You may have talked about those earlier here in the sessions.

Where they are at, I understand there is a real good cost-savings in regard to some of the new structures that are out to reinforce present bridges that are there to an RTAC level and will be used on 59 and other areas.

**Mr. Ashton:** What I will do is perhaps undertake to give the Member a complete answer at the next sitting of the Committee.

**Madam Chairperson:** Is it the will of the Committee to rise at 5:29 p.m.? [Agreed]

The hour being now 5:29 p.m., Committee rise.

### INDUSTRY, TRADE AND MINES

\* (14:40)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Industry, Trade and Mines. Would the Minister's staff please enter the Chamber.

We are on page 107 of the Estimates book, resolution 10.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$406,500.

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Chairman, I think the last time we spoke or met, we were going to, I think, get into more of the line items. I guess, we are in Executive Support, that is where we are, on 10.1.(b). It shows that there has been no change of employee numbers, full-time employees, eight in 1999 and eight again. I am of the understanding that there have been some new people—*[interjection]* Page 16 of the green book. It shows eight full-time equivalents. Can the Minister tell me who is in the managerial position or who that person is?

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** This section on salaries identifies the Deputy Minister and his staff and my support staff in my office

**Mr. Tweed:** Are those the same people that were there previous to the Government? Are they new people? I understand there will be two new political staff.

**Ms. Mihychuk:** The Deputy Minister's secretary retired. That position was refilled. The Deputy Minister is obviously new and my political staff. There has been a change in the political staff, yes.

**Mr. Tweed:** It may be more just the numbers, but I notice that the estimate for the managerial salary has been reduced. Is there a reason for that?

**Ms. Mihychuk:** Not particularly. It just relates to the steps in the levels for deputy ministers.

**Mr. Tweed:** I thank the Minister for that. Just again going through the numbers, I recognize that there is the note at the bottom, increase due to normal salaries. What was the average increase? Is it a percentage that is across the board or is it isolated depending on each person?

**Ms. Mihychuk:** The staff increases would have been related to merit increases depending on how long staff are with the civil service. The other increase was related to contractual settlements. So there was not anything special about the wage rates. They were based on civil service guidelines or formats.

**Mr. Tweed:** Mr. Chairman, so then there is not a set percentage as far as actual increase on individuals.

**Ms. Mihychuk:** No, there is not.

**Mr. Tweed:** Mr. Chair, I think we would be prepared to pass that line.

**Mr. Chairperson:** 1. Administration and Finance (b) Executive Support (1) Salaries and Benefits \$406,500—pass. (2) Other Expenditures.

**Mr. Tweed:** Mr. Chairman, just a couple of questions. I have noticed that there have been some reductions in the Transportation and substantial in Other Operating. Can the Minister just explain what the reduction in Transportation equates to?

**Ms. Mihychuk:** Well, it is part of a process of tightening up. Basically, we have tried to look at every part of the budget. I use my own office as an example where we were able to make some savings because of the amalgamation and some small reductions.

**Mr. Tweed:** Were there any direct costs incurred through the amalgamation? I am thinking more of costs in the paper, in the structure of the office. I recognize with the number of people, but in the actual costs of the supplies, services.

**Ms. Mihychuk:** There were some minor costs with the new letterhead, but it is fairly minor and was absorbed within the departmental budget.

\* (14:50)

**Mr. Tweed:** Can the Minister explain to me what Other Operating includes?

**Ms. Mihychuk:** Page 81 in the glossary identifies some detail under Other Operating. They include accommodations, food, beverage, computer-related charges, insurance costs, publications, allowances, other financial compensation, personal costs and so on.

**Mr. Tweed:** The Estimates of the '99-2000 year that we are using as a comparison guide, are they the combined estimates of the two departments, or are they the standing Estimates of the previous Industry, Trade and Tourism?

**Ms. Mihychuk:** The numbers before you in '99-2000 have been prorated based on the split of the departments. Half of Energy and Mines, Aboriginal and Northern Affairs split from Energy and Mines. Those appropriate costs were also split.

**Mr. Tweed:** Maybe just for explanation then on schedule 3, page 5, the reconciliation statement, it shows the transfer of functions to—am I to presume that those should all be, if I was looking strictly at the Industry, Trade and Tourism Department, I would add those numbers back in?

**Ms. Mihychuk:** That is correct. That includes the salaries that were also moved over to those departments.

**Mr. Tweed:** So then the comparisons that I am making of today's Estimates versus last year's, how did you arrive at the combined Estimates for last year in the sense of employees? I will start with employee numbers.

**Ms. Mihychuk:** I am advised that we would be glad to provide you a detailed analysis showing the breakdown of staffing and budget allocation for the breakdown and how the department was split and then re-amalgamated, if that is okay with the Member.

**Mr. Tweed:** I would if I could just ask if you could deliver that as quickly as possible just so I can make fair—I do not want to mistreat the Department or the Minister based on numbers that I am not exactly confirming in the list. If we could do that, that would be great. I am prepared to pass the next line.

**Mr. Chairperson:** 1. Administration and Finance (b) Executive Support (2) Other Expenditures, \$85,000—pass.

1.(c) Financial and Administrative Services  
(1) Salaries and Employee Benefits.

**Mr. Tweed:** I just wonder if I might ask the Minister if there have been any changes in this department as far as full-time employment. I know there has been a reduction, but any changes in personnel.

**Ms. Mihychuk:** The combination of the two departments meant that we had two directors of Finance or Admin. There was a competition between the two individuals, and Craig Halwachs was the successful candidate for that position. So that has been the only change. Craig also has with him his secretary, but all staffing has been redeployed. Jack is still with the department and in this unit, I believe.

**Mr. Tweed:** I am sorry. It is not coming through very clear. Would you just state that again. I am sorry. It was mumbled over here.

**Ms. Mihychuk:** It is my understanding that not only were there personnel changes, but there was a reduction of two positions that were transferred out, plus these two positions.

**Mr. Tweed:** Is the Minister saying that there were two people transferred out from the amalgamated departments, and then two new people brought in?

**Ms. Mihychuk:** As far as I understand it, two positions were moved out of this branch, and those two positions were moved into Financial Services. A third position was vacant and eliminated, and the fourth position had an incumbent in the position. The position has been eliminated, but the staffperson will be redeployed within the department.

**Mr. Tweed:** The Minister has mentioned that two out of Financial Services have been moved out. Can I ask where they were transferred to?

**Ms. Mihychuk:** They were moved from this branch Financial and Administrative Services to Financial Services in Industry Development, and that was Jack Dalgliesh and his secretary.

**Mr. Tweed:** So I think just to keep me on the right path, the managerial position of Industry Development-Consulting Services is now Jack Dalgliesh? Is that what you are saying?

\*(15:00)

**Ms. Mihychuk:** The individual that we are speaking of can be found under Industry Development - Financial Services on page 30 of the Estimates book. Jack's position is under Professional/Technical and his secretarial support would be one of the three positions identified as Administrative Support.

**Mr. Tweed:** Can the Minister tell me if in her administrative support under Financial and Administrative Services, it has remained unchanged at nine and a half FTEs. Are they all the same people?

**Ms. Mihychuk:** They are, except for the director's secretary which changed when we changed directors.

**Mr. Tweed:** Can I ask the Minister, who is in that managerial position now?

**Ms. Mihychuk:** The manager of this section is Craig Halwachs.

**Mr. Tweed:** Again, I see some reductions in the Other Expenditures side. Were these made just again through the amalgamation and at the Minister's discretion?

**Ms. Mihychuk:** They were made as a result of the amalgamation, and the cost savings were passed on so that we were able to meet the balanced budget legislation, invest more in health care, and provide that tax cut we have been trying to inform the Opposition about.

**Mr. Tweed:** Well, it is kind of ironic that the Minister would open that door, but I do have--

**Mr. Chairperson:** Do not confuse the answer.

**Mr. Tweed:** In the election of '99 the parties were asked to supply a document showing them where they would save money in their proposals and where they would draw the money from to offer the increases in certain areas that they were showing. The government of the day in their proposal suggested that they would in the first year reduce the Ottawa office expense by \$330,000. I am wondering if the Minister can tell me if this has happened.

**Ms. Mihychuk:** This was an election commitment. After reviewing the situation we were able to make some significant changes. The senior position for the Ottawa office, I believe the individual retired and that position was eliminated. That was a cost saving of \$98,000. We have instructed them to look for more modest accommodations, which will mean considerable savings. There is one support person for that office. So we are moving into more modest accommodations, and we are reduced by one position. It was argued by senior executive civil servants that the Ottawa office was particularly important, given the Team Canada mission to China coming up, and the active role that Manitoba is taking on a number of initiatives.

It has been reduced substantially, and we continue to monitor its effectiveness.

**Mr. Tweed:** Does the office in Ottawa, I guess, based on what was said, would it be taken out of that particular line on the Budget, and does it reduce its value or does it reduce its ability to act on behalf of Manitobans?

**Ms. Mihychuk:** The way, traditionally, that it worked, there was some question whether we could be as effective using other means. We feel fairly confident that we are able to do that. If we find that our ability to lobby the federal government becomes even more ineffective, we will have to re-evaluate. We need to have a link with the federal government. This was one strategy. As I say, we will evaluate the impact, but we have a number of different ways of

contacting and ensuring that our position is on the table, when it comes to federal issues.

**Mr. Tweed:** Will the Minister then admit that part of their numbers that they put together to validate their expenditures during the campaign would be incorrect, in the Ottawa office eliminating \$330,000?

**Ms. Mihychuk:** The goal was to eliminate the Ottawa office of \$300,000. We were able to eliminate \$100,000, and we expect to see more savings with relocation. We were unable, at this time, to fulfil the \$300,000. It is still being reviewed, and if services can be maintained in that office—eliminated—we will do so to continue the cost savings.

**Mr. Tweed:** Mr. Chair, is it the intention of this government to eliminate the office? As I look at their spreadsheets, this savings was cast over three years. Is that the position of the government?

**Ms. Mihychuk:** It is our intention to follow through on our election promises. If there is, for some very good reason, where we were not able to do so, I have to be able to justify that to the people who elected me, and to the Opposition, which questions whether we are able to meet those. This year it was the recommendation of those consulted, that the office remain. So, as I said, we will be continuing to review the situation, and see if we can fully complete our election promise of the elimination of the Ottawa office.

**Mr. Tweed:** The campaign promise was that it would be eliminated in the first year. I am not seeing that. Again, I would ask: Is it the intention of this government to eliminate that office in their term of office?

**Ms. Mihychuk:** Well, we are not going to be eliminating the office. If the Member takes some sort of triumph in that, so be it. We tried to be balanced. There were very good arguments posed by senior civil servants, that this was a particularly relevant operation, given the number of missions, the trade mission to China and the challenges that Manitoba was facing this year. We were successful in saving over \$100,000 in administration and finance, for example, so that

more than compensates for our \$300,000 that we identified as a cost saving.

**Mr. Tweed:** I guess I would need an explanation from the Minister to explain to me how saving \$98,000 is equivalent to saving \$330,000.

**Ms. Mihychuk:** Our overall goal remains the same. If we find, for logistical reasons, that we are not able to implement the reduction in the first year then I think it is sound management practice to review the position. In this case, we have reduced it substantially and see further savings this year. With additional savings in the Executive Support area of \$100,000, an additional savings of another almost \$200,000 in financial administration, as well as over \$100,000 in the Ottawa office, that comes to well over \$400,000. So we have not only achieved the \$300,000 reduction but we are able to be reasonable, look at exceptional needs and evaluate the effectiveness of the Ottawa office.

\* (15:10)

**Mr. Tweed:** Well, I appreciate the Minister highlighting the areas where they have reduced savings, but, again, it is a document presented by her government, and it is a cost-analysis of the reductions and the program savings to justify what they were presenting to the public. One of them was that they would reduce the Ottawa office by \$330,000. The Minister has confirmed that they did not do that. She has confirmed that they do not have an intention of doing that. So I am wondering if the document is incorrect that was prepared by her party, or if she disagrees with the document.

**Ms. Mihychuk:** I can quite candidly say that it was quite a surprise coming into office and finding out how many overexpenditures there were that were not itemized in the expenditure books by the previous government.

The former member, who was the minister, can clearly understand that, during the estimate process, certain considerations are given, with detailed discussions with Treasury Board and Executive Support. Special consideration has to be given to changes in the political scene, the disaster in the southwest, further pressures on agriculture as well as Devil's Lake's required

additional supports, the Team Canada mission coming up in September, all factors that were taken into account to continue funding, at a much reduced rate, the Ottawa office. But, if the Member wants me to say we were not able to reduce the Ottawa office completely, he is absolutely correct.

**Mr. Tweed:** Can the Minister tell me if there were any overexpenditures in her department when she took it over?

**Ms. Mihychuk:** I can inform the Member that Finance has not closed off the numbers of the fiscal year last year, so we are unable to give you the accurate numbers.

**Mr. Tweed:** I guess then I find it a little ironic that I am looking at a government news release that is now stating that the Department of Industry, Trade and Mines has an overexpenditure of \$6 million. Would the Minister confirm that?

**Ms. Mihychuk:** The overexpenditure of \$6 million breaks down into three areas: SmartPark at \$2.8 million; provisional allowances for write-offs; and the Ruttan mine.

**Mr. Tweed:** The Ruttan mine, can you give me the number and what it was for?

**Ms. Mihychuk:** There was an agreement with the Government and Hudson Bay Mining and Smelting related to mine closure, and Ruttan mine is scheduled to complete operations within three years. It is part of that contractual agreement that was not provided for.

**Mr. Tweed:** Can the Minister give me the total?

**Ms. Mihychuk:** At the time of the submission, some of the numbers were not finalized, but we would be glad to give the Member the details on that total, if that is okay with you.

**Mr. Tweed:** At the time of the proposal, the numbers were not agreed upon, so that is why I cannot get the numbers today?

**Ms. Mihychuk:** No, clearly, I do not want the record to indicate that we are not able or willing to provide information. We do not have the

actual numbers for these particular items with us today, but we would be glad to supply them to the Member.

**Mr. Tweed:** I would appreciate the numbers on the Ruttan mine. She has mentioned three items: SmartPark, Ruttan mine, and could she explain the third one to me, please?

**Ms. Mihychuk:** There are a number of investments that the Government has made. Some of those, unfortunately, must be considered that may come to a point where they have to be written off, and we are making provision for that in this estimate. I do not wish to go into greater detail. I do not want to identify which enterprises have been identified. It deals with private enterprise and the business. But that type of provisional allowance is normal accounting procedures, and we feel secure with making those provisions.

**Mr. Tweed:** Not wanting to invade anybody's privacy or name names, can the Minister give me an amount in total?

**Ms. Mihychuk:** We would be very pleased to submit to the Member in writing the amount that has been provided for.

**Mr. Tweed:** When a government determines at the start of the year, when they are looking at loans and low-interest loans and programs such as this, are they not obligated or have they in the past put in loan loss provisions at the start of the year in the Budget?

**Ms. Mihychuk:** The way the process works is that, when a loan is provided to a business venture, a certain provision is automatically incorporated in that financial picture. At the end of each year there is an overall review, and at that time there may be certain situations that require provision.

**Mr. Tweed:** Can the Minister advise us if that has happened in the past? Have we seen an increase and showed it as a deficit to the Department?

**Ms. Mihychuk:** The process has not changed over a number of years, for many years. It is common practice to review the portfolios at the



end of the year and evaluate the situation of those investments.

**Mr. Tweed:** Can the Minister advise the House if that was done last year and if there was, was there an increase?

\* (15:20)

**Ms. Mihychuk:** Yes, it was done last year.

**Mr. Tweed:** Can she advise the House as to what value or what amount?

**Ms. Mihychuk:** Well, it is a little funny because what we are talking about here, the Member is asking me questions about his own government's Estimates book from last year, and if he wants we can go back in the records and provide those numbers to him. We do not have them here because we have the information for this Estimates book in this process, so we would be glad to look up the numbers for him.

**Mr. Tweed:** Mr. Chairman, I am just trying to determine if there is a pattern here. It just struck me as ironic when, I guess having seen the program and knowing that you build in those loan losses, all of a sudden we would want a \$6-million increase without a full explanation of where that money has gone and to what use. I was just trying to establish that if it had happened in the past, there would be some consistency across the board.

I will wait for the response in regard to things that the Minister has promised to deliver. I do want to just go back again to the document that the government of the day produced, in September, in regard to their cost analysis of their promises, their expenditures and program savings.

I have certainly pointed out that the Ottawa office which during the election claimed that they would save \$330,000 by eliminating has not been done. One of the other line items that they have presented—and it is a public document. It was released to the newspapers and to the media showing where they would increase revenues, change expenditures and save money on program reductions. The second program reduction that this government promised the

people in '99 was a business subsidy reduction of \$23 million. I would like to ask the Minister if this department has achieved that in their first year.

**Ms. Mihychuk:** The goal from the election campaign was to reduce business subsidies by \$23 million. There was no expectation that that money would totally come out of one department.

**Mr. Tweed:** The Minister spoke about reductions to the telephone call centre program. Are there any other areas where there have been any substantial reductions from her department in the business subsidy side?

**Ms. Mihychuk:** The major reductions in this department were the \$1.5 million to the business subsidies for the call centre initiative and almost half a million in the Business Development Fund.

**Mr. Tweed:** Is the Minister aware or can she confirm that the overall government reduction in business subsidies equals \$23 million?

**Ms. Mihychuk:** I cannot. I do not have the scope of every department in front of me, but that question could be asked in Finance for a broader perspective. I can answer the questions relating to my own department.

**Mr. Tweed:** So, of the \$23 million that was promised by this government to be taken out of business subsidies, this department is responsible for \$2 million?

**Ms. Mihychuk:** That would be in direct business subsidies that would be correct, but we have seen an overall reduction in this department of close to 10 percent, and in a broader sense I think that you could say that we provide business support overall as a broader mandate.

**Mr. Tweed:** I think we can go back to line—where are we? Line 10.1(c)?

**Mr. Chairperson:** 1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,132,000—pass. (2) Other Expenditures.

**Mr. Tweed:** I have seen there is a fairly large reduction in Other Operating. Again, strictly from the amalgamation that you have reduced the cost?

**Ms. Mihychuk:** That is right. There have not been any further savings except for the amalgamation of the two departments which resulted in these savings.

**Mr. Chairperson:** 1.(c)(2) Other Expenditures \$376,500—pass; (3) Computer Services.

**Mr. Tweed:** Can the Minister just explain what the Computer Services cost entails?

**Ms. Mihychuk:** This \$110,000 is to support additional services required by the Department which are not covered by the Systemhouse contract. This is quite familiar to me on the mineral, on the geological side where their desktop support is not appropriate for the needs of the Department. That further allocation is provided to purchase software for both the Mines and the IT sides of the Department.

**Mr. Tweed:** Knowing that last year's Estimates are a combined number of \$110,000 and it has been unchanged, did that \$110,000 come out of mining or did it come out of the Industry and Trade side?

**Ms. Mihychuk:** It is again a combination of the amalgamation of the two departments.

**Mr. Chairperson:** Shall the item pass? The item is accordingly passed.

1. Administration and Finance (d) Research and Economic Services (1) Salaries and Employee Benefits.

**Mr. Tweed:** Can the Minister identify who the two managerial positions are?

\* (15:30)

**Ms. Mihychuk:** The two managerial positions are Alan Barber and David Werthman.

**Mr. Tweed:** I recognize Mr. Barber's name. David Werthman? Is he new?

**Ms. Mihychuk:** David Werthman heads the Telecommunications office, and it was transferred from the Department of Highways over to this department.

**Mr. Tweed:** I guess then I would like to have an explanation. We showed a transfer of \$142,200 over. I guess what portion of that 142 is in there?

**Ms. Mihychuk:** The \$142,000 relates to the salary provision for David Werthman, his administrative support person, and other expenditures which would include transportation, computer, communications, supplies and service, and operating.

**Mr. Tweed:** Did his office assistant move with him into this department?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** Where would that show up on the FTE line?

**Ms. Mihychuk:** That position is identified under Administrative Support.

**Mr. Tweed:** So the transfer of functions from Highway and Government Services to Industry, Trade and Mines is a new amount of \$1,422. Included in that was a full-time managerial staff, and one additional administrative support staff. I guess then: Does the '99-2000 Estimates include those in the total, and then the number transfers across to this year?

**Ms. Mihychuk:** The '99-2000 Estimates were adjusted to reflect the amalgamation. It has been adjusted throughout the whole Estimates document in every department affected.

**Mr. Tweed:** Are there any new employees to this department?

**Ms. Mihychuk:** In this branch, there have been no new individuals or changes.

**Mr. Tweed:** Are there any vacancies?

**Ms. Mihychuk:** No.

**Mr. Tweed:** When you amalgamated the Department to create the '99-2000 expenditures, were there any vacancies there?

**Ms. Mihychuk:** No, there were not.

**Mr. Tweed:** That is good, Mr. Chairman. Pass.

**Mr. Chairperson:** 1. Administration and Finance (c) Financial and Administrative Services (3) Computer Services \$110,000—pass.

1.(d) Research and Economic Services (1) Salaries and Employee Benefits \$646,200.

**Mr. Tweed:** More related in general, but you have a note here: Net increase due to desktop charges of \$6,500. Can the Minister explain what that is?

**Ms. Mihychuk:** This increase is a contractual arrangement, an obligation negotiated by the previous government that provided desktop computer services at a cost of \$2,600 per unit annually. As the Member knows, there is considerable debate as to that expenditure.

**Mr. Tweed:** About what?

**Ms. Mihychuk:** I think that from previous years there has been considerable debate about the cost, and provisions of that contract with Systemhouse.

**Mr. Tweed:** Does the Minister have any intention of changing that contract?

**Ms. Mihychuk:** No.

**Mr. Tweed:** I am going to just move forward to ask a question about the desktop. It is showing as an increase due to desktop charges. In the amortization of capital assets, it talks about the amortization of the Department's share of total estimated costs of desktop management. Are the two different?

**Ms. Mihychuk:** The charges are related to two components. The capital costs are amortized, and the services are identified in the 6.5.

**Mr. Tweed:** Just for clarification, Research and Economic Services, can the Minister just advise

if there is anything specific going on in this department as far as just reading the objectives: "to provide analytical, advisory and research support services to the Department"?

Is there a direction that this department is headed at this point in time, or are they getting special requests from certain areas or certain market segments?

**Ms. Mihychuk:** The overall mandate and operation of this branch has not changed from the previous government. This branch continues to provide services for all kinds of activities. It is the same as it always was. The pressures change depending on what is happening in terms of our economic situation, but there has been no substantial changes at all in this unit.

**Mr. Tweed:** Does the Minister or her department have any opinion on the trade agreements that are being discussed and agreed upon in the United States with China?

**Ms. Mihychuk:** We are supportive of China entering the WTO and those negotiations. We see it as an opportunity, and Manitoba will be participating in the Team Canada mission to China in the fall. I think that our trade numbers and opportunities have been growing. We want to continue on that success story. The Far East provides what we think is an attractive market with a lot of potential.

**Mr. Tweed:** I know in the previous discussions, Mr. Chair, we have talked about trade opportunities. I do not believe we have an agent in China. We are pursuing that?

\* (15:40)

**Ms. Mihychuk:** We do have an agent in China, and his name is Richard Walker.

**Mr. Tweed:** It would appear that the transfer from Highways in the telecommunications, it is a policy office. Can the Minister give us any direction as to the talk of the information highway that was being discussed in the past and where those discussions are today?

**Ms. Mihychuk:** Well, this individual, Mr. Werthman, has been working on a number of

initiatives which continue from the previous government. One of them is dealing with the issue of protecting children online, dealing with predators who use the Internet as an opportunity to abuse our children. We are moving on that initiative. In terms of other supports, he has also been instrumental in a consulting process initiated by the previous government. When it comes to privacy issues online, he has also provided advice and leadership in terms of e-commerce legislation that we intend to be presenting to the House.

**Mr. Tweed:** Has the Minister introduced or changed any of the programs or services that were provided by this department?

**Ms. Mihychuk:** No, there have been no changes to this unit.

**Mr. Tweed:** I am just asking for clarification, but does the EITC fall into this area?

**Ms. Mihychuk:** No, it does not.

**Mr. Chairperson:** 1.(d) Research and Economic Services (1) Salaries and Employee Benefits \$646,200—pass; (2) Other Expenditures \$219,100.

**Mr. Tweed:** Mr. Chairman, I am just noticing, in one area, the Transportation side dropped by five and on the other side, increased by five. I am wondering if it is just more from the demands of that particular area, or why would there be an increase in one and not in the other?

**Ms. Mihychuk:** This is just an increase related to what we anticipate to be the expenditures for transportation. There has not been anything particularly noticeable that has changed. The item was identified by the Department as necessary to cover the operating expenditures for this unit.

**Mr. Tweed:** Is there considerably more travel in this department than in others?

**Ms. Mihychuk:** Alan Barber is very well known and represents Manitoba very ably when it comes to international and internal trade issues. He does do considerable travelling. He is a strong and very capable individual in this sector.

Yes, Alan Barber does a lot of travelling for Manitoba.

**Mr. Tweed:** Looking at this as, again, with the amalgamation of the mining department, would it be a fair statement that there is no transferred cost from the mining side into this portion of the Budget?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** So the numbers that we are looking are actual last year's versus this year's for that particular department?

**Ms. Mihychuk:** Yes, with the exception of the incorporation of the telecommunications office.

**Mr. Tweed:** Pass.

**Mr. Chairperson:** 1. Administration and Finance (d) Research and Economic Services (2) Other Expenditures \$219,100—pass.

1.(e) Manitoba Office in Ottawa (1) Salaries and Employee Benefits \$117,600.

**Mr. Tweed:** I think, Mr. Chairman, we have discussed this one, and I guess just to reiterate the fact that, when the issue was being discussed in September, the issue was that the Ottawa office would close. I think that the reductions that were achieved by the Department were not necessarily management decisions but one of retirement, and whether that eased the decision making or not.

Does the Minister plan to review this position on a yearly basis?

**Ms. Mihychuk:** We continue to review every line item and expenditures, and this one will also be reviewed on an annual basis.

**Mr. Tweed:** The managerial position, I know the Minister has said it, but it is held by who?

**Ms. Mihychuk:** The individual is Jim Stewart.

**Mr. Tweed:** Was Mr. Stewart employed by the Department prior to this position?

\* (15:50)

**Ms. Mihychuk:** He was in the Ottawa office. He came from Winnipeg and moved to Ottawa to provide support, and he will be staying on in that position.

**Mr. Tweed:** Is this a contract, or is he considered a government employee?

**Ms. Mihychuk:** No, he is a civil servant with the Manitoba Government.

**Mr. Tweed:** Would he show up in last year's expenditures as Professional/Technical?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** So obviously the Minister drove a hard bargain with him and reduced his salary?

**Ms. Mihychuk:** Well, I do like to think of myself as a hard bargainer, but in this case there was an overprovision for his salary last year. So it looks like there was a reduction, but that is not the case.

**Mr. Tweed:** You have one Administrative Support person. Is that the same person that was there last year?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** Pass.

**Mr. Chairperson:** 10.1.(e) Manitoba Office in Ottawa (1) Salaries and Employee Benefits \$117,600—pass; (2) Other Expenditures \$116,400—pass.

The next item is 10.1.(f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$663,900.

**Mr. Tweed:** Just a question to the Minister if there have been any new people added to this department?

**Ms. Mihychuk:** One term person.

**Mr. Tweed:** Can I ask the Minister: Is that under Professional/Technical?

**Ms. Mihychuk:** Yes, it is.

**Mr. Chairperson:** 10.1.(f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$663,900—pass. (2) Other Expenditures \$305,400.

**Mr. Tweed:** Under Communications, I see an increase of \$40,000. Can the Minister explain the increase?

**Ms. Mihychuk:** As the Member is probably aware, we are going to be having a census next year, and we are very aware of the need to ensure that Manitobans fill out their census forms. I believe that every census form filled out relates to \$30,000 of transfer from the federal government to Manitoba over four years. So we will be trying to get Manitobans to fill out the census, and this additional funds are provided so that we can reach out to those people who have traditionally opted out of filling out the census.

**Mr. Tweed:** What form do you take when you are trying to make those communications? Is it paper, telecommunications?

**Ms. Mihychuk:** The strategy is being developed, but one sector that has been chronically underrepresented is the homeless and street people, so we found and I think evidence would show that personal visits is the best approach in that sector. Another area is with Aboriginal peoples and that may require using local broadcasting opportunities on reserves or printed material, depending on their individual needs.

**Mr. Tweed:** The statistics or the information that is collected, where is it stored?

**Ms. Mihychuk:** The information is stored by the Canada Bureau of Statistics, Statistics Canada, and Manitoba has an agreement which authorizes us to have access to that information. But the information is stored by the federal government, Statistics Canada.

**Mr. Tweed:** Would much of the information that is collected by the Bureau of Statistics be shared with the Human Resources department in Ottawa?

**Ms. Mihychuk:** No.

**Mr. Tweed:** With the information being held by the Canadian government, do we have confirmation or assurances that that is not happening?

**Ms. Mihychuk:** The information we access is Statistics Canada information. So they have the database, and we are accessing their information. We do not supply any personal information to Human Resources and are very cognizant of privacy issues.

**Mr. Tweed:** Does the Minister have any intention, or is there any discussion about changing some of the criteria for collecting the information?

**Ms. Mihychuk:** This unit will take various pieces of the information that is collected by Stats Canada and do various comparisons and analyses, but they are not the ones that are determining the census questions. That is done at the federal level through Stats Can.

**Mr. Tweed:** I am not necessarily talking, Mr. Chairman, about census, but I am talking about statistics that are used, like labour force, population. There was always some discussion as to what was included in the labour force totals when unemployment figures were released. I know that it was an issue that was raised by the NDP in opposition. I am just wondering if the new government is prepared to change the policies that would include some of the numbers that they have talked about previous.

**Ms. Mihychuk:** The Member is correct. There has always been the undercounting of Aboriginal people when it comes to reporting the labour force statistics. That issue has been raised. The Manitoba Bureau of Statistics is working with the Department of Finance at alternative models and working with StatsCan to try and develop a system which more accurately reflects Manitoba's workforce.

**Mr. Chairperson:** 10.1.(f)(2) Other Expenditures \$305,400—pass; (3) Less: Recoverable from other appropriations (\$60,000).

**Mr. Tweed:** Mr. Chairman, I notice there is no note beside that. Can you tell me what the recoverable from other appropriations is?

**Ms. Mihychuk:** When the Bureau of Statistics does some number crunching for other departments, there is a charge back, and this relates to that collection of fees.

**Mr. Tweed:** Who would be the largest customer of this department in other government departments?

**Ms. Mihychuk:** We will provide the Member with that information. We do not know accurately which department is the major consumer.

**Mr. Chairperson:** 10.1.(f)(3) Less: Recoverable from other appropriations (\$60,000).

10.1.(g) Grant Assistance – Manitoba Horse Racing Commission \$164,500.

\* (16:00)

**Mr. Tweed:** Mr. Chair, I think, first of all, I will just say that I am pleased that the Government had the wisdom to include the funding for the Manitoba Horse Racing Commission.

I know that there has been some discussion by this industry to become more self-sufficient and less reliant on government agencies. I am wondering if the Minister has had any meetings with the Horse Racing Commission to discuss some of the opportunities that are there.

**Ms. Mihychuk:** This is an issue, which I am sure the Member is aware of, is of great concern to horse owners in Manitoba. I have met with Wayne Anderson, who is the chair of the Horse Racing Commission. I have visited with the people at Assiniboia Downs. I have met with the Harness Racing Associations, and have had numerous meetings on the issues of the horse industry in Manitoba.

**Mr. Tweed:** Mr. Chair, I am wondering if the Minister would share with us any ideas or any thoughts she may have in enhancing this organization, to making it become self-sufficient.

**Ms. Mihychuk:** Well, you know, I think it is clear to say that the biggest competitor in the

horse-racing industry is the Manitoba Government. We have gotten into the gaming industry big time, and it is very difficult for horseracing to compete. To make them self-sustainable is indeed a challenge, and the previous government has helped this industry a great deal both by direct grants to the Harness Racing Association and in terms of VLT allocations for Assiniboia Downs.

I have urged the industries to look at self-sufficiency. I know they have taken a number of initiatives and reached out. There has not been any definitive business plan, and we are still working with the industry to find a more viable solution.

**Mr. Tweed:** Mr. Chair, one of the things that was done to help in the horseracing industry in the province, and the minister has alluded to it, was the introduction of gaming at the Assiniboia Downs. Would the Minister see this as a viable opportunity or option for the harness racing people?

**Ms. Mihychuk:** That is a bit of speculation on my part since it is not my responsibility, but I can say that our government's position on gaming has been to focus our attention on the aboriginal casinos. There will be a significant expansion in that sector, and it is my understanding that the horse racing industry has perhaps met with individuals involved with that initiative.

I am not aware of those negotiations, and I do not know if they were successful and have not seen the Gaming Commission's report, but massive expansion in other areas was not something that our government identified during the election, and I do not see it as being our priority. Our priority was aboriginal gaming.

**Mr. Tweed:** I guess, just to make sure that I fully understand, the Horse Racing Commission of Manitoba and the people involved in the horseracing and breeding industry in Manitoba, it was my impression that they had made a deal to create and generate and also receive the revenue from Assiniboia Downs, and it has proven, I think, to be quite successful for the horseracing, for the thoroughbred side of it. I guess I just do want to point out that I think the harness racing people are attempting and trying

to establish a similar venue or idea that would work similarly for them.

I guess I would ask again has the minister had any meetings with the harness racing people to discuss the possibility of harness racing and gaming?

**Ms. Mihychuk:** Yes, I have had several meetings with individuals involved with harness racing and have heard their request to be allocated a significant number of VLT machines to support their industry. The monies from gaming, as the member would know, go into general revenue. There is considerable concern about the expansion of gaming. We made a commitment in terms of aboriginal casinos, and that is an area that we are prioritizing. I believe that that would answer the Member's question.

**Mr. Tweed:** Would the minister support any arrangement that the Harness Racing Association of Manitoba could make with an Aboriginal group in regard to the development of a casino and sharing of revenues?

**Ms. Mihychuk:** The relationship between the harness racing industry and an aboriginal casino proposal would be one between those two parties. I have not been directly involved and would not, given the process that the Government has undertaken in the casino selection. It is my understanding that the harness racing people have met, I believe, with some aboriginal interests. What those negotiations came to, I have no idea.

**Mr. Tweed:** Does the Minister feel that thoroughbred racing is threatened by the expansion of gaming casinos in the province?

**Ms. Mihychuk:** I really cannot answer that question. I have seen the remarkable turnaround of the facility at Assiniboia Downs and enjoyed the changes that are seen there. There has been an investment in capital, attendance is up a little bit, but it is heavily subsidized by the VLTs. Will they be impacted by a casino? I guess we will have to see where the independent commission recommends that the aboriginal casinos will be placed and then we will have to go from there to see the impacts on Assiniboia Downs.

**Mr. Tweed:** Has the Minister met or received any correspondence recently from the Horse Racing Commission in regard to the development of a casino at Headingley?

\* (16:10)

**Ms. Mihychuk:** No, I have not received correspondence from the Horse Racing Commission in regard to a casino in Headingley. There was correspondence from the Jockey Club concerning that issue. The Horse Racing Commission is regulatory in its mandate, and like I say, again I have not received any correspondence concerning casinos.

**Mr. Chairperson:** Shall the item pass? The item is accordingly passed.

10.1. Administration and Finance (g) Grant Assistance – Manitoba Horse Racing Commission \$164,500–pass.

10.2. Business Services (a) Industry Development – Consulting Services (1) Salaries and Employee Benefits \$2,020,900.

**Mr. Tweed:** Mr. Chairman, I guess for a start: Were there any vacancies in the Department when the Minister assumed her role?

**Ms. Mihychuk:** In this area there were 6.4 vacancies.

**Mr. Tweed:** The numbers would indicate that you have reduced that total staffing by 4.4. Are all those positions full?

**Ms. Mihychuk:** That is correct. The reductions were from positions that were all vacant.

**Mr. Tweed:** You have probably told me this, but can you tell me who the manager is of this department?

**Ms. Mihychuk:** Ian Robertson heads up this area, and he is the Assistant Deputy Minister.

**Mr. Tweed:** Can I ask how many people we have in the business consulting side of this particular department?

**Ms. Mihychuk:** There are 13 individuals in the business consulting area.

**Mr. Tweed:** I notice in the objectives of this particular area, Consulting Services, it talks about promoting and communicating the competitive advantages of the industry sectors in Manitoba. Could the Minister just elaborate? I guess we have talked a little bit about the areas that this government sees as potential growth, but are there other competitive advantages and what are they?

**Ms. Mihychuk:** The Member asks a very broad question, and I hesitate to go there. There are a number of advantages that Manitoba has, as the Member knows, where it can produce livestock at the lowest cost in Canada. Our hydro rates are the lowest in the world. There are all kinds of advantages that businesses have to locating here in Manitoba, and there is a debate whether one sector may be slightly higher than others resulting in business decisions which are either favourable or not. For example, we have the growth of a number of sectors that we are very proud of including aerospace, Motor Coach Industries, biotech, health industries, as well as our traditional industries of mining and agriculture, and so Manitoba is very diversified and has been successful at it.

The advantages are there. I think the biggest disadvantage is that people do not know what an attractive place Manitoba is to live in and to open businesses, so I think part of it is getting the word out, and Manitoba has enormous advantages.

**Mr. Tweed:** One of the debates over industry subsidies or grants, and I know it was in the paper last week in the Premier's (Mr. Doer) discussions in Brandon, and the discussion centred around infrastructure, whether that was considered to be a grant or just something that you are doing to improve the area and if industry would happen to benefit from it. Is the agreement with, and this may not be in this area but I am sure they would know, for example, the agreement with Schneider's, the money that the province is putting up, is that for infrastructure?

**Ms. Mihychuk:** In the Schneider's deal, there are investments that we are making in terms of infrastructure and upgrading sewer, roads. We are participating with the local municipality.



Another area of investment is in training. So those are the areas that we are supporting in terms of the Schneider's opportunity.

**Mr. Tweed:** Has the Minister had any discussion with any other industries in the province of Manitoba that are looking right now at either coming to Manitoba or expanding their existing services that are looking for infrastructure money?

**Ms. Mihychuk:** Well, I have had the opportunity in the last seven months to meet many people who are interested in investing in Manitoba. We are working with those opportunities and are active in terms of providing the knowledge and information they require, and we are hopeful that those investments will be made and look forward to seeing significant growth in Manitoba's industries.

**Mr. Tweed:** Would it be the Minister's position that her department and her government would be considerate of growing industry by helping with infrastructure costs to communities?

**Ms. Mihychuk:** Perhaps the Member may wish to clarify. Government provides supports to communities in a number of ways, from providing highway services to health care to education, providing high-speed cable access for the Internet, so there are a number of fronts that we provide services to communities.

If you are talking about our ability to move strategically, there are some industries that may come forward with a specific business plan. We have been in a position to look at those in terms of their merits and will continue to do so. In a broader sense, we invest in Manitoba all across the province from north to south to east to west. So I guess it is our responsibility, as it has been since Manitoba was created, to support our communities, rural and urban.

\* (16:20)

**Mr. Tweed:** Can the Minister tell me if the Government has maintained their commitment to TR Labs?

**Ms. Mihychuk:** Yes, we have.

**Mr. Tweed:** I know that it will probably show up in here, but is the funding to the same level as last year?

**Ms. Mihychuk:** Yes, it was.

**Mr. Tweed:** What about the Manitoba Innovation Network?

**Ms. Mihychuk:** We have been working with Manitoba Innovation Network, an organization primarily funded through government. The concept was one of government, private sector and our academic institutions, but the majority has been supported by government. The private sector members of MIN are re-evaluating the scope of MIN and will be coming forward with a new business plan in the very near future.

**Mr. Tweed:** Does the Manitoba Innovation Network show up anywhere else other than in Industry Development? Is it part of the total amount?

**Ms. Mihychuk:** MIN is funded from a number of sources, including Industry Development, as well as EITC and the Department of Education.

**Mr. Tweed:** Would it be a fair question to ask the Minister just to break those down for me?

**Ms. Mihychuk:** Yes, and I would be glad to provide the Member with an accounting of the actual breakdown of how much each unit provides to MIN. We do not have the numbers here with us right now, but we will provide it to the Member.

**Mr. Tweed:** Has there been any decrease in funding to the MIN network, the Manitoba Innovation Network?

**Ms. Mihychuk:** The supports for MIN were continued at the same levels, as has been the case in the past. Their funding continues to the end of this month.

**Mr. Tweed:** Has the Minister or the Department made any changes in the services that are delivered by this department?

**Ms. Mihychuk:** No.

**Mr. Tweed:** Can the Minister explain to me what MRnet is?

**Ms. Mihychuk:** MRnet is a high-speed Internet connection that is provided to our universities and research institutions, and it is connected with the CANARIE program from the federal government.

**Mr. Tweed:** It just shows under Activity Identification, the network and it talked about TR Labs, MRnet, MIN, Manitoba Food Processors, Health Care Products Associations.

Has any of the funding changed for these organizations?

**Ms. Mihychuk:** No.

**Mr. Tweed:** In your Expected Results from this department, you talk about the continued growth in private industries, increase in number of nutraceuticals, increase of 10 percent in research and development investment.

Are we going to see that this year?

**Ms. Mihychuk:** Well, we are confident that we will see that, and we hope for more.

**Mr. Tweed:** Does the Minister believe that reducing funding for research and development in the province of Manitoba will enhance this opportunity?

**Ms. Mihychuk:** I would not agree with the Member opposite. The support for TR Labs, MIN and other initiatives have been sustained. We look for expanding R&D investment, which is, I think, too low for our province. Research and development is an important key to developing new and innovative opportunities. So we need to be creative. We are not flush with cash that we can make huge investments, but I can take some pride in saying that in this department we have not reduced research and development funding.

**Mr. Tweed:** I guess then just looking at some of the numbers, and I know not necessarily related to yours, but I look at the Agriculture reductions in research and development, does EITC play any role in research and development?

**Ms. Mihychuk:** EITC was providing policy and strategic advice to the Government. It does have

a budget. They do fund two or three committees, one is a science educational program called Mindset. The other one is a Science and Technology Committee, which is looking at enhancing innovation. A third committee is an IT committee that was looking at developing strategies to deal with skill shortages. So, in a way, they support R&D, and we have continued to support those committees and the work of those people. In addition to that, some of the fund was used as an investment to SmartPark.

**Mr. Tweed:** Some of the funding from EITC was used in the development of SmartPark? Is that correct?

**Ms. Mihychuk:** That is correct, and I believe it was \$1 million towards contribution to SmartPark. Those commitments were made by the previous government, and we are pleased to proceed with those initiatives.

**Mr. Tweed:** So, then, reducing the grant assistance to the EITC council does not affect MIN or any of those other organizations that it partially funds?

**Ms. Mihychuk:** No.

**Mr. Tweed:** Does that million-dollar reduction then just represent a lack of interest in people accessing this fund?

\* (16:30)

**Ms. Mihychuk:** The issue of the fund for EITC has been raised by many people, including the present chair of EITC who informed me that in fact having the fund was somewhat of a disadvantage to the group, that they became known as a funding opportunity, and that was taking away from their real mission which was providing strategic advice to government. It also often became a place to come to to look for funds which were not available through traditional avenues. The advice from the chair was that this fund would not be missed by the research community or the IT sector.

**Mr. Tweed:** So then the cancelling of the million dollars in the Grant Assistance and Economic Innovation and Technology Fund, I would

would assume then is not showing up anywhere else in the Department?

**Ms. Mihychuk:** The \$1-million reduction in that fund is identified on page 58 of the Estimates book

**Mr. Tweed:** I recognize that it shows up there as a reduction. I am just wondering if that million shows up anywhere else in the Department or any other department as relevant to industry technology and the growth of that industry.

**Ms. Mihychuk:** No.

**Mr. Tweed:** Pass that line.

**Mr. Chairperson:** 10.2. Business Services (a) Industry Development – Consulting Services (1) Salaries and Employee Benefits \$2,020,900–pass. (2) Other Expenditures \$840,100.

**Mr. Tweed:** I cannot find that. Are we talking Industry Development – Consulting Services?

**Mr. Chairperson:** We are talking about Industry Development – Consulting Services, item (2) Other Expenditures, page 109. Shall the item pass?

**Mr. Tweed:** Under the Grants/Transfer Payments of 11.9, could the Minister just tell me what that entailed?

**Ms. Mihychuk:** If I could provide a little bit of clarification. The Grants/Transfer Payments, which amount to \$12,000, have been separated from the Other Expenditures in the printed Estimates. So the total amount of those next two units adds up to \$852,000, which adds up. Just our two books do not add up.

**Mr. Tweed:** Could the Minister explain what the almost 12 is on the Grants/Transfer Payments?

**Ms. Mihychuk:** To itemize the \$12,000, it goes: \$300 for bursary; \$1,000 for the Manitoba Marketing Management Association, U of M; \$1,500 for the Prairie Implement Manufacturers Association; and \$9,100 for Manitoba science fairs.

**Mr. Tweed:** We can pass this line.

**Mr. Chairperson:** 10.2. Business Services (a) Industry Development – Consulting Services (2) Other Expenditures \$840,100–pass; (3) Grants \$11,900–pass.

**Mr. Tweed:** The line is passed. I just—you have a net decrease due to lower accommodations costs, and I see that showing up occasionally. Does that mean that these offices have moved or just with amalgamation?

**Ms. Mihychuk:** No. They still occupy their offices at 155 Carlton. We were just able to negotiate lower rental costs.

**Mr. Tweed:** Is that something the Department has done for a lot of the cases where we see a reduction in the accommodation costs?

**Ms. Mihychuk:** That reduction in the rental costs are reflected in a number of the branches that are identified in Estimates and relate to those reduced rental costs at 155 Carlton.

**Mr. Chairperson:** 10.2. Business Services (b) Industry Development – Financial Services (1) Salaries and Employee Benefits \$858,000.

**Mr. Tweed:** Can I ask who the manager is of this?

**Ms. Mihychuk:** It is Jim Kilgour.

**Mr. Tweed:** I am wondering if the Minister can tell me if there were any vacancies when she took over the Department.

\* (16:40)

**Ms. Mihychuk:** Yes. There were three vacancies in this area.

**Mr. Tweed:** Which would then lead me to ask if there were new employees taken on. With the amalgamation I see you have 14 positions. Are they all full?

**Ms. Mihychuk:** No. There have been no new people hired in this area.

**Mr. Tweed:** So then there are 14 employees currently in that department?

**Ms. Mihychuk:** Of the three vacancies, two were eliminated, which left one, and since that time another position has become vacant, which means at the present time there are two vacant positions.

**Mr. Tweed:** Is it the Minister's intention to fill these vacancies?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** The objective of the Industry Development – Financial is to assist Manitoba businesses, Manitoba-based businesses to grow and prosper. When a company like Schneider's comes to Manitoba, would they access this department or this part of the department?

**Ms. Mihychuk:** The staff from this department from this area would participate in the negotiations with projects like the Maple Leaf and the Schneider's projects.

**Mr. Tweed:** I am guessing that this has to deal with all the risk capital that is out there. Is that including the ENSIS and Crocus funds?

**Ms. Mihychuk:** This area does work with the labour-sponsored funds in terms of the administration of the Act, but the incentives for the labour funds are related to a tax incentive and that is handled through the Department of Finance.

**Mr. Tweed:** Can the Minister tell us, in this particular part of the Department, what size the risk capital pool is in Manitoba or in this area?

**Ms. Mihychuk:** The total amount of third-party-managed risk capital pools in Manitoba is between \$250 million to \$300 million.

**Mr. Tweed:** Is that a total that is accessible or a total that is being loaned out and available?

**Ms. Mihychuk:** That is the culmination of the total loaned out and available.

**Mr. Tweed:** It suggests that you are hoping to place 25 new investments this year. Can the

Minister confirm if that is happening or what the number would be?

**Ms. Mihychuk:** We are optimistic that we will see 25 new investments. Again, we are hoping that we will see even more than that.

**Mr. Tweed:** Is there any to date that she could advise the House of?

**Ms. Mihychuk:** One way of seeing the number of investments is by looking at the public record of the labour-sponsored funds of ENSIS and Crocus. On average, we see two new investments per month, and those are on the public record.

**Mr. Tweed:** The Minister has referred to Crocus and ENSIS and also stated that they are the responsibilities of Finance.

**Ms. Mihychuk:** The administration of the Act of the labour-sponsored pools is our responsibility but the tax incentive is administered through the Department of Finance.

**Mr. Tweed:** One of the concerns or an issue, I guess, that was developing was the oversubscription on the Crocus Fund investment. Can the Minister advise the House if that happened again this year?

**Ms. Mihychuk:** Yes, it did. I just want to add that Crocus, I think, was, because it was the first and they have had a fairly aggressive advertising campaign, have made a significant difference to Manitobans. I think that you see working people becoming involved in investing in Manitoba companies and they have to be given a lot of credit for providing that opportunity for Manitobans. Both now, Crocus and ENSIS provide investment vehicles to regular Manitobans, which, I think, is a very good thing.

**Mr. Tweed:** Certainly, I will not argue that it is not necessarily a good thing, but I think the question was: Were they oversubscribed this year?

**Ms. Mihychuk:** Yes, they were.

**Mr. Tweed:** Can she advise the House as to how much over?

**Ms. Mihychuk:** Mr. Chair, \$5 million oversubscribed.

**Mr. Tweed:** Is there anything in the legislation that would deal with the oversubscription on these types of funds?

\* (16:50)

**Ms. Mihychuk:** This was similar to last year, and an exemption agreement was provided for the oversubscription.

**Mr. Tweed:** The exemption was provided last year and this year, or just last year?

**Ms. Mihychuk:** For both years, last year and this year.

**Mr. Tweed:** ENSIS, did they experience any of the same situation?

**Ms. Mihychuk:** No.

**Mr. Tweed:** I think I will pass that line.

**Mr. Chairperson:** 10.2.(b) Industry Development – Financial Services, (1) Salaries and Employee Benefits \$858,000–pass; (2) Other Expenditures \$447,500.

**Mr. Tweed:** Mr. Chairman, the one that stands out the most obvious is Supplies and Services, an increase of \$146,000, \$147,000. Could the Minister break that down?

**Ms. Mihychuk:** The increase allows for provisions for hiring outside expertise and consulting services. One area that we are reviewing is the labour-sponsored funds and as was defined by the Century Summit, we look for new opportunities in terms of making risk capital available to Manitobans and so some availability, some cushion was given here in extra resources to provide specialized consulting services.

**Mr. Tweed:** I guess I just find it odd that it would be buried in that particular line if you are talking about consulting fees. I guess the

Minister is just saying that you have hired so many more consultants to cover this cost or this increase.

**Ms. Mihychuk:** The process of Estimates recording as identified on page 81 requires us to put it in Supplies and Services because that is where consulting services are supposed to be. So, in compliance with procedure, that is the line that would include those monies. For the Member's information, there have been no consultants hired from this line yet.

**Mr. Tweed:** Is that suggesting then that there were none included in that \$199,800 from the previous year?

**Ms. Mihychuk:** It is my understanding that there were consulting services provided in the \$199,000, and this is a regular procedure by the Department to reach out for special consultations on particular issues. So it has been done in the past, and it is recognized that because of the review of labour-sponsored funds and Century Summit and looking at new priorities that additional funds were placed on that line.

**Mr. Tweed:** Are there any specific issues right now that—you refer to the Century Summit. Are you saying that you are hiring a consultant who is going to take the recommendations and follow them through or is going to continue to look at them, or what will they be doing with it that we would need to hire a consultant?

**Ms. Mihychuk:** The No. 1 item that we are dealing with is the legislation that deals with the labour-sponsored funds. The legislation is not consistent for the two funds, and both funds have approached us asking us to review the legislation, and that is underway.

**Mr. Tweed:** So that review is underway, but as of to date you have hired no one to do it.

**Ms. Mihychuk:** That is correct. It has been an internal process up to now, but we expect to release an RFP very shortly.

**Mr. Tweed:** Can the Minister explain what the inconsistencies are between the two labour-sponsored funds?

**Ms. Mihychuk:** I do not have the details, but staff tell me there are at least 12 distinct issues that define the two labour-sponsored funds that need review, and if the Member wishes we could provide the information to him where the funds differ.

**Mr. Tweed:** Well, I think I would appreciate that. I guess I just find it hard to accept the fact that we have a department of industry development—and I would suggest that that is their mandate—and now we are going outside for extra consulting. It seems to me to be a substantial amount, and I would, again, I guess ask what are the specifics that are being studied in this review?

**Ms. Mihychuk:** The line item also includes not only the consulting fees discussed, but also includes an additional \$100,000 for legal fees, which in the past were covered under the MIOP line and it was felt that it would be more open and up front to have that cost provided for in this line item.

**Mr. Tweed:** So are you saying then that the legal fees that they are talking to and note to of \$150,000 actually represents the increase?

**Ms. Mihychuk:** The difference amounts to \$147,000; 100,000 is moved to deal with the legal fees and the 47,000 relates to the consulting fees.

**Mr. Tweed:** The Minister referenced the Manitoba Century Summit in that number. I am just wondering what she sees as the highlights of the Summit itself and what recommendations would she be taking forward to Government for implementation.

**Ms. Mihychuk:** In this area, the Century Summit had three primary focuses: one that discussed education, the other one access to capital, and the third area was the new economy. When it comes to the access to capital, we are looking at different modes of accessing Venture Capital like the Keystone fund, which was recently announced that the previous government had negotiated. It meant that government provided \$1 million in a repayable loan and levered \$3 million of private sector

money, a fund, which I understand has been quite successful.

We are also focussing attention on accessing Manitoba's pension funds, and this has been an area where a lot of people have expressed interest. A great deal of the money that we have in our pension funds is invested outside of our province, and we are exploring with Labour and departments a way to access more of those funds.

\* (17:00)

**Mr. Tweed:** Do you intend to introduce any new funds, investment vehicles, in the province of Manitoba?

**Ms. Mihychuk:** We are examining new opportunities. We do not have anything finalized, but it is our goal to provide new investment vehicles and make capital more readily available for Manitobans.

**Mr. Tweed:** Does the Minister have any intention of cancelling or deleting any of the current programs offered?

**Ms. Mihychuk:** No.

**Mr. Tweed:** We can pass that line.

**Mr. Chairperson:** 10.2. Business Services (b) Industry Development – Financial Services (2) Other Expenditures \$447,500—pass; (3) Programs (a) Manitoba Industrial Opportunities \$7,180,300.

**Mr. Tweed:** I see that there has been a reduction there. I know there is a note, but can the Minister explain what the reduction involves?

**Ms. Mihychuk:** The changes there are related primarily to the change to the direct assistance for the call centre initiative as well as the reduction in the Business Development Fund. Any additional changes are related to cash flow requirements.

**Mr. Tweed:** If I am not mistaken, I think we were on the Manitoba Industrial Opportunities Program, that line. That is what you are saying is involved in that?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** Note 3 suggests that it "reflects adjustments to carrying costs for interest and the provision for losses." I do not see anywhere where it talks about different programs. What I am interested to know is, what is the adjustment in the carrying costs for interest, and what is the provision for losses?

*Mr. Stan Struthers, Acting Chairperson, in the Chair*

**Ms. Mihychuk:** The breakdown is, \$1.5 million relates to the forgivable loans of the call centre program. Close to a million dollars, \$966,000, is related to reduced interest charges.

**Mr. Tweed:** Is the \$1.5 million for the call centre not on a line of its own.

**Ms. Mihychuk:** No, it is not. It comes out of the MIOP program.

**Mr. Tweed:** Then, for explanation, what is Access 204 Manitoba?

**Ms. Mihychuk:** Access 204 are the individuals and programs that used to be focussed on bringing in call centres, but the money here is related to the forgivable loans. So it is two separate lines.

**Mr. Tweed:** So the call centre line does not show a line anywhere that identifies it strictly as the call centre initiative?

**Ms. Mihychuk:** Yes it does. It will be coming up under Access 204. That was previously called the call centre initiative. That is found on page 40.

**Mr. Tweed:** I recognize that the administration side of it is on page 40, and that you have taken \$1.5 million out of that program but actually out of the Industrial Opportunities Program. How will we ever be able to verify that line?

**Ms. Mihychuk:** It is my understanding that the accounting procedure presented in this Estimates book is exactly the same as it has been represented over the past five years for the call centre initiative.

**Mr. Tweed:** I never remember saying that it was right back then to do it that way either. I guess the reason I am asking you is the fact that if I am going out to try and verify that you have actually removed \$1.5 million out of the now Access 204 Manitoba program, I really have no way of verifying it. You are proclaiming it to be a withdrawal of that funds, but where is the reconciliation at the end of the year that I can actually verify that?

\* (17:10)

**Ms. Mihychuk:** The process for, I guess accountability, is right in the line where we are at. By the Member's questions, he has a clear commitment or an accounting of the expected reductions, \$966,000 in expected reduced interest costs and \$1.5 million for direct grants to the call centre initiative. If this is for the next year, you can reconcile the numbers by looking at this direct line item.

**Mr. Tweed:** Can the Minister then tell me today what last year's expenditures or proposed expenditures were for call centres?

**Ms. Mihychuk:** In total, \$2.95 million.

**Mr. Tweed:** I am presuming that since September, can the Minister tell me how much of that \$2.95 million was used?

**Ms. Mihychuk:** Disbursements from September amount to \$450,000.

**Mr. Tweed:** Just to September or since September?

**Ms. Mihychuk:** Since September.

**Mr. Tweed:** In addition to how much of that was spent up to September then. I am looking for the total.

**Ms. Mihychuk:** The amount spent on the call centre initiative prior to September is not available to us in this Estimates process because it relates to the previous fiscal year. If the Member wishes it, we could look up the information, but it really relates to the call centre initiative that was started by the previous government and sort of followed through for the

past five years. The last call centre that was opened or that received funding from this line was the Gage call centre in Selkirk.

**Mr. Tweed:** I guess I am surprised that you would not know the numbers when you amalgamated the departments to get the numbers that were fixed before and when the two departments were joined together. Obviously you had access to that type of information to put the numbers together to present your Estimates for this year.

I would like to know what the number was up until September on the call centre. I guess I am thinking that at an estimated \$2.9 million last year, if a million or a million and a half was spent, then it would be quite obvious it would be not lapsed money, but it would just be money you would not use this year so you would automatically take it out of the Budget.

I will ask the question: Are we seeing a decline in the interest or the application or the need for call centres in the province of Manitoba?

**Ms. Mihychuk:** There has been continued interest in the telecommunication industries and call centres, but there has been an evolution in the call centre industry into a higher-end service provider. These centres are now called service centres for various industries. We have had too major announcements since September. One of them was IBM which is a surprise, support services to all Nissan dealers in the United States, and the other one was Traders.com which just announced that they will be opening a service centre here in Manitoba.

Neither one of them received any forgivable loans or grants and find Manitoba a very attractive place to open this type of high-end service centre.

**Mr. Tweed:** The Minister referred earlier, or we were discussing the \$6 million in overspending in the Department. I am looking at the line under MIOP of 9.714.8. I think she made reference to SmartPark. Would that be included in that 9.7 figure?

**Ms. Mihychuk:** No, SmartPark was funded out of EITC, and that would cover it. EITC would cover the funding of SmartPark.

**Mr. Tweed:** Just to make it so I understand, is that the same EITC whose funding was reduced by a million dollars this year?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** Mr. Chair, on this line, the Minister talks about \$966,000 in reductions in carrying costs.

**Ms. Mihychuk:** Yes, that is correct. It is anticipated that we will be paying \$966,600 less in interest charges.

**Mr. Tweed:** Based on the last year's Estimates of 9.7, is that working on just a 10% straight reduction?

\* (17:20)

**Ms. Mihychuk:** Okay, \$466,000 is the actual cost of the interest charges on the MIOP portfolio; \$500,000 relates to public sector accounting practices in terms of recognizing the cost of making loans.

This is a reduction because the number of special provisions and lower-than-cost loans made available to businesses is expected to be reduced. So, for example, in the past, government has had favourable deals with certain businesses that are provided loans that are at a lower rate than we are charged, and this \$500,000 is a recognition of less costs in that sector.

**Mr. Tweed:** So are you then moving away from that type of programming and that type of loan?

**Ms. Mihychuk:** Yes, we are.

**Mr. Tweed:** What is the provision in your plan if you are eliminating that part of the program?

**Ms. Mihychuk:** We are going to attempt to assist businesses by providing MIOP loans at cost. We are not making a commitment to completely reduce our ability to provide stra-



tegic investment for our special business projects. What we are going to try and do is provide opportunities for business but reduce the amount of business subsidies that were quite common in the past.

**Mr. Tweed:** Can the Minister explain or tell us, then, if she is suggesting that the total in savings is going to be \$466,000? Is that reflected on a certain amount of dollars?

**Ms. Mihychuk:** The \$466,000 is the actual costs of the interest charges on the MIOP portfolio.

**Mr. Tweed:** That is the actual cost of the total amount of the fund or the amount that has been loaned out?

**Ms. Mihychuk:** That is probably my fault because I phrased it wrong. The \$466,000 reduction in cost is what we expect to save in interest charges on this portfolio.

**Mr. Tweed:** So we have \$1.5 million for the call centres, we have \$466,000 in savings and interest, and \$500,000 in accounting practices. Now, is that \$500,000 going to be charged out somewhere else in the department? What has changed that you can eliminate that?

**Ms. Mihychuk:** The \$500,000 saving is based on our government's commitment to look at reducing business subsidies and the number of concessionary loans that will be provided to businesses.

**Mr. Tweed:** I may have misunderstood or did not hear correctly, but I was under the impression the \$500,000 was for accounting practices, for setting up and developing and presenting the loans, and now you are saying it is not.

**Ms. Mihychuk:** For example, if the department was to make a loan at a rate that was under our costs, so that it would cost us money to lend it out to a business, and if the length of the loan was 10 years, the total cost of that expenditure or that additional cost, because we would have to incur the difference between the loan rate we gave to the business and the loan rate that we have to pay, that total must be costed in this fiscal year for the whole length of the loan term.

**Mr. Tweed:** I am still a little confused. You say that you are saving \$466,000 in interest, which is the offset to the reduction on the interest that you are charging people, and now you are saying that the additional \$500,000 which you talked about as being accounting practice fees—I guess what I am asking is what is that extra \$500,000? We have established what the \$1.5 million is for the call centre. We have established that \$466,000 is the cost variance of interest costs. What is the \$500,000 that you originally stated was for accounting practices?

**Ms. Mihychuk:** Accounting practices dictate that the way that we record this saving is by recording it in this line. So, for example, we are not giving out 2% loans if it costs us 7, or at least we are going to try and eliminate that type of favourable loan subsidies. There must be an effort to attempt to recognize the amount of savings the Government will incur by reducing the number of those types of favourable loans to initiatives.

So that saving is because of the change in policy and because our view is that government is here to provide services, provide opportunities and provide business with means to capital, but at cost. So we are going to be reducing those very favourable deals, and the saving of that position is estimated to be \$500,000.

**Mr. Tweed:** I fully understand the difference between 4% interest and 6% and the offsets that have to be set up. Unless I am totally misunderstanding what you are saying, I presumed that that is what you were referring to when you were talking about the \$466,000.

**Ms. Mihychuk:** No, the \$466,000 is the actual savings that we are going to achieve by having loans repaid to us. Those are going to be actual savings on the portfolio interest charges of loans already out there and that are going to be paid back.

**Mr. Tweed:** Again, Mr. Chairman, are the two not the same? If you are not going to put out any more loans at a discounted rate, then you do not have to amortize any costs over for the future if you are going to collect the interest difference. I guess I am not sure what you are referring to as \$466,000 interest costs on money and \$500,000.

I understand the accounting practices, but are the two not the same?

**Ms. Mihychuk:** The \$466,000 in savings is on existing loans. The \$500,000 is anticipated on future loans.

\* (17:30)

**Mr. Tweed:** So then is the Minister confirming that her department is still prepared to put out loans at a discounted rate and is building in a \$500,000 cushion to offset the differences?

**Ms. Mihychuk:** No, exactly the opposite. This is a reduction. This is a saving of \$500,000. So it indicates that we will be reducing the number of those types of favourable loans.

**Mr. Tweed:** Has the Minister put out any loans since she became the Minister? Has her department?

**Ms. Mihychuk:** We have continued our commitment for the Keystone fund, and I will be participating with the federal government on announcing two initiatives on Friday.

**Mr. Tweed:** The Keystone funding, I believe it is a million dollars, does it come out of the MIOP program?

**Ms. Mihychuk:** Yes, that is correct.

**Mr. Tweed:** Does the Keystone announcement reflect in this year's budget or in last year's?

**Ms. Mihychuk:** The disbursement of the million dollars has not occurred yet. When disbursements begin, we anticipate that it will begin in this fiscal year and continue in future years.

**Mr. Tweed:** How long is the Keystone investment program? Is it a time-limited opportunity?

**Ms. Mihychuk:** The length of that program is 10 years.

**Mr. Tweed:** Just for clarification, the numbers we are looking at in this area based on last year

1999-2000 and this year, is there any inclusion in the mining sector in the last year's Estimates?

**Ms. Mihychuk:** The initiatives for the mineral industry are identified below in another line item on the same page called Mineral Industry Support Programs.

**Mr. Tweed:** So the Minister is saying that, under Program Delivery, none of the numbers that we are talking about include any relevance to mining?

**Ms. Mihychuk:** No.

**Mr. Tweed:** The Minister referred earlier to SmartPark at \$2.3 million and being funded under EITC. Is that correct?

**Ms. Mihychuk:** The exact number of the funding is closer to \$2.8 or \$2.9, and we will be glad to provide the Member with that number. It comes out of the EITC fund.

**Mr. Tweed:** Mr. Chairman, for direction, can the Minister tell me where I can find the EITC fund? on what page? I have looked at it before.

**Ms. Mihychuk:** It can be found on page 58.

**Mr. Tweed:** Just working on the fact that it is \$2.8 million, and the Minister has advised us that the funding for the SmartPark came out of the EITC fund, can I ask where the extra funding came from noting that the EITC fund total is \$2.5 million?

**Ms. Mihychuk:** The difference is related to the overexpenditure that we talked about earlier. I understand that it was the Member that took the request to Treasury Board for that overexpenditure.

**Mr. Tweed:** So then the funding under MIOP, there is no involvement in that MIOP fund in SmartPark.

**Ms. Mihychuk:** No, there is not.

**Mr. Tweed:** Has the MIOP loan seen any increase or noticed any pattern in loan losses that—I am not talking about specific, but is there any trend in that area?

**Ms. Mihychuk:** There are a number of ventures that Manitoba invests in under the MIOP program. I think it is fair to say that there are a number of those investments that have been challenging, that businesses are not able to comply with the conditions set out in their MIOP contracts, and we are working very hard to try and ensure that the businesses that we invested in will be successful. I can tell the member that there are a number of fairly significant investments that we are working very hard on.

**Mr. Tweed:** Has the Minister, under this particular program, had to—I do not know if the word is "foreclose," but had to terminate any agreements since coming to office?

**Ms. Mihychuk:** No, not yet. We continue to work with the sectors that we have invested in and have not been in that position.

\* (17:40)

**Mr. Tweed:** Well, that is positive, as far as knowing that as challenging as they are, that as of to date or since taking office that you have not had to deal with any of those, and I would hope that you do not. I know you have made a reduction in your Estimates for this particular line, but is there any increase in losses projected that you are building into that 7.1?

**Ms. Mihychuk:** The major loan loss provisions were provided for in the previous fiscal year and we will get back to the Member with more details on the \$6-million overexpenditure that he requested.

**Mr. Tweed:** I appreciate that, and I know that we have already asked that. I was referring to this year's line item of 7.1. Has there been an increased number to provide for the loan loss provisions? Is it a percentage of the amount, or is it a static number that moves up and down with the amounts loaned out?

**Ms. Mihychuk:** No, there has not been any significant change. The general policy of allowing loan loss has been continued and there has not been any significant change.

**Mr. Tweed:** Mr. Chairman, is it the Minister's intention to eliminate the MIOP program over time?

**Ms. Mihychuk:** No.

**Mr. Tweed:** Can the Minister explain where other reductions that were talked about in '99, the roughly \$23 million that was promised in business subsidy reduction, where that might come from in her department?

**Ms. Mihychuk:** I find that question somewhat confusing because we have gone through this issue. We have taken a major step in reducing the amount of forgivable loans in the call centre sector. The EITC fund has been moved or eliminated. We have tried to reduce our staffing components in a general sense, which is a type of business subsidy.

We have looked at reducing in every sector, so I think the 10% overall reduction in our department is an indication of our commitment to try and meet our election promise of reducing business subsidies. But ITM is only one part of government, and I know that many other departments were involved in identifying those reductions.

**Mr. Tweed:** Recognizing that you are definitely not the only department on this line that would have to come up with those savings, but certainly as a department of Industry, Trade and Mines, these are the areas where these types of funds are most often found, I guess then I might ask does the Minister see further reductions in this program or any other in the program delivery side of it to achieve that promise?

**Ms. Mihychuk:** I think that our department went through a thorough review. At the present time, we feel that the 10% reduction was substantial, and we do not see any other major cuts in terms of our programming.

**Mr. Tweed:** Is the 10 percent that the Minister is referring to 10 percent of her budget?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** The areas that these reductions are found in—I guess the minister has referred to them as being in the call centre and small amounts in other areas. Does the Minister agree then that the Manitoba Industrial Opportunities

Program is a good program, and is she prepared to continue it?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** Does the Minister plan to revise the MIOP program?

**Ms. Mihychuk:** Well, I think that we have done that from the day that we got elected. We made a commitment to reduce business subsidies, favourable loans that cost the government more money than we can afford. Those types of special deals we are trying to reduce. Yes, we look at strategic investments like Schneider's that is going to provide a lot of opportunities for Manitobans.

Needless to say, as the Member across the way, who was the former minister, knows, on a regular basis we are approached to provide special deals. Philosophically, I am opposed to that position. We have taken fairly strong stands in saying: Yes, government is here and can become a partner in business development, but we are not here to provide you with free money. If the people in my riding were eligible to receive 2 or 3 or 4 percent loans, and that was going to be stand of the Government, then we need to make it available to not only millionaires that ask us for 4 percent loans, but to everybody in Manitoba. I do not see that as the role of our department, and we have taken those fairly strong steps right from the day that we were elected. I have made it clear to the business community over and over again that business supports of that kind will be reduced substantially.

**Mr. Tweed:** I guess I would go back, then, to what the Minister might deem substantial. I would say that, when I look at the overview of their election reductions and spending savings, they talk about a total of \$23 million in business subsidies. I see a reduction of \$1.5 million to a call centre that probably was not using it and, other than that, very little else.

**Ms. Mihychuk:** I can only repeat that we have taken a reduction of close to 10 percent in this department. We have made significant reductions, and we are only one department of a large government.

\* (17:50)

**Mr. Tweed:** When the Minister refers to a 10% reduction, she is talking about 10 percent after she has combined the two departments. Is that correct?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** Will the Minister tell us, based on that 10% number, what percentage of each department—Industry and Trade and/or Mines—took the largest hit?

**Ms. Mihychuk:** That is Schedule 3 on page 5. Admin and Finance took a 4.2% reduction; Business Services, an 11.3% reduction; Community and Economic Development took a 29% reduction. Overall, it was a 9.3% reduction to this department.

**Mr. Tweed:** In essence, the only areas that actually took a reduction were from the Industry, Trade side of the Department?

**Ms. Mihychuk:** Yes.

**Mr. Tweed:** If the Minister is going to continue with the Industrial Opportunities Program, she says, with very little change, the only change she is going to make will be the reduction of the advantage interest rates that might have been out there?

**Ms. Mihychuk:** I have identified two areas already. Those are the forgivable loans and the advantageous loan rates.

**Mr. Tweed:** If she has the information, can she tell us how many forgivable loans were put out in 1999-2000?

**Ms. Mihychuk:** There were two.

**Mr. Tweed:** So, I am guessing that there were two forgivable loans in the entire budget year?

**Ms. Mihychuk:** Yes, that is correct.

**Mr. Tweed:** Can the Minister explain what the forgiveness is based on?

**Ms. Mihychuk:** The achievement of job targets and capital investments.

**Mr. Tweed:** Can the Minister advise whether those have been followed through on, targets met and loans forgiven, or are they still outstanding?

**Ms. Mihychuk:** The program allows a certain length of time to complete their requirements, and in these cases they are a seven-year time frame, so they are not near completion.

**Mr. Tweed:** Mr. Chair, are the two forgivables involved in the call centre business?

**Ms. Mihychuk:** Yes, they are.

**Mr. Tweed:** Mr. Chair, the offset interest that the Minister talked about, the less than the prime rate, can the Minister advise us as to how many loans in last year's fiscal year were handed out below the government rate?

**Ms. Mihychuk:** Well, Mr. Chair, I ask for some sort of guidance. The former Minister of Industry Trade would know full well what kind of loans he gave out, and, in fact, we are asking questions on the previous fiscal year. I feel that it is somewhat unfair to ask the Department to report on last year when we are looking at the future. Yes, I am prepared. I do not want to ever say I am not prepared to provide information. I will, but it is not available here today, and we can give them that information.

**Mr. Tweed:** I guess, I would just like to advise the Minister that she was the Minister for the last six months of the fiscal year, and she should know those things whether the previous minister turned out the loans or whether she did. I am just asking her a very simple question in numbers: Is it one? is it two? is it seven? How many interest

loans below the government interest rate were handed out in the last year?

**Ms. Mihychuk:** Five.

**Mr. Tweed:** The Minister comments that these five were turned out by our government, so the question would be then the Minister, to this date, has not participated in any of that side of the loan.

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** I am curious to know if, of those five, have they all been, I guess, good loans in the sense that we have not had to adjust or to—again, I am not sure what the word is in this. We have not had to go and collect our money or not been able to collect our money?

**Ms. Mihychuk:** The loans were made just in the past year, so we have not had to write off or have a bankruptcy in any of those portfolios. So the answer is: We have seen no difficulties with those portfolios.

**Mr. Tweed:** I am wondering if there might be a willingness to call it six o'clock.

**The Acting Chairperson (Mr. Struthers):** The hour being 5:59 p.m., committee rise.

Call in the Speaker.

#### IN SESSION

**Mr. Speaker:** The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow morning (Thursday).

#### CORRIGENDUM

Vol. L No. 30 – 1:30 p.m., Thursday, May 18, 2000, in the Table of Contents, the second column, under Budget Debate, the third name should read J. Smith.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 31, 2000

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