



Third Session - Thirty-Seventh Legislature

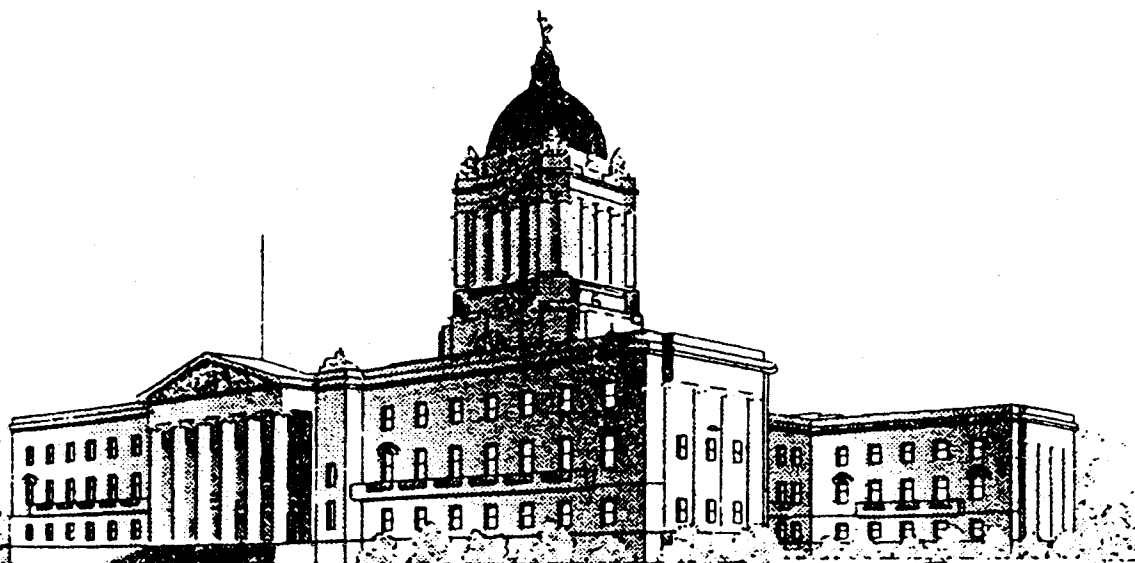
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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



Vol. LII No. 42 - 1:30 p.m., Tuesday, June 4, 2002

ISSN 0512-5492

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Seventh Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 4, 2002

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Oscar Lathlin (Minister of Conservation): Mr. Speaker, I am pleased to table the Annual Report of the Department of Conservation 2000-2001; the Annual Report of the Sustainable Development Innovations Fund 2000-2001; the Annual Report of the Manitoba Habitat Heritage Corporation 2000-2001; the Annual Report of the Pineland Forest Nursery 2000-2001; the Annual Report of the Manitoba Product Stewardship Corporation, April 2000 to March 2001; the Manitoba Hazardous Waste Management Corporation 14th Annual Report 2000-2001; and the Audited Financial Statements for Venture Manitoba Tours Limited to March 31, 2001. All of these reports have been distributed intersessionally.

Hon. Scott Smith (Minister charged with the administration of The Liquor Control Act): I am pleased to table the following report, copies of which have been previously distributed intersessionally: The Manitoba Liquor Control Commission Nine Month Report for the period April 1, 2001, to December 31, 2001.

INTRODUCTION OF BILLS

Bill 26—The Occupational Therapists Act

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that leave be given to introduce Bill 26, The Occupational Therapists Act; Loi sur les ergothérapeutes, and that the same be now received and read a first time.

Motion presented.

Mr. Chomiak: This act changes the name of the occupational therapists' regulatory body from the Association of Occupational Therapists in Manitoba to the College of Occupational Therapists in Manitoba. Mr. Speaker, the act will provide patients with direct access to occupational therapy and sets in place board representation requirements, complaints, management processes and reporting responsibilities to ensure this new college fulfils its duty to act in the public interest.

Motion agreed to.

* (13:35)

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us Hannie Dandenault and Joanne Pickering from Prince George, British Columbia, who are the guests of the honourable Member for St. Vital (Ms. Allan).

Also in the public gallery we have from Victoria-Albert School 45 Grade 5 students under the direction of Mr. Dave Leochko and Mr. Myron Moszynski. This school is located in the constituency of the honourable Member for Point Douglas (Mr. Hickes).

Also in the public gallery we have from Countryview School 17 Grades 5 to 9 students under the direction of Mr. Mike Penner. This school is located in the constituency of the honourable Member for Steinbach (Mr. Jim Penner).

Also in the public gallery from Darwin School 23 Grade 3 students under the direction of Ms. Madeline Noyes. This school is located in the constituency of the honourable Member for Riel (Ms. Asper).

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

ORAL QUESTION PERIOD

Manitoba Hydro Profits-Transfer Payment

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, under this Premier (Mr. Doer) and under this Minister of Finance and Hydro (Mr. Selinger) the mismanagement of this Government continues daily. Since taking office, it is known that in the province of Manitoba the Doer government has taken a billion dollars of new revenue and spent every penny of it.

In fact, in order to balance last year's books the Doer government forced Manitoba Hydro, they forced and raided them to the tune of \$288 million. Mr. Speaker, in order to do that they are going to have to change legislation. The Premier and the Hydro Minister have continually said to Manitobans that the \$288 million that they are raiding from Manitoba Hydro would come from profits of export sales. Unfortunately, officials of Manitoba Hydro, under oath, are telling a different story.

Mr. Speaker, Carolyn Wray, the division manager of Business Analysis and Regulatory Affairs for Manitoba Hydro, testified that Manitoba Hydro does not—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Mr. Speaker, Carolyn Wray, the division manager of Business Analysis and Regulatory Affairs for Manitoba Hydro, testified that Manitoba Hydro does not have the money on hand to cut a cheque to the Government.

Why is the Doer government forcing Manitoba Hydro to borrow money to simply pay down the Doer government's deficit?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): I note the Official Leader of the

Opposition is placing a lot of weight on testimony at the PUB hearings.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Leader of the Official Opposition has a right to hear an answer to his question. I would ask the co-operation of all honourable members, please.

Mr. Selinger: Thank you, Mr. Speaker. I have had the opportunity to peruse the testimony as well by Ms. Carolyn Wray, and I note that at about the same time as we were answering questions in the House yesterday she put on the record: Now if the question had been phrased what is the interest expense associated with the payments to the Government funded by export revenues, then the answer would be there is no interest expense.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to remind all honourable members that the clock is running and we only have so much time for questions and answers. The longer the disruption is in the House, the shorter questions are going to be, fewer questions. I would ask the co-operation of all honourable members once again. This is a time for questions and a time for answers, not a time for debate.

I would ask the honourable Minister of Finance to please conclude your answer.

Mr. Selinger: I just want to reiterate the bottom line indicated by the person who is so often quoted by the other side: with payments funded by export revenues the answer would be there is no interest expense. That confirms the information I have put on the record consistently from day one that we have had very strong profits from Manitoba Hydro over the last five years. They have been \$734 million.

* (13:40)

Mr. Murray: Mr. Speaker, the Minister of Finance/Hydro says if. The fact of life is if that minister could live within his means, they would not have to raid Hydro. That is what this is all about.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. We are very early into Question Period and we are having an unusual amount of disruption. We have a lot of students in the gallery, and I am sure all the members would like to leave a good impression with the students that are taking time out to observe how politics is done in our province. I would ask the co-operation of all honourable members, please.

Mr. Murray: Thank you, Mr. Speaker. Ms. Wray testified under oath that in order for Manitoba Hydro to make the \$288-million payment the Doer government is demanding, they would have to borrow the entire amount. All Manitobans know that there is a cost to borrowing money. The cost to Manitoba Hydro to borrow \$288 million is \$276 million. So, in fact, Manitoba Hydro will be on the hook for \$564 million just to balance the Doer deficit from last year, the Doer government's deficit. Ms. Wray has clearly testified that Manitoba Hydro will have to borrow the entire amount, the \$288 million the Doer government has raided.

Because this seems to be contradicting what officials from Manitoba Hydro under oath are stating at the Public Utilities Board, my question is simply, on behalf of all Manitobans: Who are they to believe, officials under oath for Manitoba Hydro or the political spin from that minister?

Mr. Selinger: Mr. Speaker, Ms. Carolyn Wray, who, as the member from Kirkfield Park indicates was under oath, indicates very clearly that, to what is the interest expense associated with the payments to the Government funded by export revenues, the answer would be there is no interest expense.

That is under oath. It is on the record. It is exactly on the same footing as the member from Kirkfield Park mentions, and it makes it very clear the way you asked the question has a lot to do with the answer. When the question is asked accurately, when there is accurate information asked for, accurate information is put on the record. The accurate information that is put on the record here is that when the dividend is paid for by export revenues, there is no interest expense.

Mr. Murray: Mr. Speaker, the fact is we have been asking questions about Manitoba Hydro in this House for months. What we get is nothing but political spin and rhetoric. Under the PUB where you have to go up in front of a panel, put your hand on the Bible, you have to tell the truth.

The Premier (Mr. Doer) and this Minister of Hydro have been misleading Manitobans. They have led Manitobans to believe that Manitoba Hydro is somehow sitting on a pile of cash and that all they have to do is go in and raid that cash to cover their spending habits, to cover the deficit from last year.

I ask this minister again: On behalf of all Manitobans, who are they to believe, a Hydro official who is under oath with testimony or the political, less-than-honest rhetoric from this minister?

Mr. Selinger: Mr. Speaker, I know we give broad leaders' latitude to asking a question, but really that was quite a bit of rhetoric that did not acknowledge the facts I have put on the record by the same member quoted by the members opposite. This person, who is under oath, and as the member indicated had to swear an oath to tell the truth, has said very clearly: the interest expense associated with the payments to the Government funded by export revenues, the answer would be there is no interest expense.

There is no rhetoric coming from me on that. There is no rhetoric coming from this Government on that. I am simply stating the facts as put on the record in official testimony sworn under oath.

* (13:45)

Manitoba Hydro Profits-Transfer Payment

Mrs. Bonnie Mitchelson (River East): Mr. Speaker, the Auditor General has confirmed the Doer government's last two budgets have operating deficits, and in a desperate attempt by this Government and this minister to avoid being revealed as fiscally irresponsible, this Government tries to give the impression that Hydro has piles of money just sitting there, just lying

around, contrary to the sworn testimony of Hydro officials.

Can the minister confirm that the sworn testimony by Manitoba Hydro officials that once interest is factored in, the real cost to Hydro and to its ratepayers is \$564 million?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, at the risk of being repetitive, I think the members have relied extensively on testimony before the Public Utilities Board of Manitoba, so I will simply quote to them testimony that they think is valuable. The testimony is very clear: What is the interest expense associated with the payments to the Government funded by export revenues? Then the answer would be: There is no interest expense. That is the proper answer to the question.

Mr. Speaker: The honourable Member for River East.

Some Honourable Members: Oh, oh.

Mrs. Mitchelson: Thank you—

Mr. Speaker: Order. The honourable Member for River East has the floor.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable Member for River East has the floor, and we would all like to hear her question.

Mrs. Mitchelson: Thank you very much, Mr. Speaker.

When will this minister stop doing the two-step and be honest with the people of Manitoba? When was he planning on telling them that in order to pay the \$288 million to his Government because of their fiscal irresponsibility, Manitoba Hydro ratepayers would have to pick up \$564 million?

Mr. Selinger: Mr. Speaker, I will table some information provided to me by the president of Manitoba Hydro. I have three copies here. The letter is dated June 4.

In regard to yesterday's questioning in the House of the transfer payment for Manitoba Hydro to the Manitoba Government, I would like to make the following points: The transfer payment will be funded out of the corporate operating profits generated from export sales, and this is the point that the member was questioning me about. We are not considering any rate increases as a result of the transfer payment.

It further goes on to state: It should be remembered that the projected profits for the future are only projections, no matter what. Actual results will be different. Although the transfer payment is significant, it is practised by most other jurisdictions and we feel that the impacts are manageable.

* (13:50)

Mrs. Mitchelson: Mr. Speaker, this is damage control at its best. Since sworn testimony from Hydro officials states that the minister, and I quote, is well aware of the financial conditions of Manitoba Hydro, when was he planning on being honest and forthright with Manitobans and telling Hydro ratepayers that they would have to pick up the tab for \$564 million as a result of his incompetence?

Mr. Speaker: Order. Before recognizing the honourable Minister of Finance, I would just like to take this opportunity to caution all members when using the word "honest," "dishonest," to choose the word carefully.

Mr. Selinger: Mr. Speaker, taking account of the caution that you have just made, I will try to avoid using the same terminology. But I will point out that if the members were not just selectively cherry-picking from the transcripts of the Public Utilities Board hearing, they would have noted that in that transcript, the people giving testimony on behalf of Manitoba Hydro made it very clear that they did not anticipate any rate increases.

Manitoba Hydro Rate Increase

Mr. John Loewen (Fort Whyte): Mr. Speaker, on a number of occasions, and including today,

both the Premier (Mr. Doer) and the Minister of Finance have tried to leave Manitobans with the impression that there will be no increase in hydro rates as a result of the Government's demand that Hydro pay \$288 million in a dividend to the Doer government to help them hide their deficit. Hydro has filed forecasts with the Public Utilities Board that indicate exactly the opposite.

Will the minister confirm that Hydro has filed a financial forecast with the PUB that indicates clearly that starting in April of 2003, Hydro will need to raise electrical rates in Manitoba by 2 percent a year for six years, resulting in double-digit increases for Hydro customers?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, yesterday the members opposite came up with a number on interest rates for what they said would have to be Hydro borrowings. Today, I have confirmed the testimony of the officials of Hydro that when it is taken out of export dividends there would be no interest charge. Hydro officials, in their integrated forecast, always are very conservative in their estimates of net profits. They have projections in their integrated forecast for rate increases based on those net profit projections. They have had those for several years, both retrospectively and prospectively. They have never come to pass because the profits have exceeded expectations every year for the last five years and, as a result, they have not had to make a formal application for a rate increase.

Mr. Loewen: Mr. Speaker, I would ask the minister if he would admit to the people of Manitoba that Hydro has filed a financial forecast with the Public Utilities Board that states very clearly that Manitoba Hydro is forecasting rate increases of 2 percent a year for six years, starting in 2003, which will result in double-digit increases to the ratepayers of Manitoba. Will he simply confirm that?

Mr. Selinger: Mr. Speaker, I draw the attention of the member to the letter I just filed from the president of Manitoba Hydro, where he makes it very clear in his third bullet: It should be remembered that the projected profits for the future are

only projections, no matter what. Actual results will be different.

Mr. Speaker, I have put on the record many times that in the last five years the actual results have exceeded forecast by \$371 million. We have had \$734 million of profits from Manitoba Hydro between the years 1997 and 2001. Of that \$734 million in profits, \$371 million has been over the forecasted amount.

* (13:55)

Mr. Loewen: Does this Minister of Finance really expect the people of Manitoba to believe that the fact that his Government is taking \$288 million in dividends at a cost of \$564 million to Manitoba Hydro, does he really expect Manitobans to believe that has no effect on Hydro forecasting double-digit rate increases? Come on.

Mr. Selinger: You know, some of the members opposite are so good at picking cherries, they could sell fruit on the highway down to Lake of the Woods and make a profit.

Manitoba Hydro has made it very clear in their testimony in front of PUB that if the dividend comes out of export profits there would be no interest expense. I put that on the record several times today. I have also put on the record many times in this House that the actual profits have exceeded forecast by \$371 million. The profits have actually been double what has been forecast. As a result, their projections for needing rate increases, they have never actually had to apply for an official rate increase.

Manitoba Hydro has been very successful. They have been successful because the former NDP government had the foresight to build Limestone in spite of what the members opposite said, the doom and gloom, that it would never work.

Mr. Speaker: The honourable Member for Fort Whyte, on a new question?

Manitoba Hydro Profits-Transfer Payment

Mr. John Loewen (Fort Whyte): On a new question. Mr. Speaker, the Minister of Finance today is trying to deceive Manitobans into

believing that Manitoba Hydro does not have to borrow money.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Point of Order

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

Hon. Gord Mackintosh (Government House Leader): On a point of order. It is well known in this House that is terribly unparliamentary language. Mr. Speaker, if there is a citation needed, *Beauchesne* 489. Would you please ask the member to withdraw or else he can certainly offer a withdrawal and apology.

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

Mr. Marcel Laurendeau (Official Opposition House Leader): On the same point of order, Mr. Speaker. *Beauchesne* 490: "Since 1958, it has been ruled parliamentary to use the following expressions:" and "deceive" is one of them.

Mr. Speaker: Order. On the point of order raised by the honourable Government House Leader, it has been ruled both ways. I would just like to caution all honourable members. I am sure honourable members could pick a different word to use.

* * *

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, I know we have drawn a lot of information from the Public Utilities Board hearings—

Some Honourable Members: Oh, oh.

* (14:00)

Mr. Speaker: Order. The honourable Government House Leader rose on a point of order when the honourable Member for Fort Whyte had the floor, so I have to revert back to the

honourable Member for Fort Whyte to conclude his question.

Mr. Loewen: Thank you, Mr. Speaker. On a number of occasions, both the Premier (Mr. Doer) and the Minister of Finance have attempted to lead Manitobans to believe that there is a big pile of cash sitting over at Manitoba Hydro they can just dip into and pull out at no expense to Manitoba Hydro.

I would ask the minister if he will confirm a statement made under oath by Mr. Vince Warden, who is chief financial officer of Manitoba Hydro, made under oath June 3, 2002, when he responded to a question. The question being: I understand as well, Mr. Warden, that Manitoba Hydro will be financing the special payment and that the financing costs for the life of the current IFF is some \$260 million to \$276 million. Is that correct? Answer from Mr. Warden, under oath: Yes.

Will the minister confirm that is the case?

Mr. Selinger: I know we rely on the questions I have had in the last couple of days on officially sworn testimony at the Public Utilities Board. I can only return to the most recent testimony that was being put out in front of that board as recently as yesterday at the same time as we were asking questions here. The answer was very clear. There will be no interest expense as long as the payments are funded by export revenues.

Once again, I have made it extremely clear that—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Point of Order

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

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

listening, but the question was whether or not he agreed with Mr. Vince Warden on his statements. Is Mr. Warden a liar?

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

Mr. Selinger: The same point of order, Mr. Speaker. Very simply, I believe all my answers today have been short and focussed on facts and at least half the length of time it has taken to ask the questions.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. There has been a lot of disruption going on here. It is very, very difficult for me to hear the questions and to hear the answers. When he was answering the question, I could barely hear him. I am going to have to take the question under advisement so I can peruse Hansard.

* * *

Mr. Speaker: Please, I need to be able to hear the questions and the answers. I ask the cooperation of all honourable members.

The honourable Minister of Finance, to conclude his answer.

Mr. Selinger: Mr. Speaker, I just want to put more official testimony, sworn under oath, on the record from the Public Utilities Board hearing. One of the statements made by Ms. Wray is: Manitoba Hydro can still achieve positive net income without any electricity rate increases.

Point of Order

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

Mr. Marcel Laurendeau (Official Opposition House Leader): On a point of order, Mr. Speaker. I am sure we all had an opportunity to listen to the minister put his spin on the answer, but *Beauchesne* 417: Answers to questions should be as brief as possible, deal with the matter raised and not provoke debate.

Is this minister calling Mr. Warden a liar?

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

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, that is no point of order whatsoever.

The minister was, in fact, reading into the record sworn testimony. This is not spin. These are the words of another person, in fact, the person used by the Opposition, but the difficulty on the part of the Opposition is they came in here with questions, they got an answer they did not like and they cannot change their tune. They cannot flip the page. They cannot change their questions. They were all written down ahead of time.

Mr. Speaker: On the point of order, I will have to take that point of order under advisement to peruse Hansard and come back with a ruling.

* * *

Mr. Speaker: The honourable minister had the floor.

Mr. Selinger: Well, I have been trying to put sworn testimony on the record, as members opposite have been doing, Mr. Speaker. At the risk of repetition, they have made quite a bit of hay out of the fact they think the special payment might require an increase in rates. The manager over there who does the due diligence on this has said: Manitoba Hydro can still achieve positive net income without any electricity rate increases additional to those already in the previous financial forecast.

Mr. Loewen: Mr. Speaker, the minister is refusing to answer the question. I will ask it in a very simple and straightforward manner. Hopefully, the minister will have the integrity to stand up before the people of Manitoba and answer it. The question is simple. I will ask the minister to tell the people of Manitoba—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. It is getting really difficult. We only have so much time for Question Period.

It is getting very, very difficult to hear the questions, to hear the answers. People are trying to shout over each other. This is supposed to be Question Period time. How can we have questions and answers if we cannot even hear the person who has the floor? I would ask the co-operation of all honourable members, please.

Mr. Loewen: Thank you, Mr. Speaker. Will the minister admit to Manitobans that if his Government had not dipped into Hydro for \$288 million that in fact Manitoba Hydro would be able to fund all of its capital expenditures on its own and would not, I repeat, would not have to go out and borrow \$288 million, at a further financing cost of \$276 million? Will he just admit if they did not dip their hands in the cookie jar Hydro would not have to borrow?

Mr. Selinger: Mr. Speaker, we are actually on that question getting a little more light on the reality of this situation. The members opposite have been trying to suggest that taking a dividend from export payments would require additional borrowing. That is not the case, as put on the record by officials of Manitoba Hydro.

Manitoba Hydro will be doing future capital projects. We hope they will be doing capital projects which increase the generation capacity of Manitoba Hydro. They have done capital projects on gas combustion turbines in Brandon. They have completely taken off line a coal-burning plant in Selkirk and have brought in capital expenditure for a gas combustion turbine in Selkirk. It is completely normal when you make investments in new assets that you do some borrowing for that.

Mr. Loewen: Mr. Speaker, on my final supplementary, again I would ask the minister if he is contradicting the statements by Mr. Vince Warden, chief financial officer for Hydro and a chartered accountant, if he is denying Mr. Warden's confirmation that as he understands it Manitoba Hydro will be financing the special payment and that the financing costs for the life of the current IFF is some \$260 million to \$276 million, to which Mr. Warden answered that that is correct. Is he accusing Mr. Warden of not telling the truth?

Mr. Selinger: Mr. Speaker, as yesterday, today I do not get into hurling accusations at public officials who are not present in this Chamber. That really is a cowardly act to suggest that. I am always surprised by the members opposite trying to use those types of tactics. It is really unbecoming of the Member for Fort Whyte to constantly throw up those kinds of questions. Am I accusing this member or that member of lying is the word that they use.

It is really inappropriate to do that. I have never done that in this House. But what I have done is I have put on the record the facts that were made available in the Public Utilities Board hearing.

Let us remember the members opposite had a water power rental agreement that they never put in the budget. They did it completely off budget. They used Hydro resources to pay for government projects and they never disclosed that to the public through the budget process.

We have been much more up front about transfers we have taken from Hydro. We have made it clear to Manitoba it is to stabilize essential services and programs in this province that people need and desire.

Manitoba Hydro Rate Increase

Mr. Mervin Tweed (Turtle Mountain): Mr. Speaker, we found out yesterday and today that this Government is forcing Hydro to borrow money to pay off the Government deficit. The cost to Manitoba Hydro is \$564 million with interest. You know, we are not trying to ask the minister to suggest who might be lying. We would just like him to tell the truth.

Today we know—

Point of Order

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I know the Opposition has come in here today with the same questions they had yesterday. They cannot change their questions after the answers. Accordingly, you would think that they would have some respect for *Beauchesne's* 409. A question must be brief.

The preamble need not exceed one carefully drawn sentence. The member was on to I think three or four sentences.

* (14:10)

Mr. Speaker: On the point of order raised by the honourable Government House Leader, I would like to take this opportunity to remind all honourable members *Beauchesne's* 409(2)–*[interjection]*

I would like to ask the honourable Member for St. Norbert, if you want to make a comment to the Speaker, please put it on record.

An Honourable Member: I do not remember making one to you.

Mr. Speaker: Okay. On the point of order raised—the honourable Opposition Government House Leader.

Mr. Marcel Laurendeau (Official Opposition House Leader): I would like to apologize to you, Mr. Speaker, for having stated that.

Mr. Speaker: I thank the honourable member, and I know it is a very testy day today. I would ask the co-operation of all honourable members. We only have a few more minutes.

On the point of order raised by the honourable Government House Leader, *Beauchesne* 409(2): A preamble should not exceed one carefully crafted sentence. I would ask the honourable member to please put his question.

* * *

Mr. Tweed: Mr. Speaker, will the Minister of Finance, also responsible for Hydro, confirm to Manitobans, by forcing Manitoba Hydro to borrow and pay interest costs of \$564 million, that Manitoba Hydro, from the years 2004 and 2009, will be going for double-digit increases in hydro rates for Manitobans?

Mr. Selinger: Mr. Speaker, I believe I have answered the specifics of the question, but I think the assumption that the members opposite are making that it is somehow wrong to take a

dividend from Manitoba Hydro, I think that is the assumption they are operating on, I just simply point out that, during the last provincial election, the former premier of Manitoba promised to take a dividend from Manitoba Hydro. Mr. Filmon promised to take a dividend from Manitoba Hydro.

We should also bear in mind that Manitoba Hydro does not pay any corporate income tax. A dividend policy is the policy followed.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Point of Order

Mr. Tweed: Well, Mr. Speaker, you have been very generous with people in what they have been saying, and you have advised us to make the correct statements to the record. What the minister is not telling people is that across the country Manitoba is taking more from Hydro, taking 30 percent more than New Brunswick, two times more than Québec, two times more than Saskatchewan, two times more than B.C. and three times more than Northwest Territories. What he is not telling them is the fact that he is taking the money, and he is forcing them to borrow.

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

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, that is certainly no point of order. The member knows points of order are questions raised with the view of calling attention to any departure from the standing orders, customary modes of proceeding and debate. There is no rule cited. There is no citation that was used. It was merely an interruption. They do not like to hear the answers today.

Mr. Speaker: On the point of order raised by the honourable Member for Turtle Mountain, he does not have a point of order. It is a dispute over the facts. I would like to point out to all honourable members that when rising on a point of order, it is to draw to the attention of the Speaker the breaching of a rule or the breaking of Manitoba practice, and it is not to be used to

interrupt and to rebut members that have the floor.

* * *

Mr. Speaker: The honourable member to finish your conclusion. I have you down for about 14 seconds.

Mr. Selinger: Mr. Speaker, now it seems to me that the members opposite are not debating the principle of whether there should be a dividend. They are simply debating an amount.

Mr. Tweed: Mr. Speaker, I would ask the Minister of Finance, responsible for Hydro, to confirm this statement that was made at the Public Utilities Board in a question that was asked: What you are talking total between the year ending March 31, 2004, and the year ending March 31, 2009, is a 13% cumulative percent increase. Is that correct? Ms. Carolyn Wray replied that is correct. Will the minister respond to that?

Hon. Greg Selinger (Minister charged with the administration of The Manitoba Hydro Act): Mr. Speaker, we have placed a lot of reliance on the testimony put in front of the Public Utilities Board, and one of the points that the members from Manitoba Hydro made very clear is: The integrated forecast is not an application for a rate increase. There is no application for a rate increase. They have projected that they would need rate increases every year for the last five to six years and have never applied for one because the net profits have exceeded expectations.

We have been very fortunate that the decision to build Limestone to increase exports have generated excess profits to the benefit of all Manitobans.

Mr. Tweed: Mr. Speaker, then my question for the Minister of Finance is: Why did Hydro apply to go before the Public Utilities Board last year for a 1.5% increase every year for six years? Now they are talking 2 percent for the next five years. Who is actually telling the truth here?

Mr. Selinger: First of all, Mr. Speaker, there have been many calls for Manitoba Hydro to appear in front of the Public Utilities Board. I

am personally quite happy they are willing to be accountable through the Public Utilities Board for their actions and fully disclose all of their activities and all their projections and all the things that they plan to do to build that asset for Manitobans.

As we know, Manitoba Hydro has been fully accountable, not only at the Public Utilities Board, not only through the minister and this Legislature or in the standing committee, but in public forums as well. They will continue to be fully accountable to the public for all their activities, and we will work with them to plan increasing the asset base of Manitoba Hydro through combustion turbines, through increased generation of hydro-electricity to build an asset that will benefit all Manitobans.

Drinking Water Winnipeg River

Hon. Jon Gerrard (River Heights): To the Minister of Conservation: Walkerton has highlighted the serious concern that we need to give to any situation where there are significant issues about the safety of the water supply. Along the Winnipeg River, the North Eastman Health Association has indicated quite clearly that drinking water straight from the Winnipeg River constitutes a health hazard, and I would like to table this document.

I am also surprised at the document coming from the minister's department, the Office of Drinking Water, which, instead of listing the many communities along the Winnipeg River who take water from the river—indeed, I am told that there are 150 drinking intakes along the Winnipeg River, that when it comes down to it, the minister's Office of Drinking Water has only listed one community, that is, the Poplar Avenue water supply.

My question to the minister: Why is it that the minister has only done a little bit of the job which needs to be done in view of what the North Eastman Health Association has indicated for the whole Winnipeg River?

Hon. Oscar Lathlin (Minister of Conservation): A boil advisory was indeed placed on the Poplar Avenue, Great Falls water system. This

particular system services 18 dwellings, 8 of which belong to the CMHC. The advisory was issued because water was being supplied to the residences without any form of treatment. No service water supply is considered to be safe without some form of treatment. A minimum treatment that is required under The Public Health Act is disinfection, and in this case there was not even disinfection taking place so the boil water advisory was issued.

* (14:20)

Mr. Gerrard: I would like to table a letter from the R.M. of Alexander. I would ask the Minister of Conservation why he has failed and his department has failed to respond to numerous inquiries about the other communities and the other people along the Winnipeg River who are using the Winnipeg River as their source of drinking water.

Mr. Lathlin: I have a copy of Reeve George Harbottle's letter in my office. I received it in my office. I can advise the member that I have asked today our Office of Drinking Water quality to look further into the situation and report back to me as soon as they can.

Mr. Gerrard: My supplementary to the Minister of Conservation. I would ask the minister to apologize for the inept handling of this issue by his department when people have been sitting and working and living along the Winnipeg River and he has not been paying as much attention as he needs to.

Mr. Lathlin: I can advise the member that we are taking this matter very seriously. We are attempting to work with the community to ensure that this problem is resolved as soon as possible.

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

MEMBERS' STATEMENTS

Costume Museum of Canada

Mr. Ron Schuler (Springfield): I rise today to congratulate the Costume Museum of Canada in Dugald for being named Manitoba's best indoor attraction at a recent Attractions Canada ceremony in Edmonton.

The Costume Museum of Canada is home to a collection of 35 000 artifacts spanning 400 years. The renowned collection represents the identity of everyday Canadians, urban and rural, public and private, through the garments that they made, purchased and wore. It is the only museum in North America uniquely dedicated to the collection of costumes, textiles and related accessories.

In addition to its permanent and special exhibits, the museum features numerous activities for those interested in learning more about the rich history of clothing and textiles. It provides entertainment in the form of fashion shows, complete with piano accompaniment and social history commentary for organizations and private functions.

There is also the curator for a day program where individuals have the opportunity to work with the curator and learn about such things as cataloguing, collections management, preventive conservation, bug checking, packing and storage, Mr. Speaker.

The museum also features a wide variety of educational tours for students. They include a living history show which gives students the opportunity to interact with characters of the past and perceive Winnipeg in the years 1900 to 1914 through their eyes; the visual storage room; a pioneer home dating back to 1886; the back room where students experience the work that curators do; wash day, where students re-enact how clothes were washed 100 years ago; and the Victorian tea party in the Prairie Crocus Room, which includes dress-up, making a craft, playing parlour games and tea etiquette do's and don'ts.

Mr. Speaker, on behalf of the Legislative Assembly of Manitoba, I would like to congratulate Kim Reid, the museum's executive director, and all the hardworking staff and volunteers receiving this prestigious honour. I encourage all Manitobans to pay a visit to the Costume Museum of Canada in Dugald.

Flin Flon-Creighton SPCA

Mr. Gerard Jennissen (Flin Flon): Mr. Speaker, Flin Flon-Creighton and area have just started their own Society for the Prevention of

Cruelty to Animals. The SPCA is a non-profit organization dedicated to the protection of animals from suffering, as well as the promotion of compassion, respect and humane treatment for all animals. It is operated by animal-loving volunteers. The local SPCA released a spring newsletter to raise community awareness about their group, provide information on pet care and safety, find homes for the pets they have in their care and stress the important role that animals play in our lives.

They have already held some events. A tag day in March was very successful. In fact, over \$3,100 was raised. The SPCA has also benefited from the support of local youth from McIsaac, Ruth Betts, Parkdale and Hapnot schools. These students have contributed both their time and funds. As well, local SPCA members have been invited to schools to teach children about pet care and other animal welfare issues.

The local SPCA's current main aims are receiving destitute animals, education, and to open and operate a shelter for abandoned and mistreated animals. Another goal is to eventually have a licensed animal control officer to deal with abuse cases.

People in the Flin Flon-Creighton area can become involved with this group in various ways: by joining, helping with their funding, having their pet spayed or neutered, or by adopting an animal that needs a home. The local SPCA committee is run entirely on a volunteer basis. Participants donate, not only their time and resources but also open their homes to pets that temporarily need a place to live.

I want to thank Debbie Hiebert, president of the Flin Flon-Creighton and area SPCA, for her hard work. As well, I want to thank the dedicated volunteers working with her. I wish the Flin Flon-Creighton and area SPCA much success.

Mountbatten School

Mrs. Louise Dacquay (Seine River): Mr. Speaker, I rise today to draw attention to an innovative and noteworthy initiative recently undertaken by Mountbatten School. In May, the entire school gathered together in a recording

studio to produce a music CD of 10 songs sung by staff and students. Under the direction of music teacher Jennifer Braun, the entire school recorded "O Canada!" and the Mountbatten school song. Students in Grades 3 to 6 later returned to the recording studio to sing other tracks for the CD, ranging from show tunes to folk songs. They also sang a farewell song for the Grade 6 students who will leave Mountbatten at the end of this school year. No doubt the CD will be a wonderful memento for these students moving on to junior high.

Mr. Speaker, Mountbatten School has a strong tradition of tremendous parent and community involvement. The CD project was no exception. The CD was made possible through the generosity of Mr. Mitch Dorge, whose daughter is a student at Mountbatten, and who is the drummer for the band the Crash Test Dummies, who offered the use of his home recording studio to produce the CD. He will also be adding percussion to several of the tracks.

Mr. Speaker, I know that all members of the Chamber will join me in congratulating all students and staff at Mountbatten School for their involvement in this great project. Not only has it allowed the students to learn about the art and science of music making, it has provided them with an enduring souvenir of their elementary school days.

Mr. Nikolychuk

Mr. Jim Rondeau (Assiniboia): Mr. Speaker, I rise today to honour an extraordinary teacher who will retire from Hedges Middle School after 31 years of working at the same building. Mr. Nikolychuk currently teaches industrial arts in wood and plastics as well as science. Over his career he has taught a wide diversity of subjects, including guidance and many others. Mr. Nik, as he is known by his students, has an awesome connection with his students. His caring, giving and understanding of middle school students is legendary. He has gained the respect and admiration of the many thousands of students who have passed through his door.

In addition to opening his room to students outside of regular class hours, Mr. Nikolychuk regularly opens the room to students on projects

and those needing extra time. He takes all the photographs at the monthly awards day and at special events. He also organizes the huge October fundraiser that raises \$7,000 to \$10,000 annually for school events.

* (14:30)

Mr. Nik also has a great reputation for taking new staff under his wing and providing guidance and support. His mentorship of other staff has allowed many teachers to grow in their teaching careers and their abilities.

On June 14, Hedges will hold a Mr. Nik day. I invite all his former colleagues and students to come over to the gym at two o'clock and celebrate his career and contributions. Ralph Waldo Emerson once stated that the most important legacy we can leave is a human one, not a financial one. Although he will be missed at the school, he has left an excellent legacy for our community and for our futures.

Teachers can and do make a real difference in the lives of people. I thank Mr. Nikolychuk for being a teacher who cares and has made a real difference. Good luck in a well-deserved retirement. Thank you.

Manitoba Baseball Hall of Fame

Mr. Peter Dyck (Pembina): Mr. Speaker, on June 1 the Member for Emerson (Mr. Jack Penner) and I had the pleasure of being one of over 700 people attending the Manitoba Baseball Hall of Fame and Museum's sixth induction dinner in Morden.

The ceremony commemorated the induction of fifteen individuals and three teams into the Manitoba Baseball Hall of Fame. Two of those individuals come from my constituency of Pembina.

Mike Didkowski of Snowflake played for Snowflake's teams from 1945 to 1964, pitching for the teams that won the Border League crown every year from 1948 to 1951 and coaching the team that won the title in 1958. He was instrumental in developing a new ball park in Snowflake in 1951, was a level 3 umpire from

1965 to 1983, and established and coached the Snowflake Bisons from 1981 to 1986.

Another inductee, Walter Mueller, is affectionately known as Manitou's Mr. Baseball. He spent 25 years as a player and manager for the Manitou Braves and has been associated with the team for 40 years. He was recruited by Morden or Pilot Mound for participation on their teams in the provincials on several occasions and was named to the Border League all-star team numerous times. He co-ordinated the Manitou Minor Baseball Association for 25 years, convened Manitou Sports Day for many years, convened two provincial Senior B championships and was the founding member of the Central Region Sports Association.

He has also served 35 years on the Manitou Town Council, 10 of those as mayor, and was elected to the MBA Honour Society in 1996. Two of the teams recognized on Saturday have former players who currently reside in my constituency. The Plum Coulee Pirates were honoured in the small community team category while Carman Goldeyes got the nod in the major team category.

Mr. Speaker, the town of Morden has been the proud home of the Manitoba Baseball Hall of Fame and Museum for three years. As the member representing that area and on behalf of all members, I would like to congratulate all of this year's inductees into the Manitoba Baseball Hall of Fame.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, would you please call debate on second readings, Bill 14.

DEBATE ON SECOND READINGS

Bill 14—The Public Schools Modernization Act (Public Schools Act Amended)

Mr. Speaker: Resumed debate on second reading, Bill 14, The Public Schools Modernization Act (Public Schools Act Amended), standing in the name of the honourable Member for Minnedosa (Mr. Gilleshammer).

Is it the will of the House for the bill to remain standing in the name of the honourable Member for Minnedosa? *[Agreed]*

Any speakers on Bill 14?

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The bill will remain standing in the name of the honourable Member for Minnedosa (Mr. Gilleshammer). Are there any speakers?

* * *

Hon. Gord Mackintosh (Government House Leader): I move, seconded by the Minister of Intergovernmental Affairs (Ms. Friesen), that the House resolve into Committee of Supply.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

CONSERVATION

* (14:40)

Mr. Chairperson (Harry Schellenberg): Good afternoon. Will 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 Conservation.

We are on line 12.1. Administration and Finance (a) Minister's Salary \$28,400 on page 44 of the main Estimates book. Shall the line pass? The line is accordingly passed.

Resolution 12.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,353,300 for Conservation, Administration and Finance for the fiscal year ending the 31st day of March, 2003.

Resolution agreed to.

Mr. Chairperson: This completes the Estimates of the Department of Conservation.

The next set of Estimates that will be considered by this section of the Committee of

Supply are the Estimates of the Department of Labour and Immigration. Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates? *[Agreed]*

LABOUR AND IMMIGRATION

* (14:50)

Mr. Chairperson (Harry Schellenberg): Good afternoon. This section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Labour and Immigration. We are on line 11.1 Executive (b) Executive Support (1) Salaries and Employee Benefits \$544,300 on page 125 of the main Estimates book. Shall the line pass?

Mr. David Faurshou (Portage la Prairie): Mr. Chairman, I do appreciate the Member for Springfield (Mr. Schuler) allowing me to ask a couple of questions of the minister.

As the minister is probably aware, Mr. Gordon Peters was recognized yesterday by the Minister of Transportation (Mr. Ashton) for being the outstanding company in Manitoba this past year in the field of transportation. His CANDO Contracting Limited is the owner of the Central Manitoba Railway company, which, I believe now, is stalled, if I might use that term, by current interpretations of the past legislation that you, Madam Minister, are responsible for.

I wonder if you could possibly give an update, because I am certain that Mr. Peters is very anxious to see activity on the rail line running north through the Interlake to Gimli. I am absolutely certain that not only is his company anxious to get underway, but those persons who rely on the service that railway will provide are, as well, very anxious.

Hon. Becky Barrett (Minister of Labour and Immigration): In a brief comment, it will have to be brief, the chair of the Labour Board is discussing a number of issues that are involved in this situation with both parties. We are hopeful that an arrangement can be achieved. It would be very inappropriate for me to comment more on what is happening right now, but we are very hopeful the chair of the Labour Board, who

has a number of years of experience in dealing with issues and certainly knows as much as anyone the ins and outs of these issues, is working very closely with all the interested parties. That is as much as I am at liberty to say at this point.

Mr. Faurchou: Well, I am not asking specifics of what the dialogue is. I am asking whether or not there is a time line for resolution, because this has been going on for an extended period of time to a point where, I believe, many are looking at the deal being possibly scuttled. I wondered whether the minister has instructed or provided some time line because this is business, and business just cannot be put on the back burner waiting for events like this to unfold because product has to be moved. If the product is not moving by rail, then contracts are signed to move product by truck or other means. Ultimately, an opportunity is lost, and potentially business does not get off the ground.

Ms. Barrett: It definitely is not on the back burner. As I said before, the parties are talking, and the chair of the Labour Board is working with them. We know that there are time lines and that we want to ensure that everything is done that can possibly be done to ensure that there is a positive resolution to this matter as quickly as possible.

Mr. Faurchou: I would like to ask the minister because I am going back to comments made by Mr. Gordon Peters on July 26, 2000, when he made presentation to the Legislative Assembly Standing Committee on Public Utilities and Natural Resources that was in deliberations on Bills 14 and 18. He made some very considered statements that alluded to potential problems that he could foresee in the future emanating from the legislation. Will the minister now, with the benefit of hindsight, comment to the effect that perhaps Mr. Peters was correct, that this legislation passed that is causing duress in the industry?

Ms. Barrett: I have spoken in response to the member's questions as much as I am able to do so. The parties are discussing the issues. There are a number of issues that are before the Labour Board. The chair of the Labour Board is working very closely with all the parties concerned, and

we are hopeful that there can be a constructive, positive settlement as soon as possible. It is a very complicated set of issues, and it would be very inappropriate for me to comment in more detail on any element of this situation than I have already done.

Mr. Faurchou: So the minister is missing an opportunity to take credit for the situation by her legislation at this time, because there has been a forewarning of this situation coming forward almost two years ago. Now we are mired in discussions back and forth. Is the minister concerned about her legislation, and will she be looking to change the legislation or rescind it, as is the situation we are now faced with?

Ms. Barrett: I have made as much comment as I am at liberty to make dealing with this issue. I think it is appropriate that the parties are in discussion. It is very positive that the parties are in discussion. The chair of the Labour Board is very well aware of all of the issues, all of the ramifications, and it would be very inappropriate of me to speak in any more detail because the last thing I believe any of us want is for there to be any diminution of the opportunity for a successful conclusion to these very complicated and complex issues. I have full confidence in the parties and in the chair of the Labour Board to bring this to a successful conclusion. I am not at liberty and will not jeopardize by saying any more the discussions that are taking place. I would hope that the member understands my position and supports the position that I am taking, that we need to let the process unwind and do everything we can to support it not to jeopardize it.

Mr. Faurchou: I do not know if the minister truly appreciates the importance of a timely resolution of the situation which Manitoba's first shortline railroad is faced with at this point in time. Perhaps I am giving the minister the opportunity to do, as other members of her Executive Council have done, like the Minister of Finance (Mr. Selinger) said that we will be passing legislation to facilitate this situation, and the Minister of Education (Mr. Caldwell) is saying we will pass legislation to facilitate this situation. I am just asking the minister right now: Is she willing to put on the record that she will be coming forward with legislation to facilitate the

situation which CANDO and Central Manitoba Railway is faced with at the present time?

Ms. Barrett: I have stated to the Member for Portage la Prairie the extent of the comments that I am at liberty to make now and feel very strongly that we need to let the process that is underway now come to what I am very hopeful will be a very positive conclusion.

I think that what we are all looking for here is a positive solution to this. I am saying and I will continue to say that it is very inappropriate of me to make any further comment of any more detail on any of the elements of this discussion that are ongoing between the parties and the chair of the Labour Board, who is probably the person best understanding of all of the issues in the province of Manitoba. If the members are not interested in a settlement to this very critical issue, then they will continue to ask me questions, but I would hope that they would recognize that this is not a partisan issue.

This is an issue we all feel very strongly about. I would hope that we are all interested in allowing the process to work its way through so that we can come up with a positive solution. There are very delicate issues, very critical issues. We are at a critical juncture here.

* (15:00)

I would hope that all members of the Legislature recognize that this is not a partisan issue. This is an issue that has a great deal of implications, a great deal of ramifications, a great deal of complexity, the complete nature of which I do not think anyone in this room knows, but I can certainly guarantee you that the members from Portage la Prairie and Springfield are not cognizant of all of the elements that are involved in this issue. I certainly hope that they are not asking me to do or say something that could have a negative impact on the successful conclusion to this issue.

Mr. Faurichou: Well, Mr. Chairman, it is very valuable that the minister should recognize that essentially she is responsible for the situation which we find in our transportation industry. It behooves me to understand why she now recognizes that it is of vital importance to the

transportation industry here in Manitoba. This is a recognition that was not there two years ago when she provided the framework through her legislation for this situation which to develop.

I am just asking the minister, now that she is so cognizant of the importance of the transportation sector and specifically the short-line railway activity within our province, will she be prepared to either rescind her legislation or effectively amend it to address the concerns that are obvious to everyone at the present time?

Ms. Barrett: I will reiterate again the answer that I have made to every single question that the member for Portage has asked me about this issue. This issue is a very sensitive one. There are very many complex elements to it. I certainly do not know all of the details of the complexity of the elements. I know that the Member for Portage la Prairie (Mr. Faurichou) does not and the Member for Springfield (Mr. Schuler) does not. No one in the Legislature is fully cognizant of all of the elements. I just am aware that this is a very critical issue. It is at a very critical juncture.

The parties are discussing the issues. The chair of the Labour Board, who knows, as I have said before, more than any other individual in this province probably all the complexities and understands them, is working with all of the stakeholders in this process. I think it is only fair that we allow that process to be concluded and hopefully to come to a successful conclusion. To try to make it a partisan issue is not helpful to the process at all.

I am not prepared to give any more detail to the member, because I for one and I should hope the member would hope that we do not want to jeopardize the very critical nature of the discussions that are ongoing right now.

Mr. Faurichou: I hope the minister is not misunderstanding my line of questioning. There is a situation which she, Madam Minister, fully comprehends is underway at this point in time. The reason for these deliberations are emanating from legislation which she was responsible for.

I am asking the minister today, if these potential concerns are not resolved and this

viable transportation corridor does not see any activity, whether or not she will consider changing the legislation. That is as clear as I can make it.

We are not talking about an enterprise that is a fly-by-night outfit. We are talking about the Central Manitoba Railway company, wholly owned by CANDO Contracting Limited, a Manitoba-based company that has been recognized by the industry stakeholders this week as being the most outstanding transportation entity in our province. It has also been recognized that throughout North America, all other short-line railways are looking at the Central Manitoba Railway company as a model to which they want to seek in their own activities. That is whom we are speaking of. It is the minister that is responsible for the legislation that has provided the concerns that are attempting to be addressed at the present time through her legislation.

If this company of this particular stature cannot undertake an activity they believe is a viable business opportunity because of her legislation, is she not concerned about the legislation which she was responsible for? Will she take this opportunity to tell members of this committee that she will consider changes to her legislation so that this model company for railway activity in all of North America can undertake operations of a railway in the Interlake of Manitoba?

Ms. Barrett: I believe I have answered the question many times asked before this afternoon. I have nothing further to add to my earlier answers.

Mr. Faurchou: I will once again express the importance of transportation here in the province of Manitoba, providing once again for the record a little background on the Central Manitoba Railway company.

The Central Manitoba Railway company is a wholly-owned subsidiary of CANDO Contracting Limited of Manitoba, their first provincially licensed railway in Manitoba, April of 1999. Central Manitoba Railway operates a rail line from Winnipeg to Pine Falls, about 65 miles, a second line from Winnipeg to Graysville, about 55 miles. They began operations in 1999 after

obtaining a licence from the Motor Transport Board. They currently employ about 21 persons as of July 2000.

Point of Order

Mr. Ron Schuler (Springfield): Perhaps the minister would be able to answer the questions a little bit more forthrightly if she actually listened to the question. My recommendation is there is a lot of departmental work she can do when we are not in committee. Perhaps she would like to listen to the question.

Mr. Chairperson: There is no point of order, just a dispute over the facts.

* * *

Mr. Faurchou: Through their activities they have paid approximately \$615,000 direct wages to those 21 employees. This is as of July 2000. They have also paid \$130,000 in property taxes; \$16,000 in corporate capital tax; \$33,000 in road fuel tax. The other benefits from having the activity of this company in Manitoba go on and on.

The minister believes that this is a partisan question. That cannot be farther from the truth. This is talking about a viable entity, a model railroad that others throughout North America are studying to understand and take home with them some of the activities that the Central Manitoba Railway company has shown as being leaders in the industry. They have undertaken to operate through securing the ownership of a rail line up through the Interlake. This activity is being stalled simply because the warnings of Mr. Peters, provided to the minister on July 26, 2000, have come to fruition.

* (15:10)

I am asking the minister, with perhaps now the understanding of the ramifications of her legislation: Will she be prepared to effectively announce that, if deliberations are not successful, then effectively she is prepared to change the legislation?

All of us are willing to admit that we have made mistakes. I am certain that my colleagues

on this side of the House would applaud the minister for recognizing that she has made a mistake through this legislation because it is causing duress to the best-run short-line railroad in all of North America, and it is not the fault of the railway. It is the fault of the parameters of the legislation to which this railway has had to operate.

I will be the first to applaud the minister if she will state to the committee today that should the deliberations stall any further than perhaps just more than a couple of weeks—because the timeliness of this decision is so critical to the viability of the proposal. I do not know if the minister totally comprehends or perhaps she should instruct her staff to find out how important the timeliness of this decision is to the viability of the proposal.

So I ask the minister once more to consider that she will recognize that potentially this situation is the fault of her legislation and that she is prepared to review her legislation in order to facilitate future proposals of this nature.

Ms. Barrett: I have nothing further to add to my earlier statements. This is a very complex issue. A number of questions need to be addressed and are being addressed. I am confident in the process that is being undertaken facilitated by the chair of the Labour Board in speaking with all of the stakeholders, and I recognize the urgency of this situation and the importance of it. I have the full confidence of the chair of the Labour Board and, as well, the fact that I believe everyone has ultimately the same goal. I am going to let that process unwind, and I am confident that it will be successfully completed.

Mr. Faurchou: Will the minister at the very least, if there are recommendations out of this situation, that she will be prepared to change her legislation so that this will not happen again, because we are dealing with a proposal that is a win-win-win situation for Manitoba? It is only her legislation that is holding it up.

We have the union supportive of this proposal, we who are involved. We have seen the company that is proposing to operate in support. We have had those who are producers and

consumers who will make use of this service in support of the proposal.

The only thing standing in the way is the legislation for which you as minister are responsible. I am asking the minister: Will she consider looking at the situation which is presently in front of us and be willing to make changes so this situation will never, ever happen again?

Ms. Barrett: First, I do not deal in hypotheticals. Second, I certainly do not deal in hypotheticals while an issue of this critical nature and this complexity is before a process that has every chance of succeeding.

It would be very inappropriate of me to address a hypothetical situation, and I can let the member know that he does not understand the issues that are currently before the process. I am not privy to the discussions that are ongoing. That would be inappropriate for me. That is most appropriately placed where it is right now, in the hands of the chair of the Labour Board.

But I do know that the member does not understand the complexities of the issue that is before this process, and I think it would be very ill-advised of me to go any further in discussing this issue while it still is in this very delicate situation, in this very delicate stage.

If the member understood, generally speaking, the nature of these kinds of discussions, he would not be continually asking me the kinds of questions he is. He would be saying let us all support the process; we all want it to come to a successful conclusion.

Mr. Faurchou: Well, I am not dealing in a hypothetical situation. The trains are not running. The producers that are looking for this service are not having the opportunity to make use of the service. There is a company that has made a proposal and wants this service to go. The people that will be employed in this want to be employed. It is not a hypothetical situation. The only situation that I am asking the minister here is to recognize what are the impediments of the legislation that have brought to fruition the talks that are happening at the present time. I am asking the minister because it is vitally important to Manitoba and Manitobans that are trying to

provide an economic base that railways here in the province have an opportunity to operate, because we are looking at the most efficient mode of transportation in the province.

We are also very concerned about the environment. There is no one in the province that is going to dispute that a railway conveyance of goods and services is the most environmentally friendly way of doing that. Madam Minister, if this legislation is the problem, and only her department can evaluate because she has stated at this table that she is the one that comprehends when no one else does, then why is this situation the way it is? Let us change the legislation so that this situation never happens again.

Ms. Barrett: Mr. Chairperson, any time you start a sentence with the word "if," it is a hypothetical. You have started two or three of your sentences with the word "if." That is a hypothetical situation. I am not going to respond to hypothetical situations while we are in the middle of very delicate discussions and negotiations on a very critical issue, the deadline for which has not anywhere near come. So I find it interesting that the member continues to raise the spectre of failure when we have every expectation that the discussions that are very complex and which include elements that the member is not aware of, includes elements that the minister is not aware of, very legitimately this is an issue that needs to be discussed in a situation that will allow for the broadest range of views to be expressed, et cetera. That is what is currently happening.

The chair of the Labour Board is meeting with all the stakeholders. Discussions are ongoing. It is a complex issue. Many elements are at play here, and we still have time for those discussions to bear fruit. In the midst of all that, it would be very inappropriate of me, I would not be doing my job as a minister, if I did not let that process follow its own steps. It would be very inappropriate. I am not prepared to deal with a hypothetical situation. We are in a situation right now, and I am responding to that situation by saying there is discussion and dialogue underway. There is negotiation underway. We have not hit the deadline. Let us let it go forward.

* (15:20)

Mr. Faurchou: Okay, Madam Minister, every time one uses the word "if," it is then hypothetical and therefore out there in la-la land. Well, let me just ask the minister how she felt for the last 40 minutes in Question Period, when the Finance Minister (Mr. Selinger) said, if Manitoba Hydro was able to secure the payments on the dividend to the Province from exports, then there will be no interest payments or interest costs to the dividend payment to the Province. So, in other words, you have just stated that, under your interpretation of using the word "if," the Finance Minister of the Province of Manitoba is totally hypothetical, in la-la land when he is talking about the taking of monies from Manitoba Hydro and it being zero cost to the ratepayers of Manitoba. I am really interested to see how in disagreement this Minister of Labour is with an Executive Council member. I hope she goes to the press and expresses that same interpretation of the word "if."

Now, the situation that we here in Manitoba are faced with is an attempt to provide the most cost-effective transportation network that we can for our economy in which to survive and prosper. Railway operation in this province is a vital important component within that statement.

I am wanting to ask the minister if she has a deadline to which deliberations are to be concluded to resolve the matter which we have been discussing.

Ms. Barrett: It is my understanding that there is a deadline of sorts in that Mr. Peters has a deadline for the conclusion of his offer.

An Honourable Member: He needs closure.

Ms. Barrett: Yes, but that is not my deadline. The negotiations are underway, and I am prepared, and I think it is only appropriate, to allow that process to continue. We are well aware of the importance of this issue being addressed, and being addressed successfully.

I am fully cognizant of the importance of rail transportation in this province. I have no intention of doing anything that could jeopardize the successful conclusion of these deliberations.

That is why, it may be frustrating for the member, but that is why I am not prepared to make any comments any further than the ones I have already made, because it is very inappropriate of me to go down a hypothetical path in a situation like this where the actual discussions are being undertaken. That is what I am talking about, the hypotheticals in this case, in this case only. I am not discussing hypotheticals in any other kind of situation, because they may be legitimate to have a hypothetical situation in other areas of deliberation in the Government or other issues, but, in this particular issue, it is critical that we let the process be on its own, that I not interfere, that no one outside the parties who are doing these delicate negotiations interfere with the process.

We are hopeful, very hopeful, that this process is going to be successful. I think we have to focus on that. I certainly am focussing on that. I am not trying to shut down discussion of issues, but, in this context, until this issue has been addressed, I am not prepared, and it would be very inappropriate of me, and I would not be doing my job if I started talking about potentials or other possible scenarios. It is just not what I am going to do in this particular situation.

Mr. Faurshou: Well, once again, the minister's comments are really extremely different from caucus, Executive Council colleagues. It is stated that the amalgamation of school divisions is bringing court action and conflict, and the Minister of Education (Mr. Caldwell) has stated that he will be introducing legislation in which to negate those court proceedings and that conflict situation.

The minister today is stating that she will not propose legislation that will address the obvious concerns that are being played out at this point in time, because it is in the best interest of every single individual that is party to this proposal benefit to see operations commence on the railway.

I do not comprehend how the minister who is responsible for the rules of the game, if I might use that phrase, and now understanding that the game has made the players come to a conflictive resolve, why she will not change

those rules of engagement or of the game so that one can resolve the issue, and ultimately the winners will be all of those that are participants in this because, at the present time, there is no activity happening on the rail line, which ultimately is a detriment to everyone concerned.

Ms. Barrett: I am not quite sure what the member means by conflictive resolve, but I can tell you that the situation has not been concluded. As a matter of fact, the parties are talking. They are talking with the chair of the Labour Board, and, as long as that is happening, it is my obligation to let that process continue. The analogy with this situation and the situation surrounding Bill 14 where there is no talking happening, at least on the part of the Opposition, is there is no analogy. The two situations are not analogous. As I have stated before and will continue to state until the member concludes his line of questioning, I am not prepared to jeopardize in any way the discussions that are ongoing because I recognize the seriousness of this issue as well. I recognize the critical nature of this issue. I also recognize that this issue is very complex. It has a number of elements not all of which are—

An Honourable Member: Of your doing.

Ms. Barrett: Yes, I am ultimately responsible as Minister responsible for the Department of Labour. As minister, I also acknowledge that there are people within the department who are far better, more able than me to deal with the issue that is before us here. I have delegated that responsibility to the chair of the Labour Board. And I have not delegated; it comes through the natural course of events, through the Labour Board and through the chair of the Labour Board who is very capable of dealing with this issue. The last thing anyone needs to do is to put more problems in front of this process.

* (15:30)

So the answer remains the same. I am very confident of the process that is being undertaken. The parties are all talking. They are talking about a range of issues, and it would be very inappropriate for me to discuss any hypothetical situation. I cannot discuss the real situation because it would be very inappropriate of me to

do that while these delicate discussions are underway, and I am certainly not prepared to discuss at this point any hypothetical situation.

Mr. Faurshou: Well, I can appreciate that the minister is not wanting to jeopardize the ongoing discussions that are taking place at the present time. I am asking the question of the Labour Minister: Is she considering changes in legislation that will prevent this situation ever occurring again for the benefit of Manitoba's economy?

Ms. Barrett: I have stated my position vis-à-vis this situation as it is currently before us, and my answer remains the same. I am not prepared to discuss any of the elements of this situation, and there are many elements of this situation, while they are in the process of discussion and negotiation.

Mr. Faurshou: I am really lacking understanding of the minister's response insofar. I will delay until the minister's attention is once again to the committee.

I was stating, before I lost the minister's attention, that it is beyond my comprehension that the minister is not recognizing that the situation that we have at the present time is not conducive to the prosperity of short-line railway activity in our province.

Is she considerate of changing the legislation to make for a climate that provides for this type of activity in which to prosper? The bottom line of it is that we are all looking to see Manitobans prosper, and this particular situation has highlighted an error or a failure within the current legislation, and I am asking the minister: Is she prepared to change legislation so the situation does not occur again?

Ms. Barrett: There are a number of elements to this situation, one of which is a jurisdictional question and that is one of the elements that is still under discussion by the parties, and a determination has not yet been made as to whether this is a federal jurisdictional question or a provincial jurisdictional question. I was discussing the issue with the chair of the Labour Board and that is why I took some time to get that information. That, I am sorry to say, is as far

as I am prepared to go, because I do not want to participate in any way, shape or form with the possible potential challenge to a successful conclusion to these issues.

So you cannot make the definitive statement that it is Bill 18 that is the problem, because there is still discussion underway as to the jurisdiction. There is still the discussion of jurisdiction. So you cannot make that statement. Plus, there is a whole other range of issues that have to be addressed, are being addressed, and hopefully, and I am confident, will be successfully addressed through the process that is underway, which is a process that requires skill and delicacy and for the rest of us to stay out of it so that the stakeholders who are directly involved can work this situation through. We all want the same thing in the end. We all want a successful conclusion to this situation, and we believe that we have a process underway that can have that as the final outcome.

Mr. Faurshou: Well, I understand where the minister is coming from. It is just not something that I would believe is flattering to a minister of the Crown for Manitobans to look to a bright and prosperous future. The situation exists that is preventing a model railway company from operating here in the province of Manitoba. It has nothing to do with business or labour. It is jurisdictional government. Why is government in the face of business and prosperity of Manitobans? I got to ask that question. If you are in the face and preventing prosperity from happening in our province, do you not think you should be considering legislation to change it?

Ms. Barrett: We are not in the face of prosperity for Manitobans, and in this situation, the situation has not ended. We are in the process of doing everything we can to ensure a successful outcome. The member can ask question, after question, after question. It would be irresponsible of me to answer the questions that the member has been asking. I have answered them, and I have answered them to the extent that I feel is appropriate given the delicate nature of the discussions that are ongoing.

Mr. Faurshou: Well, the minister's response is, once again, contrary to two other Cabinet colleagues that have stated that they are going to

change legislation. We have court action ongoing with the Transcona-Springfield amalgamation of school divisions, and the minister has promised legislation which was called once again this afternoon to address this conflict, to change the rules in order to be able to facilitate and change. So the Minister of Education (Mr. Caldwell) has recognized a problem and a conflict, and he is changing legislation so that there is not going to be an ongoing conflict.

Again, we have a deficit in this province and the Minister of Finance (Mr. Selinger) and also the Minister responsible for Hydro has promised that he will introduce and change legislation in order to address the shortfall within revenues, because the corporate taxes paid in our province last year were significantly lower than in past years. Again, a promise of legislation to change a situation, and this is a situation that is preventing a very, very viable company from making a go on a railway line that was considered for abandonment. It is a win-win-win situation for everyone concerned. If it is a problem with the legislation, then the minister could very easily go to all parties and say to them that she will change the legislation to resolve the jurisdictional consideration or any of the other problems that are in discussion that are preventing activity from taking place by this railway company. It is not precedent setting at all. The minister can very easily recognize the concerns and promise to change them.

* (15:40)

Mr. Schuler: Mr. Chairman, let us get this straight. Is one of the minister's elements her inaction, her standing by and watching a viable business go down the tubes? Is that one of her elements? Is the fact that, over three years she has seen a 19.3% increase in her budget the best she can do is I do not know, I have no idea, I cannot get involved, yes, it is terrible legislation that was put through, but, oh, no, no, I cannot do anything.

Mr. Chairman, through you to the minister, why do we need a 19.3% increase in the Department of Labour if it is up to the Labour Board to do all the work. Why even bother with the Minister of Labour when they are doing everything anyway and the minister sits by and

says, no, no, complex, complex, no, no, cannot comment, cannot comment, when it was her disastrous legislation that we are talking about here in the first place.

The legislation, which we warned the Government on, we told the Government it was bad legislation, we told the minister that it was going to be a problem, all that we are saying is that at least say you are going to look at the legislation and do something about it, because what you are doing is killing opportunities, you are killing business in the province.

The question is simple. My goodness, with a 19.3% increase in the minister's budget the best we should get out of the minister is, yes, I will look at this and see if we cannot rectify the situation. Will the minister not at least say something in regard to the poor legislation and look at some changes so that it is not a business killer, which we have right now?

Ms. Barrett: First of all, to correct the member, I did not say, yes, it is terrible legislation I put through. I did not say that, and I would not say that. The member may say that, but I certainly will not. Secondly, we are not standing by and watching.

I remember the first time we went through the Estimates with myself as minister and the Member for Springfield as the critic. The member had a great deal of difficulty. I did all that I could to help him understand the flow chart at the beginning of the Estimates book, to understand where things were. I know, I was there myself a hundred thousand years ago.

But maybe the member should actually look at the organizational chart on page 9 of the *Supplementary Information*. He will see that the top rectangle is the minister. Then over on the second line is the Manitoba Labour Board. See, it is not a direct line, but it is there. The Manitoba Labour Board is under the minister's direction. Well, it is not straight down, it is over.

The Manitoba Labour Board is also a quasi-judicial body. The minister has no business or authority interfering in the work of the Labour Board and has not and will not. The minister and the Government have the utmost respect and

support for the Labour Board as an entity and for the chair of the Labour Board. I think that we are not standing by and watching. The chair of the Labour Board is working very hard, as he has been for some time, with all of the parties to bring resolution to this situation. We are very confident that a resolution can be made. We are not standing by and watching.

Mr. Schuler: To the minister: We have confidence in the Labour Board. That is not the issue that we are addressing here today, Minister. We are talking about poor legislation. That is the issue here today. The Labour Board works under various directives. It works under an act. It works under regulation. The Labour Board does what the Labour Board is set out to do.

What we are asking about and what my honourable colleague from Portage la Prairie is asking about is: Will the minister look at amending poor legislation, and I ask the minister will she admit that Bill 18 is one of the complex issues that is causing the problem. It is not the Labour Board that is at question here. It is not the minister's staff that is at question here. It is about the minister, and it is about bad legislation. That is the issue here, and we would not be in this mess, we would not be having this discussion if we had not seen such poor legislation that the minister had brought forward. That is the issue. That is what we are trying to focus the minister on. I know that it has been tough, and the member from Portage la Prairie has tried gallantly to try to get the minister on track here. That it is the legislation we have a problem with, not the Labour Board, not Mr. Korpesho, not the staff. That is not the issue here. Will the minister look at the bad legislation and improve it so that we do not have these kinds of situations. This bill, to the minister through you, Mr. Chairman, is a business killer, and will the minister change it?

Ms. Barrett: Once again, it is an incredibly complex situation. Many issues are there. One of them is jurisdictional, and that is all I am prepared to say at this moment because I do not want to jeopardize the delicate negotiations that are under way.

Mr. Faurchou: So the minister is not going to take this opportunity to shoulder the responsi-

bility for being the person that has made this situation so delicate by her own works. She has framed the parameters to which the deliberations that are ongoing at the present time were provided by. I do not understand why the minister will not state publicly that this is an intolerable situation for business to operate here in the province of Manitoba and even doubly so in an industry that is providing for goods and services in an environmentally sensitive manner. We are spending close to \$3 million here in the province to identify and make changes to how we operate here in the province so that we can address and come into confirmation with the Kyoto agreement, which has yet to be ratified but has the potential to be, and an operation of a railway company is a far more environmentally sensitive operation than any other mode of conveyance of goods and services.

So we have a company. We have persons wanting to use this company and the only impediment, the only road block, rail block that everyone is encountering here is by the minister's own hand. We are asking and giving the opportunity for the minister one more time to state, as some of her Cabinet colleagues have, that they recognize a situation that is not enhancing or providing the climate which we want to see here in the province and she is willing to bring forward legislation that will essentially address the problems we are having from her current legislation.

I have tried to address and say this in a number of different ways, and I know it sounds like I am labouring on this one point, but it is so vitally important to the economy and to the environment in this province that railways are able to operate. This legislation is preventing that from happening. Will the minister consider and follow the lead of her Cabinet colleagues in recognizing that there is a situation that needs to be addressed by changing legislation?

* (15:50)

Ms. Barrett: The situation that is being addressed is being addressed as we speak. It is a very complicated situation and has a number of stakeholders involved and is being addressed, I believe, in the appropriate manner, which is through discussion and negotiations with all of the principal stakeholders involved under the

very able leadership and guidance of the chair of the Labour Board, and that process needs to be allowed to come to fruition.

That is what we are doing. We are supporting that process and that is why I am not commenting in any further detail because to do so would in my estimation jeopardize the successful outcome of that process about which we are all agreed that we want to have as a conclusion.

Mr. Faurshou: I would like to ask the minister whether she has counselled the Minister of Education (Mr. Caldwell) in that same language, that he should not be passing and we in the House should not be discussing Bill 14 because there are sensitive deliberations ongoing in the courts of this province and he is asking through the House Leader for us to debate legislation that is potentially changing the legislation about which sensitive court proceedings are underway at the present time.

So I am just wanting to ask the minister because of her response here now: Has she counselled the House Leader and the Minister of Education to remove Bill 14 from the Legislative Assembly because of this sensitive understanding she has over deliberations?

Yes, the Labour Board is a quasi-judicial body, but similar activities are going on in court today that are discussing items about which Bill 14 is talking and changing legislation on. So is the minister different from her Cabinet colleagues, and is this a change of government status now?

Ms. Barrett: The member should recognize, and I am surprised that he does not, that there are very different dynamics at work here. The deliberations in court or in any court situation that is underway is very, very different in nature from the very sensitive discussions and negotiations that are being undertaken by the chair of the Labour Board with the parties involved in the situation that we have been discussing.

There are virtually no similarities, and I reiterate my earlier answers that it would be very counter-productive to go any further, to state anything in any further detail than I have already

stated, because it is critical for these negotiations and discussions to be brought to a positive conclusion, that they be allowed to continue and to conclude without outside interference. I am cognizant of that. It is the process that is undertaken in many negotiating situations within the labour community.

It is also the kind of process that you have to be very, very careful about and very nurturing of that is undertaken not just in the Department of Labour but in many, many departments where there are issues, where there are two or three or four or more groups that have to come together to hopefully reach consensus on an issue, whether it is a policy issue, a programming issue or a legislative issue. It is critical that the process itself is nurtured. *Ecclesiastes* says there is a time and then goes on for a large number of there-is-a-time-for. Well, there is a time to allow this kind of process, the nurturing atmosphere that I believe is there now.

It may be difficult for us. We all want to see the same thing. We all want a positive resolution to this situation. It is my considered opinion and it is the considered opinion of others that because we have constructive, positive negotiations and discussions happening now, that it is critical that we let those constructive, positive negotiations and discussions continue.

For me to say anything more at this juncture, in this venue, in the Estimates process, would be counterproductive, and I would not be fulfilling my role as a minister of the Crown who has as her objective the continuation of a very strong, healthy, vibrant Manitoba economy to add any more specificity to my comments than I have already undertaken to provide for the member.

Mr. Faurshou: Then what the minister is attempting to say, and I am going to ask for clarification on the reasons for the delicate discussions that are ongoing at the present time with Labour Board involvement, is she telling this committee that she is not responsible for any legislation that has resulted in these delicate discussions taking place?

Ms. Barrett: There are a number of causes and effects and elements in this issue that is being discussed today. It is a very complicated issue. It

is a complex issue. Yes, there are jurisdictional issues that are being addressed, but there are a number of other issues that are being looked at. It would be inappropriate of me to go into any further detail than I already have at this time.

Mr. Faurshou: Mr. Chairman, can I ask the minister if any of the causes or effects or elements within the delicate deliberations that are taking place involving the Labour Board stem from Manitoba legislation?

Ms. Barrett: I am at a loss, I think, to understand why the member is continuing with this line of questioning when I have, I believe, been very responsible in my earlier responses. I have stated as clearly as I know how that this is a complex issue, it is a delicate issue. There are a number of elements to this issue that need to be and are being discussed by the parties who have responsibility for and who have critical interest in this issue. There are a number of other groups and organizations and individuals who of course have an interest and a concern about what is being discussed with the chair of the Labour Board and the stakeholders here, the direct stakeholders.

* (16:00)

We all want to see a continuation of the very good economy that we have in the province of Manitoba. That is the whole point of my responses to the member. I am being responsible in my responses. I am saying that there are a number of issues that need to be dealt with that are being dealt with and that I am doing what is my responsibility, which is allowing for that delicate flower to grow and to reach its full potential without any external blight coming and stunting that growth. Now that flowery analogy is perhaps not as carefully thought out as it might be, but I do believe, and I am being serious, I believe that we have a very good opportunity here to reach a positive conclusion. I am doing everything in my power to ensure that those discussions are able to be undertaken with as little interference as possible.

Mr. Faurshou: Thou doth protest too much. That was a yes-or-no question, so I will repeat it.

Do any of the elements of the delicate deliberations that are ongoing involving the Labour Board emanate from Manitoba-based legislation?

Ms. Barrett: I have answered this question or cousins of this question many times this afternoon. I am continuing with the same answer that I have given to the member all afternoon. It is critical, it is imperative that the process that is underway be allowed to reach fruition without external interference or without discussing hypotheticals or other elements.

I know the member is frustrated. I am a trained observer. I can see that. I can see it in his body language. I can hear it in his tone of voice, and as a trained social worker, I am here to listen and to help in any way I can. But, you know, Mr. Chair, there are times when no matter how many times you ask the question, you are not going to get a different answer. I am reminded, and I do not want the member to take this personally, I do of a child who asks for something. His or her parent says no, and the child keeps asking and asking and asking, figuring that maybe he can wear the parent down or, if he just asks long enough and loudly enough and hard enough, he or she will get the answer he is looking for.

Well, Mr. Chair, this is not that situation. I have given an answer that is the answer that is obligatory upon me to give. It is the responsible answer. It is the answer that will lead to the most positive possible of results for this critical situation that we acknowledge is a critical situation.

So I am prepared again to respond as long as the member wishes to ask me the same question, but I will forewarn the member that the answer will be the same. Now, I may try for some different analogies. I may try to reframe the answer, but, basically, it is the same. The process is underway. The process is underway with a very, very good facilitator. Let us let the process unfold. That is the best way to ensure that we all have what we all want, which is a positive outcome from this process. Once that has been concluded, then we can get back into the partisan discussions about legislation, et cetera.

But I am not going to involve myself or discuss those hypothetical discussions about legislation with the member until the process that we are discussing today has an opportunity, has the best opportunity that it can to come to a positive conclusion.

Mr. Faurshou: The minister did read my body language quite well. Yes, I am frustrated with the minister's response to a yes-or-no question. Yes, I did have a fleeting thought of acting rather childish insofar as envisioning myself with my daughter's super soaker and letting fly with the minister in the crosshairs of the water gun.

In any event, I do not see why the minister is filibustering on this question, because it has nothing to do with the specifics of the discussion and the deliberations that the Labour Board is undertaking. All I am asking is that the legislation that is provided for by the Province of Manitoba, does it have any relationship or responsibility for the delicate deliberations?

It would be the same as me asking in the portfolio for which I am the critic, Transportation, asking whether the case of X versus Y has anything to do with The Highway Traffic Act. The answer would be yes or no. It has nothing to do with the specifics of the deliberations.

That is the question I am asking the minister. Do the delicate elements of discussion that she has alluded to time and time again have anything to do with provincial legislation, yes or no?

Ms. Barrett: The member was talking about not wanting to undermine the deliberations that are underway. I would suggest, with all due respect, Mr. Chair, that if the member does not want to undermine the delicate deliberations that are underway, that he would accept and acknowledge the response that I have made this afternoon.

I am prepared to discuss at the appropriate time virtually any piece of legislation that we have on the books. I am prepared, and I know the Minister of Education (Mr. Caldwell) is more than prepared to discuss Bill 14 which has

been on the Order Paper and has been spoken to by a number of our colleagues.

First of all, the discussion that we are discussing this afternoon is not before the courts. It is not before the courts. The discussion that we are having this afternoon is about a delicate situation that is being dealt with in a negotiating process. There is no analogy between, and I want to make this very clear, there is no analogy, there is no comparison between the discussions that are underway—*[interjection]* Well, if the Member for Springfield (Mr. Schuler) is not interested in the answer, then perhaps he would like to just leave the Chamber, and the Member for Portage la Prairie (Mr. Faurshou) and I will carry on. I would suggest that it would be very helpful for the Member for Springfield—*[interjection]* Oh, that will be the day.

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order, please. Please let the minister make her statement. Thank you.

* (16:10)

Ms. Barrett: Thank you, Mr. Chair, and I will suggest that I interrupted myself as I was in full flight.

There is no comparison between the issues that are being discussed between the chair of the Labour Board and the parties in this discussion we have been having this afternoon and Bill 14. I want to make that very, very, very clear. That has never been stated by me. It is not the truth. It is not accurate. We are prepared to discuss the principles of Bill 14, which is what second reading is, just to remind honourable members that the second reading of legislation is discussing the principles of a piece of legislation, not the particulars. I would suggest, in closing my response to the member for Portage, that if he is accurate, and I believe he is accurate in his statements that he does not want to undermine the deliberations, then we should perhaps, in order to facilitate those deliberations, move on to a discussion of the items in the Estimates book and let the process unfold in the very positive way that it is moving so far.

Mr. Schuler: To the minister, last time we met, the minister had quoted from some statistics, and she had indicated that she would table them. I am wondering if the minister is prepared to table those statistics at this moment.

Ms. Barrett: Yes, I am prepared to table two items. One is union membership in Manitoba 1997 to 2000, and the other is Manitoba Labour Board union certifications 1985 to the year 2002. I just wanted to point out to the member that I may have referenced this the last time we spoke, but the rate of unionization in 1997, when the former government was in power, that would be the Progressive Conservative government, the rate of unionization was 34.9 percent, almost 35 percent, quite a bit over a third of the workforce, of the total number of paid employees. In 1998, when again the former government was in power, the rate had gone down slightly to 34.4 percent. In the year 1999, three-quarters of which was under the former government, the rate went up slightly to 34.8, yet still slightly below the 1997 rate, but well within a half a point. In the year 2000, which is the last year for which we have statistics and the first full year of the current Government, what happened to the union membership rates in Manitoba? They went down. They went down by a full point, from 34.8 percent to 33.7 percent. Now, I think it is interesting that took place because it sort of flies in the face of the comments that the Member for Springfield has put on the record regarding this Government.

The second document that I am tabling, which comes from the Labour Board annual reports, which are available, I believe, and are given to the member in his role as critic, says that, between 1984 and the year 2000, the average percentage of Labour Board union certifications that were granted was 76.7 percent of the requests for certification. Now, that would include any automatic certifications or any votes that were taken. This would include all certifications. I must suggest that while it has been up and down and there have been a couple of years where it was down a fair bit from the 76.7 average, in 1993-94 it was 80 percent. In 1992-93, it was 87.5 percent. In 1989-90, it was 86.6 percent. In the year 1999-2000 which would have been half the former government and half our government, 64.2 percent; then in 2000-01,

75.2 percent; then in 2001-02, 74.5 percent; those two and a half years under the average of the last 15 or 16.

I think what I would take from this list of statistics—with the proviso that we know these are just numbers and there are a lot of specifics that are not listed here—is that the certifications, percentages and numbers do not really reflect which government is in power. They more reflect what is happening in the workforce and in the community and in the process of unionization that works its way through and is dependent on a number of factors.

I suggest that both of these sets of figures do not reflect what the member's statements in the past have been, that unions have a free ride in Manitoba when an NDP government is in power. The numbers do not reflect that at all.

Mr. Schuler: I would like to ask the minister if she has had a chance over the last year to peruse over Mr. Colin Findley's *[phonetic]* concerns in regard to something that happened to him at the workplace.

He has corresponded with me to some degree, and if it is the desire of the minister that she wants to take it as notice, if she could just give us something back on it. He has written to me extensively, and I just wondered if the minister perhaps at a later date could just give us a report on that.

Ms. Barrett: Yes, can you give me either on the record or off the record some more details on this. It would be helpful if we had the employer workplace name as well as which part of the department Mr. Findley *[phonetic]* had concerns with. If you would prefer, we can do that off the Hansard record.

Mr. Schuler: Yes, that is what we will do.

I would like to ask the minister, getting back to page 21 of the Supplementary Information for Legislative Review, on the Salaries and Employee Benefits, 11-1B, on the Managerial side, can the minister go through the various employees and explain who they might be?

Ms. Barrett: Is the member asking the full 10 staff? There is 1 Managerial and 9 Admin Support. The Managerial is the deputy minister.

Mr. Schuler: Of the Administrative Support, are any of those political staff?

Ms. Barrett: Yes, as has been the practice over a number of governments, there are 2 staff in this Administrative Support category who are political staff. One is the special assistant to the minister, and the other is the executive assistant to the minister.

Mr. Schuler: Can the minister tell the committee who her special assistant is and who her executive assistant is?

Ms. Barrett: Yes, my special assistant is the very able Karen Kennedy, and my executive assistant is the equally able Bob Luna, charming and delightful, I might add.

* (16:20)

Mr. Schuler: I have a question for the minister in regard to she basically covers various areas. She is Minister of Labour, Minister of Multiculturalism and Minister of Immigration. Does she have any specific political staff for the three, or are these two political staffers the only two that cover off all three areas?

Ms. Barrett: These staff, my special assistant and executive assistant, work with me in all of the areas of the department.

Mr. Schuler: Can the minister tell us what the wage is for her two political staffers?

Ms. Barrett: Following accepted practice, I will read into the record the salary range. For the special assistant it is \$45,373 to \$50,838, and the salary range for the executive assistant is \$41,703 to \$47,207.

Mr. Schuler: I guess one of the things that I have great difficulty with, and it will probably be one of the things that will be a problem for me for the rest of my political career, is the way these budgets are put together, and this is a general grief I have. It was there when we were in government. I see it has carried over. It is just the most frustrating thing. *[interjection]*

It is yes. The process has not changed, to the Member for Transcona (Mr. Reid). It is not a gripe against the minister. What I just find so

unbelievable is that the Estimates for 2001 in this category, the actual Estimates were 521, and the Estimates as printed here are 534. Of course, we have not got the actuals yet. We do not have them plugged in. But it is just the most amazing system of setting up a budget and then trying to follow it. I have had this conversation with colleagues on the other side and with colleagues on my side.

I mean, usually you set up a budget—at least I have seen at the business level how it is done and at the school board level. You set up a budget—that is hard and fast—and then at the end you report how much you have spent in every category, but only in government do you move the target. I do not know who decides that, but it is just one of the most frustrating things I have ever seen.

But just taking the totals, from what I can see the minister is requesting this year \$544,000, which is considerably up from last year, which is considerably up from the actual expenditures of 2000-2001, which was 516.3. Again, we did a spreadsheet on it, and, of course, the actual expenditures are then all mixed up so you actually cannot track them according to the Estimates book, which is just another beauty of government.

I ask the minister why this dramatic increase in this particular category. It seems to be far more dramatic than most other areas in the minister's budget.

Ms. Barrett: Yes, the increase is made up of three elements. One is the general salary increase that was negotiated with the collective agreement and was a three-year collective agreement, I believe. This would be the third year. That is right; next March we are starting the process again. So this is the third year of the collective agreement. Merit increments which are also part of the increase and the salary accrual. Those are the three elements that go into—

Mr. Schuler: At this point in time, I am ready to go on to the next section. We have to pass 11.1.(b) first?

Mr. Chairperson: We are on line 1. Executive (b) Executive Support (1) Salaries and Employee Benefits \$544,300.

Mr. Schuler: What page are we on, Mr. Chairman?

Mr. Chairperson: I would just like to inform the member here we are on page 125 of the main Estimates book, line 1.(b)(1). I will read 1.(b)(1), page 125, (b) Executive Support (1) Salaries and Employee Benefits \$544,300—pass; (2) Other Expenditures \$70,700—pass.

2. Labour Programs (a) Management Services (1) Salaries and Employee Benefits \$1,062,700. Shall the line pass?

Mr. Schuler: I beg the committee's patience. After my third attempt at this, I still have a difficulty figuring out the financial statements of the Government. I think you have to be here like the Member for Lakeside (Mr. Enns); after 35 years you then sort of get this figured out. So, on this particular item, I was wondering if the minister can tell us, under these particular salaries, there would be no political staff in this particular category.

Ms. Barrett: That is correct.

* (16:30)

Mr. Schuler: Can I ask the minister: There was a drop in the Managerial side. What took place there that would see the drop take place?

Ms. Barrett: If the member will look at the bottom of that page in the Supplementary Estimates under the explanation, that this one full-time equivalent was transferred to the Manitoba Labour Board, which is in another part of the Estimates, and that equivalent was the elimination of the vacant position in the HR branch and so there will be an additional one FTE in the Labour Board.

Mr. Schuler: The five positions available, could the minister just list them for us?

Ms. Barrett: Yes, there are five Managerial positions. The first is the assistant deputy minister of Management Services. The second position is the director of financial services. The third position is in the Research branch, the labour research analyst. The fourth position, in information system services, is the director of

information system services. The fifth position, in Legislation and Policy, is the director.

Mr. Schuler: There is also a drop in the Professional/Technical. Was there a transfer that took place there as well?

Ms. Barrett: I must apologize to the member, because I misread the explanatory note on the earlier page. There are two positions that are affected in this division, not just the one. The first one is the transfer to the Labour Board. That one is the Professional/Technical one. The other one was a Managerial position in the Human Resources branch, which was vacant.

Mr. Schuler: The explanation says the reduction reflects the transfer of one FTE to the Manitoba Labour Board and elimination of one FTE. So the vacant position was in Human Resources which came out of Managerial. Is that correct?

Ms. Barrett: Yes.

Mr. Schuler: I have no further questions on that particular section.

Mr. Chairperson: 2. Labour Programs (a) Management Services (1) Salaries and Employee Benefits \$1,062,700—pass; (2) Other Expenditures \$295,600—pass.

2.(b) Mechanical and Engineering (1) Salaries and Employee Benefits \$1,856,700.

Mr. Schuler: Can I ask the minister, the changes that are taking place, would this have been one of the places where—the changes in legislation—is this one of the areas that that legislation would have been vetted through?

Ms. Barrett: No, Mr. Chair, the Workplace Safety and Health legislative changes are not involved with Mechanical and Engineering. If the member is requesting information on Bill 29, the geoscientists bill, engineering bill, no, that would not have been vetted through this area either.

Mr. Schuler: Mr. Chairman, we see an increase in this department, in this section. I take it that is all just in the salary side, that there were higher salaries negotiated.

Ms. Barrett: Yes, it is the same general salary increase, merit increase, staff turnover allowances, as you see, and also in here there is an additional full-time equivalent position of a boiler inspector that we have added.

Mr. Schuler: Has that position been filled?

Ms. Barrett: No. That position has not been filled because we have to wait for the Estimates to pass so that we actually have the authority to do this. Then we will be putting it forward for competition.

Mr. Schuler: What was the rationale in creating that position? Was there not enough personnel to cover off those kinds of inspections? Was there a problem with boilers? What was the problem that was trying to be addressed?

Ms. Barrett: Yes, this additional inspector will allow the service levels under the legislation to be achieved and maintained. There is a time frame for various inspections to be completed. I think the regularity with which the inspections take place, we felt it was imperative that we get that additional FTE to enable us to better service and inspect the equipment and to fulfill the legislated mandate for the timing of said inspections.

Mr. Chairperson: 2. Labour Programs (b) Mechanical and Engineering (1) Salaries and Employee Benefits \$1,856,700—pass; (2) Other Expenditures \$486,600—pass.

2.(c) Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$392,700.

Mr. Schuler: A question on, again, here, I take it the increase in the budget once again is negotiated pay increases. Is that correct?

Ms. Barrett: Yes. The same elements as have applied in the earlier sections apply here as well.

Mr. Schuler: Again, I am ready to pass this particular section.

Mr. Chairperson: 2. (c) Conciliation, Mediation and Pay Equity Services (1) Salaries and

Employee Benefits \$392,700—pass; (2) Other Expenditures \$88,600—pass.

2.(d) Pension Commission (1) Salaries and Employee Benefits \$297,800.

Mr. Schuler: I believe it was the last session we made some changes legislatively to the Pension Commission. There was extra money left in the pension and there was some authority in regard to the pensions. Can the minister tell us how that is working?

* (16:40)

Ms. Barrett: Could I please take that question as notice? I am assuming he is talking about the civil service superannuation fund. You want an update or just a progress report, or whatever? Okay. Can I take that as notice and bring that information back to the member?

Mr. Schuler: I believe it was because the fund had been so properly managed that there was considerable extra money. I believe what the legislation was doing was giving authority on the way that extra money was to be dealt with. Could we just have an update on that? It was one of those good-news stories in government. Too often, the negative side is covered in the media and this actually was a phenomenal story where the fund managers had invested the money quite well and to the benefit of all employees. If we could just have an update of where that is, that would be most appreciated.

As the minister knows, when those rare and gleaming moments happen when she actually comes forward with things that we can agree to, and when she actually does something right, we always like to make sure she gets a lot of acknowledgment for it, because that is important. Like parental leave, very timely, and we felt that was the right way to go. Anyway, if we could just get a little note back on that one and if her department can just make a note of that too it would be appreciated.

Ms. Barrett: I will endeavour to do that.

Mr. Chairperson: 2.(d) Pension Commission (1) Salaries and Employee Benefits \$297,800—pass; (2) Other Expenditures \$82,600—pass.

2.(e) Manitoba Labour Board (1) Salaries and Employee Benefits \$1,055,300.

Mr. Schuler: Clearly, we have seen an increase here. Explanation even notes the transfer of one FTE, and so on and so forth. Can the minister sort of explain, starting with the Managerial, Professional/Technical, just what positions those are? Mr. Chair, I see we have eight Professional/Technical and then eight Administrative Support. Those eight Administrative Support, what categories would those be?

Ms. Barrett: Does the member want me to read the titles in their categories or just in total? In the categories? Okay. In the Managerial category, that would be the chairperson; in the eight Professional/Technical: the registrar, five board officers, two researchers; and then out of order the vice-chairperson; then in the Admin Support: administrative officer, administrative secretary, secretary to the chair, secretary, secretary, secretary, secretary, and information clerk.

Mr. Schuler: I would ask the minister, the Manitoba Labour Board seems to be taking on much more of a role than it has. I guess over the years it has taken on a greater and greater role, which is reflected in the kind of money that is being assigned to it. Can the minister sort of give the committee an indication of the activities of the board. What kind of increased activities have there been? What warrants the continuous increase of the budget? What kind of workload increase is there?

Ms. Barrett: Before I begin my answer I would like to introduce the chair of the Labour Board, John Korpesho. There are several pieces of legislation that have led to an increase in the activities of the Labour Board, in particular The Public Schools Act, which has brought 6000 teachers into the purview of the Labour Board—that was Bill 42 from the year 2000—then the return of the expedited arbitration process, which had been in labour legislation for a number of years and was brought back again in the year 2000. Those are two of the areas where there has been additional activity.

Another large increase is the exemption requests for standard hours of work under the employment standards legislation which is not as

a result of any legislative change, but there has been an increase in those numbers.

Mr. Schuler: Does the minister see the role of the Manitoba Labour Board growing? Is it something that the minister sees as taking on greater and greater responsibilities within the Department of Labour?

Ms. Barrett: Well, that is kind of a hard question to answer because it depends so much on the kind of activity that happens within a year or a period of time. If we have a number of expedited arbitrations, then the role of the Labour Board expands. If the number of expedited arbitrations declines, then that will be reflected. Again, in the employment standards legislation, it ranges. I do not think I could make a really accurate prediction.

* (16:50)

Hours of work exemption process is a process that is designed to provide a greater degree of flexibility for employers to utilize their workplace as efficiently as possible and also to allow employees more days off. An example of one of the cases that will come before the Labour Board is the request to have four 10-hour shifts and then you would have three days off. So those are the kinds of things.

So, as workplaces become more flexible, as they become more varied, the role of the Labour Board in this area probably will continue to increase because it is a lot more flexible to give the Labour Board that authority than to try to put into legislation or regulations every possible kind of situation which you cannot possibly ever think of, things are changing so quickly.

It is hard for me to say whether some elements of the Labour Board, some things that come before the Labour Board, there may be reduction in other areas, there might be an increase. It is incumbent upon us, I believe, to ensure, within our financial capabilities, that we resource the Labour Board effectively because the work of the Labour Board is designed, actually in no matter what piece of legislation they are working with or what kind of a situation, to enhance the fairness and equity for employers and workers and to head off problems before they get to a critical situation.

Mr. Chairperson: We will do line 2. Labour Programs (e) Manitoba Labour Board (1) Salaries and Employee Benefits \$1,055,300—pass; (2) Other Expenditures \$262,300.

Mr. Schuler: Actually, just before we move out of this particular department, I do want to congratulate the chair. He has had a very heavy workload and he gets an awful lot of print, whether it is in letters or whether it is newspaper articles. To him and the board and all the staff that works in this particular department, I would like to commend them. They put in a lot of hours, they put in a lot of work. It is not always the most popular position to be having, but anyway, I would just like to say we appreciate the kind of effort that is put in.

An Honourable Member: He is sure a good curler.

Mr. Schuler: He has time for that? What do you mean he has time for curling?

Mr. Chairperson: I will read the line 2.(e)(2) Other Expenditures \$262,300—pass.

2.(f) Workplace Safety and Health (1) Salaries and Employee Benefits \$3,550,600—pass; (2) Other Expenditures \$931,900—pass.

2.(g) Occupational Health (1) Salaries and Employee Benefits \$238,700—pass; (2) Other Expenditures \$36,700—pass.

2.(h) Mines Inspection (1) Salaries and Employee Benefits \$607,300. Shall the line pass?

Mr. Schuler: Could the minister kind of explain to us why there seems to be some staff changes at this level? In the Managerial, we go from two to one; Professional/Technical, we go from six to seven. Could you just sort of tell us what was taking place there?

Ms. Barrett: Yes. We reduced the management structure by taking one Director of Mines and moving that position into a Senior Mines Engineer, which would be under the Professional/Technical category.

Mr. Chairperson: I will read line 2.(h) Mines Inspection (1) Salaries and Employee Benefits \$607,300—pass; (2) Other Expenditures \$203,200—pass.

2.(j) Employment Standards (1) Salaries and Employee Benefits \$2,035,600—pass; (2) Other Expenditures \$548,700.

An Honourable Member: Pass.

Mr. Chairperson: I will read the line again. 2.(j) Employment Standards (2) Other Expenditures \$548,700—pass.

2.(k) Worker Advisor Office (1) Salaries and Employee Benefits \$613,200. Shall the line pass?

Mr. Schuler: Seeing as we probably have two minutes left on the clock, I was going to ask the minister if for tomorrow we could have the Multiculturalism staff come up first and then the Immigration staff. Would that be convenient for her?

Ms. Barrett: Sure.

Mr. Schuler: And as there is another critic, I would then defer to the critic. I do not know—*[interjection]*

Mr. Chairperson: I will give the floor to the honourable minister.

Ms. Barrett: Yes. As my staff told me, there is a funeral that one of the staff in the Multiculturalism division has tomorrow. We will check on the timing and let your office know. Would that be acceptable, and then we can try and work around that?

Mr. Schuler: Yes.

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

AGRICULTURE AND FOOD

* (14:40)

Madam Chairperson (Bonnie Korzeniowski): Will the Committee of Supply please come to

order. This section of the Committee of Supply meeting in Room 255 will now resume consideration of the Estimates for the Department of Agriculture and Food.

We are currently considering items under resolution 3.3. Manitoba Agricultural Credit Corporation. The floor is now open for questions.

Mr. Jack Penner (Emerson): I believe yesterday we left off after having had a significant discussion on the Vita Feeder Co-op and the liabilities some of the directors of the co-operative had incurred, some of the expenditures they had incurred. I believe then we moved on.

I had asked the minister before we were interrupted as to what the processes were, I believe, for the establishment of the young farmer transfer program. What process is needed to establish the transfer of property, land or other, between a young farmer and a retiring farmer, and what the criteria would be for the application into the program.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): For the Bridging Generations loans, there are eligibility requirements, that the individual must be between the age of 18 and 39, and that is put in place because we are targeting younger farmers to try to help them in their transition into a farming operation. The net worth of this individual cannot exceed \$650,000. The combined annual off-farm income of the applicant and/or spouse may not exceed \$70,000 gross at the time of application.

The farm operation should generate a minimum projected gross income of \$10,000, or 50 percent of the amount of the loan request, whichever is greater. The individual must be a Manitoba resident and a Canadian citizen, or have been lawfully admitted into Canada for permanent residency. The proposed farm operation should be considered potentially viable and meet security requirements. Madam Chairperson, the applicant should be able, have experience, expertise, knowledge and the capabilities necessary to operate a farm. The farm is to be operated by the applicant.

So those are the requirements of an individual who is applying for a loan under this program.

Mr. Jack Penner: Maybe what I should do is ask the minister first: In her view, what kind of an operation would it require today in order to be able to support a young couple, let us say, an average young farm couple today?

What sort of a net income would you suggest it would require today to be able to support a young farm family on the farm today?

Ms. Wowchuk: Madam Chairperson, the member asks a question that really depends on the case-by-case situation of an individual. It may depend on the lifestyle that an individual lives. It may depend on family size.

Just as in an urban setting, some people need more money because they choose a different lifestyle, and some require much less because they choose a different lifestyle, make different kinds of investments, make different kinds of choices, and that depends entirely on the individual.

For example, if you look at the member and you look at myself, we may require different amounts of money for the lifestyle that we choose to live. I do not know anything about the member's home or the kind of lifestyle he chooses to live, and he does not know anything about mine. So we could not even begin to compare, or set a standard as to how much money each of us might need to meet our own personal needs. So that is a very hypothetical question, and one that is very difficult to put a number on.

Mr. Jack Penner: Some of the members around the table suggest that is a tough question, and the minister gives me that answer when I asked for what she deemed might be an average income for a young farm family couple to be able to exist or live on a family farm. I will ask the question again.

In the minister's view, how much income would an average young farm couple have to have in order to be able to live comfortably, an

average young farm couple would have to have to live comfortably on a farm?

Ms. Wowchuk: I will tell the member that again is a question that could have many answers. It depends on the size of the operation that the individuals may have, the kind of operation it is, whether it is a straight grain operation, whether it is a livestock operation. It will vary as to what kind of income those people have off-farm, as to what they require from the farming operation. So that is a very individual decision that has to be made as to the amount of money that some individuals need to live comfortably.

I look at the member from Assiniboia here, and he may need a lot more to live comfortably than I would need to live comfortably. You know, some people may choose to have a different lifestyle. Some may choose to be self-sufficient in their farm operation, where they do not need to make very many purchases for their farming operation. So it varies from individual to individual.

But the purposes of BGI is to help young start-up farmers, and these young farmers may have off-farm income. They may be involved in their farming practice with other farm members. As we see with many farm families, there are joint operations where they work with their parents or other farm members. So it varies from individual to individual as to how much money they need to live comfortably on a farm, as it varies from individual to individual as to how much money they need to live comfortably in an urban setting.

* (14:50)

Mr. Jack Penner: Madam Chairperson, I would like to ask the minister one more time whether she has done, or asked her department to do, an analysis of what net income requirement would need to be generated off a so-called family farm in order to support the average young couple, the average young farm family. Let us put it that way, in Manitoba today. What would the average income requirements be for them to be able to exist or live on a farm?

Ms. Wowchuk: Madam Chairperson, I will tell the member again that decisions on how much

income a family needs are the decisions that are made by the individual family. It is a case-by-case decision. Again, it depends whether they have children. They might be supporting an extended family. They may choose to live a different lifestyle. They might want to have a new home where someone else decides to live in an older home and not have the same level of requirements. So you cannot say how much an individual needs, because that is an individual family decision.

When you look at the BGI program, each request is considered on an individual basis. We do not make any prequalifying income limitations, except for the point that I made with the member earlier that the farm operations should generate a minimum projected gross income of \$10,000 or 50 percent of the amount of loan request, whichever is greater. So, depending on the loan request, that is one of the requirements under qualifying for this loan. But, again, as I say to the member, this is something that individuals decide for themselves. Each request for the program is considered on its own merits.

Mr. Jack Penner: I would like to ask the minister then whether she has asked her department to do an analysis of the requirement of a young family, the income requirements for a young farm family, to live and exist on a family farm. What would the income requirements be simply to send the kids to school, to put bread and butter on the table, to live an average lifestyle? What would the income requirement be?

Ms. Wowchuk: Again, when each family makes their own individual decisions, each family makes their decisions based on the kind of lifestyle they want to live, based on the kind of home they want to live in. Some may choose to live in an older home. Some may decide that they want a brand-new home. Some may decide that their lifestyle requires a lot of recreational equipment. That is their choice. Not every family chooses to live the same lifestyle, and not every family chooses to educate their children in the same way. Some may decide to put their children in the public school system.

Some may decide that the public school system is not for them. They want the private school system. That is a different choice they

make. Some may decide they want to home school their children. Those are choices that people make, so not every family has the same requirement. Some families make a decision that they want all of their income to come from their farming operation. Some families decide that they want to have some of their income come from off farm. Some choose that both will work off farm.

Each case is considered on an individual basis, and each family has to determine for themselves what kind of lifestyle they want to live, what kind of income they require. Then they have to make a decision as to whether their farming operation can be expanded to the size where they will make the required income from the farm, or whether they will take off-farm jobs to support their family and to live the kind of lifestyle that is their own choice. But, within the BGI program, each request is considered on its individual merits, and does not make any prequalifying income limitations, except for the one where I had outlined that the farming operation must generate a projected gross income of \$10,000 or 50 percent of the amount of the loan requested, whichever is greater.

Mr. Jack Penner: I wonder if the minister could then explain. I am trying to get at some of the criteria that the minister has developed for the purposes of a qualifier for the Bridging Generations Mortgage Guarantee program. I wonder if the minister could explain to me then what the average gross income might be from a farm that has a net worth of \$650,000. I am talking about the average net worth of a young farmer going into the business. That would mean the acquisition amount of the farm operation would be what he or she were able to either put in via cash or borrowed money. What would the average net income generation possibilities be, the average, of the young farmer under these qualifications. What could the expectation be?

* (15:00)

Ms. Wowchuk: Again, that will depend on the operation. If the net worth, as we said, cannot exceed \$650,000, it depends on whether that net worth is a cattle operation, whether it is a grain operation. It depends on which part of the province it is in as to what the net income will be.

It varies by the individual, and it varies depending on the type of agricultural operation it is. If it is a grain operation, it will be a lesser net worth. If it is a cattle operation that has a large number of cattle on it, and the cattle make up the largest part of that net worth, then there will be a different income.

That, again, varies on a case-by-case basis. It would be very difficult to say what the average income is based on the \$650,000 net worth, because each individual operation is a different case.

Mr. Jack Penner: Well, let me ask the minister what she would project, or what her department might project, the income to be off of a farm that had a total investment of \$650,000 in operational equipment, in land-base values and in livestock operations—an average investment of \$650,000.

What would you project the income possibility to be off of a farm operation such as this?

Ms. Wowchuk: I know that the member is looking for a specific dollar value, but, as I said, everything is a variable in these situations. Every situation is different.

Somebody may have very similar operations, but, again, there are management practices that affect the net income. You could have two farms side by side, same amount of land, same kind of equipment, same number of livestock, but if one person does not look after their equipment, does not look after their cattle or should be struck by some disaster in their operation, each one is considered on an individual basis. It would be unfair to try to predict what the income of operations would be, because that varies across the province, varies with individuals and varies according to their management practices. Sometimes an individual can be working just as hard as his neighbour and if he or she is struck with some hard luck, their situations change.

So each one varies and is considered on an individual basis.

Mr. Jack Penner: Well, I find the minister's answers somewhat interesting, because the next question was going to be: What criteria does the

Manitoba Agricultural Credit Corporation use to determine the amount of money that they would extend to a farm operation and what the repayment possibilities might be of a given loan extended?

Surely the minister must have given some direction to her department and/or the corporation as to what criteria should be used to determine the viability of the operation and the repayment ability of a given operation. Somehow, the corporation must determine what income is required in order to make a given project viable, and I am only reading from the publication that the minister has put out: Bridging Generations Mortgage Guarantee program. It says the purposes of the program and the service and then who qualifies, and the amount of net worth must be less than \$650,000.

Now, I want to know what criteria the Agricultural Credit Corporation uses to determine the viability of an operation that they extend credit to.

Ms. Wowchuk: Madam Chairperson, yes, I want to tell the member that our Credit Corporation finances young, higher-risk farmers that are involved in a variety of agriculture sectors, and there is a wide variety of agriculture in this province. Each case is examined on an individual basis, based on its merits, with the requirement of being viable. The corporation looks at cash flows, projections, debt-carrying capacities. In each case, there is a business plan and they are reviewed on an individual basis, and then a decision is made as to whether the person qualifies for this program or not, based on their individual merit. Each one can be quite different, but, ultimately, the individual has to have the financial ability to repay the loan.

Mr. Jack Penner: Madam Chairperson, it is becoming quite obvious that the minister has not given much thought to what the requirement needs to be, and that the minister is obviously not aware what the income generation ability of a given farm that they extend an amount of credit to needs to be in order to be able to service the debt and make a living.

So I am asking the minister: What would have prompted her from a policy position, when

she directed the corporation to develop this young farmer program, to give direction to the corporation for the development of this program without the knowledge of the questions that I have just put to her? How could she say to the department: We want to develop this program; here is what I want you to do. Is there a viable possibility of the young farmer to be able to survive, to support a young family and service the debt on the basis of this program?

It is becoming very apparent that no consideration of that was made at all in a direction before she developed the policy or before they made the decision to move into this program.

Ms. Wowchuk: The member was very upset when this program was brought in. He said it was not a good program, and he is looking for a way to discredit the program. His comments are really discrediting the staff at the Agricultural Credit Corporation, who, I have to say, are doing a very good job in providing gap financing.

Point of Order

Madam Chairperson: The Member for Emerson, on a point of order?

Mr. Jack Penner: On a point of order, Madam Chairperson, the exact opposite is the case. I believe that when new programs are directed and established by the minister or by the Government, they go to the corporation and dictate to the corporation what the policies will be, and the corporation then is required to come up with the criteria of the program, but the policy decision and the program direction certainly must have come from the minister.

Is she telling me now that she was not involved in the decision making to put forward this program? Is she telling me now that her party did not give any consideration of what the requirement for repayment might be under this program? Is that what she is telling me?

Madam Chairperson, for her to try and put words on the record that I do not have confidence in the department and the MACC, I want the minister to know that the Manitoba Agricultural Credit Corporation was very involved in

getting me established on my farm. They were the—

* (15:10)

Madam Chairperson: Is this on the same point of order?

Mr. Jack Penner: It is the same point of order because I think the minister needs to understand this. MACC was the credit corporation that gave me a loan to establish me on my farm, and I have a great deal of respect and a great regard for the ability of the staff at the MACC. I do not have that confidence in the minister and her staff.

Madam Chairperson: The Member for Assiniboia, on the same point of order?

Mr. Jim Rondeau (Assiniboia): Madam Chair, I believe that this is not a point of order. It is not a breaking of any rules, but it is just a dispute over the facts. I believe a point of order has to do with whether it breaks parliamentary procedure or process. This was just not even a dispute over the facts, just a spewing out of facts or opinions by the member opposite.

Madam Chairperson: The honourable member does not have a point of order. A point of order should be used to draw the Chair's attention to any departure from the rules or practices of the House or to raise concerns about unparliamentary language.

* * *

Mr. Jack Penner: Madam Chairperson, I respect the ruling of the Chair. I want to ask the minister what would have prompted her—

Madam Chairperson: Order, please. The minister had the floor prior to. You interrupted her with your point of order.

An Honourable Member: But, Madam Chairperson, the Chair recognized me when I put up my hand, so I would suspect that I might have the floor.

Madam Chairperson: Yes, I did recognize the Member for Emerson (Mr. Penner) inadvertently, but it is apparent that the minister has now

finished anyway, so I now recognize the Member for Emerson.

Mr. Jack Penner: Well, Madam Chairperson, let me ask the minister then what would have prompted her to put into policy that under this program there would be a limit placed on the amount of annual gross off-farm income, including the spouse's income, which cannot exceed \$70,000?

I find it almost incredible that the minister would have directed the corporation to put in place a limit of off-farm income if she is really serious about encouraging young people to come back out of an employment situation into a farm operation to be that new generation of farmers for the province. You would almost suspect that she would encourage those that had significant off-farm income to be prompted to bring as much money into a new-generation farm as they possibly could generate off the farm by one means or another. They could have fairly large investments that would give them large investment incomes, even though they might both work on the farm full time, but that would be deemed as off-farm income. Therefore, I find it absolutely incredible that this NDP administration would put these kinds of limitations on a young farmers development program into place.

I ask the minister: What would have prompted her and her Government to direct the Manitoba Agricultural Credit Corporation to put these kinds of limits in place under this new program?

Ms. Wowchuk: Madam Chairperson, I think the member is having a bit of a memory lapse here, because there are limits on all loans when you are taking a loan from the corporation, as to how much your off-farm income would be. The member is wondering how this program got started. I want to tell the member that, prior to the last election, we recognized, although the previous government did not seem to recognize it, there was an ageing farm population, that there was a tremendous amount of land that had to change hands, and that there was a need to bring in some kind of program to help with the transition of that land from one generation to another.

We made an election commitment that we would address the issue when we formed government. The people of Manitoba respected us for that, and, in September of 1999, decided that it was time to change government and did just that. It was then our responsibility to make decisions, and we made the decision that we were going to proceed with Project 2000, starting first with the mentorship program, and this April into the financial portion of Project 2000, which is Bridging Generations. So that is how it happened.

Yes, it was a policy decision, and we spelled out what we wanted in the policy. Staff at the corporation, along with other people, spent an awful lot of time looking at how we could design this program. I want to really commend the people that have worked on this, because it took an awful lot of time and a lot of discussion before we came up with the program that we have now.

I have to tell the member. He talks about the caps and that the caps are not adequate in the programs that we have. It should be noted that every two years we set our maximum net worth caps based on a calculation of the average net worth of Manitoba farmers, as spelled out by Stats Canada data. So there is a lot of work that is done on it, but I also want to tell the member that the corporation is very viable. If we look at the activity under the corporation and the number of loans, the number of loans has continued to increase. If you look at 2000-2001, there were 914 loans; and in 2001-2002, we are up to 11 018 loans. So there is a growth—*[interjection]* 1118. Not quite that kind of growth, 11 018, I want to be sure I correct that on the record. So 2001 compares very closely with the number of loans that were out in 1998-99, almost at the same level. There is a healthy portfolio and a lot of support and financing in place through the corporation for the young farmers of Manitoba.

Mr. Jack Penner: I want to go back to the question I asked, which is: What prompted the minister and her Government to write into place a \$70,000 off-farm income limitation for a young farm couple starting in agriculture. Why would she not have encouraged no limitation of off-farm income to be written into an agreement? What would prompt her to want to limit

the off-farm income ability of our farms in order to encourage young people to get into agriculture, and try and make a living off of utilizing off-farm income as the base for repayment ability? I do not understand that. It is totally foreign to me.

Ms. Wowchuk: When we developed this program, it was developed to target those people who are most in need of financial assistance. MACC is a gap financier providing credit to complement that provided by the private-sector lenders. So it fills the gap that is there for many people. I am sure the member recognizes that.

It was not our intention under this program to support people who had very high incomes. I will say, for an example, maybe a doctor or a lawyer who wanted to also farm. There are doctors and lawyers who want to farm, but they have a much higher income, and they can get their funding from other sources. They do not require the kind of program that is put in place here.

That is why it is targeted to those who fall in the gap, and cannot get their financing from the private sector. But I am also surprised that the member would say he cannot understand why we would put a limit of \$70,000, because it was his administration that set the \$70,000 limit of what farm income could be for loans. So that was put in place, I believe, in about 1994 or somewhere during that time.

* (15:20)

Mr. Jack Penner: I want to, however, remind the minister that this program was not developed by the previous administration. I also want to say to the member that never has the minister heard me criticize this program from the perspective of encouraging young farmers to get into the business.

What I have constantly said is that there is not much in this program to help the young farmer getting into the business. There are probably more restrictions in this program, more disincentives from encouraging young farmers to get into the business. There is a significant amount of protection in this bill or this program for retiring farmers to ensure that their income or

that their revenues or assets will be protected from loss under this program. That is there. I would have suggested to the minister she should have paid a lot more attention to providing more incentives, and doubling the limit of income, if you are going to have any off-farm-income limits in this kind of a program.

Take, for instance, a young couple coming out of college and probably having been out of college for three or four or five years who are both teachers. Both of them came off the farm and want to get back onto the farm. So they could very easily be in a situation whereby they would want to keep on teaching but they would not be able to under the scenario that the minister paints here for them and the criteria that she sets out for them. They could both be doing some other jobs that might provide them with an income of more than \$70,000 a year and want to get into taking over the family farm or whatever and use that income to do a quicker pay-down of their liability, of their debt, and therefore be able to make the operation much more viable in the long-term.

Why would she have placed limitations on the income ability of a young couple such as she is trying to encourage getting into the business of agriculture? I do not understand that. But obviously this is a socialist way of doing things and developing criteria.

Ms. Wowchuk: Well, you know, the member is just not grasping the idea here. The fact is if there were two people teaching who had good incomes and wanted to go farming and both wanted to keep on teaching, they would be able to get their financing from another source, because they would not fall in that gap and would not require this program. They could make different arrangements with a different financial institute. The Credit Corporation's role is to provide gap financing to provide credit for those people who do not qualify.

The member talks about two teachers. Well, if they were going to farm full time, one of those teachers might decide to quit teaching and farm full time. If one of those teachers quit and decided to farm full time, they would then probably qualify for the program, but each individual

case is considered on the individual basis before the decision is made.

The member has a concern with the \$70,000 income. I have to question where he was between 1994 and 1999 when they were in government, when that administration was in government, why he did not take that up with his then-Minister of Agriculture to question why there was a limitation of \$70,000 on off-farm income before an individual qualified for a loan.

I would also like to put on the record, Madam Chairperson, that this is a new program. It is in its infancy. It is in its very early infancy, not even two months of activity. There is a tremendous amount of interest in the program. We will review it. If the member has suggestions as we go forward on how the program might be improved on, we will listen to his suggestions. The corporation is always in discussion as they are taking these applications, as people are making their applications. If there are things we have to improve on, we will improve on it.

I have to say, this is the recognition we have made. We recognize there is a gap there, that young farmers are having difficulty. It is obvious there is a tremendous amount of interest, because since April 1, when this program came into place, there is now a total of 34 applications—and 25 have been approved, 9 applications are still being looked at, but I am also advised there are many applications that are in regional offices where there is discussion going on.

Obviously, we have identified an area where there is a need. We are working with producers, working with them as they make this transition. If the program has to be refined, we will take the steps to make improvements to it that are in the best interests of producers, in the best interests of young farmers. We will ensure the program continues to address the gap that is there for young people. I have to say that the support provided for young people through this program, and along with other programs, is fairly substantial. It is projected that from this program we are going to make about 200 loans in the first year. That is substantial.

Mr. Jack Penner: Did the minister say there were 34 applications in total so far in this program this year?

Ms. Wowchuk: Madam Chairperson, what I said is, in the two months the program has been in place, there are 25 loans that have been approved, 9 applications that are in process right now, for a total of 34. There are additional applications, discussions that are taking place with young producers throughout the regions.

Mr. Jack Penner: Madam Chairperson, the 25 loan applications, when was this program first announced?

* (15:30)

Ms. Wowchuk: I announced the program at Ag Days in January at Brandon, announced what the financial component would be, and the program became active the 1st of April.

Mr. Jack Penner: Madam Chairperson, was it not a year ago, actually a little better than a year ago, that the minister announced this, or that the Government announced this program during the budgeting process last year? Is that not when this was included in the Budget?

Ms. Wowchuk: What we announced in the previous year, we announced Project 2000, and in the first year we had the mentorship program, where we had groups set up across in various parts of the province. Following that mentorship program, this year, in January 2002, I announced the financial component of the program, and then it became an official program on April 1.

Mr. Jack Penner: Madam Chairperson, so the minister is now admitting that this program was announced a year ago.

Ms. Wowchuk: We indicated, Madam Chairperson, during the election that, if we formed government, we would bring forward Project 2000. After forming government, we took the preliminary steps to have the discussion with department officials and staff at the Credit Corporation. In 2001, we had the mentorship program where many people participated.

In 2002, January, I announced the financial portion of the program, and on April 1 it was officially launched. Since that time, we have had a total of 25 applications approved, and there are 9 more applications that are in process right now. I think that is an excellent record for less than two months.

Mr. Jack Penner: Madam Chairperson, could the minister then give me an indication as to how many loans have been processed by MACC during the last year, or the last two years? How many loans, in total, would have been processed by the corporation?

Ms. Wowchuk: In 2001-2002, there was a total of 1118 loans processed through MACC, and these are direct loans.

Mr. Jack Penner: 1118 loans.

Ms. Wowchuk: 1118.

Mr. Jack Penner: Could the minister tell me how many loans were processed the year before that?

Ms. Wowchuk: In 2000-2001, there were 914 loans processed.

Mr. Jack Penner: So, Madam Chairperson, we have had during the last two years, on average, about a thousand, just a bit over a thousand loans a year approved by the corporation, and that would be about two loans per working week. Is that correct? *[interjection]* Oh, I am sorry, 20 loans per working week.

Ms. Wowchuk: Yes, that would be, on the average, about 20 loans. I would tell the member, as well, that the thousand loans has been about the average for the past four to five years, in that range. That is the average amount of loans that are processed. As I said, that is the number of loans, but there is also a lot of other activity. That is not the loan guarantees or the other responsibilities that the corporation has.

Mr. Jack Penner: Could the minister tell me how many of those loans, roughly a thousand loans a year, would have been made to people under the age of 40?

Ms. Wowchuk: Over the last two years it has averaged at about 72 percent under the age of 40.

Mr. Jack Penner: That is about 720 a year under the age of 40.

Ms. Wowchuk: Again, we are averaging. We are saying that on the average there is about a thousand loans a year. Of those, 72 percent or 720 would be for farmers under the age of 40.

Mr. Jack Penner: That would be about 60 loans a month.

Ms. Wowchuk: Give or take a few, I would say that it would average about 60 per month on the loan program, on the direct loans. There are others as well.

Mr. Jack Penner: I am really a bit surprised at the minister's enthusiasm that she just demonstrated here a little while ago when she indicated the tremendous response that they had on this program. All of these loans, these 60 loans a month, that would have been made last year could have qualified under this program because they are all under 40.

I would suspect that all of the 60 loan applications that the minister might have received under the criteria of 720 loans, of the total loan capacity, 70 percent being under the age of 40; that the minister is so enthused about this program being so successful, when they have approved 12 applicants per month under this program, versus 60 applications a month, without a program to farmers under the age of 40.

Those other 48 average farmers, do they not qualify for this program? Why would they not be applying at the same rate of about 60 a month for this kind of a program? Is there a reason why they would not be applying?

Ms. Wowchuk: I have to say that I am pleased that we have a program that is addressing intergenerational transfer of land. Yes, some of these farmers who applied for the previous 60, the member should recognize that these are over the 60 that were there before. These are additional loans. All of the loans of those 60 were not necessarily for intergenerational

transfer, because we offer loans for many, many purposes. Some of those people may not fit into the criteria as far as their off-farm income, as far as their net worth. They may not fit into that.

We offer loans for the purchase of land and/or buildings, for the purpose of raising of traditional and alternate breeding stock, for the construction of a new, or renovation to an existing home, for it to modify a farm building. It could be for cleaning and breaking or drainage of land, for debt consolidation, for the purchase of farm equipment only in conjunction with the purchase of a total farm operation.

There are loans for legal costs incurred in processing a loan. There are also loans to finance purchases of shares and agriculture-based new generation co-ops. So there is a wide variety. Some of these people may qualify for the inter-generational transfer of land, some may not, but these loans are in addition to the existing portfolios that have been within the corporation for many years.

* (15:40)

Mr. Jack Penner: Well, thank you very much, Madam Chairperson. I think the minister has just explained why she was so enthused about 12 applications per month under this new program, and that there are 9 outstanding. I would suspect that, if this program was as desirable to young farmers as she wants to make it out to be, the list of applicants might be much longer, especially in light of the fact the latest Canada census that we have seen and the huge outmigration of people off the farm over the last five years. I think that, in itself, tells a story that is much beyond the discussion that we have had here so far.

I would suggest to the minister, if they were serious, if her Government were serious about their commitment that they made during the election campaign when they said they would stand beside, I think was the term used, they would stand beside the family farm, and yet we have seen huge losses in family farms over the last two-and-a-half, three years of this Government being in power. That does not speak well for young people that would have liked to

have entered the farming business, the business of farming.

Madam Chair, it is absolutely imperative, in my view, for government to create an economic climate in the province that would encourage investment in the primary sector. I think the corporation, in general terms, has done an absolutely commendable job of delivering the program that it was designed for and designed to.

However, I think it is unfortunate when governments or political parties try and put forward the notion that they are devising programs that are tailor-made for maintaining the family farm, or the farm within the family. Obviously, that is not the case, or I would suspect there would have been many, many more applications before this corporation, if that were truly the case. I would suspect that, if this Government was truly serious about maintaining the family farm and encouraging young people to be on the farm, they would have done a lot more than just talk.

I saw Project 2000 when that was devised, and then I looked at the mentorship program that they devised. I said to myself: You know, the best mentor that any young person can have is the family that they come out of, yet, when I visit with farms today, especially the older generation of farms, far, far more often than not I hear them advising their young people to go look at something other than farming.

If the minister and her Government would have been really serious about wanting to create an economic climate and a policy framework that would encourage the maintenance of those young farmers on the farm, we would have already, in two and a half years, seen the rhetoric change. But we have not. We have not seen that.

As a matter of fact, we have seen the increase of young people leaving the farm to a much greater extent than we ever have. The last Canada census proves that it is much, much higher. I know the minister and her staff have even wanted to put a good political spin on that. Yet the reality of the situation is we only need to look at our own communities. We see the closures of the local general store, and we see the closures of the post office, and we see the closures of the schools, and we see the closures

of hospitals, as happened in Emerson. We put a bag over the hospital sign at Emerson saying: You can no longer get your emergency services here. It is no longer available because we do not have money to pay the nurses to be hired here.

An Honourable Member: You fired all the nurses.

Mr. Jack Penner: The minister said: "You fired all the nurse." The reality being that if the minister were as honest as I think her brothers were in government, if she was as honest as that, she would have said the requirement of the contract with the nurses required the laying off of the nurses and the rehiring immediately the day after all the nurses that wanted to be rehired, exactly the same process that she and her Minister of Health went through when they fired the nurses at Boundary Trails. I believe there were some 700 staff fired there and rehired the next day.

We have not made a big to-do about that because it is dishonest. It is totally dishonest to say that a government fired nurses. No government fired nurses. They only met the conditions of the contract that the union negotiated for them. I think it is unfortunate that this minister will not be as honest as her brothers were when they were in government. She needs to learn something from the previous Minister of Agriculture that sat in her chair, whom I had a tremendous amount of respect for. That person, in my view, was honest.

So I say to the minister: Be careful when you say those kinds of things because people are listening and people are reading what the minister says. Honesty goes a long, long way even in this business.

I would suggest to the minister, when she wants to put those kinds of words on the record, that she should really think about who might read this in the future and maybe even her own family might read this at some point in time. They might ask her whether this was really the truth or whether it was not the truth.

I know that Mr. Enns, the Member for Lakeside, would want to ask a few questions of the corporations while we have them here today,

and so I would turn the mike over to the Member for Lakeside.

* (15:50)

Ms. Wowchuk: I am sure the member thought he was going to put all of that rhetoric on the record, and I was not going to respond. I would remind the member that while people are reading Hansard, they are not only going to be reading my comments, they are also going to be his comments. I think they will be questioning his credibility as well when he talks about things like the number of farms that have been lost, that we have not done anything in two and a half years. I wonder where he was for the 11 years when his government was in power and the number of farms was decreasing at that time. If you look at the stats that just came out, and he talks about the exodus in the past two and a half years, those stats go back to 1997 when, I have to remind the member, it was his government that was in power.

We can try to play games and talk about the number of people that have left the farms, and he can try to say it is because there is an NDP government that we are having a reduction in a number of farms. I think the member should be a little smarter than that, and should put more truthful comments on the record, because if you look at it, agriculture has changed. There has been a steady decline in farm population for many, many years.

Yes, it is a challenge for all of us to try to work with the farming community and rural community to ensure there is a stable population out there, but I think the member should have thought about that when he was so supportive of the elimination of the Crow. He was the one that was standing out there championing the elimination of the Crow, because this was going to help farmers. Unfortunately, when his government supported that, they did not negotiate a very good agreement on the Crow.

From that time, we saw a tremendous decrease in income of farm families, because the previous administration did not think very well when they had the Crow eliminated, and got a short-term payment for what was known over

history to be support for agriculture. We lost a lot of support for agriculture following the Crow and other things that were eliminated by the federal government, but we did not hear much of a fight from the previous administration.

Since the elimination of the Crow, I have to give credit to our farmers in Manitoba for the changes they have made. But can you imagine the changes that could have been made had the financing continued into agriculture? If you were eliminating the Crow, you should have ensured that money that was there in perpetuity continued in perpetuity for agriculture. That was what the previous administration supported, and, in many cases, our farmers are paying the price of decisions that were made by the federal government and supported by this administration. That has had a tremendous impact on agriculture.

Our farmers are making changes. We see an increase in the livestock production in this province. We see an increase in diversification into new crops. Our farmers are among the best in the world. They are prepared to take on new technology, try new crops. They dare to dream and take chances, and I commend them for that. The decline in farming population is something that has been a long-standing number that we see.

Certainly, right across the country there is a concern. That is why we are taking steps like Project 2000 to help young farmers get into the business. That is why we are taking steps like hiring new specialists to help with the diversification in agriculture, issues that were raised under the previous minister but issues that were not timely, I believe, for him. Maybe he could not address them at that time, but we have moved forward on them.

One of them I think about is the hiring of a sheep specialist that sheep producers have been asking about for a long time. I hope there are some sheep producers that will take advantage of this Bridging Generations, and that we will have new operations in this province, as I hope we will have in a variety of species.

I want to thank the member for the compliment that he has paid my family. We all pride

ourselves in being hardworking and being very honest. I will convey the message the member made to my brother, who was a part of this Legislature. I tell him that is a trait and something we all pride ourselves in, in our family, a family that works very hard, a family that is very honest and a family that is very committed to our communities.

Mr. Jim Rondeau, Acting Chairperson, in the Chair

We hope to pass that on to the next generation of our family as well. I can tell the member the next generation of our family is also very committed to their community, just as my predecessors were. Both my grandparents and my parents were all committed and were very honest people.

Mr. Chairman, with respect to Project 2000, as I say, this is a new program. I said right from the very beginning, when I announced this program in Brandon, that this program would not be for every farm family, and no program can fit for every family. But there has been a tremendous amount of activity, and I tell the member I hope that he remembers when I announced this that I said that this was a five-year pilot project. We will see how the program works, and we will make improvements to it.

I want to also tell the member—he questioned the amount of activity—I have to say that just announcing a program at a time of the year, which is not really a busy time of the year for the corporation, that is a very good amount of activity. The corporation tends to have more activity in the fall season, and I look forward to having further activity in this program and in evaluating it and looking at how it can be improved upon in the best interest of our producers of Manitoba.

Mr. Harry Enns (Lakeside): Mr. Chairman, one is tempted to join in the minister's revision of history about the Crow rate. Let me just gently remind her, there were no negotiations by a previous administration with respect to the Crow rate. That was a unilateral action taken by the Liberal government, and the current minister is well aware of that. I might add for the record that as long as there was a Conservative

administration in Ottawa, the Crow rate was in place and the \$750 million, \$760 millions of dollars of support monies to western grain farmers flowed.

It was a Liberal government that this administration embraced with open arms when it got elected in '93, saying how much easier it was going to be to deal with Ottawa in all its future financial dealings now that the Conservatives were ousted out of Ottawa, that unilaterally dropped the Crow rate. That is a matter of record.

But enough, enough. I want to be kind to the minister. In fact, I want to thank her on behalf of my wife, who is the owner of a modest flock of sheep, for the sheep specialist that you have hired on in the department. She also has a modest flock of goats. Aside from the fact that as an ex-minister reverting to a goat herder, you know, they drive me to distraction on the farm, along with my modest head of beef cattle.

Mr. Chairman, it was recognized by the Ministry of Agriculture, though, very shortly after the changes in the Crow, that there would be a considerable demand for diversification. We turned at that time to the Manitoba Agricultural Credit Corporation people to initiate a new program to assist in this diversification. This was a program, and I forget exactly what the outside parameters of the funds that are available.

It might have been on the order of \$20 million or \$9 million or \$10 million, which was renewed from time to time. But the goals of that program were to specifically assist Manitoba farmers to adapt to some of the diversification that would have to take place on the landscape, in some instances coming together to form larger livestock organizations, but not restricted to that. It was also my hope, and the hope of, I think, the administration at MACC at that time, that these funds could be useful in any added-value type projects that would not normally fit under the mandate that governed the loaning of money, the borrowing of money by MACC.

That program assisted a number of operations throughout Manitoba in this diversification program, and my question to the minister is simply: Is the program ongoing? What is

its current status? What are the amounts of dollars that MACC has available to them for continuing this diversification program?

Ms. Wowchuk: Mr. Chairman, I want to say that I am really pleased that the member appreciates the sheep and goat specialist that we have hired, and I am glad to hear that his flock is growing. He may have the opportunity for another career, but I know he is quite enjoying the career he has here. But I understand there is an airborne division on the member's farm, as well, and he might be able to fill us in on that one and how successful that one is at this time. I will give him the opportunity to address that.

But I want to tell him on the Diversification Loan Guarantee Program, when that program was introduced I recall talking about it. *[interjection]* Well, the member might be able to fill us in on that part of his operation. But with respect to the Loan Diversification Program, I remember when it was introduced and saying that I thought it was a good program and we have, in fact, expanded the program. As of now it has been increased. A new program has been established and that is up to \$50 million in a revolving guaranteed pool maximum that generates \$200 million of financing from private sector loans. So there has been an increase in the loan-guaranteed program. Under this program now we have 55 applications that have been approved for a total loan amount of \$72,731,150 and the total amount of a guarantee is \$18.2 million.

* (16:00)

Mr. Enns: Well, Mr. Chairman, I am pleased that this program is continuing. I, along with the minister, believe that while there are challenges along with it, because in many instances it involves continuing the expansion of our livestock industry, but, nonetheless, to a large measure that is the future of Manitoba's agriculture. I wonder if the minister might just have her staff give me, not in specific details, but just an idea of the type of loans that are being approved. Are they in the livestock sector or are they in the vegetable sector, the poultry sector?

Ms. Wowchuk: Mr. Chairperson, there is a wide variety of loans in the livestock sector, both in

hogs and in dairy and in the feedlot sector, potato, bison, poultry, turkeys, manure pumping, bees, cow-calf operations. There is a wide variety. I think that just indicates that we do have opportunities in a lot of areas to add value to diversify in this province, and those are the areas that we are looking at. I do not know whether I mentioned bison, but there are also loan applications for diversification into bison as well.

Mr. Enns: Just a final question. Is the corporation satisfied with its loan portfolio? By that, I mean, is the percentage rate of loans in default or loans that are not being, you know, farmers not meeting their obligations, of concern to the corporation? That always for me was a bit of a thermometer as to the health of the farming industry in Manitoba. If producers are able to meet their obligations and make their loan payments, that augurs well for the industry. If they are inordinately high or higher than they have been in previous years, then I think there is reason for concern.

Ms. Wowchuk: You know, when I look at the numbers that are here, I always have to commend the staff on the work that they do in these as they take the applications, as they work with the clients on their portfolios and decide on the amounts of the loans. So, if we look at the number of loans that we have out and the number of clients that are in arrears, if we look at the percentage, it is under 1 percent of the loans that are in arrears. Last year it was slightly above 1 percent, 1.06. So you could say we are in the range of 1 percent, and that for me would be a very reasonable amount.

Mr. Jack Penner: I am always a bit encouraged by the minister's reflection of my support for the dissolution of the Crow rate.

I have always maintained, and will keep on maintaining, that if Canada had never had a freight rate support mechanism, western Canada would be totally differently populated than it is today. It has always been my view that it has distorted in many ways the population base, and I think it was a disincentive to truly diversify western Canadian agriculture. It has always been my view that any kind of subsidization distorts income ability, whether it is an aircraft

manufacturer, a farm operation, an automobile manufacturer. It causes a disproportionate ability of competitiveness in the marketplace.

If governments all over the world would have stayed away from subsidization and support mechanisms of those kinds, I think we would have truly a more competitive market system and a more competitive industrial sector based on the ability to produce. I will always maintain that position because I think the distortions that are caused with taxpayers' money simply by politicians wanting to gain a better political position in given eras has given us a disproportionate incentive to do things in areas that we should not have been in, and encouraged investments in areas where we should not have encouraged investments.

The converse is true as well, and sometimes I suppose there are needs for this. However, the Crow benefit was designed clearly, and the commitment made when the railways were built through the mountains, to encourage the movement of grain through to the western ports. There was a commitment made both to the railways and to individuals to guarantee—it had nothing to do with farmers—the railways an amount of profit. That profit was set by statute, and that was what was called the Crow rate. That indicated what grain companies had to pay in order to transport grain out of the Prairies into Vancouver, and that, of course, reflected on the freights east as well.

However, during the early seventies, it became quite apparent that that amount of established statutory rates was not enough to keep railways transporting grain out of the Prairies. So governments started adding to the Crow rate, and then it was called the Crow benefit, and the Crow benefit grew and it grew and it grew until it reached better than \$700 million a year. Finally, government said: Hold it; this is enough.

I want to remind the minister, and she can go back on the records when I was in KAP, or when I was in farm organization and when I was involved in politics, and anytime I spoke anywhere on the pros and cons of the Crow, my remarks have not changed one iota since I started talking about this. Had we never had a statutory rate set in the first place, I believe we

would have built the railway anyway. Farmers would have shipped their grain at a much, much lesser rate than the \$5 or \$6 or \$7 a ton, which the statutory rate was at that time. They would have saved a lot of money.

It would have, however, caused the transportation system to change dramatically where the grain would have been hauled. I still believe, to this day, had we had a competitive system in place, Churchill would have grown to a far greater ability to export grain out of Churchill than we have seen. It was the limitation of the Crow that caused Churchill not to be recognized as an exportable position. For Manitoba's sake, I believe, if we had had no compensatory rates at all, Churchill would have benefited greatly. I will always keep on saying that.

I believe that farmers in Manitoba and in Saskatchewan, especially, would never have turned to the grain production sector, the wheat, barley and oats production sector, that they did, because there was a benefit to it. There was a market offshore, and Manitobans could ship grain out of Manitoba as cheaply as Albertans could, or as a grower, virtually, out of the Niagara Peninsula area into the Great Lakes or, for that matter, somebody living right next to the St. Lawrence port. The freight rates were the same, as long as it was marketed through the Canadian Wheat Board.

* (16:10)

Once we started marketing commodities outside of the Wheat Board, once we started growing peas and lentils and all those kinds of things—I was a very young person when my Dad started growing peas. He grew peas for many years, but they were never part of that Crow benefit. They ran under different rates. Why could we maintain and grow those commodities and ship them into a marketable position when we could not do it with barley, oats? The same question, and the minister might remind me of what I am going to say now some time in the future, the same position holds true when we look at marketing wheat and barley now through the Wheat Board.

On our farm, on many farms in Manitoba today, the Wheat Board is totally an inconsequential organization that they use when they

choose to and not use when they choose not to, because we have, in the last five, ten years, developed a very significant market within the province through our expansion of our livestock industry. It has always been my view that this would have happened years and years ago had we not had the Crow. We would have had a livestock-based economy to a far greater degree than we have had. Governments should do everything in their power not to create a climate of uncertainty. I say to the minister that the one thing that she and her Government did when they came into power was to initiate the Sustainable Livestock, or *Finding Common Ground*, the Livestock Stewardship Panel.

Madam Chairperson in the Chair

If they would have acted as the Livestock Stewardship Panel recommended, if they would have acted on those recommendations immediately, she would not have caused the kind of uncertainty that she caused now. But she did not, and there are many, many of the issues that are outstanding in this issue. I believe that the investments would have been done in a much more regulated and a much more desirable manner and fashion than they are today. That inaction on the Livestock Stewardship Initiative has caused a tremendous amount of grief to councils that have had to deal with the issue of livestock facility developments in their areas, or the applications for. It has caused, in some parts of this province, a virtual change in how things were done, not to the positive but to the negative.

I would suggest to the minister the sooner she deals with the matters left outstanding in this area the better off the Manitoba Agricultural Credit Corporation will be, and the more significant will be the rationalized approach to livestock development based on economies of scale instead of small, very powerful lobby groups that now in many areas dictate what can or cannot happen, or should or should not happen. I encourage the minister to act swiftly and say: Yes, these recommendations, we are going to accept these, or we are not going to accept. Put some stability back into that process.

I am encouraged. The agricultural community, in general, has invested as they have in

the last decade in agriculture. I am not encouraged by the lack of numbers of young people. I am dismayed at times that our farms are growing as large as they are, because it causes the death of communities. Where we used to have nine and ten families living in an area, we now have one. They have all consolidated into one operation. That is unfortunate. It is unfortunate for rural Manitoba. It is indeed unfortunate for the total economy of the province.

I recognize what the minister said before, and she is very right that there has been a slow and gradual increase in the farm sizes, but the increase that we have seen, size of farms increase over the last short number of years, the last five years, is cause for concern. The outmigration of people from the farms is really, really a concern.

I believe if we had never seen the Crow we would not see the massive changes we are seeing now. We would have seen a different western Canada then, designed originally, than what was intended, but I believe truly that we would today not see the huge outmigration. As a matter of fact, we might see a substantive growth had we never had the Crow.

I say to the minister, if and when her Government will design programs in the future, take a hard look at what is required from an income standpoint to cause an operation to be viable. To start off with if it takes substantive amount of outside of farm income, allow it. Do not pay attention to what the previous government did or did not do. Look at the future. Do not look back all the time. Do not look over your shoulder. I know the minister makes a habit of saying: Well, Jack, you did this then, your government did this, your government did this. That is not the reason why you were elected, Madam Minister. Your Government was elected because people wanted to see a change in administration. They wanted to see a forward-thinking change made. That has not happened. You are constantly looking over your shoulder and blaming--

Madam Chairperson: Order, please. Could I just remind the member to speak through the

Chair? All members must speak through the Chair.

* (16:20)

Mr. Jack Penner: I apologize, Madam Chair. I will address the Chair, Madam Minister.

But I say, Madam Chair, to the minister, that it is imperative that we stop looking back. The sooner governments realize that we need to see massive changes made in how we determine where our futures will be and how we design progress, we will all be better off. It is seldom ever that one has gained a great deal of support nor confidence from the general public by looking over your back and blaming somebody else.

I think the reality of the situation is, what people truly respect is an ability to make decisions; they will not always be right decisions, sometimes they will be wrong, but to make decisions in a manner that will be conducive to the ability, especially in agriculture, to maintain an economic base, based on the ability to produce products from the renewable resource sector that will lead to a diversified economy and a manufacturing sector that can be second to none in this province.

The minister has often talked about the potato industry. There has been a great deal of work done by producers, producer organizations and industry, in co-operation with industry to expand the potato sector in this province. I give credit to the farm credit corporation that they have been very involved in encouraging that diversified production.

We have a tremendous opportunity again in the near future when Simplot will finalize its plant. However, what Simplot will need is the confidence of the producer and the demonstration of confidence by government to allow things to happen, to encourage the production in the primary sector. That will need some Treasury consideration because there will need to be an expansion of our irrigation ability in this province, and I note that the minister this year chose to remove some of the funding for the irrigation in this province, and we wondered why. You would have imagined that there would have been an increase in that line to provide

irrigation, an irrigation ability to farmers that are not in potatoes now but would like to get into it. The only way they are going to be awarded contracts is if they have the ability to irrigate the acres of potatoes that they are going to grow.

So I would encourage, Madam Chair, the minister to speak to her colleagues in Cabinet and encourage her Cabinet to look very positively upon that sector because I think you have all the essence to make that industry grow and flourish. I know that the Credit Corporation would truly want to be involved in the expansion and growth of the potato industry.

Madam Chair, I believe we have a tremendous opportunity to grow in many of the other sectors. But most of them, where I think we have our greatest competitive ability, is in our live-stock sector. We have, I think, a tremendous opportunity to increase our poultry, our dairy, our supply management sector, but that will take the will of the minister and her Government to go to the federal government and negotiate a different allocation, a different process of allocation of quota on a national basis, to the provinces. We need to do away with the standard process of determining our quota based on population. That is history. That is old. That disappeared with the Crow.

I have always said this: when the Mulroney government was toying with the idea of disbanding the Crow, I said to them, very clearly, I said: If you are ever going to do it, you are going to have to make massive changes in other areas, such as the supply management sector, such as livestock expansion abilities. That means changing the rules, changing the environmental process, changing the economic requirements and the land use planning. All those kinds of things would all have to be changed. It was a massive change that was required. Yet I have not seen that from this minister.

This *Finding Common Ground* has a significant number of recommendations in it. Yet the minister has only chosen to act on a very few of them, very few of them. The ones she is choosing to deal with in legislation now are toying with what needs to be done, are only adding more cost to the producer and really are

not the relevant factors she should be looking at in dealing with this matter.

I say to the minister any time you want to start discussing the pros and cons of having done away with the Crow, I know, Madam Chairperson, the minister has been very critical of me supporting the doing away with the Crow, I will always defend my position I have taken. I would be quite willing to defend it anywhere, because I am proud of having taken the position that I have taken on the Crow. I am a true believer in the fact we should have never had the Crow.

The one thing I want to say to the Chair of this committee is the one thing Government did when they allocated an amount of money, a global amount of money they would pay in reference to the hurt they would deem the Crow to have, they set aside amounts of money for grain roads programs and those kinds of things. That was all taken out of the Crow.

The ARDI program that we have, most of that federal money came out of the Crow. Some of the developmental programs, federal development programs, were taken out of the Crow benefit. There were large amounts of money set aside that the producers never laid their hands on, and should have laid their hands on, but they did not, because governments wanted to use it as political little pots of money they could make announcements on.

I was surprised that our minister of highways did not even mention the fact that the Grain Roads Program was all farmers' money that was being designated by the minister, to construct what? The minister knows full well that much of this money in this province is not going to go to grain roads construction. It is going to go to infrastructure for towns and stuff like that. I think that is unfortunate. I think it is unfortunate that the monies now, because people have short memories, monies now are being designated and utilized in areas where it is really questionable whether they are truly being utilized where the grain or the farm sector, the rural sector, really has a benefit of those programs. [interjection] Well, exactly. I think there are many areas such as that.

I want to ask the minister how much of the MACC's direct lending programs, what percentage of the loans have been used to build intensive livestock operations in this province.

Can you tell me how many units or barns have been built that have been funded through the MACC loans program?

* (16:30)

Ms. Wowchuk: Madam Chairperson, the member put so many points on the record before he asked his question that I feel obliged to at least address a few of them.

He talked about *Finding Common Ground* and the uncertainty that we have in the livestock industry in this province. I would like the member to know that there has been steady growth in the livestock industry. In fact, in the last year, there has been a 17% increase in the number of sows in this province, so there is a continued growth. If there was the kind of uncertainty that the member is talking about here, you would not have seen that growth continuing. When you look back at the steps that our Government has taken to address the growth in the livestock industry, we have taken many steps. We have hired additional staff to increase monitoring, to increase the loan application process. There has been a lot of work that has been done under our Government.

Certainly, the livestock industry is growing, and the Credit Corporation is playing a significant role in financing that industry. If you look at the numbers on the diversification loan guarantees, of the applications for the variety of livestock diversification, 71 percent of the loan guarantees are in the livestock sector. If you look at the direct loans for purchasing of livestock, 13 percent of the loans are for the purchasing of livestock. Those, for me, are significant numbers. There is growth in the livestock industry, and that is what we want to see happening in this province.

The member also talked about our Government not looking forward at things that should be done or could be done. Well, I think that we have looked forward in a lot of areas. You look at the growth in the potato industry. There is need for a seed potato industry, and we are

working with producers in that area. In the area of new crops and new products that can be grown, if you look at our announcement for the nutraceutical centre, this is going to create opportunities in new areas for our producers when you look at the amount of money people around the world are spending on nutraceuticals. If you look at our investment in the Food Development Centre, that is a commitment of our Government that we are willing to work with producers, with farmers, with people across the province to add value to the products here in this province.

Another area of growth is in organic production. Although it is a small market, it is a continually growing market where there is an interest in a variety of products. There are many areas we are working with producers to see the continued growth and diversification of agriculture products in this province, the opportunity to grow the products and the support to help diversify and add value to those products.

Again with livestock, with respect to the numbers, one of the areas is the stocker loans. This year we have seen a 15% increase over last year in the amount of money that was being loaned out through the stocker loans. The corporation certainly does play an active role in the diversification into livestock but also diversification into many other areas.

Mr. Jack Penner: Madam Chairperson, the record of loans to livestock is encouraging and commendable. I am not as enthused about the direct loans. I find it interesting that only 13 percent of the loans made were direct loans to clients and that 71 percent in the livestock sector were guaranteed loans. I find those numbers interesting. That might well be because of the huge amount of dollars and the limitation the corporation has on loans and ability to borrow of an individual.

I heard the minister say the direct loans were 13 percent of the portfolio and 71 percent were guaranteed loans, livestock loans. Is that correct?

Ms. Wowchuk: Again, I will clarify for the member. The direct loans, 13 percent of all the direct loans go for livestock, which is about \$5.9 million. That does not include the stocker

loans. The stocker loans have increased by 15 percent and there is \$30.7 million in the stocker loans.

So if you combine both of those, the direct loans and the stocker loans, if you look at the combining of all of that, that is substantial, if you also look at the loan diversification money as well where there is money also going into agriculture operations. Of the 1118 loans that we talked about, of those 39 percent are stocker loans. When you add up the stocker loans and the direct loans it is a substantial amount that is being invested in livestock. It is combining the two.

Mr. Jack Penner: That is encouraging, because I was a bit surprised that we would only have a 13% loan portfolio being made directly to the livestock sector and that all the others were loan guaranteed or done by private institutions and guaranteed by government. This would mean then that the total portfolio could be somewhere in the neighbourhood of 52 percent through the stock and loans program and other direct loans. So roughly around 50 percent that could be direct loans.

* (16:40)

Ms. Wowchuk: That would be accurate. It would be over 50 percent, and it is rising. I did not include for the member as well that there is \$14 million in the feeder program, so that is in addition to. So the member would be accurate in saying that it is over 50 percent that is dedicated to livestock, and that number continues to rise. So that is an indication of where our producers are going. Our producers are recognizing the advantage of raising livestock here in Manitoba, and we see this growth continuing in this province. I think that is a good sign that we are having this kind of activity in the province.

Mr. Jack Penner: Could the minister give me a bit of an indication of the 25 loans that have been approved through the transition program? How many of these portfolios would include livestock?

Ms. Wowchuk: Because it is just a new program, we do not have that data compiled, but as the program evolves I would be very happy to

share that with the member, but given that it is only two months we do not have that kind of information available yet.

Mr. Jack Penner: I would like to ask the minister: How many board members does MACC have now?

Ms. Wowchuk: Eight board members.

Mr. Jack Penner: Is that an increase or a decrease or is that the same as it was previously?

Ms. Wowchuk: There has been an increase in the number of board members. That took place after there was a review of the corporation that was done last year and a recommendation was made that there could be up to nine board members, and we have eight board members now.

Mr. Jack Penner: I wonder if the minister would be able to give me a list of the current board, the members of the board, names and where they are from.

Ms. Wowchuk: The chairman of the board is Mr. Bill Uruski, who is from Arborg; Mr. Joe Eichler from Minitonas; Mr. Goldwyn Jones from Tilston; Ron Kostas from Rosburn; Sandy Yanick from Shoal Lake; Norine Dohan from Ethelbert; Frieda Krpan from St. Laurent; and Robert Friesen from Wawanesa.

Mr. Jack Penner: I wonder if the minister could give me a copy of the list of the board and where they are from.

Ms. Wowchuk: Yes, I could provide that for the member.

Mr. Jack Penner: Thank you very much.

Could the minister give me a bit of an overview as to what the criteria are that the Government uses to appoint board members, and what their expertise or background might be to ensure a proper diversified ability around the board table?

Ms. Wowchuk: Madam Chairperson, when we look to appoint members to any board, in particular this board, we look for a wide range of

skills, people who have knowledge of farming who are involved in farming, but also have other skills and other areas of expertise that they can bring to the board. That is what we have done in this case.

If you look at the board, many of the board members have been involved in agriculture for a long time varying from turkey production to mixed farming operations, cattle producers, people with experience in financing, people who have experience in the various co-op boards or credit unions, people who have a broad knowledge of agriculture and an understanding of how operations work, and then some skills as well in other areas that are important as you make decisions on finances.

The financial skills come from the experts or the staff at the corporation, so when I am looking to appoint someone to an agriculture board, I look for people who have experience in the industry and are interested in moving forward in agriculture and bringing new opportunities to the industry.

Mr. Jack Penner: Madam Chairperson, does the minister give any consideration as to their involvement, as to the candidates' involvement in organizations, previous organizations, current organizations, what their memberships might be in various organizations in the province? Does that have any bearing on the minister's decision making?

Ms. Wowchuk: Well, of course, Madam Chairperson, we would always look for people who have skills in a variety of areas, people who have worked at the national level. Certainly, if we look at our chairman, he is a director of, I think, Manitoba Turkey Producers, but also Manitoba's director on the Canadian Turkey Marketing Agency. That brings a different level of expertise to the area.

If we look at Mr. Robert Friesen, he presently serves as the president of the Canadian Federation of Agriculture and is the vice-president and the chair of the Trade Committee of the International Federation of Agricultural Producers. So we look for a broad range of people who have different expertise. Another member has had experience in credit unions and loans at

credit unions. One of them has been involved with the Manitoba Pool Elevators board.

When I look to make appointments to this board and our Government does, we look for a wide range of expertise, people who are involved in a broad range of agriculture activities but also have other expertise and have served in other committees, so there is broad range of resources at the table.

Mr. Jack Penner: Madam Chairperson, is that one of the criteria that the minister would look for? Would she ask the various candidates for board what their background was, and would she ask for a complete list of organizations that they belonged to or had belonged to, or whether that was part of her criteria in determining whether they would be good candidates for a board?

* (16:50)

Ms. Wowchuk: Madam Chairperson, as with any organization, we look at the expertise that is already at the table, and, when there is a vacancy, you look at where you might need additional expertise. When I look at it, I look for people that have common sense, people that have an interest in agriculture, people that have an interest in their rural communities and people that can bring a variety of experiences to the table. If you are looking at an amount of livestock loans that we are looking at and growth in the livestock industry, you look for people that can be representative from across the province and be involved in a wide variety of agriculture. That is what we look at as we look to fill board positions on any board.

Mr. Jack Penner: Madam Chairperson, I am glad to hear that. Can the minister tell me whether she has any board members that are currently members of Hog Watch on her MACC board?

Ms. Wowchuk: I would not know whether any of these people on any of the boards or any boards that we have are members of Hog Watch.

Mr. Jack Penner: Madam Chairperson—

Ms. Wowchuk: Madam Chairperson, if I could just complete that answer, as I said to the member, I look for expertise in what they can bring to the table. I do not ask them what their religion is, and I do not ask them what groups they participate in. I look at what expertise they can bring to the table.

Mr. Jack Penner: Madam Chairperson, just a few minutes ago, the minister said she looked at a wide range of expertise, and, when she tried to identify the right kind of person, she looked at a wide range of criteria that people had been involved in. She identified two of the people that she had on her board and indicated their experience in various areas. I simply ask whether other membership in other organizations is equally as important to the minister in this regard, and because livestock and hog production has seen a significant rise in this province, and an organization such as Hog Watch has presented itself time and time again in this province as being the watch organization for ethical and environmental and those kinds of issues that they want to adhere to and ensure that the industry is developed in their terms both in an environmentally sensitive and an ethical way. I am wondering whether she had members on her board that might in fact be members of the Hog Watch organization. So I asked her whether that has been part of the criteria in selecting a board member for the expertise they bring to the table, whether it is environmental expertise or whether it is organization or humane-type expertise, whether that is also part of the qualifier to appoint board members.

Ms. Wowchuk: Madam Chairperson, when each of us looks to put people on boards, we look for a wide range of experience, and I would hope that the previous administration had done the same kind of thing in order to get representation across the province. That is what we have done with this if you look at where the people come from, and I indicated to the member we have representation from right across the province. We look for that kind of representation, whether some of them have a variety. We have, as I said, turkey producers. We have mixed farming operations, grain operations, sheep, dairy and beef operations. There is one member that is in the seed-cleaning business, a cow-calf operation, hog producers, a wide variety.

I am not sure of the process that the previous administration used, but I think they had, as we do, a committee of boards and commissions that reviews the names that are submitted and then makes recommendations. In all cases, when recommendations are being made, we always try to ensure that we have a good gender balance, that we have people from different walks of life, people from different parts of agriculture, some who may have even been employees at Agriculture, so that we do have a balance.

I am not sure whether the previous administration followed the same kind of process, but that is what we do. We have a process where when a board has vacancies, names are submitted, they are reviewed by boards and commissions, then recommendations are made as to who should fill the vacancy, and of course, then that goes forward to Cabinet for approval.

Mr. Jack Penner: Well, one final question in this area: Would the minister approve of the appointment of a board member knowing that this person was a member of an organization such as Hog Watch, or if she knew that this person was a member of Hog Watch?

Ms. Wowchuk: As I indicated to the member, it is not my decision as to who goes on boards. When there is a vacancy, names are submitted and the bio is provided, and it is reviewed. The boards and commissions look at those names, then make a recommendation as to how that acquisition should be filled, and it then goes to Cabinet.

In each case, when I am looking at agriculture boards, I am looking for expertise that can come to the board for a wide variety of skills and a varying amount of expertise in agriculture. That may be someone that is involved in a mixed farm operation, someone who could be involved in a beef operation, someone who could be just in a straight grain operation or someone who might bring different expertise, as I outlined to the member, someone who is then at the level of being involved in national organizations to bring skills to the table.

Mr. Jack Penner: Madam Chairperson, there are a number of other areas that I might want to explore at some future point in time, but I am

willing to pass the lines dealing with MACC tonight, that the staff can go back to their offices and relax. Before I do so, I want to truly thank the staff at MACC for what I think is a great job that they have done over the past couple of years, as well as previously. I truly appreciate the efforts that the staff at MACC has put in. I think you have done an exceptional job in fulfilling your mandate. Thank you.

Madam Chairperson: Item 3.3. Manitoba Agricultural Credit Corporation, Administration \$4,490,400—pass.

The hour being 5 p.m., committee rise.

JUSTICE

* (14:50)

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 Justice. Will the minister's staff please enter the Chamber.

We are on page 117 of the Estimates book, Resolution 4.1.

Mrs. Joy Smith (Fort Garry): Continuing from yesterday, could the Attorney General please give a little bit more detail with the prison suppression team?

I would like to know specifically who is in charge of that team and how that team has been put together. What organizations are actually involved, or who is involved in this?

In reading the Hansard, it was difficult to get a handle on who was actually involved, and what that team was comprised of, what supports are put in place to ensure that gangs in correctional institutions are suppressed.

Hon. Gord Mackintosh (Minister of Justice and Attorney General): The person who heads up the strategy is Reg Forester in the Corrections Division of Justice. Within that strategy in terms of staffing it is my understanding that each of the correctional facilities in Manitoba that is operated by the province has a contact person

identified. The position title, as I recall, is gang co-ordinator. I know that these individuals are tasked with the job of overseeing the gang activity or the presence of gang members in each of the institutions. It is their responsibility to work with the staff, the correctional officers, of course, in the facilities to oversee, to help this individual with the overseeing function and as well to provide ongoing intelligence, if you will, information not only about the numbers of gang members, but from which gang inmates are from and to otherwise obtain any information that may cause a risk to the institution, its security, and otherwise obtain any preventative security information.

These gang co-ordinators number nine, representing the nine institutions. One of the important aspects, though, of this work is that there can be not only gang identification and monitoring on a regular basis of the fluctuations and changes with regard to gang membership in the institutions but as well to be cognizant of the periodic need in certain circumstances, considering risk factors for segregation of gang members.

As well, for instituting any non-contact visiting, protocols were necessary on an individualized basis, and of course the co-ordination of information sharing, not only with the police, but also with personnel in other institutions.

As well, I am pleased that there has been a development recently of working with federal Corrections. As I say, we are always looking to see how we can reinforce this work, how we can make improvements. I am pleased that there has been a real development and formalization of this strategy delivered by this team.

The ability to employ electronic phone monitoring, victim notification or any control or intervention with correspondence can be very important. The need as well to work closely with Prosecutions as well as police can be dependent on the nature of a particular prosecution or case. It may be as well necessary to enhance any drug interdiction practices.

The sharing of this intelligence is critical when it comes to ensuring that there is a connection with the police jurisdictions as well as

the Criminal Intelligence Service of Manitoba. A practical use of this information sharing is to let police know of releases in high-risk situations, so that the local gang unit, for example, in Winnipeg will be able to be aware of the release.

We spoke at an earlier sitting about the gang awareness manual, which is now developed for orientation and the ongoing reference by the staff, by the members of this team. I note in that binder there is a lot of information about how particular gangs identify themselves, how people can identify the different gangs, the different codes that are used by gang members and other aspects of the culture of gang activity in this province. That manual I understand is to be updated on a regular basis.

The community corrections' side also has a training package. It is part of the COHROU family of units in the Justice Department. There is a strong link with the COHROU director in community corrections, Linda Lafontaine. In terms of COHROU we, as well, are recognizing it is a work in progress. I certainly for one am interested to see how we can move ahead with the further development of COHROU, which of course will depend on prioritizing resources and having dedicated staff. We have now begun that work. I think we have seen some good progress.

I am also interested to see how we can continue to intensify the interlinkage between the different units in the department under the umbrella of COHROU. I might also add, when it comes to youth, the Intensive Support and Supervision Unit is also tied in with the gang management strategy, the gang suppression strategy, that disproportionately the Intensive Support and Supervision Unit will be monitoring, supervising, enforcing orders that are in place for gang members. You cannot separate that. In fact it comes under the COHROU umbrella as well.

* (15:00)

I think I had mentioned earlier so I may be repetitive, but I do know there are other jurisdictions that have been consulting with Manitoba on its gangs, its prison suppression strategy when it comes to gangs. We will certainly be pleased to continue to share that information and

learn from other jurisdictions. We have recognized that we are providing some innovation in this area.

I think the development, for example, of the expertise in corrections was one of the first signs of the need to have specialization in Manitoba Justice when it came to countering the threat of gang activity. Madam Chairperson, I can understand why. This development goes back a few years now. It was really based on the obvious reality that when gang members are within our own institutions we had an overriding obligation to garner what information we could under the watch of the Corrections Division.

It is my understanding that not only are the gang co-ordinators very successful in identifying to a person gang affiliations but have continued to be effective in sharing that information, keeping a watch for hot spots and making sure the management of gang members within institutions is done with the primary interest of safety in mind.

In summary, Madam Chair, over the past several years, perhaps about five years, Manitoba has moved from a complete absence of a strategy to one of the most comprehensive and integrated approaches among provincial jurisdictions. Having said that, we will not rest on our laurels. I think that we have to look for improvements. As I say, I think improvements can be made to COHROU. Some of that is answered by resources, some of that is answered by protocol.

One area that we have a particular interest in exploring is the connection that we can make with federal Justice officials, aside from Corrections, in the area of Prosecutions in particular. We recognize that the federal Department of Justice has the responsibility to prosecute drug offences in Canada and there is, as the member knows, usually a very close tie between drug offences and gang activity, so that is a step that is under consideration, under discussion. Since we have already broken down barriers in the area of sharing information between the Province and federal government when it comes to the Corrections side, I know that we could succeed by, as well, breaking down those barriers when it comes to the connection to federal prosecutions.

There may be other partnerships that can develop, as well and I think that with the development of the witness intimidation strategy and the appointment of the Public Safety director as someone to oversee the enhancement of that strategy, we will continue to see that as being part and parcel, as well, of an anti-gang strategy. So these parts are getting connected here in Manitoba.

As I have often said, gangs are organized and it is high time that the justice system became better organized to counter that threat. I think that a lot of the answers to how the justice system responds to gangs as experienced so far, is that it is not solely an issue of resources, albeit it may be at times. But it is even more so an issue of protocol, it is an issue of making sure that everyone is on the same page, that people have information about gangs and their culture, how they operate, and then what is currently going on.

That is why, for example, in the area of Prosecutions, with the Prosecutions' Gang Unit and with the relationship of General Counsel to the Gang Unit, being Mr. Bob Morrison, we have this experience in Manitoba that has been built up. When arguments are made to the court then, it is not an argument simply about the particular offence or the particular accused appearing before the court.

We are also talking about an organization. The whole underlying philosophy in Manitoba's urgings to the federal government to change the Criminal Code was to recognize that, when we are talking about organized crime, you can no longer continue simply to rely on the old sections of the Code without acknowledging that organizations are there. There has to be an approach that targets crime, recognizing that it is being done in the context of a criminal organization and for the purposes of a criminal organization, and for the benefit of a criminal organization. That is why the whole movement to focus on the proceeds of crime, to focus on the intimidation tactics that often accompany gang activity that focus on hierarchy and participation in a criminal organization, is so critical.

So I am pleased that the federal government changed the Criminal Code. I think that what is

in there now provides some really important tools for law enforcement that can make a real difference. We had argued that—indeed, I think that we were alone at first, as I recall—there should be a crime against gang recruitment, and we thought that could be very valuable in our institutions to have that law because there is the oversight of correctional officials, and we thought that we could have the evidence available to prosecute for such an occurrence.

As well, we were told that it could be valuable in educational institutions, in schools for that crime to be created in the code, but we then went further. I came to the conclusion that if someone is promoting, organizing and maintaining a criminal organization, they are doing so with the sole purpose of committing crimes. That is wrong, and if it is wrong, then it should be criminalized. So we went back to the federal government and we urged that there be a rewriting of the Criminal Code around this reality of the challenge of criminal organizations.

Québec was front and centre on this as well. In fact, the language that they used was that there should be a law against membership in a criminal organization.

So the federal government went back with all of this lobbying, particularly those two jurisdictions, and as well from studies done by the federal RCMP who had been prioritizing research on options to better deal with criminal organizations, and came back with the Criminal Code provision which essentially criminalized participation in a criminal organization. Now that section has to be tested as well as many other sections in there that helped to guard against intimidation. For example, the new provisions in the code allow for the names of jurors to be withheld.

So we go down the list of areas where specialization should occur, and it started with the information sharing in our correctional institutions and has now gone into the criminal law itself. I think what we are seeing is what will be recognized more across the country, a need to have this kind of specialization and focussing. Even in areas of crime prevention and information for citizens and for teachers, for other

youth workers, for parents, it is not enough just to talk about crime prevention in general anymore.

* (15:10)

There has to be, I think, specialized materials and that is why we have—I think it was a relatively small part of our strategy—introduced Project Gang-Proof which is another one of these ideas that we had developed back in '96 and tested on people and got a positive reaction to. That was not based on anything else. In fact, when we put together Project Gang-Proof we used the new technology of the Web site. As well, we had the traditional handbook and as well we have a resource line for assistance. We are finding that there is a significant take-up, of course, on materials.

What that speaks to though is the need to educate and provide information to people who seek more knowledge about gangs and how to identify them, how to respond to them. When we were developing these materials, we did not have much assistance from anywhere else. There had been in the Justice Department in the years that predate the current administration some work done by a member in the Criminal Justice Division. Sort of, she put her hand to a document to try and serve that purpose. Unfortunately, the government of the day did not want to publish that.

I know the individual passed it out at parent council meetings and so on, and I think it was found useful. So what we did was we built on that. I recall at a conference with community organizations on how to get people out of gangs, a chap came up to me from a help line. I think it might have been Teen Touch. It was Teen Touch, as I recall. Yes. It was Teen Touch?

An Honourable Member: Yes.

Mr. Mackintosh: He came up to me, and he said, you know, as you develop this manual, this handbook, put in there practical tips for what parents can actually say to their youth, to their child to dissuade them from getting involved in gangs or get them out of gangs. So there was some delay, and I remember the Opposition at the time was saying, well, where is this Project Gang-Proof? We have been waiting.

We went back. We looked at the drafts that we had, and we consulted further. There was material actually provided by, I think it was, Winnipeg School Division. They put together a gang awareness manual, I think, for the teachers in the division, and there were some components of that that were useful. There was some literature that was useful, but we also had to rely on advice from people who had been involved in this kind of activity, people who had worked with gangs on the front lines. There was extensive consultations to put together that manual.

So, Madam Chair, it is there now, and we will look to see how we can improve it. Without turning the pages here, as I recall, I think there were about 5000 or 6000 of those handbooks that were distributed proactively by the department, and, I think, about an equal number has been demanded by citizens. I might have provided those numbers already. I have got some here, if the member is interested. I have got an updated note here which may have some further numbers on the Project Gang-Proof, if the member wants me to continue. I know we are getting a little beyond the prison gangs issue, but it is in the topic of specialization. That is where I am going, just in terms of how we have better changed the culture of, not just Manitoba Justice, but, I think, the justice system in Canada.

We were hoping to get it out a bit earlier than we eventually did, but that was because of that good advice that we got from—his name was Gordon Alvare, I think his name was, at Teen Touch. I mean, when you hear that kind of advice, you listen to it. So the focus of Project Gang-Proof is on parents and educators, by and large.

I can just recall, in opposition, getting calls from mothers, in particular, saying, you know, I think my son is involved in gangs. I do not know for sure, and I do not know what to say. I do not know how to approach him. So that was what was driving some of that thinking. So I do understand that, with the Web site, my goodness, I just got the latest numbers here which are really quite a significant difference from earlier information I had as of the end of April. On the Web site, the number of hits are now 4275, and that is since July 5, 2001. The last information I had was roughly 3000. For March, for example,

the Project Gang-Proof Web site which has the information from the handbook on there, but in March there were 722 hits, in February 693. Oh, I see what has happened here is that when we announced it in July of 2001 that month there were 856 hits when there was a lot of public awareness of it through the announcement. Then in August it went way down to 225, but now we are back up to 722. Clearly, the information about it is being disseminated. That is very positive.

As well, there were 27 e-mails that came in on it. That was unexpected and unsolicited, if you will, but certainly welcomed. There have been 17 500 of the written materials printed, including the posters and the cards. Then when it comes to the distribution of the handbooks the number requested from the resource line, wow, that is 5704. So we are seeing just a real take-up on this.

Clearly I think this indicates the need for this kind of information. There is a real demonstrated need, but in addition to that number Justice has distributed 6372 handbooks. We know that 38 schools have received them. The total distributed so far is 12 500. I do not know if that adds up. There may be other methods of distribution of that. That is the summary of that.

By the way, the resource line has received 106 calls, and 74 of those calls are from organizations, including schools, community groups and agencies, 33 calls from individuals, 90 calls from within Winnipeg, 16 calls from the regions. Some have required referral and some just a request for general information.

It was never intended that this would be a major component of the anti-gang strategy. It was just an information component, but clearly I think it is performing an important function. I think, too, that we will look at this over the next year and determine how we can make improvements to the handbook, and therefore the Web site as well. I think this kind of material can provide a really practical and effective difference when we talk about what can happen within a home or a particular school, just arming people with ways to recognize gang activity and respond. It can be so important.

* (15:20)

That is what the RCMP Gang Unit is about too. I cannot recall if it was in this forum or some other forum, but just had a discussion with several RCMP officers the other day. The inspector there had said to me one of the members of the gang unit was off to Ottawa to speak to police representatives from across the country, because nowhere else in the country is there a police organization like this. That was a program funded.

I remember the discussions. I had been highly critical of the lack of awareness and prevention strategies when gang activity started appearing in Winnipeg in the early nineties, as over the last six years or so we have seen now increasing gang presence outside of Winnipeg, although I suspect it was always there but it is certainly more noticeable now. That is why I thought it was important that we have discussions within government about techniques to arm communities in addition to materials. It is important to have people out there. I do not think anyone was better suited to that than the RCMP itself, and so that, it is a four-person unit now, was created. They are out there doing a lot of this proactive work in communities. So one thing led to another, and I hope that was appropriate in terms of the specialization efforts that are underway. I think that, quite frankly, we have begun this. We have to look to see how we can strengthen it and fortify it, but we have a good start now because we are starting from ground zero, basically, just over the last few years.

Mrs. Smith: If we could just back up a few minutes, there is some unfinished business from the day before. Number one, I had requested the names of all new staff that have been hired for the office of the Minister of Justice and the office of the Deputy Minister of Justice since the new government took office in October '99. I also asked for a list of the political staff hired since 1999, including the name, job description and salary, and please include the year they were hired and the reason for each additional staff member.

Also, I have put in documentation, in letter form, my request. Please be advised I am asking

for the information that pertains only to the staff members because, at one point, the Justice Minister said there are 2000 staff members. So I want to just clarify for the Justice Minister exactly what I wanted in written form, which might be a little easier to deal with. It pertains only to the staff members that are directly accountable to the Minister of Justice and to the Deputy Minister of Justice, so that might be helpful in clarifying it. So I would just like to table this and give it to the Justice Minister. Hopefully, that would be available, I would assume, by the end of the week. Is that possible?

In addition to that, before I leave that matter, if I could please ask the Minister of Justice to introduce the new staff member sitting at the table so I am familiar. Thank you.

Mr. Mackintosh: I will look at the letter. The information may actually already be on the record, but I will check the letter.

I am pleased that with us today is Jacqueline St. Hill, who is with our Prosecutions Division. She is the director, the relatively new director of Winnipeg Prosecutions.

Mrs. Smith: I appreciate, when we get in a topic, that it is fine to expand and go into other areas, because I know, in the issue of gangs and the suppression of gangs, and I know there have been many consultations with the federal government in terms of the Young Offenders Act and in terms of the Criminal Code and other things. Just on the side I am wondering: Could the Attorney General let me know how many ministerial meetings he has attended out of province?

Mr. Mackintosh: My first meeting was in December of '99 in Vancouver. As I recall, one of the main issues for Manitoba for myself at that meeting was to urge consideration of the Criminal Code amendment to criminalize gang recruitment. In terms of other issues that were raised at that meeting, I will have to go back and look, but I recall that as one of particular concern at that time.

The next meeting occurred in the fall of 2000, and that was in Iqaluit. I believe that was where we had some real successes on dealing

with maintenance enforcement in getting a national protocol to break down the barriers to collecting enforcement. As well, again, dealing with gangs and most memorable, quite frankly, because of the sort of partnership initiative, if you will, and the involvement of so many wonderful agencies and individuals, was a success in getting the federal government to agree to change the Criminal Code to criminalize Internet luring.

Then the most recent and the third meeting of ministers was in Whitepoint, Nova Scotia, which is just south of Halifax, and was unfortunately scheduled for September 10 and 11. As a result of the tragedy, the conference was short-lived and of course turned into quite an experience for everyone there in trying to get back to their destinations and recognizing that some of the ministers were also ministers responsible for emergency measures in their respective jurisdictions. I recall Québec and Ontario especially.

At that meeting, front and centre on most ministers' agenda was the necessity to have a national sex offender registry and what at that time was a real reluctance on the part of the Solicitor General for Canada. So, of course, the tragedy, the events of September 11 overtook that. We came back together, interestingly, twice since, not just once. We met in Ottawa, I think, later that year and we had, as a result of discussions amongst the ministers, agreed to prioritize the security measures, particularly dealing with the federal government's security legislation.

* (15:30)

We took quite a proactive position on that. We had in Manitoba here put together the all-party task force on security as well as formalized a Cabinet committee on security. We are active in breaking down barriers across departments and having departments look to see what measures can be taken to enhance protocol. I know the member has some role with regard to Bill 2. So one of the outcomes of that was Bill 2, but I think another very significant outcome was the ongoing involvement of the opposition parties and the all-party task force. I think we are the only jurisdiction to have that, although

Ottawa did have a cabinet committee for a while. Other jurisdictions, I think, are doing different things now, but we did this. I think it was a unique Manitoba way to share information, get ideas and break down the barriers that exist between political parties, quite frankly, in responding to what has to be an overriding concern and a clear message to the public of Manitoba that security is a fundamental concern regardless of partisanship.

I think those meetings are very good. I think it is a good model, and I think that actually Manitobans should be proud, although I do expect that they expect that there should be more of that kind of approach to some of those fundamental issues.

The next meeting of ministers then took place in Moncton in February, as I recall—*[interjection]* Yes, just recently. Perhaps if the member wants I can go through some of the agenda items there, because there are some really important items on that agenda. I am very concerned about the status of some of them. I am very concerned about the response by the Solicitor General for Canada to our successful call for a review of parole releases of killers. The Solicitor General, who appears to be of the view that there should only be an examination of the releases from provincial institutions, which was never the intention of the ministers. That is an ongoing issue of concern. I will work with my colleagues on that to address that issue.

There are a number of other issues of importance to Manitobans, one that I am pretty pleased with, and that is the agreement to call on Transport Canada and the auto industry to have improved immobilizers installed at factory for all vehicles sold in Canada. Manitoba arranged for Marlene Viau, who is the head of the national auto theft prevention strategy called Project 6116. It is named after her brother's police badge, her brother who was tragically killed as the result of an auto theft in Ontario. She presented, Manitoba made its pitch and as a result of some discussions and exchange of ideas a resolution was passed. Then we were able to follow that up with Project 6116, addressing the automakers with this; as well, Minister Cauchon being able to pass on the urgings to the federal transport minister; as well, providing a public

focus through the central Canadian media on this issue, which I think provides pressure to auto-makers; as well, my ability to speak directly to automakers and auto insurers just two or three weeks ago in Toronto on this issue.

That was there, but I think if there was any one single overriding success of the meeting in February it was the about-turn on the part of the federal Solicitor General to agree to establish a national sex offender registry. I think I did speak about that the other day. That was going to be the point of contention. There were strategies put in place by different provinces, anticipating that the federal government would continue its refusal to be clear and to firmly commit to a national sex offender registry. So it was just a wonderful, remarkable change. I think it certainly resurrected confidence in the Solicitor General in addressing this issue. I cannot tell you the frustration, if not anger, across this country on the part of justice officials at the lack of responsiveness from the federal government to this issue. That was a highlight.

There were many other issues as well, and Manitoba took a leadership position on several of them. Different provinces have different leaderships on different issues. Another one was our call for a Criminal Code offence on home invasion. I think Canadians would be surprised to learn there is no offence of home invasion. Currently it is recorded as a type of B and E, or it may be a robbery. I do not think it is good enough to have that reflected on a person's criminal record. It should say what it is.

As well, I think the current way we collect statistics vary from jurisdiction to jurisdiction, depending on the law enforcement protocol for recording these incidents. I do not think we have, therefore, a good record of the kind of profiles of victims, profiles of offenders, a good profile of the incidents of home invasions. I think, as well, having a separate section attests to the seriousness of this kind of crime. Rather than just lumping it in, I think, with changing criminal patterns, there has to be a change in criminal code.

So that was my first experience with the new minister. I have the highest, great respect for him. He seems to be a very capable and

insightful Minister of Justice. I also thought very highly of Anne McLellan, although I vehemently opposed, not only the gun-registration scheme, but the YCJA, and was certainly a strain, not just between her and myself, but many ministers across the country.

The new minister, although silent with those, I think, missteps, seems very committed to public safety of Canadians, but my first meeting with him on a public policy issue was on the request for home invasion offence, and the answer was no. If there is any respect I have out of that was that he was prepared certainly to put it clearly on the record that that was simply not a go, and that they were prepared to allow a current amendment to the Criminal Code to proceed and have some oversight of that. The current amendment makes home invasion an aggravating factor on a charge or conviction of robbery. I just do not think that there will be the ability to sort of provide any oversight and monitoring of that, because there just is not the systems in place for the separate offence. So I am disappointed, and we will continue to urge that home invasion be a separate offence.

That was the most recent meeting, and I expect the next meeting will be in the fall of 2002. I do not know when; I do not know where. I think there are a couple of jurisdictions that are vying to host that. If the member wants to know anything about sort of the dynamics, you know, how those meetings would work, I would be pleased to share that with her, but I can say, too, I have worked very hard to establish relations across the provincial boundaries and look for alliances which may differ, depending on the issue.

I certainly worked hard to work across political party lines because, quite frankly, when you get out of Manitoba, it is a pretty complex political landscape. So I think I have, as well, just been able to establish good working relationships with other ministers. I think we could always do better in terms of dialoguing perhaps on a regular basis, but everyone is very busy. At least we have this time once or maybe twice a year to get together and focus on the overriding needs in provinces.

* (15:40)

I guess, in conclusion, those are some of the main issues. I could add some others, for example, a current initiative to try and break down the barriers to enforcing civil protection orders. It is one that we got an agreement on from all the provinces, and now we are in the working stage of looking to see how legislation can look, looking for uniform legislation that can be adopted, as was the case with the reciprocal enforcement on maintenance orders legislation that this House passed unanimously last year. We are the first jurisdiction to do that.

These are the products, these are the practical outcomes of the federal-provincial-territorial meetings, and it is a very, very important investment, I think, for Canadians to have these. I know that they exist in every single department of government, but I can only speak to this institution of the FPT, as it called, for justice. It is a very worthwhile forum.

Also, just on the informal basis, it is sometimes very important to hear what other jurisdictions are doing in response to certain challenges. One area that we will spend a little more time on, I think, this fall, as proposed, is in the area of domestic violence. I was just sitting next to the Attorney General for P.E.I. and New Brunswick. We started talking about the civil statutes on the books to deal with domestic violence in Manitoba called The Domestic Violence and Stalking Act. It is a much longer name than that, but that is what I call it.

I started sharing ideas about how those are operating and hearing, for example, from New Brunswick they were not aware that was an operation that was pursued by other jurisdictions and wanted more information about it. So here we have examples of major pieces of legislative initiative that are not broadly known about.

The reason for that is not because of inattention or lack of interest, it is just that Justice ministers change. I have only been in this position for two and a half years and already I am thinking I am one of the more senior and whatnot than most, one of the more senior Justice ministers in this country. When we get together every time we sort of joke about the short tenure of the ministers. My understanding just anecdotally is that 20, 30 years ago, if you

were appointed to a position, not just Attorney General but any minister, you were there for a long time. I think Roy Romanow would have been an Attorney General for over a decade or something. It is certainly a big turnover and therefore it does affect the ability to keep in touch with developments that occur across the country that can be best practices and what we can all learn from. That is the one value too of having provincial jurisdictions, the ability to share information about approaches.

Mrs. Smith: I appreciate the Justice Minister's overview. That is very helpful.

Just to get down to brass tacks. I need to know, looking at the travel that the Minister of Justice has done in the year 2000-2001, and then again I do not have the information for 2001-2002, but here on the travel expenses I guess I am feeling that part of the job of the Attorney General is to go to Ottawa, meet with ministers, that is part of what we have to do.

In terms of the information in front of me, I would like to know how many ministerial out-of-town meetings have occurred since the fiscal year 2000-2001 and then again 2001-2002, which would be up to the present time. In that I would like to know the length of the trip, the number of nights, the purpose of the trip and the cost of the trip.

Here, as I am looking at what is in front of me, I am noticing that in the fiscal year 2000-2001 there was one trip to Ottawa, one trip to St. Paul, one trip to Nunavut, one to Minneapolis and two to Dauphin, and that is in the fiscal year 2000-2001. I would like to know the length of the trips, the purpose and what the total cost for all participants was. I would like to know who the minister took along with him in terms of not only deputy ministers and ADMs but also staff.

In April, from the fiscal year 2001 to September 2001, I would like to know the same thing: who the minister took along with him. I notice here there was a trip in April 2001 to September 2001 to Waywayseecappo and then to Montréal, Québec, and Halifax and then one in Flin Flon and The Pas later on. I would like to know again the length of the trip, who went along in terms of also staff support, in terms also

of any deputy ministers or ADMs that went along, and what was the cost of the trip for all participants.

I would like to know the same thing for this year up to 2002. Now, if the minister would prefer I put this in letter form, I would be only too pleased to do that.

I also noticed that the deputy minister, Bruce MacFarlane, 2000-2001, made trips, and I am sure very important trips, to Toronto, Montréal, Vancouver, Charlottetown, Calgary, Vancouver, again to Toronto, Hull, Montreal, et cetera. The breakdown there is in front of me. I would like to know if there were any staff that went along with the deputy minister and the same for the assistant deputy minister, Rob Finlayson, of Prosecutions Division.

As I say, of all these things I would like to know the length of trip, the purpose of the trip, and what was the total cost of the trip for all participants. I would like to know what participants went along on those trips, because that information I do not have before me. Again, the same thing for Janis Bermel, special assistant to the minister. I understand from my data that the special assistant went along to Nunavut and again to Halifax. I wondered if there were any other staff that went along on those two trips as well, because I understand there were not only Minister Mackintosh but also the deputy minister, Bruce MacFarlane, and Rob Finlayson and Jeff Schoor. Is that how you pronounce it?

No criticism of the trips, I know that they are very important trips, things that have to be done and there are times when you need assistance and you need to take staff with you. I would just like to have an outline of that and any political staff that may have joined the Minister of Justice as well on these trips.

As I say, I could put this in letter form, but if we could just have that outlined. It helps me, cuts down on Estimates time when I know the purpose of the trip, because I can see the thread that is going through. So the length of trip, the number of nights, the purpose of the trip and what the total cost of the trip was for all participants. As I say, again, I need to know on these trips what staff went along, whether they

be special assistant staff or whether they be political staff or who all else accompanied either the minister or the deputy minister or the assistant deputy minister on those trips.

* (15:50)

As I say, it cuts to the quick. It shows the thread. Again, no criticism of the trips that were taken. I know it is very important to have these trips. In addition to that, I know the Justice Minister made several trips to Ottawa, some trips to Ottawa for the young offenders issue and other things. I am hoping that that would be in the package as well. As I say, that does give me, knowing the purpose of the trip, I know it is helpful today as the minister is explaining the objectives of the trip and explaining—perhaps I will wait.

Mr. Mackintosh: My understanding, the advice I have is that the out-of-province travel, the information can be available fairly soon. I understand that there are records reflecting, I think, the request of the member. The more difficult area is in-province travel, I understand. That has to be co-ordinated between my office and my outside office, my appointments person and the deputy's office. We will have to construct that. We will have to review the Hansard. If there are any questions we might have to ask for it in writing, but hopefully what the member just put on Hansard will be clear in terms of the request. I know the internal, the Manitoba travel does not have the same kind of routing through the administration and finance authorities. My understanding is, and this is, I think, a province-wide approach, but out-of-province travel is tracked and monitored and has to have individual approval. So all of the particular detailed expenses are tracked. The in-province travel is dealt with in a different way. But I would be pleased to pull that information together and provide that information to the member.

Mrs. Smith: I appreciate that. Would the Attorney General like me to put this in letter form, in written form, or is that request clear enough and also because in addition to that—

Mr. Mackintosh: We will check Hansard because it may be that it is clear what the request

is and take it from there. As I say, if there are any questions, we will get back to the member to clarify any outstanding issue.

Mrs. Smith: Could the Attorney General please include in that the trips to Ottawa? I know there have been many references made to Ottawa. This is part of what has to be done when lobbying is done for changes to the Criminal Code and when other things like the Young Offenders Act and things like that have come on the horizon, but it would be good to know that as well, if possible. Well, more than if possible. I would like to have that information.

Mr. Mackintosh: I think I might have been to Ottawa four times. I will have to double-check that. But I know once on a critical issue of YCJA, which was a very fruitful trip. We actually got some changes in there, not all that we wanted, that is for sure, but we hit it off, I think, what would have been a major public confidence issue in terms of the release of inmates in the sort of, effectively, an almost retrospective application of the new legislation to those serving time. But that trip was as well to challenge the federal government's refusal to let Attorneys General speak to the committee when we were partners, I thought, in the delivery of youth justice in the country and when we had serious issues outstanding around the YCJA.

As a result, though, of that meeting and confrontation, if you will, we were able to get a very good reception and meetings with representatives from a number of parties, including Minister Andy Scott, and then-chair of the committee, Reg Alcock. I was able to speak with Peter MacKay and members of the Reform Party and their representative, whom I had an excellent conversation with, their lead representative on the Justice Committee at the time. As I recall, I think he had suffered a tragedy as a result of crime in his family, Chuck Cadman, and as well with Peter Mancini, the then-Justice critic for the NDP caucus. That was my recollection of that. In any event, that was one.

There was one for the Supreme Court of Canada, a series of lectures and dialogues, and then there was an FPT meeting there. Then there was another meeting where there was a presentation. Jack McLaughlin was there, as well,

on the YCJA to the Senate committee. There may be another meeting that I cannot recall, but I think there were four over the last two and a half years in Ottawa. If there is any further information in terms of the purpose of the trips, we can advise the member of that.

The local trips within Manitoba can be for a variety of purposes. The member mentioned Waywayseecappo, for example. That was the very proud opening of the First Nation RCMP detachment in Waywayseecappo. The Member for Russell (Mr. Derkach) was in attendance.

I have been at meetings around the province and I just wish I could attend more, quite frankly, in terms of getting out to the North and rural Manitoba. I try to get out when there are events or when there are opportunities to meet participants in the justice system outside of Winnipeg. I do try to get to Brandon whenever invited.

Mr. Daryl Reid, Acting Chairperson, in the Chair

I just hope that we have the appropriate records to record all of those trips, and it may be that a trip out to Oakbank, which I had just recently, by the way. I do not know if I have a record of those kinds of trips where you go out, I think, for example, of trips to Selkirk. I have been to Selkirk three times, I think, in the last two and a half years on issues related to policing, citizen patrols or graffiti control. So I do not know if a record can be any better than our memories, but I will see what my appointments person has and report back in written form to the member.

* (16:00)

Mrs. Smith: I would like to thank the Justice Minister for that. This helps a lot in terms of when we are talking about especially out-of-province travel, and when I request those specific things and am reviewing Hansard, we will not go over them again because they are in Hansard as I speak. It helps in terms of passing the lines later on and the monies spent and things like that because you have some idea of what went on and why they went on and I appreciate that.

I would like to go on to ask a question. Just to cap off the prison gang suppression team, I am still not clear if there is one team or a team in every prison facility in the province. We talked generally about that. We talked specifically about one particular person in charge, but just to maybe focus in on the prison gang suppression team, is there one team for the province, or is there one team in each correctional facility?

I would understand that the Corrections officers which were mentioned are part of that team, but I would like to narrow in more concisely to the prison gang suppression team and to narrow in on the drug trade that goes on in correctional institutions and how that is suppressed.

Mr. Mackintosh: The team or the strategy works in this way. I will try to rephrase my descriptions, perhaps to make it clearer. There are nine co-ordinators, one in each of the institutions, recognizing that in some of the smaller institutions the duties are part-time. It is part of their formal job description to do the tasks that I described earlier, the surveillance and information sharing. Those nine co-ordinators, they are called gang co-ordinators, I am not so sure about that word, but that is what they have been called. They have been in place for a few years. They report in a dual capacity. They first of all report of course to the superintendent of each institution.

Mr. Chairperson in the Chair

For the purposes, though, of the strategy, the team, if you will, they report to Mr. Forester. Mr. Forester is the director of Adult Corrections for Manitoba. They report to him for the purposes of gang activity in any of those co-ordination strategies. The modus operandi, aside from what they do in the workaday in the institutions, is they meet monthly and they meet with Mr. Forester and Paul Peterson, who has a very keen interest and specialization in gang strategy. They meet with the RCMP representative, Winnipeg Police Service representative, federal Corrections, Linda Lafontaine, recognizing that this is part of the COHROU now. We have recognized that this is part of that. I think that is probably the best description. Of course, if there are any connections to other law

enforcement jurisdictions, whether it is Brandon or Dakota Ojibway Police Service or any of the municipal areas, there would be a sharing of information on an as-need basis, recognizing that most of the gang activity is in RCMP or WPS territory.

Mrs. Smith: Is this anything new since coming into government, or is this a continuation of what was there before with a new name to it? Is there any new initiative? I had assumed that the prison gang suppression team was a new initiative. It sounds like this is using people that were there before. Could you clarify that?

Mr. Mackintosh: I addressed this I think yesterday. We had promoted this concept back with our Gang Action Plan, this idea of having this kind of expertise in Corrections. This development began under the former administration. It was one of the few, but one I think that has turned out to be one of the initiatives to specialize, in fact, it was, I think, aside from the gang hotline, one of the very few, in my view, the member might want to debate it, but I do not want to go back, initiatives to specialize and target gang activity.

So this started to grow out of concerns around the Headingley riot, I understand, I am advised. I was not a part of any of that. In fact, I did not even know that this was happening under Minister Toews, I take it. That started to develop then. What we did was look to see how we can enhance this and have a better connectedness.

As I say, I think we still have some further connections that we can cultivate. The federal connection was very important, formalizing this, connecting this to the COHROU, which was a development that we brought in, coming into office or shortly after in March or April or May. I cannot recall the month now where that began, recognizing that this is all a work in progress. There is no such thing as, I am going to emphasize, a done deal. This has to be a developing exercise and everyone has to be open to that. We are always looking to see how we can enhance co-ordination and improve on that.

The suppression team, the prison gang strategy, is part of how we have to move ahead.

Mrs. Smith: Could we progress now to the school police officer program because on May 16, 2000, there was a program announced? I know previously there were some police officers in schools prior to this. On May 16, a program was announced that put officers in classrooms to provide anti-gang and anti-drug education to enable youth to make appropriate life choices.

Could the Justice Minister inform me whether or not, how many new police officers are in the classrooms and how the school police officer program is now progressing? If there are new police officers in classrooms as per the announcement on May 16, where are they and how many?

Mr. Mackintosh: I can go through this area. First of all, as I recall, there has not been a formal announcement about police in schools, but what there has been are responses to the calls made to my office on two or three occasions by representatives of the media because information is out there about this developing partnership of police in schools.

* (16:10)

We have an interest in cultivating the connection between police and schools in Manitoba, building on some of the experience of beat officers in Winnipeg Police Service and a school liaison officer in the city of Brandon reporting back very positive experiences. As well, I think it was at Nelson McIntyre school a number of years ago that had on a trial basis with WPS—[interjection]— Daniel Mac was the school—a big pilot or program that lasted a very brief while, but which had created a bit of a buzz in the community.

So there are a number of initiatives that we began to develop on coming into office. First, we were very supportive of the CHOICES Youth Program, which has been around for—how long has CHOICES been around for? [interjection] Maybe at least four years, and we looked at ways to enhance that. That was an initiative, I think, that actually goes back to Rosemary Vodrey's tenure in the office and work that had been done with the Winnipeg School Division. So there have been enhancements to the CHOICES program to bring in, on a practical

basis, conflict resolution skills and peer mediation.

The other programs that we have partnered with are several. First, there is the initiative called Take Action in Schools. Take Action in Schools puts police officers in schools to deliver, through multimedia presentation, information in prevention strategies for students in Winnipeg. The Province's contribution was financing of the multimedia presentation, which, by the way, I do not want to emphasize too much the multimedia aspect because the actual delivery of the program by the officer is, I think, fundamental to the program. Take Action in Schools has written and audio and visual materials, and addresses a number of challenges. Street-proofing gangs is one; Internet safety is another. Even the role of the police is another. Those materials can be made available to the member from Winnipeg Police Service. That initiative was part of our anti-gang strategy in coming into office, and we attended the official launch of that last year, as I recall, with Chief Ewatski. So we were very pleased to assist in that because I think that having that kind of programming delivered in schools by officers is just critical to getting a strong message out and better connecting police and youth.

Another program is a school outreach program that is delivered by Native Alliance, and we help to fund that. They are out in many schools as well delivering gang-prevention education.

As a result of the great work done, particularly by RCMP and Manitoba Association of School Trustees, a developing initiative called Safe Schools Manitoba is underway—and, actually, I look forward to getting an update on that in the next month—to put in place strategies to ensure that school environments, school communities are safer places. My understanding is that a co-ordinator has now been hired by the name of Mary Hall, who comes from a very rich background in terms of knowledge of school safety.

The Manitoba Human Rights Commission has now developed a program to solicit and engage the views of youth, particularly around the challenge of bullying, and has had a youth

conference and, from that, moved on a very innovative program to have personalities, well-known Manitobans, go on-line in a chat room with students of Manitoba schools. I was very pleased to take part in that one day, and share ideas with youth, and hear directly from them about bullying in their respective schools.

Lighthouses, of course, may, or may not, have a link to schools, depending on the identified priorities and interests of the community that puts together the Lighthouses proposal. One of the requirements for Lighthouses, recognizing that it is community driven, is the need for a law enforcement official, or it could be a corrections official, as part of the community committee that designs and provides oversight of the Lighthouse. Of course, there has to be youth involved too. I think a minimum of two. So that is another way of police officers being in our schools, and the feedback I have has been extraordinary for some of these Lighthouses where there has been a connection with the community constable and Lighthouses and the area.

I know that the RCMP has been able to launch the DARE program in Manitoba, which provides, again, anti-crime information focusing particularly on drugs, but not exclusively, and being able to help proof kids from that kind of activity. Our support for the RCMP has been, I know, of assistance in how the RCMP are able to deploy resources for the DARE program.

I just got additional information on the CHOICES initiative. There is staff assigned from Corrections to the CHOICES program. Two police officers are involved with Corrections teaching youth about how to avoid gangs, how to resolve conflicts, encouraging parental involvement. There are six schools involved in that program now. I think all the indications are that is a very successful and creative initiative; \$150,000 is contributed from Manitoba Justice for that. I neglected to talk about the amounts that have been contributed in each of these programs. We could provide that if the member is interested in our contributions in each of those initiatives.

Then, finally, there is a developing, more than a developing initiative, the police in schools initiative with Winnipeg School Division No. 1,

which is a partnership between the community and parent councils, School Division No. 1, Winnipeg Police Service and Manitoba Justice. That program will be a three-year pilot. It is a program to be carefully evaluated, to deploy officers in several Winnipeg schools in the north end of Winnipeg, three officers to be deployed for that initiative, and 15 schools. I know I have had discussions with both the Inspector McCorrister, Barry McCorrister, who is extremely helpful in this partnership. I have talked to Dushant Persaud, who now is a principal at St. John's and formerly at Isaac Newton and who was an educator at I think it was Daniel McIntyre, but that school that had the experience earlier. He was, I think, one of the key people that spread the word about the potential of police officers being located on a more permanent basis, not just on a drop-in basis, in schools. As well, of course, we have the participation of School Division No. 1 that has been key.

* (16:20)

Of course, most important of all is the involvement of Winnipeg Police Service. I know in speaking to Chief Ewatski just a few days ago, they are ready to go with this initiative. My understanding is that that rolls out in September. In terms of an announcement that will have to be a partnership initiative. We will have to speak to our partners about that. That is an innovative program, but it is not the only police and schools initiative that Manitoba Justice has partnered with and helped to fund. There is a whole range of programs for police and schools.

Mrs. Smith: Could the Attorney General inform me whether or not there was any additional funding to put these police in the schools. It was taken out of the present complement.

Mr. Mackintosh: This initiative I think is a worthwhile investment in terms of looking to see how it works. The evaluation component will be a formal evaluation, I understand. I think that there is funding that is being secured from hopefully the Winnipeg Foundation. Perhaps it has been already secured for the evaluation of this. The Province's contribution is relatively significant. It is with a view to ensuring that the three police resources being designated to this

are over and above any other existing complement. In other words, these are positions that are being funded as a result of this partnership.

Mrs. Smith: So, just to clarify, there are three additional police officers that will be put in schools and they will be funded over and above the complement that is there right now?

Mr. Mackintosh: That is right. I should also note that all the partners bring something to the table. The Winnipeg School Division is bringing services in kind as well as money, for example, the accommodations. There is a need for phone lines, and those kinds of resources.

The contribution from Manitoba is through Neighbourhoods Alive! We see that as an important part of Neighbourhoods Alive!, deploying visible constables in school communities.

In terms of the other contributions, I could provide details if the member requests that in terms of the contributions of the Winnipeg Police Service. How they are arranging that now, it is up to those partners, specifically the Winnipeg Police Service and School Division No.1.

I understand that people are being chosen for this, and in terms of how it is designed, my understanding is that that work is beginning now.

Mrs. Smith: Just to clarify, the Winnipeg Police Service is choosing three officers to go into Winnipeg 1 schools, and I would assume that choosing comes from the present police complement. What funding is the Province putting into this specifically, and are these three additional officers in addition to the police complement that is there right now?

Mr. Mackintosh: What officers are chosen will be up to the Winnipeg Police Service. They will have to make that kind of decision as they always do, but I think I answered that my understanding is that the funding of this is to fund the positions which would be over and above any other funding.

I know that some of the timing of this initiative which, as I say, is yet to be publicly announced because I want to respect the role and

the timings of the other partners—but the timing of this initiative is very largely dependent on the availability of officers. I know that the last recruitment class was an important achievement for the Winnipeg Police Service before they could get on to this proposal.

I know the Winnipeg Police Service is very keen on this one and has been an integral part of the development of, first, the concept and then the plans and working with the other partners.

Mrs. Smith: It is, along with many other initiatives, a very worthwhile initiative and something that is needed.

My question is: What new money is the Province putting in to fund these additional three police officers?

Mr. Mackintosh: I will look for that. That funding is through Neighbourhoods Alive! under Intergovernmental Affairs, and, as well, there has not been an announcement. So I will want to check to see if we want to announce that yet in advance of the other partners because I think that when you have partnership initiatives, it is very important to respect the flow of that information in a co-ordinated way. So I would also take that question as notice.

Mrs. Smith: Would it be possible for the Attorney General to have that answer by tomorrow's Estimates?

Mr. Mackintosh: Yes, we can obtain that information. I am kind of concerned about how much we announce. This is public, what we are doing here, but we will look to see what—yes, perhaps you want to have some initial discussions with some of the other players on this one. I do not want to be, as I said, pre-empting the involvement of others in this, and I say it is not a Justice Department allocation. It is Intergovernmental Affairs.

Mrs. Smith: It was my understanding that on May 16, 2000, the present Government announced a program that "puts officers in classrooms to provide anti-gang and anti-drug education to enable youth to make appropriate life choices."

My understanding today is that those officers to date are not in place and my understanding is that, from what the Justice Minister has told me today, these three officers are taken from the Police Service complement that is there now, are being chosen, but with additional funding coming from some partners. The minister mentioned The Winnipeg Foundation, the minister mentioned Winnipeg School Division No. 1, and my question was: Could the minister please give me information as to the specific funding that will be provided by the present Government?

* (16:30)

Mr. Mackintosh: Details of the announcement, of course, will be made known when it is publicly announced. I also recognize, of course, that there is another department that has the lead on Neighbourhoods Alive! although I am on the Neighbourhoods Alive! committee of the Government.

In terms of the policing resources on this though, that is a decision with the WPS. They are the ones that best know their operational needs and deployment needs. I know they have been working on that. I certainly defer to their expertise and administrative competence in this area. Of course, nothing will be announced without the agreement of Winnipeg Police Service, the chief and executive, it is my understanding.

The member was quoting something, some announcement. It sounded from what she was saying that that was the Take Action in Schools program which deploys police officers in Winnipeg schools to teach about gang resistance and drug resistance. That is not the right word. Drug awareness. It is a medical issue, as well as other topics. But I am not sure if perhaps the member wants to just give me the title of that release because I think in terms of the police in schools initiative with School Division No. 1 and the WPS, as I say, there has been no formal announcement. It was only responses to inquiries as a result of the tabling at Winnipeg School Division board meetings of information related to this project. In other words it was not a project that was created behind closed doors. There was

accountability through School Division No. 1 Ward.

Mrs. Smith: Could I ask the minister about the safe schools charter? I know on March 16, 2001, the Province announced \$55,000 in funding to establish the Manitoba Safe Schools Council. I understand that this council was comprised of representatives from law enforcement, school communities, MAST and the Government and charged specifically with the task of implementing measures to increase school safety.

Could the minister please tell me the status of the safe schools charter? What has happened and who is involved in this particular council and what is the mandate?

Mr. Mackintosh: The lead department on that initiative is Education, but the role of Manitoba Justice has nonetheless been notable on a couple of fronts.

First of all, the funding of what is now called Safe Schools Manitoba is shared between the departments of Education and Justice in terms of the provincial government's contributions, but I understand that there may well be contributions from other partners as well. That initiative, I recall, was one that came from a collaboration between a number of agencies and authorities including the RCMP and I believe Winnipeg Police. But MAST has had a leadership role in this and is most directly involved in the delivery of Safe Schools Manitoba.

The permanent head of the initiative, Mary Hall, was hired only in the last few months, as I recall. I had said earlier that she comes from an excellent background in terms of both study and programming connected to safety for youth and safety in schools.

I will be getting a briefing and an update on the activities and plans of Safe Schools Manitoba within the month, and I will certainly be better able to report on the status of that initiative. But it is another example of Manitoba Justice and the Province partnering with other organizations to create new partnership agencies or initiatives as part of a clear pattern of developing programs.

Safe Schools Manitoba I know has a particular interest in prioritizing the challenge of bullying. We have, for our part, urged the development of codes of conduct and school safety plans, but this is a developing work in progress at still the relatively early stages of development, and I see very good things ahead for that initiative. I know the Minister of Education (Mr. Caldwell) is more involved, I think, in the relationship between MAST because of his position, but I will be attending that briefing. I could certainly provide more information after that.

I believe the funding from Justice is from the Justice Initiative Fund. I think it is in the area of about \$25,000, so there is a contribution from the Province of about \$50,000. The recollection is that there is \$25,000 contributed from the Justice Department.

Mrs. Smith: Could the Attorney General tell us specifically where that funding went on March 16, 2001, when the Province announced \$55,000? Where did that \$55,000 actually go in establishing the Manitoba Safe Schools Council, and who is on that council specifically?

* (16:40)

Mr. Mackintosh: That provincial contribution, as I understand, was responsible for enabling this initiative to get up and running. I know there was somebody in place before; a Mary Hall was pulling the partners together, pulling the initiative together, looking at how Safe Schools Manitoba would operate in this province. So I know the funding that we provided was absolutely essential, and if my memory serves me right, there had been applications to the federal government for assistance, as well.

I know there were some frustrations in getting access to the federal monies, and I know that MAST, at the political level, was very involved in making representations to the federal government for assistance. It appears that they have been able to, just from documents that we have, access federal money through what is called the Community Mobilization Program, which is a funding initiative of the federal National Crime Prevention Centre. So I am very pleased to see that, because clearly it would be

hard to maintain an organization only with provincial assistance. We had made it clear all along that, if this was a partnership deal, then the partners all had to bring something to the table.

Mrs. Smith: In terms of funding and police officers in the school, the present Government put \$2 million into 40 officers and continued the initiative that the former government had in place. Does this minister have any breakdown as to how the monies were spent, because clearly the complement is all over the map even though on paper it looks like the complement is there in actual fact? Pregnancies, when people are hurt, when people are sick, the complement is more often down than up during the year. So my question is: 40 officers funded with \$2 million, where is the accountability there for those officers?

Mr. Mackintosh: What has been called the 40-officer agreement, which, by the way, my understanding from looking over the file is that it may never have funded 40 officers. I see the first letter. It was a letter or some note on the file. It was arguments by the City that the amount did not cover the entire cost of 40 officers, and so it was only recognized as a contribution agreement since the program or the fund began seven years ago, I guess it is, '96, I think, was the first year of that program. It was initially a five-year program, was extended for two years, and we will carry that on. The program also, or that contribution of \$2 million, it appears became essentially a grant very quickly by way of two things: No. 1, under Minister Stefanson, it appeared that there was an amount paid out and the pattern of payments pre-empted any auditing or tying of the amount to the fluctuations in complement. In fact, I think the payments were started to be made in the fall early on.

The other issue was that there never was any adjustment to the \$2 million as the complement went up and down over the years, and on a fairly regular basis, and sometimes for some extended periods, there were reports that the City was under complement. So that was the history of that agreement.

In terms of the payments made most recently, I am advised that the amounts are going entirely to policing and without that amounts,

the police budget would be negatively affected. I think that, of course, the City of Winnipeg is accountable in law and practically for how it manages its staffing, its training, its complement, its turnover, its other policies of recruitment and promotion.

I am certainly interested in looking at where we go in the future with this contribution. I look forward to having some dialogue with Winnipeg Police Service in the city of Winnipeg on where we go in the future. The City's relationship with the Province for funding police is certainly an interesting one. Historically, of course, the Province has no role other than through Intergovernmental Affairs as a municipal funding source. So this agreement was unique, and I think there might be some mutually identified shortcomings in the agreement that was structured seven years ago. We look forward to having that dialogue in the coming-over this fiscal year.

As well, of course we have got other contributions and assistance to the City of Winnipeg in the area of policing that is direct. We have a similar kind of arrangement with the City of Brandon. The police in schools initiative in Winnipeg School Division No. 1 is another example, although different in scope and partnership based.

The other obvious significant change now is The Highway Traffic Act amendments with regard to photo enforcement and the Government's decision that the net monies from that should be designated for safety and policing purposes. I think the wording is somewhat like that, if not that in the new bill, and from accounts that I have heard that could mean millions of dollars towards safety in the city of Winnipeg and any other traffic authority, municipal traffic authority in the province. So what the future holds, we cannot be sure right now, but it does appear that there could be millions of dollars now as a result of The Highway Traffic Act changes.

Mrs. Smith: So basically now what the Justice Minister has said is that he has an accounting that that \$2 million has gone into the funding of 40 police officers on the street. Is that correct?

Mr. Mackintosh: Well, the Province has provided that \$2 million each and every year for the last seven years, I guess it is now. We have committed again to that. Here I notice in the '99 budget, that was from the former administration, there is a recognition there that those \$2 million is to offset the cost of 40 officers, but, no, that amount has been paid.

I do not know if the question was asked of the former administration as to where that money was going, but I certainly addressed that myself to the City of Winnipeg. I was assured that money was going to policing and was considered in the budget of the City of Winnipeg and that any withdrawal would have an effect on the ability of the City to budget policing. I think the original intention may have been to ensure that there was not a back-filling result from this agreement. That was never what happened because, as I say, there were many, many months of undercomplement at WPS. I recognize too, of course, that in the contract there is a discretion available to the Province to adjust the funding, but that has never been done.

* (16:50)

I do not know if the member has any thoughts on that. I certainly find this an interesting contract, a very interesting contract or arrangement and, as I say, one that I think we should work with the Winnipeg police on to ensure that it is doing what it should. I also recognize that the Winnipeg Police Service has had a challenge in maintaining complements. I know that the member is aware of that.

I have had very worthwhile discussions with both City of Winnipeg representatives, including the Chief of Winnipeg Police Service, as well as the Winnipeg Police Association, and as all of them have concern about when there is a shortcoming on complement, but my understanding is that, over the last year, there has been a diligent effort on the part of the executive and City Hall to enhance the personnel on staff. It is my understanding that the City of Winnipeg Police Service is either at complement or near complement or, in fact, as I recall one city official saying, that they would be perhaps even significantly overcomplemented at times. I

understand too that complement varies depending on the day.

I know there has been a pattern of retirements lately, by the way, people retiring from the police services that I have known over the years who, in my view, were really young guys and people that are very talented. Of course, that is why we were able to pick up some very talented people for the Justice Department from Winnipeg Police Service and for MPI. People are going to MPI. I know of another chap that is now over at Lotteries. I think there are other agencies and organizations that are indeed benefiting from the expertise and experience of these officers. At the same time you cannot help but lament that there are these retirements. But the effect on complement is one that I think has been of mutual concern to anyone who has looked at the issue. I am satisfied that the City has acted diligently. There appears to be a turnaround now. These challenges, I understand, actually have been part of a national trend. In fact there is a recent study done on the national level about the challenge of recruitment and retention of law enforcement officers in the country.

Mrs. Smith: It is my understanding that the \$2 million was to be used, when the Attorney General says for policing, to be specific it was my understanding that funding was to be used for 40 police officers to be on the street. I know that the resources for police officers need to be enhanced. I do have a concern about the complement being down when the police officers have so many challenges out there on the street today. I would suggest to the Attorney General that additional money needs to be put into police officers physically on the street, on the streets of Winnipeg, and throughout the province as well, because things are changing out there with the increased violent crime, increased aspects like that. There is a problem.

Having said that, I would like the Attorney General, could you please advise the House how many RCMP officers will be deployed to Kananaskis later this month from Manitoba?

Mr. Mackintosh: Well, that information is restricted for public purposes. I will undertake to dialogue with the RCMP and determine the sensitivity of that information to the extent of whether we can provide that to the member on a

confidential basis. I cannot say I can do that. I have to defer to the expertise and the intelligence concerns of the RCMP on that.

Mrs. Smith: That is perfectly understandable. I look forward to hearing from the Attorney General. It is not the intent for members on this side of the House to put anyone at risk, of course. It was a question that begged to be asked at least based on the information that is needed. I know that there is a great amount of security that is needed in Kananaskis.

Also I know that there are RCMP detachments that are strained to the limit here in the province of Manitoba. That is why if it is prudent to share that with me, if it be on a confidential basis, please let me know, and that will be the end of the matter. But, if possible, could the Attorney General make available, if it is possible and if it is not a breach of security, in any way, to know, how many RCMP officers would be deployed to Kananaskis, how many transferred out for that particular event? Having said that, I know I have, going on to another major topic, I know it is now very, very close to five o'clock. I fear that if I ask the question we will not have time for an answer.

So, if it pleases the Attorney General to call it five o'clock since we are just two minutes to, I would be very pleased to do that.

Mr. Chairperson: Is the will of the committee to call it five? *[Agreed]*

The hour being 5 p.m., it is time for private members' hour. Committee rise. Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., it is time for private members' hour.

DEBATE ON SECOND READINGS-- PRIVATE BILLS

**Bill 301—The Assiniboine Memorial Curling Club Holding Company Ltd.
Additional Powers Act**

Mr. Speaker: We will start with resumed debate on second readings. Are we going to be debating

Bill 301, The Assinboine Memorial Curling Club, in the name of the honourable Member for Pembina (Mr. Dyck). Will we be debating that today? No? Leave it standing? *[Agreed]*

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 200—The Elections Amendment Act

Mr. Speaker: Debate on second readings, Bill 200, The Elections Amendment Act, standing in the name of the honourable Member for Burrows (Mr. Martindale).

Is the honourable Member for Burrows speaking on the bill today? Stand? Is there agreement for the bill to remain standing in the name of the honourable Member for Burrows? *[Agreed]*

PROPOSED RESOLUTIONS

Res. 10—Immigration Head Tax

Mr. Speaker: We will go to Resolution 10, the Immigration Head Tax.

Mr. Cris Aglugub (The Maples): I move, seconded by the Member for Wellington (Mr. Santos),

WHEREAS the federal government imposes a right of landing fee more commonly known as a head tax on new immigrants to Canada who do not qualify as refugees; and

WHEREAS immigration to Canada is a fundamental component of the future economic development of our country; and

WHEREAS this head tax presents a financial barrier to the unification of family members living abroad; and

WHEREAS the growing Manitoba economy requires skilled workers and those who possess these skills should not be presented with a financial barrier to immigration; and

WHEREAS new immigrants are an important part of the vibrant cultural

communities that exist both in Winnipeg and throughout Manitoba; and

WHEREAS the federal government has already eliminated the landing fee requirement for refugee class immigrants.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal government to eliminate the right of landing fee or head tax from the immigration process in Canada; and

BE IT FURTHER RESOLVED that this Assembly direct the Clerk of the Legislative Assembly to send a copy of this resolution to all members of Parliament from Manitoba.

Motion presented.

Mr. Aglugub: This private member's resolution is urging the federal government to eliminate the right of landing fee commonly called head tax. The right of landing fee, commonly known as ROLF, was introduced by the federal government in 1995. It is now commonly referred to as the head tax in reference to the unjust tax that Canada once imposed on Chinese immigrants at the turn of the 20th century.

Today the infamous right of landing fee delays immigration and family reunification. Also, it is an obstacle to people from less affluent countries as well as a barrier to women who tend to have less of an income. The fee effectively bars immigration from particular parts of the world and can be used to favour certain immigrants over others.

In fact, the fee is more than many people from economically developing countries make in an entire year. As of 2001, the fee was \$975 for each adult immigrant. This is charged on top of the processing fee imposed in 1994. The head tax is an unjust penalty levied against immigrants.

Over 30 years ago, when I was an immigrant myself, I never, or none of us in those years had to pay a head tax. All I was responsible for was to pay for my medical examination, security or police clearance and my airline fare. When I finally decided to come to Canada, all I had was \$150 U.S. in my wallet.

The reason why I use myself as an example, had there been a \$975 ROL plus \$500 processing fee—plus, if you are a family, you are also required to show proof that an immigrant is able to support himself or herself while looking for a job. This is called settlement funds for independent immigrants, and the amount that is being looked at is \$10,000 per family, plus \$2,000 additional for each dependant child. Given those financial requirements that are imposed to potential immigrants today, I would not have been able to immigrate because it would take me years and years to save that amount of money.

When I got here, I found my first job. I have never been unemployed since, and look what I am today. I might be an exception, but there are potential immigrants who are in the same situation as I was then, but, because of the high financial requirement, it might potentially discourage them to even try.

The federal government says that it is in favour of protecting immigrants but still puts up this hindrance to newcomers. Although a similar tax against refugees was recently dropped by the federal government, the penalty should be lifted from all classes of immigrants. According to the federal government, the right of landing fee was introduced to offset the cost of immigrant services during a time of severe cutbacks. Though the fee was started as a deficit-fighting measure, the federal government no longer operates under a deficit but still penalizes immigrants nonetheless.

This head tax sends a message to other countries around the world that Canada does not recognize the great contribution that immigrants make to society.

The Canadian Human Rights Commission says that the way a democratic country treats refugees and immigrants is a good barometer of its racial climate. We must send this message to Ottawa that the right of landing fee is unjust and must be dropped immediately.

I therefore ask my colleagues, including members from the Opposition, to support this resolution so that we can bring in more qualified and skilled immigrants to work, live and raise

families, especially in Manitoba where there is shortage of labour across the industry. Thank you very much, Mr. Speaker.

Mr. Ron Schuler (Springfield): It brings me great pleasure to stand in front of this House and talk about an issue that is very near and dear to my heart, and that is immigration.

I guess the biggest question that could be asked here, other than a few members: Where would we be if it was not for immigration? I know we have got some First Nations here, and they have been here for time in perpetuity, but for the rest of us who came as immigrants, some directly, some of us our parents came over, where would we be if Canada would not have opened its doors and allowed us to come in? You look around the room, and you have got individuals represented from all different areas of the globe.

As for myself, Mr. Speaker, my parents came over individually at that time and met here, of course. My mother, in fact, came over as a displaced person. I still have her passport. It was a displaced person's pass. During those times, individuals referred to those people as DPs. That was actually not a term of endearment, if you were a DP. It sort of was meant to slag people, but my mother came over and went to Saskatchewan, worked on a farm to work off the debt that was incurred bringing her across. She worked there for about two years, almost three years, and from there, then, she came to Winnipeg.

* (17:10)

Mr. Speaker, I guess the concern I have with the head tax is, would have a lot of our families, would have the leaders, the great citizens of our nation now, those that lead, whether it is in economics, whether it is in politics, whether it is on the farms, in our communities, would those families have had the opportunity to come to Canada if there would have been a head tax on? I would suggest that would have not been the case, that a lot of them could not afford it. When you think of it, back in those days, you had to pay your transportation over or somebody paid the transportation costs for you, and you went, you worked for them and you worked if off. The

head tax on top of that might have been the one thing that would have been a detriment to you coming to this country, and I think we would have been the lesser for it.

I think this is a very poor tax, and it is too bad that my colleague who sits next to me here, the honourable Member for River Heights (Mr. Gerrard), is not here, because I think he might—

An Honourable Member: You cannot say that.

Mr. Schuler: I retract that, Mr. Speaker. I would only hope that all members in this House who might have at one point in time have sat in the federal Parliament when this kind of decision was being made would reflect on it that it is very bad for our country. Canada needs immigration. Canada needs the kind of energies, the kind of legs that come with immigrants who come here, and often they come here poor, not because they are poor, but because they lost everything. It tends to be because they lost it due to a war, famine, earthquake, whatever the case may be, and what they are basically saying is that we want to come here. If we are going to set up and re-establish ourselves, we are going to do it in a country where it affords us all the freedoms, whether it is political, economic, religion or otherwise.

My dear and honoured colleague from Lakeside, who is sitting here in front of me, I believe it was their family who fled from an oppressive regime. Again, I would suspect, and he has not shared his entire story with me, that everything was stripped from them. They were lucky, lucky to leave with the shirt on their back. The fact that, if you got out as an entire family, you thank God for that. You came to Canada, and you started all over again.

There is a saying, Mr. Speaker, that I have heard from a lot of immigrants that have left Russia and came to Europe and then ended up in Canada. It was a group from Kazakhstan. They were Russian-Germans, and they have an incredible saying. They say: No money, no problem. No hope, big problem. And that is how these people come to Canada.

You know, the fact that they come here with no money, no problem, but what we offer as a

nation is hope. Why would we put a price tag on that hope, a head tax? Frankly, I think it is shameful, and I commend the honourable member who brought forward this particular resolution. I commend him, and he comes from a community that continues to put Winnipeg and Manitoba on the map. His community is growing, is strong. You watch how they are moving up. They are taking on roles of leadership, as he has, in our province, in our communities, and we are grateful for that. They are contributing citizens. I have an older friend of mine who says, you know, another taxpayer, he says. That is what they are doing. They are coming here and contributing. They are paying taxes and furthering our province. So I commend him for this particular resolution that he brought forward.

Again, Mr. Speaker, I get back to my original question: Where would we be if Canada would have closed the doors on us?

The United States was being overwhelmed at that time. Many chose to go to Australia; others were choosing to go other places. I daresay, Mr. Speaker, that those individuals who could not get out of Russia, who could not get out of the Soviet Union, who could not get out of a lot of their countries at that time, and again I refer to my honourable colleague from Lakeside, you know, for those of us who ended up with families left over in the Soviet Union—I still have an aunt and uncle or a great-aunt and uncle, the Braun [*phonetic*] family, never heard from again. They were shipped off to Siberia. We have pictures I have filed with the Red Cross, I have asked them to investigate. That was about 10 years ago. It is with great sadness they were never heard from again. They died in some camp, in a work camp.

You know what? Should we be able to find them, should we be able to locate them, we would like them to have the same opportunities that we had. They would love to come to Canada. In fact most of them, they just find Canada, especially when they come from the East Bloc, Canada is just such a great place. Nobody cares who you are or what language you speak. We are all Canadians. We all work hard, we all contribute and we all become part of this great country that we call Canada. Again, I do

not understand why would you put a head tax on that yet? That is such a negative for people coming to this country.

I would like to say, Mr. Speaker, without further adieu that we are strong supporters of this resolution. We believe that Manitoba is very proud of the many different cultures that make up our province. We celebrate our diversity as one of this province's greatest assets. We believe Manitoba is home to many very strong ethnic communities, not just in the city of Winnipeg but all across our province. It is our belief these communities have made Manitoba a stronger province because groups of people, families have chosen to make Manitoba their home.

Again, I think that is a very important point. Individuals choose to make this their home, who choose to come to Manitoba, who want to be here not because they are forced to, not for any other reason, they want to come here. This is where they want to raise their families, this is where they want to have their golden years. This is where they want to move ahead and contribute, Mr. Speaker, and what do we do, we tax them for that. We tax their choice. I think that is very bad. I am glad that part of the resolution states clearly: "BE IT FURTHER RESOLVED that this Assembly direct the Clerk of the Legislative Assembly to send a copy of this resolution to all members of Parliament for Manitoba."

I think that is absolutely correct, because we believe that our different ethnic communities ease the transition a new immigrant faces when moving to a new country. We actually believe that Winnipeg and Manitoba is the right place for people to come.

I know my honourable colleague from The Maples, when he talks to friends and relatives back in the Philippines, he says come to Winnipeg, come to Manitoba, we need you. Certainly, that is the message that I have put out there, that we welcome you with open arms here.

We believe and we know, all of us have probably heard the family stories, that beginning a new life for our families in a new country is indeed a frightening experience, it is a frightening prospect. When you come to Canada and when new immigrants come here they find in

very, very quick order that the wide open spaces, the economic opportunities, the things that are afforded them here, Mr. Speaker, I dare hasten to add, are not found anywhere else.

I have lived in the United States, I have traveled extensively around the world. Nowhere do you have the opportunity, the wide-open opportunity as you do in Canada, because it is still such a fresh country, it is still such a new country.

I would suggest to the federal government that rather than taxing immigration, perhaps, Mr. Speaker, we should be going out and encouraging it and saying, you know, we welcome you with open arms. We want you to come here. We want you to help build this great country, this great nation of ours and not put a punitive head tax on those individuals who wish to come here.

So, once more on behalf of this side of the House, we congratulate the Member for The Maples (Mr. Aglugub), and we will be supporting this resolution.

Mr. Speaker: Is the House ready for the question? The question before the House is Resolution 10, Immigration Head Tax.

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

I declare the resolution carried.

Hon. Gord Mackintosh (Government House Leader): Six o'clock?

Mr. Schuler: May the record stand that the vote was unanimous.

Mr. Speaker: The vote on Resolution 10, Immigration Head Tax, has been carried. It has been carried unanimously.

Mr. Mackintosh: Is it the will of the House to call it six o'clock, Mr. Speaker?

Mr. Speaker: Is it the will of the House to call it six o'clock? *[Agreed]*

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 4, 2002

CONTENTS

ROUTINE PROCEEDINGS			
Tabling of Reports		Mitchelson; Selinger	2169
		Loewen; Selinger	2170, 2171
		Tweed; Selinger	2174
Annual Report of the Department of Conservation 2000-2001		Drinking Water	
Lathlin	2167	Gerrard; Lathlin	2176
		Members' Statements	
Annual Report of the Sustainable Development Innovations Fund 2000-2001		Costume Museum of Canada	
Lathlin	2167	Schuler	2177
Annual Report of the Manitoba Habitat Heritage Corporation 2000-2001		Flin Flon--Creighton SPCA	
Lathlin	2167	Jennissen	2177
Annual Report of the Pineland Forest Nursery 2000-2001		Mountbatten School	
Lathlin	2167	Dacquay	2178
Annual Report of the Manitoba Product Stewardship Corporation, April 2000-March 2001		Mr. Nikolychuk	
Lathlin	2167	Rondeau	2178
Manitoba Hazardous Waste Management Corporation 14th Annual Report 2000-2001		Manitoba Baseball Hall of Fame	
Lathlin	2167	Dyck	2179
		ORDERS OF THE DAY	
		GOVERNMENT BUSINESS	
Audited Financial Statements for Venture Manitoba Tours Limited to March 31, 2001		Committee of Supply	
Lathlin	2167	(Concurrent Sections)	
The Manitoba Liquor Control Commission Nine Month Report for the period April 1, 2001 to December 31, 2001		Conservation	2180
S. Smith	2167	Labour and Immigration	2180
		Agriculture and Food	2198
Introduction of Bills		Justice	2219
Bill 26--The Occupational Therapists Act		PRIVATE MEMBERS' BUSINESS	
Chomiak	2167	Proposed Resolutions	
Oral Questions		Res. 10--Immigration Head Tax	
Manitoba Hydro		Aglugub	2238
Murray; Selinger	2168	Schuler	2239