

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

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

Vol. LIV No. 7 – 1:30 p.m., Tuesday, September 16, 2003

MANITOBA LEGISLATIVE ASSEMBLY
First Session—Thirty-Eighth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, September 16, 2003

The House met at 1:30 p.m.

* (13:35)

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, I have a message from His Honour the Administrator, as well as the Supplementary Estimates which I would like to table.

Hon. Steve Ashton (Minister of Conservation): Mr. Speaker, I have a number of reports to table: the Manitoba Tire Stewardship Board Annual Report; the Manitoba Association for Resource Recovery Corporation Annual Report; the Manitoba Hazardous Waste Management Corporation Annual Report; the Manitoba Product Stewardship Corporation Annual Report and the Manitoba Round Table Annual Report.

Mr. Speaker: I would like to advise the House that I will be reading the message and tabling on behalf of the Lieutenant-Governor.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba, Estimates of Additional Sums Required for the Services of the Province for this fiscal year ending the 31st of March, 2004, and recommends these Supplementary Estimates to the Legislative Assembly.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of honourable members to the Speaker's Gallery where we have with us today a group of former employees of Dominion Tanners. These visitors are the guests of the honourable Member for Inkster (Mr. Lamoureux).

Also in the Speaker's Gallery we have Mr. Todd Hardy, a member from the Legislative Assembly from the Yukon, and Mr. Alex Baldwin from Nunavut Territory.

Also in the Speaker's Gallery we have Mr. Luc Paquet from Winnipeg.

Seated in the loge to my right we have Mr. Jim DeWolf and Mr. Russell MacKinnon who are Deputy Speakers from the province of Nova Scotia.

Also we have Mr. Hunter Tootoo, who is the member of the Legislative Assembly from Nunavut, and Hunter is my nephew.

Inuktituk spoken

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

Also with us we have some of the members of the Public Accounts from across Canada who are here attending the conference that we are hosting. I would like to welcome them, on behalf of all honourable members.

ORAL QUESTION PERIOD

Rural Hospitals Closures

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, hundreds of Manitobans showed up today at the Legislature, many of whom are present in the gallery today, to take part in a rally aimed at saving their rural hospitals. Although the Premier has promised his policy is to not close hospitals, having also promised Manitobans that he would end hallway medicine in six months with \$15 million, we all know how little his promises are worth.

Will the Premier today assure Manitobans that not a single rural hospital will be permanently closed or converted to a personal care home or any other type of health care facility or, Mr. Speaker, is he going to fail those members as he has failed the families with regard to the BSE crisis?

Hon. Gary Doer (Premier): Mr. Speaker, the Minister of Health (Mr. Chomiak) is presently meeting with representatives of the three community hospitals who visited the Legislature today. We know directly that the people in these communities are very concerned about the level of doctors in their communities and the medical coverage that that represents to the citizens and patients in those communities.

I know the template we received from the former government dealing with staffing and human resource issues that led to recommendations to convert five out of eleven hospitals in the southwest region, we rejected that in government. We will continue to try to find solutions that go way beyond the report we received from the Tories in 1999.

Mr. Murray: As we heard on the steps of the Legislature when the Minister of Health spoke, it is just not good enough for the people of rural Manitoba.

In an e-mail I received just last night, one concerned Manitoban described how he had moved to Erickson in large part because there was a good full-service hospital. This was a priority for him as his elderly mother lives with him and he needed to be close to emergency services. I will read part of the e-mail that he sent: Now with the closing, apparently permanently, of the emergency room, I must make a hard decision. When I took this position, I signed a contract with monetary penalty if I did not stay the full term. Do I try to stay the term of the contract and risk something major happening to her, his mother, or do I take the financial penalty and move someplace that has a stable hospital?

Mr. Speaker, I would ask the Premier, because he failed to keep his promise to keep our rural hospitals open: Is he prepared to provide this individual with the money to cover the financial penalty he would suffer, or is he prepared to do the right thing and assure that the Erickson hospital will be reopened with full emergency services?

* (13:40)

Mr. Doer: The Erickson hospital, I believe, had a temporary closure of the emergency ward in

1998 and 1999, and the issue for all of us, in all of the hospitals that are here today, and in the future for many of the hospitals across Manitoba, is the issue of recruitment and retention of doctors. Mr. Speaker, it also deals with the funding for those regional health authorities and the sustainability of those health authorities.

There have been, as I understand it, nine additional doctors in southwest Manitoba since we were elected. We are continuing to try to get more doctors into the southwest region and all other regions of Manitoba with the increased numbers in the medical school.

The members opposite have yet to tell the people of Manitoba how many hospitals they were going to close to implement their 1% funding in health care that they promised in the election in exchange for their tax cuts, Mr. Speaker. We have funded the southwest region at over 7 percent. Members opposite have a lot of explaining to do.

Mr. Murray: Well, Mr. Speaker, I said during the election campaign and I say today that our commitment is to not close one rural hospital.

In 1999, the member from Concordia promised he would end hallway medicine in six months with \$15 million. He failed. Mr. Speaker, in 2003 the Premier then promised again he would not close a single rural hospital. He failed again. It is more than evident this Premier will say anything just to get elected.

The hundreds of Manitobans who made their way into Winnipeg to attend the rally were here to fight for equal access to care. That is all they are asking for. Unfortunately, they appear to be dealing with a government that just does not care about rural Manitoba, and now they are being treated like second-class citizens. I say shame on this Government.

I ask the Premier: Will he assure Manitobans today, those sitting in the gallery, Mr. Speaker, so they can go back to their communities to ensure that he will not close one rural hospital or, again, I challenge him, is he going to treat those families the same way that he has treated the 12 000 families that are suffering under BSE? What is it going to be?

Mr. Doer: Mr. Speaker, there is a lot of rhetoric from members opposite. They commissioned a report that was going to close or convert five out of eleven hospitals in southwest Manitoba. We rejected the Tory report. We rejected it. We have increased the number of doctors by nine in southwest Manitoba since we came into office, since the dark days of the Tories where they reduced the number of doctors in rural Manitoba.

We are funding the southwest region at 7 percent in this year's Budget. Their proposal in the election was 1% funding. Nurses are getting 5 percent more to keep them in Manitoba. Where are you going to cut? Where are the nurses going to be cut? The doctors are getting 3 percent more to keep them in Manitoba and in rural Manitoba. Mr. Speaker, 1 percent, you would be firing more doctors. Members opposite should look in the mirror.

We are working very hard to keep doctors in rural Manitoba. That is why Doctor Cram has been appointed by the Minister of Health (Mr. Chomiak) to deal with the doctor shortages in some of our communities. We think it is very important for those communities to have doctors in the communities for patient care, and that is why we have nine more doctors today and that is why Doctor Cram has been hired by the Minister of Health to give us some ideas of how we can do a better job collectively in Manitoba for the people of this province.

* (13:45)

Rural Hospitals Closures

Mr. Leonard Derkach (Russell): Well, Mr. Speaker, I have to say it is unfortunate that the First Minister of this province in his comments is a stranger to the truth. Our rural hospitals on the west side of this province and throughout this province, like the people who are suffering the BSE crisis, are facing a major crisis in our province.

The Erickson hospital is now closed. The signs on the highway have not just been taken down but the poles have been yanked out. The people in Erickson have been told that their

facility is going to be run like a northern nursing station with clinic services only. The Minister of Health is responsible for this, and I ask the minister: Why has he allowed the closure of this facility, and why will he not recruit doctors immediately, Mr. Speaker?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I indicated to the member several weeks ago in our conversation, I have instructed the regional health authority to try to recruit doctors to Erickson. Not only did I tell the member that, but in a letter that went from the municipality to other individuals, the Member for Russell was quoted as saying the minister has confirmed that the region has been told to hire additional doctors. From the member's own mouth, those words came, that we were committed to trying to do that. We continue to try to do that.

Mr. Derkach: Mr. Speaker, I accept the minister's word. I have asked the minister to stop the conflicting information that is going out to the communities of Erickson, Rosssburn and Birtle, in my constituency.

Mr. Speaker, all he has to do is write a directive to the ARHA indicating that they are to recruit doctors immediately for those facilities and work with the communities to ensure that doctors are hired for those communities. Why has the minister refused to give that directive in writing to the ARHA, with copies to the community, so that everybody knows where the minister is coming from and where the ARHA is coming from?

Mr. Chomiak: Mr. Speaker, not only did I give that commitment to the Erickson community that I just met with in my office, but I gave it to the member several weeks ago. I also indicate that one of the reasons we hired Doctor Cram is to try to see how we can improve the situation.

Even though we have more doctors in rural Manitoba now than we did when members opposite were in office, even though we brought back the number of medical students in training after members opposite cut it, even though we put in place an IMG program to train people in rural Manitoba, even though we have put in place a bursary program for the first time in history for

doctors to go to rural Manitoba, and even though we have more doctors in rural Manitoba than when members were opposite, there is still work to be done. Doctor Cram is working with us to do that, Mr. Speaker.

Mr. Derkach: Mr. Speaker, less than two weeks ago, the ARHA officials met with the community of Russell and told the community of Russell that they would be beneficiaries to the closure of the Rossburn and Birtle hospitals, that indeed the emergency services and acute care services would be moved from the Rossburn and Birtle areas to the Russell area.

Mr. Speaker, that is not what the minister has been saying. I ask this minister once again to make sure that his directive to the ARHA goes in writing with copies to these communities to ensure that the people in the Rossburn area, the Birtle area and the Erickson area are going to have the confidence that their hospitals are going to stay open.

Mr. Chomiak: Mr. Speaker, I want to remind members and the Member for Russell, in fact we had this exchange about a week ago. I reminded the member that in 1997, Gladstone hospital closed temporarily and the member from Russell indicated it was because of lack of human resources temporarily.

We have been working, Mr. Speaker, since we formed office in '99 to re-open that facility. We are very confident we are going to have some success in that regard. The member opposite knows the challenges about rural Manitoba retaining doctors. The member knows that the Erickson hospital closed in '98, '99 and 2001. Their government, our Government assisted in trying to maintain doctors there. We have and we will continue to do so. At the same time, it will be a continuing challenge. We have Doctor Cram in place plus all of those programs that I have already made reference to.

* (13:50)

Rural Hospitals Closures

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, in reference to the threat of the closure of the Wawanesa hospital, a Wawanesa resident

who is present in the gallery today, Diane Diehl notes that she will have to and I quote: "I will have to leave a community that I love, leave supportive friends, my church and volunteer work to go to a bigger centre to become a number on some doctor's waiting list. I live alone and on long-term disability. What am I going to do?"

Mr. Speaker, on behalf of Ms. Diehl I ask the Minister of Health: hat is she going to do?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I indicated to the member last week in Estimates when we discussed this issue, there is a family of three physicians who are father, mother and son who undertake a practice in Wawanesa who are leaving. They have not left yet. We have already recruited another physician, Mr. Speaker, to Wawanesa and there is more work undergoing recruitment that is ongoing.

Mrs. Rowat: Mr. Speaker, I received a letter from Ms. McBurney, who is also in the gallery today, from Wawanesa, who wrote to express her frustration on the threat of the closure of the Wawanesa hospital. Her frustration extends beyond the health impact the closure will have. The economic impact is critical as this community is already devastated with the BSE and the drought situation. Ms. McBurney is looking for assurances from the NDP government that her hospital will be maintained. Will the minister today commit to keeping the Wawanesa hospital open?

Mr. Chomiak: Mr. Speaker, as I indicated to the member in Estimates last week, there has already been a doctor recruited to Wawanesa and there are ongoing recruitment efforts.

Mrs. Rowat: Mr. Speaker, rural health care is under attack from this Government and the minister pays lip-service to the concerns of my constituents and to the many rural Manitobans who are entitled to quality health care. Equal access to health care is a right for all Manitobans regardless of where they live. The community of Rivers was given assurances by this Premier that their hospital would not close. Will the Minister of Health confirm that the Rivers health centre will be maintained as an acute care hospital?

Mr. Chomiak: Mr. Speaker, as the First Minister (Mr. Doer) indicated and we have indicated on numerous, numerous occasions, it is not our intention to close any hospitals. Members opposite know that Erickson hospital closed in '98, '99, 2000, 2001. Members opposite know that Gladstone closed temporarily in 1997.

We know that, for the first this year, there are more doctors in Manitoba than there have been since 1994, the first time. That means more doctors in rural Manitoba, that they are increased. That means more doctors in urban Manitoba, Mr. Speaker, and it is one of the direct impacts as a result of in 1993 when members opposite cancelled and reduced by 15 every year. That is up to 120 Manitoba-trained doctors that are not trained because of their policies.

Rural Hospitals Closures

Mr. Leonard Derkach (Russell): Mr. Speaker, I would like to begin with a quote that we heard on the Legislative steps this morning and I quote: We need better treatment for rural Manitobans and First Nations communities.

Mr. Speaker, Rolling River First Nation, Waywayseecappo First Nation, Birdtail Sioux, Gambler, Keeseekoowenin, these are all constituencies that are served by the hospitals of Birtle, Rossburn and Erickson. We need a commitment from the minister today to the people up here in the gallery to the communities back home and to the First Nations people that these hospitals will remain open. Can the minister give us that commitment and can he make that commitment in writing to the people of these communities?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I met with representatives of all those communities in my office just moments ago. We had an excellent discussion. We gave our commitments to them. We said we would work with them, that we would continue to work with them. I want to add that First Nations people right across this province require enhanced services and we have tried to do that over the past four years and we will continue to do that the next four years.

*(13:55)

Mr. Derkach: Mr. Speaker, these are platitudes. I am asking the Minister of Health, specifically about the hospital facility in Birtle, in Rossburn and in Erickson. I am asking the minister to make a commitment to these communities, to the First Nations communities in that catchment area and to assure that he will instruct the regional health authority that they are to actively recruit hospitals involving these communities for those hospitals. Will the minister give me that commitment?

Mr. Chomiak: Mr. Speaker, it is very illustrative that the doctor who is leaving Rivers, Manitoba told publicly his concerns about why he is leaving Rivers, Manitoba. He said it is not for more pay. He said: It is because I do not get a chance to see my kids, I do not get a chance to see my family. He said: It is lifestyle, it is being on call all the time.

That is one of the reasons why we asked Doctor Cram, a well-respected rural physician, to meet with rural doctors to see how we can deal with this. One of the ways of dealing with keeping doctors in rural Manitoba is to have larger on call. That has been one of the methodologies. That is what doctors have told us. We have asked Doctor Cram to go out there, meet with doctors, see what the solutions are, Mr. Speaker. I ask members opposite to join us to try to improve the situation for rural doctors in rural Manitoba and to work with us with all of these communities to ensure that happens and not let this turn into a straight political argument where they are trying to make political points on the backs of the patients.

Mr. Derkach: The minister knows better. I went to his office directly to try to find a solution to this. To date, no solution has been found.

Mr. Speaker, the doctor in Birtle gave notice last December that he would be leaving that community this December. To date, I understand the Assiniboine Regional Health Authority has not moved on recruiting a doctor for that community. I get that from the mayor and the reeve of that community.

I ask the minister whether or not he will commit today to ensure by letter that the regional health authority will start the active recruitment for doctors for Birtle, Rossburn, and Erickson.

Mr. Chomiak: The Assiniboine Regional Health Authority has recruited 47 doctors in the last four years to the region. Also over that period of time 33 doctors have left practice. There is a problem. Even though there is a net gain, it is clearly a problem. That is why we asked Doctor Cram to investigate the situation, a local doctor, a doctor who has practiced in that area, a doctor who is committed to rural Manitoba, to talk to doctors, to talk to communities and to see if there is anything more we can do.

I am going to add to the member that the member for Wawanessa, the member for Rivers, the member for Gladstone would all say to me make it a first priority that my community gets their doctor recruited first, Mr. Speaker. We have asked the region to recruit, we have told the region to recruit, the region is recruiting and we have also said we do not want any facilities closed.

Physician Resources Recruitment—Rural Manitoba

Mr. Mervin Tweed (Turtle Mountain): When the Minister of Health chose to amalgamate Southwest and Marquette, he did so without a plan, he did so without a study and he is committed to no review of how it is working. Mr. Speaker, at the last minute he appoints a member of the medical profession from Souris to oversee this, and that creates some concerns.

What we are seeing here, and I want to quote the paper of August 28, the *Brandon Sun*, where it says: the community is especially angered by the health authority's admission that it has no plans to recruit another physician who would be dedicated solely to Erickson. Obviously, we are hearing mixed messages here, Mr. Speaker. The minister is saying one thing, the RHA is saying another.

Again, I want to ask the minister will he commit today to the people of Birtle, Rossburn and Erickson that he will inform the RHA that they are to begin active sincere recruitment of doctors for these facilities.

Hon. Dave Chomiak (Minister of Health): First off, the member misinterpreted the role and

function of Doctor Cram. Doctor Cram, who is a long-standing Manitoba native who practices in Souris, has been asked to meet with communities, meet with doctors, meet with all of the individuals involved to—

Some Honourable Members: Oh, oh.

* (14:00)

Mr. Speaker: Order. I would just like to remind all honourable members that we have a lot of guests in the public galleries and we have the viewing public, and when there is a lot of chatter back and forth it is very difficult for our guests to hear what is going on at the floor. I think it is only right that we give them the courtesy to hear the questions and the answers. I would ask the co-operation of all honourable members, please.

Mr. Chomiak: Mr. Speaker, we have asked Doctor Cram to look at how we can continue to improve the situation vis-à-vis physicians because it seems to be that one of the key factors, and members opposite know this, is the whole issue of on call and rotation, as well as all of the issues concerning doctors.

I would also like to table a copy of a letter from the Town of Erickson where it says: We understand from conversations with the Member for Russell, Mr. Derkach, that you said that when we have a second doctor, our emergency and doctor on call will be reinstated at the Erickson hospital. That is dated August 22. I am happy to table that letter.

Mr. Speaker: Before recognizing the honourable Member for Turtle Mountain, I would like to remind all honourable members that when making reference to other members in the House it is members by constituency or ministers by the portfolio that they carry, not by their names. I ask the co-operation of all honourable members.

Mr. Tweed: Mr. Speaker, further to the amalgamation. At the time the plan was presented or forced upon the people of rural Manitoba, Brandon was included in that amalgamation but at the last minute, I presume through political interference, it was removed. I think that is shameful too.

Mr. Speaker, on August 30, in the *Brandon Sun*, we have a young doctor in Wawanesa quoted in the paper as saying: I asked about specifically working in this area. I was told we do not want you in Wawanesa or Baldur. We want to close Wawanesa and Baldur hospitals. We are waiting for your parents to retire.

Again the people of these communities are receiving mixed messages from the minister, the member and the leader of the RHA. All the minister has to do is clear the air for the people that are in the gallery today, the people that have taken time out of their day to come in here and take an issue forward to the minister that he knows full well and can deal with. Will the minister now commit to the people of Wawanesa that he will recruit those doctors?

Mr. Chomiak: Mr. Speaker, I have already answered that question on two occasions to a previous member with respect to Wawanesa. With respect to the situation in Wawanesa, I can indicate, as I indicated before, that three members of one family who all practice medicine in Wawanesa are leaving Wawanesa. We have already recruited. They have not left yet. I prefer not to discuss personal matters in the Legislature. I do not think it is appropriate, but Doctor Cram will be speaking with all individuals concerned.

Mr. Tweed: Does the Minister of Health really believe that the people of Wawanesa are going to be satisfied with the fact that they are losing three doctors, two of whom have served more than 30 years in that community, and being replaced by one doctor? The Minister of Health does not have a recruitment problem, he has a retention problem.

It says in the *Brandon Sun* dated today, in the last four years 33 of the 42 physicians to come into the region have left. I want to know why have they left. What is the minister doing in consulting with the RHA and protecting the people of these communities? Why is the minister ignoring it, putting his head in the sand and was quoted today by one of the speakers, it is time to remove the eye patch and buy yourself a hearing aid.

Mr. Chomiak: Mr. Speaker, I would like to table for the members opposite a copy of a chart

that members opposite could perhaps look at. If members can look at it, we will see that in 1996, the province lost 19 doctors; in 1995, they lost 19 doctors; in 1996, they lost 75 doctors; in 1997, they lost 3 doctors; in 1998, they lost 19 doctors. The first time since 1994 there was an increase in doctors was 1999, 21. Another increase of 21 in 2000. Another increase of 60 in 2001. Another increase of 40 in 2002. It is very noteworthy—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to once again ask the co-operation of all honourable members. Decorum in the House is very important. I ask the co-operation of all honourable members, please.

Mr. Chomiak: Mr. Speaker, our northern and rural health office, our IMG program, our additional bursaries to doctors, our program to admit more doctors into the medical faculty have all been working. We cannot overnight undo the damage that occurred in the nineties, and in addition, we have asked Doctor Cram, a local doctor to review the situation.

Rural Hospitals Closures

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, this minister keeps deflecting from the actual issues that are before him today. We have heard the Minister of Health say that it is not his policy to close rural hospitals. Yet Erickson hospital has already been closed and others are on the chopping block according to the RHAs. Why should we trust this Minister of Health when he is telling us one thing and the RHAs are saying and telling us something else?

Hon. Dave Chomiak (Minister of Health): As I indicated to the member last week and during the course of this week, the Erickson hospital closed in '98, '99, 2000 and 2001, and we fixed that situation, Mr. Speaker. I know, to the member opposite, '98 and '99 were periods when the member was the legislative assistant to the Minister of Health so she knows the situation, and we are continuing to work with Erickson hospital. We have commitments that I have provided today, and we are trying in the face of difficulties to keep doctors on call to continue

the practice in facilities all across the province of Manitoba. We have more doctors in rural Manitoba than we did before.

Mrs. Driedger: Mr. Speaker, the minister did not answer the question. He is saying that he will not close rural hospitals, yet he has not ruled out allowing the RHAs to close rural hospitals. Is the Minister of Health getting the RHAs to do his dirty business?

Mr. Chomiak: No, Mr. Speaker.

Mrs. Driedger: Mr. Speaker, today at the rally somebody said, and I quote: "all people should be afforded the same level of health care." There are doctors out there who want to work in some of these rural hospitals, but they are not being allowed to. There are hospitals that have been closed and others that are on the chopping block. The Doer government is once more showing its lack of commitment to rural Manitoba.

I would like to ask the Minister of Health (Mr. Chomiak) today if he will guarantee that he will keep rural hospitals open and that he will order the RHAs to do the same and to put it in writing to those RHAs.

Hon. Gary Doer (Premier): Mr. Speaker, there are more nurses in rural Manitoba today than when we came into office. There are more doctors in rural Manitoba than when we came into office. When we came into office, the commitment was made seven times to build the Brandon regional hospital. That promise was broken seven times when we came into office. For the first time ever in the history of this province an MRI machine will be put into the Brandon regional hospital to service all of southwest Manitoba. We need no lectures from members opposite about serving rural Manitoba in an equal way. We are more than better than they were.

Mr. Speaker: The honourable Member for River Heights.

Some Honourable Members: Oh, oh.

* (14:10)

Mr. Speaker: Order. If members wish to have a conversation, we have a loge that is free. I

welcome any members that wish to have a conversation to use it because it is very important that our guests are able to hear the questions and the answers, and we have the viewing public also to be aware of. I ask the co-operation once again from all honourable members.

Assiniboine Regional Health Authority Review

Hon. Jon Gerrard (River Heights): Mr. Speaker, there is a growing call for more responsible management in the Assiniboine Regional Health Authority, which is highlighted by a petition of 583 names which I table today and which petition expresses great dissatisfaction with recent events, and, in particular, the lack of effort to retain valuable doctors like Dr. Nicholas Abell in Wawanesa.

Why is it that the only policy the Government has on rural physicians is to dial 1-800-South Africa? Why is it that the minister has appointed somebody from inside the Assiniboine RHA to review things happening in the RHA? When will the minister appoint somebody who is really independent to make an inquiry under the RHA, and when will the minister table a plan for the future of the RHA?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, the last time the Member for River Heights stood up in this House and accused me of firing a doctor, we called the judicial inquiry that showed everything the member said was wrong, inaccurate. It is wrong for the member to take the position that he has been taking in regard to hiring and firing of particular physicians. There are more physicians in rural Manitoba than there were before. There are problems in retaining physicians on call.

Is the member attacking a lifetime physician in rural Manitoba who lives there, who works there, who has spent his life there, who is on the MMA, Mr. Speaker, saying that that person is not qualified to look at rural Manitoba? I suggest he is much more able to give a better impression of what is going on in rural Manitoba than someone sitting in River Heights making that observation.

Mr. Speaker: Before recognizing the honourable Member for River Heights, I would like to remind all honourable members when putting a question or giving an answer, please do it through the Chair.

Mr. Gerrard: Mr. Speaker, the Koshal report said that many of the issues I have raised were right on, then and now, when we are looking at the future of the hospital in Wawanesa and health care in the Assiniboine Regional Health Authority.

When will the minister table a plan for the future of the RHA? When will the minister provide a clear plan for the future of Wawanesa? Will the minister meet with the people from Wawanesa who are here and talk about the future and the needs for a fair future for Wawanesa?

Hon. Gary Doer (Premier): Mr. Speaker, would the member who was part of the federal Liberal Cabinet give us the plan that he had in place when he voted to cut \$240 million out of the health care budget of Manitoba, the equivalent of closing every rural and northern hospital in this province? We need no lectures from the member opposite about their commitment on health care.

We will continue to meet with the rural communities, Mr. Speaker. The minister met with some of the communities. We will continue to meet with all the communities. We have nine more doctors today in southwest Manitoba than we did when we came into office. Obviously, we have to continue to work to have doctors in those communities so patients could get those services.

The member should not feign interest in health care, given his voting record of the past.

Provincial Nominee Program Preferential Treatment

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the Premier. Yesterday, I made reference to the Provincial Nominee Program. We have benefited, as I said yesterday, tremendously as thousands of new Manitobans have created a new life here in our province, and

we need to do what we can at increasing the number of immigrants coming to our province. The Provincial Nominee Program has been an excellent program that has helped in facilitating more people coming. We have to protect the integrity of that program.

I have heard numerous concerns regarding issues related to the Provincial Nominee Program, more specifically one concern regarding a staffperson from a former minister, Ms. Becky Barrett. Has the Premier been made aware of any of these issues, and, if so, what has the Premier done to address them?

Hon. Gary Doer (Premier): Mr. Speaker, if the member has a specific allegation, he can place it in the appropriate way. We will follow it up in the way appropriate.

Manitoba Hydro Energy Saving Initiatives

Mr. Tom Nevakshonoff (Interlake): Mr. Speaker, it was a proud day for me when the previous Legislative Assembly equalized hydro rates for rural and northern Manitoba, thereby proving that New Democratic governments are not only good at building Hydro power dams but are truly fair to all Manitobans in terms of the distribution of power in our province.

Could the Minister of Energy, Science and Technology inform the House what measures Manitoba Hydro is taking to make it possible for Manitobans to further lower their energy bills?

Hon. Tim Sale (Minister of Energy, Science and Technology): Well, first, Mr. Speaker, we are proposing to build clean run of the river dams in northern Manitoba. We do not cancel dams. We build them.

The second thing, Mr. Speaker, is that we have been able over the last few years to save the equivalent of a new dam, a Wuskwatim-sized dam, 241 megawatts of power through our Power Smart program. I am delighted to tell the House that just today we announced we are reducing the interest rate on our Power Smart loans from 8.5 percent to 6.5 percent making it more affordable for more Manitobans.

I can tell the House, as well, Mr. Speaker, that over the last three years we have loaned out over \$34 million to Manitobans to help them save energy, to help us be able to keep our power rates low by exporting energy and selling it for more than it costs us to make it, thereby affording Manitobans the lowest rates on the continent, the lowest rates for business, residences and for all of those who enjoy our standard of living in this great province.

Mr. Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Pembina Valley Festival

Mr. Peter Dyck (Pembina): This past Saturday, my wife and I, along with the Honourable Lieutenant-Governor Peter Liba and his wife, Shirley, had the pleasure of attending the Pembina Valley honey, garlic and maple syrup festival at the Manitou fair grounds. This festival provides an opportunity for the community of Pembina Valley and the town of Manitou to champion, to draw attention to and to create a venue where people from across Manitoba and other parts of our great nation come together to celebrate, to eat, to be entertained by local artists, to share life experiences and in plain words, celebrate and have a good time.

On-site cuisine delicately flavoured with Manitoba grown garlic, honey and maple syrup was excellently prepared by the following food vendors: Manitou's Trappers at the Inn, Reds Cafe and Convenience, Mr. G's Drive Inn, Darlingford's The Hitching Post, Winnipeg's Gilroy's restaurant and the festival committee's Buffalo Burger Hut.

The food-filled day began with a pancake breakfast hosted by the Manitou Kinsmen, followed by the town-wide garage sale, a game of golf and more delicious Manitoba cuisine. The evening program consisted of a delicious buffet supper along with a wonderful play entitled *What Glorious Times They Had*, a Nellie McClung play.

I vividly recall the first honey, garlic and maple syrup banquet that was hosted at the

Manitou Legion where there was a variety of dishes served to many hungry people. The food was great and plentiful and I definitely ate my fair share. The local talent that exists in this province is phenomenal. Festivities such as these provide our local artists with opportunities to share their talents with the rest of us.

For some there was a shadow that hung over the festival as they continued to deal with the BSE crisis and are continuing to ask for a cash advance. On the other hand, though, Mr. Speaker, I would like to take the opportunity to thank the organizing committee and various vendors for all the hard work and dedication they put into this successful community-wide event.

* (14:20)

Terry Fox Run

Ms. Christine Melnick (Riel): Mr. Speaker, on September 14, the 20th Annual Terry Fox Run took place. I was proud to take part in this important event by launching the opening ceremonies in St. Vital Park in my constituency of Riel. This year's run was a tremendous success.

The Terry Fox Run is held annually across Canada to commemorate Terry Fox's Marathon of Hope and to raise money to help find a cure for the devastating effects of cancer. The 10-k run is held in other countries around the world and each year thousands of volunteers participate in the organization. The event is non-competitive and people from all walks of life, including families and children, come to run in the event. I was honoured to be a part of such an honourable tradition that is carried out nationally and even internationally, an event that has raised over \$200 million for cancer research.

Mr. Speaker, I would like to thank all the donors, the organizers and the many participants who worked hard to raise the funds and whose enthusiasm keep this event such a success year after year. We can hope that the money raised and all the hard work of the organizers and the participants will continue to support the fight against cancer and hopefully will some day alleviate the suffering and the pain of the people affected by this devastating disease, a disease

which not only took the life of Terry Fox, but sadly takes the lives of many people around the world. Thank you.

Rural Hospitals

Mr. Leonard Derkach (Russell): Mr. Speaker, I rise today on a member's statement with regard to the situation that came before the Legislature today.

Hundreds of Manitobans from a long distance away from this capital city, this capital of ours, today got in their vehicles and made their way to the city to express their concern and their resolve in making sure that their hospitals were open.

People from First Nations communities, people from Hutterite communities, people from our urban and rural communities out in rural Manitoba joined hands today to express to this Government the importance of keeping our rural facilities open. When I say our rural facilities open, I am talking about emergency and on-call services.

The minister and the Premier (Mr. Doer) cannot say that a facility is closed temporarily when the posts that hold the hospital signs have been yanked out and the community has been told that the facility will revert to a clinic facility, one that will be run on a pilot basis like a northern nursing station. That does not signal a temporary closing.

So today I simply want to acknowledge the people who organized the rally today, the people who took time from their busy schedules to drive a long distance, many of whom had to be up far before six o'clock in the morning, who drove here to give the legislators and especially the Minister of Health (Mr. Chomiak) and his Premier a very sincere and direct message. That was: Keep our rural hospitals open. Thank you.

Arthur V. Mauro Student Residence

Ms. Marilyn Brick (St. Norbert): Mr. Speaker, it is with great pleasure today that I bring attention to the product of one of our capital initiatives, the punctual opening of the new

Arthur V. Mauro student residence at the University of Manitoba.

I was fortunate to be able to attend the grand opening of this outstanding building on August 25. The University of Manitoba has reached a hugely significant milestone in terms of enrolment. Enrolment at the University of Manitoba is at the highest level ever in its 126-year history. The University of Manitoba is to be applauded for being proactive in ensuring accommodations are available to assist students in achieving their goals of attaining a post-secondary degree.

The design of this beautiful residence has been thoughtfully executed to present an attractive, comfortable living environment for mature, foreign, and interprovincial students. This new complex is able to accommodate 310 students in 155 apartment-style suites. The rooms allow the students to live in a private, self-sustaining environment. The students are provided with contemporary amenities such as free Internet connections, cable, a small kitchenette with a microwave and fridge and air conditioning. The students are especially appreciative of the fact that each suite contains a bathroom with a shower.

The opportunities this building provides for enhanced learning are enormous. In addition to private amenities each floor is equipped with a communal study room, lounge and kitchen to ensure that the communal living experience is not lost. In the future the residence will also contain an exercise studio on the main floor to encourage students in the pursuit of their physical well-being and health.

A major consideration in the building design was to ensure the needs of disabled individuals are met. The other residences like Taché were built in the early 1900s. Accessibility was not a consideration 100 years ago. The new residences have five specially designed suites that feature larger bedrooms with showers to facilitate and allow wheelchair access. The building also features signs that are in braille so people who have visual disabilities can find their way throughout. The alarms are visual as well as auditory to ensure the safety of all residents.

I am pleased to announce that this residence opened on time thanks to the hard work and dedication of the committee.

Provincial Nominee Program

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I just wanted to emphasize the program that I have raised over the last couple of days now and that is the Provincial Nominee Program. It is a program that was actually started back in 1998 between the federal government and the provincial government in which what we have seen is the popularity of that program has ultimately lead to an expansion. Today we are probably talking somewhere in the neighbourhood of up to 4500 to 5000 potential immigrants coming to the province.

It caters to that whole idea of family and friends reunification of sorts for very strong social benefits through that particular program. In addition to that, we get very strong economical benefits because of that particular program.

I, since the election, have had numerous people, whether it is through e-mail, whether it is through regular mail, I have had in-person discussions and I can honestly say there are individuals out there who are quite concerned about what has been happening within that program. I have raised the issue for two consecutive days. I do plan to pursue it, whether it is through the Estimates, concurrence, or through Question Period.

I am optimistic and hopeful the Government has also heard the types of concerns I have heard and that there is a government that is prepared to show that it is going to take some actions. We have to protect the integrity of that program because it plays such a critical role to the future.

I believe that program, no political party has an ownership of it. I believe all parties in this Chamber recognize the benefits of immigration to our great province and the future of this program is absolutely critical to the future of our province.

Mr. Speaker: Grievances. The honourable Member for Russell.

Mr. Leonard Derkach (Russell): Thank you very much, Mr. Speaker.

Mr. Speaker: Order. Are you rising on a grievance?

Mr. Derkach: No, I am not, Mr. Speaker.

Mr. Speaker: Okay. Grievances. None. Okay.

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Leonard Derkach (Russell): Mr. Speaker, I rise this afternoon to seek leave of the House to set aside the regular business of this Chamber and to deal with a matter that is of significant urgent public importance. I know that I did not meet the requirements to file this motion with you 90 minutes before the House sat, so therefore I humbly ask for leave of the House to deal with this matter and I will read the motion so that it is understood before unanimous consent is given or rejected.

Therefore, I move, seconded by the Member for Ste. Rose (Mr. Cummings),

THAT under Rule 36(1) the regular business of the House be set aside to deal with a matter of urgent public importance, being the urgent state of health care in rural Manitoba with the closure of a number of rural hospitals.

* (14:30)

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, on the point of order—

Mr. Speaker: Before recognizing the honourable member, I believe I should remind all members that under Rule 36(2), the mover of a motion on a matter of urgent public importance and one member from the other parties is allowed not more than five minutes to explain the urgency of debating the matter immediately.

As stated in *Beauchesne* Citation 390: urgency in this context means the urgency of immediate debate, not of the subject matter of the motion.

In their remarks, members should focus exclusively on whether or not there is an urgency of debate, and whether or not the ordinary opportunities for debate will enable the House to consider the matter early enough to ensure that the public interest will not suffer.

Mr. Mackintosh: Mr. Speaker, we recognize that the notice was not provided to your office; also, that there has been a great deal of time available in the Estimates of the Department of Health over the last four or five days to question and to receive answers on this issue, and, as well, of course, the Oral Questions.

But we think that there is some recognition that the record of this side of the House and the Government to improve health services in rural Manitoba is something that should be talked about in this Chamber to a greater extent and, as well, Mr. Speaker, our commitment to rural Manitobans generally.

We are prepared to give leave for this debate, and we would agree that we could go immediately to the 10-minute debate on the MUPI. I have had a discussion with other members. We would ask leave of the House for the Committee of Supply meeting in Room 254 and 255 to continue to sit concurrently with the House with no votes or quorums in those two places.

Mr. Speaker: Before continuing, I would like to give the opportunity to the honourable Member for Russell (Mr. Derkach) if he wishes to speak to the urgency of this debate.

Mr. Derkach: Mr. Speaker, I think the urgency is self-evident from the concern that communities have about their particular facilities. I think we see that to these communities, this is a crisis situation. There is a lot of stress on rural families today, not only because of the health care but because of BSE issues. Therefore, I am thankful that the Government has seen fit to give leave on this matter. We will certainly work with

the House Leader to ensure that the two other committees will continue to do their work while the debate goes on in the Chamber.

Mr. Speaker: There are two conditions to be satisfied for this matter to proceed. The first condition has not been met in that I did not get the proper notice from the honourable member of this motion. I would like to advise the honourable members that, according to our Rule 36(1) a member wishing to move that the ordinary business of the House be set aside to consider a matter of urgent public importance must provide the Speaker with 39 minutes notice prior to the sitting of the House. I have not received the required notice. *[interjection]*

Oh, I am sorry. I am glad I am going to be having corrective surgery in my eyes. It is really 90 minutes. I guess I stated something else.

In order for this matter to proceed, unanimous consent of the House is required in order to set aside the requirements of Rule 36(1).

The second condition is that debate on the matter is urgent and that there is no other reasonable opportunity to raise the matter. The Estimates for the Department of Health are now concluded, so it is not possible to raise this issue during those Estimates. However, members still have the opportunity of asking questions during Question Period and can also ask questions during consideration of the concurrence motion.

Despite these procedural shortcomings, there appears to be a desire to debate this matter. Given that this is a serious issue and given that the notice requirement must be waived in order for the matter to proceed, I will now ask the House: Is there unanimous consent for this matter to proceed today? *[Agreed]*

Mr. Speaker: Is there leave or agreement of the House for the two sides to be meeting in Committee of Supply in the two committee rooms? *Agreed? [Agreed]*

Was the honourable Member for Portage la Prairie (Mr. Faurichou) on the—*[interjection]* I was putting a motion. The meetings in the two committee with no quorum.

So that is the Committee of Supply in the two committee rooms, no quorum counts, and no votes. Agreed? *[Agreed]*

Point of Order

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

Mr. Mackintosh: Yes, Mr. Speaker. I just have two items of House business. I am wondering if we can dispose of that before entering into the MUPI debate.

Mr. Speaker: Is there leave? Leave has been granted.

House Business

Mr. Mackintosh: By leave, seconded by the Minister of Agriculture and Food (Ms. Wowchuk), that the business of the House after Routine Proceedings for Wednesday, September 17, 2003, shall be the consideration and completion of Interim Supply in the Chamber, with consideration of departmental Estimates to take place concurrently in committee rooms 255 and 254, the sections meeting in committee rooms 255 and 254 to operate under Friday rules regarding quorum and votes.

Despite the sessional order agreed to on September 8, the House will rise on October 1. The only business for October 1 shall consist of Routine Proceedings and the consideration of condolence motions.

Motion agreed to.

Mr. Mackintosh: I wish to see if there is an agreement to change the Estimates sequence such that in the Chamber section, the Estimates for the Department of Labour and Immigration are now to follow the Estimates for Culture, Heritage and Tourism. In 254, a new sequence of Estimates is to be established to consist of the following order: Education and Youth, Advanced Education, Seniors Directorate, Status of Women, Conservation, Family Services, Legislative Assembly, Capital Investment, and in Room 255, the Estimates of Aboriginal and Northern Affairs to now follow the Estimates of the Department of Finance. These changes are to apply permanently.

Mr. Speaker: Is there agreement to change the Estimates sequence such that in the Chamber section the Estimates for the Department of Labour and Immigration are to now follow the Estimates for Culture, Heritage and Tourism?

In Room 254, a new sequence of Estimates is to be established to consist of the following order: Education and Youth, Advanced Education, Seniors Directorate, Status of Women, Conservation, Family Services, Legislative Assembly, Capital Investment.

In Room 255, the Estimates of Aboriginal and Northern Affairs are to now follow the Estimates of the Department of Finance. These changes are to apply permanently.

Is there agreement? *[Agreed]*

* * *

Mr. Speaker: It has been moved by the honourable Member for Russell (Mr. Derkach), seconded by the honourable Member for Ste. Rose (Mr. Cummings), under Rule 36(1), that the regular business of the House be set aside to deal with a matter of urgent public importance, being the urgent state of health care in rural Manitoba with the closure of a number of rural hospitals.

*(14:40)

Mr. Derkach: Mr. Speaker, today, we witnessed a situation that none of us is really happy about, but it is a demonstration of how committed communities are to ensuring that the services that their residents need remain in place.

Over the course of the last few months, we have seen a movement towards the closure of some of our hospital facilities in rural Manitoba. But during the election campaign, I was somewhat relieved that the now-Premier (Mr. Doer) of our province moved through the rural communities and stated emphatically that his Government, if they were elected, would not close rural hospitals. That was the same position, Mr. Speaker, that we held as a party as well, so it gave me some assurance that even if we were not successful in winning the campaign, that, indeed, the Government had made a

commitment to the rural residents of Manitoba that those very important facilities would remain.

The reality, Mr. Speaker, is that if you were to close any of these facilities or all of them, if you were to close Wawanesa, Rivers, Rossburn, Birtle, Erickson, Emerson, what you would save in dollars, in real dollars, would mean nothing compared to the magnitude of the Health budget of this province. So, all of a sudden, we are going to put a hardship on people who choose to live in rural communities, a hardship that goes right to the heart of that family and that individual.

Many of the people who live in our rural communities, our elderly, are on fixed incomes, and the proposal to close the Erickson hospital, as an example, would mean that insured services—emergency services are insured as are on-call services—those services would then be replaced by a service that has to be paid for by the client, Mr. Speaker. All of a sudden, those people who are now on fixed incomes have to dig into their pockets to pay the cost of an ambulance from the Erickson hospital either to Minnedosa, to Shoal Lake or to Brandon. Those are significant costs and I want to demonstrate to the Chamber today what happens.

Mr. Speaker, a patient comes into the Erickson hospital and has to be transferred to a facility because there are no acute-care emergency or on-call services in Erickson. That person is loaded into an emergency services vehicle, an ambulance, and is taken to either Minnedosa or Brandon. Once that initial procedure is done to that patient and that patient is ready to convalesce, that patient is then loaded back into an ambulance and is taken back to the Erickson hospital to recuperate. If a complication arises, that patient is once again loaded into an ambulance and is taken back to either Minnedosa or to Brandon and then once again is transported back by ambulance to Erickson.

I ask whether it is reasonable for any Manitoban or any person in government or any person in authority to expect that that single individual has to pay for every one of those trips that are taken on his behalf by an ambulance.

So, Mr. Speaker, I say to the Government that, in fact, if medicine is moving this way in rural Manitoba, we had better have a serious discussion with the people in those communities as to what they should expect for health care for them and their families in the future. In my view, that kind of approach is unacceptable. It is not acceptable to close the facility. It is not acceptable to have people without those essential services. Those services have to remain. Yes, I think all of us understand that they cannot be at the level that services are in Winnipeg or in Brandon or in the large centres, but those very essential and fundamental services of emergency care and on-call service when an emergency arises have to be protected and have to be maintained in our communities.

I know that the rural population is declining. I know our rural population is getting smaller. If you look at the Erickson situation, and I use Erickson again as the example because it is an anomaly to rural communities.

This is a growing region, Mr. Speaker. If you look at the Clear Lake area, the Onanole area, the Crawford Park area, the Lake Audy area, those are growing communities. There are more than 45 000 people in that area during the summer months. In addition to that, the First Nations communities of Rolling River and Keeseekoowenin are growing communities. These are communities whose populations are young and whose populations are growing.

Mr. Speaker, we go back to what Health Canada has to say about Aboriginal health. Although in Manitoba, they make up 10 percent to 12 percent of our population, the demands that they have because of their health issues on the health care system are beyond that, at about 25 percent of the health care budget. That is a reality. Is it good? No, it is not good. It is a reality and a challenge that these people face.

This morning we heard on the steps of the Legislature about the problems that First Nations people have in dealing with such things as diabetes and dialysis that are required. You know, when these people, when their members happen to go into shock, that facility has to be near to them. It cannot be an hour away from their community because people will not live.

Many people will die before they get to those facilities.

For that reason, Mr. Speaker, we think this is a matter that needs some debate in this Legislature. I am happy to hear the words of the Minister of Health and the First Minister with regard to a commitment to keep those facilities open. That message has to go loud and clear to the regional health authorities. I think the regional health authority is acting as an agent of the Government. It is. The members of the regional health authority are appointed by government, as they were in our term of office.

Mr. Speaker, therefore, they are acting on behalf of the Minister of Health, carrying out the health policies of the Government. Something has gone awry here. The regional health authority, the CEO Penny Sorensen has been quoted in the papers saying that there are about 20 facilities too many in that region. The people in those communities do not think that those are surplus facilities. When I go into any one of those facilities, whether it is Birtle, whether it is Rosburn, whether it is Erickson, any one of those, whether it is Hamiota, the waiting rooms are full of people. The doctors are busy, the nurses are busy, the hospital beds are being used to meet the needs of people in those areas.

Mr. Speaker, we all try to be efficient and try to find efficiencies in the system. All of us have different approaches to that. That is a reality. We have to do that. We should make a concerted effort and a commitment to all Manitobans that we will provide the best possible care we can to every citizen in this province. Every citizen in this province will have as much access to health care as any other citizen anywhere else in this province.

Mr. Speaker, we have talked a lot in this Chamber about the cost of transportation of patients to hospitals. This has been an issue for me for many, many years. Those costs are escalating to the point where people on fixed incomes cannot afford them.

* (14:50)

In northern Manitoba, the Government saw fit to take that \$50 charge for a patient getting on

an ambulance to come to Winnipeg, they took that off. They said that is not fair for northern Manitobans to pay. The Government took that fee away. Yet, in the rest of rural Manitoba, a patient getting into an ambulance on the west side of the province has to pay the full charge of transportation from that side of the province to a facility either in Brandon or in Winnipeg.

Mr. Speaker, that is an issue we have to address. There are ways around that. If, in fact, people have to pay for those services, then I say we better start looking at different ways of transporting people, like the stretcher service that we have talked about and debated in this Chamber. Therefore, if the Government wants an example, if they want a probable solution to reduce some of the costs to individuals, then I say keep the hospitals open and implement a stretcher service that can transport patients that are not critically ill in a far cheaper way than they do today.

I see my light is flashing. That means I am coming to the end of my comments.

I only ask that members in this Chamber join me in supporting our rural communities and making sure the facilities remain open.

Introduction of Guests

Mr. Speaker: Prior to recognizing the honorable First Minister, I would like to draw the attention of all honourable members to the loge to my left, where we have with us Ken Krawetz, Member of the Legislative Assembly for Canora-Pelly constituency in the province of Saskatchewan. On behalf of all honourable members, I welcome you here today.

* * *

Hon. Gary Doer (Premier): Mr. Speaker, first of all, it is certainly important that we talk and listen today about the concerns of the various facilities that are represented here at their Legislature and here before this Assembly.

Let me start with the macro situation. In terms of rural health care services, and I mentioned this in Question Period, we have increased the number of doctors in rural

Manitoba, including southwest Manitoba. We have increased the number of nurses. We have increased the enrolment in medical schools and in the University of Manitoba from a cutback that took place in the early nineties that has resulted in a lack of graduates. *[interjection]*

Perhaps each of us could speak without interruption and not be so rude in our debate on such an important item. Perhaps the rudeness could end and we could have an intelligent debate.

Mr. Speaker: Order. I am sure all members who wish to have their input will have the opportunity. The honourable First Minister has the floor.

Mr. Doer: Mr. Speaker, the enrolment that was decreased in the early nineties has been increased. We are increasing again in 2004 to try to stem the flow of doctor training and have more doctors recruited and retained in Manitoba.

There are challenges. There is no question there are challenges. When members opposite cite the example of 33 doctors that have left southwestern Manitoba, that is true. That is why the Minister of Health (Mr. Chomiak) has asked Doctor Cram to look at the issues of the relationship between salaries, working conditions, including on-call conditions, on the ability to keep doctors. When we saw the other day from Rivers, Manitoba, a doctor saying it is the on-call conditions that really concern him or her, why they could stay in a community, then I think we have a responsibility not to just use political rhetoric but to also look at ways to solve this problem.

We also knew in the past that many young doctors and new doctors were concerned to go to rural Manitoba because they were concerned about being out of the technological loop. One of the solutions to that has been to use more telemedicine. We have more telemedicine sites now in Manitoba on a per capita basis than any other province in Canada.

Also, we have to recognize that it is funding for health care that ultimately will be able to keep our hospitals open, because 80 percent of

the costs are nurses and doctors, and the other 20 percent are for heat, light and drug costs. When members opposite promised in the last election campaign to have 1% funding for health care for the regional health budgets and we, in turn, have put 7.5 percent in the southwest region into funding this year, they have a moral responsibility to tell us where they are going to cut 6.5 percent; what hospitals they are going to close; what nurses they are going to fire; what doctors are not going to be hired. They cannot have it both ways. They cannot have it both ways, because the public is too smart. The public is too smart.

I have had the opportunity to meet with the residents of Erickson just last May. I had the opportunity to meet with residents of Rivers at the end of May last year and I have met with people in Erickson before, because we were involved in the capital plan for the Erickson hospital back in the mid-eighties. I was on the committee with the former Minister of Health. I think the former member for Minnedosa opened that hospital in '88, in probably June of '88, if I remember correctly, because we had authorized the money to build that hospital before then when we were in office in Cabinet.

The member is right. Erickson's area is growing. It is even growing further when you look at the tourism numbers, the quarter million numbers of people that visit that spectacular federal park that is just adjacent to those communities. We recognize that is a very, very important medical need that must be met with the recruitment and retention of doctors.

I have also had the opportunity to meet with people in Rivers. They were quite worried about the shortage of doctors and the situation dealing with the new economic and capital investment in the Brandon regional hospital, an economic investment, I might add, that will have a lot more out surgery and day surgery and will have an MRI machine, a few miles away from Rivers in terms of people that will not have to go to Winnipeg but will have that service in southwest Manitoba. I did commit that acute care facilities would remain in Rivers. The Minister of Health knows that before I went to that community I sought his advice before the questions were posed to me.

The specific situation of Wawanesa, they have had a turnover of doctors. There is one already for the community to deal with the shortage. I know the Minister of Health, who now has nine doctors more in this region than when he came into office, will continue to work with the community, with the medical experts to try to fill that gap.

When the Minister of Health says to all of us that we are going to have to deal with this issue of on-call and our ability to recruit and retain doctors, I will defer to the opinions of Doctor Cram on the best advice he can provide to the Legislature.

Mr. Speaker, let the people of the communities know that our budget today is 7.5 percent for southwest region. We came into office, it was 2.5 percent. The doctors that were in a decline are starting to increase, but not always in the places where we need them and the nurses we are training and will continue to train are in higher numbers. The equipment is more. The surgeries we are performing outside of Winnipeg.

Even making common sense decisions, the members opposite were involved in making a decision to have a separate med technologist and a lab technologist. We listened to rural Manitoba people and they said: Combine those positions like you did before because it is easier for us to recruit and retain one person than try to retain two half-people. We are taking that advice now in our training programs to make sure we can deal with some of the challenges in rural Manitoba.

Mr. Speaker, we are not saying that rhetoric will solve the problem. Funding will solve it. Training will solve it. Recruitment strategies will solve it. Listening to the people in the communities will be part of the solution, but also listening to the professionals that we have to recruit and retain will be part of the solution.

I would ask members opposite to join us with this study that Doctor Cram is going to perform because he will be giving us some advice from the straight lines, direct lines of doctors. As a medical practitioner in Souris, Manitoba, I think we can all in this Legislature

learn from the recommendations he will make. In the interim we will continue to work on recruiting and retaining professionals for those communities.

We know people in the communities are legitimately concerned. The hospitals and the programs hospitals produce to patients are the most important services the provincial government provides. We know how important it is for people. I particularly know how important it is for elderly people in those communities and their ability to retire in those communities with comfort and security, and also the ability to attract businesses to communities knowing there is an infrastructure there.

I am pleased to put my words on the record here today and I want to thank the members that visited, traveled long distances to come to this Legislature. I want to thank them for their efforts to be here today, and I want to respect their right to stand up for their communities. Thank you very, very much.

*(15:00)

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, indeed, this is a very serious issue. I think the fact that the House agreed to ensure that all members had a chance to speak on this issue shows how serious this issue is to Manitoba.

We saw a number of Manitobans in front of the Legislature today who are concerned for the obvious reasons, that they have no confidence in this Government to ensure that they have a rural hospital or a hospital in their community that will be there when the community needs that hospital. I think what we saw and heard on the steps of the Legislature were communities that were asking for this Government to listen to them, to listen to their concerns, because after all they are the people who know best as to what is going to happen in their community.

I am somewhat concerned when the Minister of Health (Mr. Chomiak) goes out to address that group. Yes, I applaud the minister for taking the time to address them, but what did he say to them? What was his message? I think what we heard time and time again from our Minister of

Health is that, frankly, he does not have a clue. He does not have a clue what to do.

The First Minister says, well, we should not have any rhetoric in this debate. That is all we heard from the Health Minister. There was no plan, no sense of decisiveness, no sense of commitment to those people who got up early this morning simply to come in and say: We know we have a problem and we know that this Government, the Doer government, said time and time again: We have no intention of closing any rural hospitals. What happens? Wham, the Erickson hospital is closed.

Mr. Speaker, we hear from one side of the regional health authority they have a set of rules. They talk to the communities about their mandate and their set of rules. Then, and not surprising, not surprising coming from the Doer government, the minister comes in with yet another message. So there is another set of so-called rules.

The communities are simply saying to this minister, who has the ultimate authority and the constitutional right to deliver health care to all Manitobans, all they are saying to the minister is: Please, Minister, do the right thing. Tell the regional health authorities that we must ensure that our regional hospitals remain open in our communities. It is not so much for the health of the community in terms of the hospital, it is the importance, the signal it sends to the health of those communities as a whole. What are they to believe if they need to count on a hospital.

I find it fascinating that once again we look out on the front steps of the Legislature, and what do we have? Hardworking men and women from rural Manitoba, First Nations people, that are forced to get up at the crack of dawn and get on a bus to come into Winnipeg to stand in front of the Legislature so they can try to get the attention, the ear of the government of the day.

I say, shame on the Government for not going out to their communities and listening to them in their communities. Why is it, when there are issues in rural Manitoba that they always have to get up at the crack of dawn and get on a bus and come into Winnipeg so they can get the ear of the Doer government? We saw that with

the BSE issue. We see it now with respect to rural hospitals in communities and First Nations. They have to come in to Winnipeg to get the ear of the Doer government.

That is not what government should be about. Government should be about going out into the communities where the problems are and listening to those people. Why? Very simply, because the people in those communities are the ones that know best. They know the challenges they face.

We heard the First Minister say there are challenges in retention of doctors in rural hospitals. We understand that. What is the answer then? Is it to turn your back on those communities, shrug your shoulders and say: Well, we are doing the best we can?

Can you imagine if those people in rural Manitoba that fight to keep rural Manitoba strong, if they took that kind of a weak-kneed, spineless approach every time they got up in the morning, what kind of a province would we have?

What kind of a province would we have if those people in the morning, when they got out of bed, did not say, yes, there is a challenge. Yes, there is a challenge and a mountain to climb, but we are going to climb it. We are going to get to the top of that mountain. That is not a challenge that we are going to turn our back on. It is a challenge that we are going to solve, but we do not hear that from this Doer government. We hear blaming.

We hear blaming the previous government. We heard today in this Chamber, of all things, the First Minister standing up and blaming the Leader of the Liberal Party because something that happened when the previous Tory administration was in. We did not hear the then-Leader of the Opposition at that time. We never ever once heard him stand up and say, yes, it is tough for the former government to make decisions because of the cuts. They blamed and they blamed and they blamed.

The people at the steps of the Legislature were simply asking for a commitment and a solution to a problem that this Government does

not have, apparently, a clue on. If it comes to blame, they are the experts. They are the experts right across there when it comes to blame. But, when it comes to solutions, we hear nothing.

We hear from this Government lots of press releases, lots of comments on the steps of the Legislature from the Minister of Health, lots of comments from this First Minister. At some point, that government across the way is going to understand that you cannot govern on words alone. People are going to be looking for some form of action, some kind of a plan. I hear chirping from the other side, what should we do? I will tell you what to do. Do not close the rural hospital. That is what you should do. Do not do it. That is what you should do.

I hope that they will listen to the rest of my comments. We all know that this is a very serious issue.

Mr. Speaker: Order.

Mr. Murray: I was waiting, Mr. Speaker, because I thought by chance and with my fingers crossed that that might have been something that was, as the First Minister said, maybe an intelligent comment coming from that side. I am sorry that it was not.

We find today a situation where rural Manitobans once again, as we have seen with this entire BSE debate, we have seen a government that has completely dropped the ball. Now we find a situation in rural Manitoba with respect to the rural hospitals, we see exactly the same situation. What does it boil down to? Very simple, it is a very simple problem. Rural Manitobans under the Doer government up until the last election were treated like second-class citizens. After the election of this Government, they continue to be treated like second-class citizens. I say, shame on that Government.

People of rural Manitoba need a better deal from this Government. This Government should do better for the people of Manitoba. This Government should do better for the people that are out in rural Manitoba, the people that came here today.

I believe, and we said it out there, that we will stand shoulder to shoulder with those people that came, that large crowd that came and stood at the steps of the Legislature from all parts of rural Manitoba. We will stand shoulder to shoulder with those people and ensure that not one rural hospital is closed. We will ensure that those people get the same kind of treatment as the people in Winnipeg and Brandon get. If this debate is not about equality of health care, access to equality of health care for all Manitobans, then I think they have missed the point once again. Clearly, we are here talking about access, equal access to health care throughout Manitoba for all Manitobans.

I would just like to remind the government of the day that when they stand up and say they are not perfect, you do not have to tell us. You do not have to tell the people who were out in front of the steps of the Legislature. But they are looking for an answer, a commitment, a commitment from this Doer government that there will be no closure of rural hospitals. On behalf of all of those people who were out there, I would like to be able to say to the Doer government, it is the least they can do.

So we stand and support those people, Mr. Speaker, because it is the right thing to do, and we would ask the Government to do the right thing and ensure that not one rural hospital is closed. Thank you very much.

*(15:10)

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as I said, on the steps of the Legislature today—and it is interesting that the Leader of the Opposition (Mr. Murray) should say that this is not a question of rhetoric. I do not think I heard anything but rhetoric and rhetorical flourishes during the entire course of the member's statement. Not a single policy issue was discussed. All I heard was rhetoric and the question of blame. No rural hospital has been closed, but there are all kinds of discussions.

Mr. Conrad Santos, Deputy Speaker, in the Chair

When the plan came forward in 1999, put in place by members opposite, to close five of eleven hospitals, put in place by members opposite, we rejected it, Mr. Deputy Speaker. We said we were not going to do what the Member for Emerson (Mr. Penner) wanted and what his Cabinet wanted. We rejected it.

We said we are going to try to keep rural hospitals open, and we have over the past four years, Mr. Deputy Speaker. We put in place resources that had not been put in place over the past decade. Where was the Member for Russell (Mr. Derkach) when 15 physicians were reduced in the class of physicians in Manitoba in 1993 and 15 in '94 and 15 in '95 and 15 in '96 and 15 in '97 and 15 in '98 and 15 in '99? Where were the members opposite when they cut those classes? Those doctors, 120, would be practising today. We came in and we put in 15 new positions for doctors. We put in a program that gives bursaries. Over 200 students have taken advantage of bursaries to practise in rural Manitoba. Where were members over 11 years when they cut and slashed and moved doctors out of this province?

Mr. Deputy Speaker, the facts speak for themselves. Members opposite talk about doctors. More doctors are practising in Manitoba today than in 1994. You know, members opposite, when they closed Gladstone emergency, ER never asked for a rally here at the Legislature at that time. They said it was a temporary closure, and it is still "temporary closure" until this day affecting a large region and a large area.

We are trying to remedy that, as we have in Erickson. When in 1999 Erickson closed temporarily, it reopened. In 2001 when it closed temporarily, we reopened it. Now we are trying to do the same, Mr. Deputy Speaker, but for members opposite to talk about a grand scheme is totally inaccurate and inappropriate.

What have we done in rural Manitoba? For the first time in history, to members opposite, we have taken surgeries and moved them back to rural Manitoba, something that did not happen over 11 years. Steinbach, Ste. Anne, Thompson have additional surgeries, Mr. Deputy Speaker. They never had them before.

Mr. Deputy Speaker, we have put actions in place. Yes, it is a challenge. Yes, it is a problem. Yes, we work on it. We did not close hospitals. We do not intend to close hospitals. It is a challenge to keep doctors on.

Let me quote from what a doctor said in Rivers, Manitoba, a doctor who is leaving: The sleep deprivation and time commitment required has stressed out the doctor and his family so much that if I do not do something right now, I might lose them. He has even taken a pay cut to move, but it is worth it because you do not have to do any on-call work.

Mr. Deputy Speaker, the one and two on call has been a problem, and we have tried to address it. We have some of the highest rates for on call in the country. Yes, we can get doctors in to do on call, but, no, they will not stay over a long period of time because they are burning out. One of the solutions is a larger on call, a larger breadth of services to deal with physicians.

If the issue is retention, if members are truly interested in retention, then we have to take measures to retain doctors. The members opposite—we appoint a local doctor. We appoint a Manitoba doctor to give us more recommendations—

Mr. Mervin Tweed (Turtle Mountain): Sham.

Mr. Chomiak: —and members opposite, the Member for Turtle Mountain calls it a sham. That is part of the problem of taking an issue that affects all of us and all Manitobans and turning it into a political football, not allowing for proper and adequate solutions.

We cannot put in place the solutions if we do not have the co-operation and commitment, which we have tried to do. But, no, the Member for Russell (Mr. Derkach) says that Erickson is going to be like a northern medical unit. First of all, I do not think any members opposite have ever traveled to a northern medical unit. I am not sure if they know what services go on in a northern medical unit. That is not what Erickson is all about. Erickson's ER is closed now. The hospital is open. There are people in beds right now in Erickson. We are trying to recruit another doctor.

Now members opposite say, from one region: make our doctor a priority, another area: make our doctor a priority. I cannot promise all of them that their particular doctor will be the No. 1 priority. I have said we are going to prioritize. I have said we are going to hire, and we have; 47 new doctors have come in. Yes, 33 have left over the past four or five years. Part of it has been that issue of on call. That is why we have asked Doctor Cram, a long-time doctor who has worked and lived all of his life in rural Manitoba, to give us some remedies, some solutions and some immediate things we can do to help to improve the situation.

Members opposite have a tendency to be over the top rhetorically. Everything they say is over-the-top rhetoric. It does not matter what happens. Now, it is the claim that we are abandoning rural Manitoba, notwithstanding, I might add, the first MRI in the history of Manitoba outside of a hospital. Three new CT scans in rural Manitoba. Repatriated surgery to rural Manitoba. More doctors in rural Manitoba. Nurse training programs in rural Manitoba that members opposite over 11 years only dreamed about. In fact, members opposite over 11 years cut those programs.

When we brought back the diploma nursing program, there was a rally on the steps of the Legislature. Members opposite were opposing us in bringing back the diploma nurses program. Now that we are training more nurses where are those naysayers now. That is the problem. We bring back programs. We try to improve the situation and members go over the top. It is always over the top.

We have said Erickson has been a problem. We are trying to recruit in Erickson. We will try to recruit in Erickson. We managed to do it in 2001. There are other communities that members have not even mentioned where the ERs have been in danger of closing. We have worked long hours to keep those ERs open and we have managed to do it. We are going to continue to do it, but I have to admit it is a challenge. It is difficult. Even though we have more doctors in rural Manitoba, it is difficult to keep them on call. It is a challenge that we are going to face. Hopefully, Doctor Cram will have some suggestions for us.

The commitment to rural Manitoba is so clear. I just want to contrast it. In 1999 when we came to office, members opposite had a report that said: close hospitals. We rejected that report. I remember the very member standing up and saying: you are going to close rural hospitals. We had the same debate four years ago, the very same debate with some of the very same members that I am looking across at right now. They accused us of closing hospitals. I said, this is your report. This is your report. We reject it. We fought against that tendency for four years and we are going to fight against that tendency for the next four years. We want to keep all of our rural facilities open. Our rural facilities will stay open.

I have to acknowledge there are challenges, there are difficulties and there are problems. I cannot guarantee 100 percent any more than members opposite can guarantee 100 percent, even though their actions and words now are totally different than the way they acted for 11 lean years. If we had those doctors they cut, if we had those nurses they cut, if we had those lab techs they cut, if we had those radiologists, radiation therapists they cut, we would be in a much better position.

Let us talk about what has happened in rural Manitoba. I was there at the Beausejour hospital opening. We are doing Swan River. We have expanded Steinbach. We opened Boundary Trails. We have expanded a clinic in Boissevain. The list goes on and on.

Let us take a rural area like Steinbach, the ones members opposite ignore. We put more surgeries into Steinbach. There is more development going on there. How can members opposite with any sense of intellectual integrity suggest there have not been initiatives in rural Manitoba? What about the nurse training programs that are in rural Manitoba that were not in place? What about the bursary program that is in rural Manitoba? What about the IMG program? For 11 years, doctors who were trained outside of Manitoba were driving cabs and working and not having jobs as doctors. We put in place the first program of its kind to recognize IMGs. When the doctors go to rural Manitoba—members opposite are saying, oh, thank you. They are saying thank you in their own communities. They do

not come back here and say thank you. I do not expect that.

* (15:20)

There are 10 students in training to come out January 1st that were international medical graduates that can go into rural Manitoba. There are doctors we are recruiting right now to go into rural Manitoba. I know there are problems—*[interjection]* Well, Mr. Deputy Speaker, the member opposite—again, it is over-the-top rhetoric, over-the-top reflection. Every time we go out to rural Manitoba and open a facility, members opposite stand up and say: This is great, this is what is going on in this Government, and then come back here and give over-the-top rhetoric about, whoa, a happening in rural Manitoba.

Yes, there is a challenge. Yes, we are going to meet it. Look at our record over the past four years. If you will look at the record for the past four years, it has been more doctors, it has been more nurses, it has been more services offered right around the range of rural Manitoba, and there is more to come.

We have already said that our efforts to expand surgeries in rural Manitoba are—we are going to be doing more of those services in other regions of Manitoba to get more surgeries back so Manitobans do not have to travel further, that they can do it in their own community. That is what is happening with the CAT scans in rural Manitoba. That is keeping people in their own communities.

One of the issues is to keep and maintain doctors in rural communities. One of the ways you do it is with diagnostic and with equipment.

We have committed millions of dollars. There is more commitment to come with respect to rural Manitoba to keep individuals, to keep doctors, to keep professionals in those facilities and to keep up their skills.

I do not know if there were any Telehealth sites when they were in office, but there are now 23 sites. I see my time is gone. I hope members opposite will look at the facts and will deal with the facts accordingly. Thank you.

Mr. Jack Penner (Emerson): Mr. Deputy Speaker, I am always intrigued by the Minister of Health, how he portrays himself and his Government.

I found it rather intriguing that he sort of turned the rhetoric to talk about the report that we commissioned on health care and then he said we rejected it. We did reject it, Mr. Health Minister. We did reject that report that stated a number of things, and the minister knows that full well. I am somewhat surprised that he is trying to portray that issue to the general public that appeared here today as something other. That is typical of this minister.

The minister fails to say that the previous government probably built better than a half a dozen new health care facilities in this province, including Boundary Trails, including Altona, including Vita, including Erickson, and the minister is right, they did start Erickson. We give them credit for that. But did we cancel that contract when we came into government as the minister did in Emerson?

Emerson was slated for a brand-new hospital in 1999. When did the election occur and who took over government and who cancelled the Emerson Hospital? The town of Emerson spent a hundred thousand dollars buying property to put a brand-new facility on. What happened to that hundred thousand? Well, that debt was incurred by the people of the town of Emerson, and no mention made of that in the minister's remarks. They closed that. Not only did they not build the new hospital that was scheduled, was in the budget that they took over. It was in the budget. He cancelled, this Minister of Health, that portion of the budget, \$4 million worth of cancellation in the budget of health care to southern Manitoba.

That is what has happened to health care in rural Manitoba time and time and time again.

I want to say this to the minister: Mr. Minister, you are forcing the transportation of acute care patients, such as heart attack victims, miles.

I give you one example: Mr. Ray Culleton *[phonetic]*, who lives in Wampum, extreme southeast Manitoba, he called the Vita hospital, a

brand-new facility built by the Tories. He called that hospital, or his wife called, and he was told this: I am sorry, we cannot send an ambulance because we do not have staff to send with the ambulance to take care of a heart attack victim. It was fortunate that Mr. Culleton's *[phonetic]* wife works in Roseau, Minnesota, at the doctor's office. She called that doctor and said: Doctor, my husband is having a heart attack. Can I bring him into Roseau?

The doctor said: Immediately. This is American medicine. The doctor said: Immediately.

The doctor examined him and said: You have to get immediate surgery, sir. In order to save your life you need immediate surgery.

That doctor called Vita hospital: Can you send the ambulance out of Vita? And was told again: Sorry, we do not have staff to put in the ambulance. There is not enough staff here.

The Roseau doctor said: Mr. Culleton, *[phonetic]* I am going to send you by American ambulance to Winnipeg.

They sent him to Winnipeg and within a couple of hours he was on the surgery table and they saved his life. You know what the cost was to Mr. Culleton *[phonetic]*? \$3,028 U.S. Now do we have free medicare in this province or do we not? Do you think, Mr. Minister, that you might want to say to Mr. Culleton *[phonetic]*: We will only charge you the difference. We will only charge you the American rate and the health care system will pick up the balance.

Well, we tried that, Mr. Minister, and do you know what your response was? Your response was, through your health care agency in south-east Manitoba: You are on your own, sir. You pay the bill.

Now is that tough talk or is that tough talk? But that is the truth. You can call Mr. Culleton *[phonetic]*. I will give you the phone number if you want, sir. He lives at Wampum.

The interesting thing is the reason we looked at Emerson for a new facility was this: Emerson is right on a four-lane highway close to one of

the largest customs ports in western Canada. More than a thousand trucks a day cross that border and numerous thousands of cars. The traffic is immense. This minister saw fit to see to it that if and when difficulties occurred on that transportation route there would be no first responders. He pulled the services and he pulled the acute care service out of a hospital that if and when an accident does occur, they have to be put in an ambulance and taken either to Winnipeg or to Altona or Boundary health care services.

Now, is that what the minister calls the kind of services—these are the kinds of things that the people from Erickson and from Minnedosa and from the rest of the province and Riverton were here today to say to the minister, they said: Look, Mr. Minister, we need to keep our health care services in our communities.

That is all they asked for. Let us keep them. They did not ask you to build a new one. Mr. Minister; they pleaded with you and they begged with you, but you are not listening.

All the Member for Dauphin (Mr. Struthers) does is natter in the back seat.

I think it is time that we paid some attention. I know the Premier (Mr. Doer) got up and indicated that the people of rural Manitoba were too smart. Well, I think they are too smart. I think they are too smart to listen or try and give reason to the rhetoric, the false rhetoric, Mr. Deputy Speaker, that the Premier, again, put on record.

I think it is time that this minister, that this Premier and the minister become absolutely honest with the people of Manitoba. If you are going to close the facilities then tell them you are going to close them. Do not tell them you have to change the services. Tell them you are going to close them as you did in Emerson.

* (15:30)

The two gentlemen from Emerson that were here today put it very clearly to the group that met in our caucus. They said: Do not let your community suffer the fate that Emerson suffered. He congratulated the group from Erickson, Riverton and Rivers that were here today, and

from Minnedosa. I think he said this to them. He said: Do not let the minister close your facility. Take action before they do it. I think that was a strong message from a community that has lost its services, where heart attack victims are now put in the backs of ambulances instead of into an acute care facility that can treat them.

The First Nation Anishinobe at Roseau, Manitoba, just eight miles from Emerson, have to be put in ambulances now and transported to Winnipeg or Morris or to Altona or to Boundary Trails. They cannot use the facility that is closest to them. Eight hundred people living on that First Nation community and they cannot access the services any more. I think it is shameful that this Government is trying to portray itself as the saviour of the health care industry.

I want to say this in conclusion. Mr. Minister, you graduated 400 some-odd nurses in this province this year. You were very proud of that graduation class. How many of those nurses were hired as full-time staff? I am told that the unions are telling you, sir, that there are better than a thousand nurses working in this province today under union contract part time that need two to four jobs in order to make a living. What kind of a health care system are you running when you force your nurses to go get three other part-time jobs so they can feed their families?

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

Hon. Drew Caldwell (Minister of Family Services and Housing): Mr. Deputy Speaker, I am very proud to stand in this Chamber as a member of the Legislative Assembly from western Manitoba. I am very, very proud to be standing in this Assembly being a colleague of the Minister of Health (Mr. Chomiak) for Manitoba, who is recognized in this country as the finest Minister of Health in Canada today.

Mr. Deputy Speaker, this Chamber has heard a lot of rhetoric. It has heard a lot of chirping, some heckling by members opposite on a number of issues. The Premier mentioned that Manitobans, rural Manitobans, urban Manitobans, Manitobans are too smart to be fooled by the rhetoric, too smart to be distracted by political hyperbole. I think we saw that in the

result of the election in June where members on this side increased their majority by four seats, including seats in rural Manitoba.

I think Manitobans understand that throughout the 1990s, certainly, western Manitobans understand, Mr. Deputy Speaker, throughout the 1990s that people, citizens in western Manitoba were very ill-served by the members opposite when they were in government. Seven times there was a promise of a regional health centre, the first regional health centre to be established outside of the city of Winnipeg to address issues of transportation of ambulances from western Manitoba into the city of Winnipeg, to address issues of diagnostic services that people have to come to Winnipeg for, to address the absence of surgical support in western Manitoba that forced folks to come into Winnipeg for.

Mr. Deputy Speaker, seven times a regional health centre for western Manitoba was promised and committed to. Seven times that promise was broken. It took a change in government for the 200 000 souls in western Manitoba, southeastern Saskatchewan, the Parkland region to achieve the establishment of a regional health centre, the first one outside of the city of Winnipeg.

In relation to the regional health centre, I should add that last week my colleague, the honourable Minister of Transportation and Government Services, turned the sod for the first magnetic resonance infrastructure, MRI facility, outside of the Perimeter Highway in the province of Manitoba to address the very real diagnostic needs of western Manitoba citizens, Parkland citizens, southeastern Saskatchewan citizens indeed, because all Manitobans, indeed, all people in this province deserve to have close at hand the best infrastructure, the best health care infrastructure they can possibly access.

That promise that was made first in the late 1980s by the members opposite, most members opposite—the member from, I am not sure what city he represents, the Leader of the Opposition, an urban seat, made that commitment back in the eighties. Again, it took a change in government to achieve a regional health centre in western Manitoba, an MRI facility in western Manitoba, to address the very needs that we on this side of

the House have recognized have gone wanting for over a decade, to address those needs of western Manitoba citizens.

So, Mr. Deputy Speaker, I am very proud to be part of a government that just does not talk before an election, does not make commitments, cynical commitments before an election, that does not just talk but actually acts to build regional health centers, acts to create MRI facilities outside of the city of Winnipeg.

One thing that has always been curious to me as well, has been very curious to me as a Westman MLA, why rural MLAs considered to support the family compact in Charleswood and Tuxedo, the beneficiaries of the sell-off of the Manitoba Telephone System that directly affected and impacted negatively every single rural Manitoban, it is a mystery to me why we have rural MLAs that support the family compact in Charleswood and Tuxedo. We all know, Manitobans all know who those families are. You could follow the money directly back to them.

During their time in government, a thousand nurses were fired in this province, a thousand nurses gone during the member's time in office, the dark, dark days of the 1990s. That is not to diminish that there are many health care concerns and health care challenges in Manitoba, indeed in Canada. There are many, many challenges. It is how one addresses those challenges, whether by making promises and then failing to follow through after an election or making commitments and following through, building regional health care centres out in the province of Manitoba, building MRI facilities, restoring nurse training programs, restoring doctor, health, medical positions.

You know, the Tories, during the 1990s, cut the medical spaces available at the Faculty of Medicine at the University of Manitoba from 85 chairs to 70 chairs. They cut the number of doctors graduating in this province by some 120 doctors. So this indignation that we hear from the Member for Turtle Mountain and other indignant comments by MLAs from rural Manitoba about what a terrible situation we are in, in the province of Manitoba, well, they should know, because they are the architects of

the health care system that this Government inherited in 1999. They are the architects of the nursing shortage, they are the architects of the medical school shortages.

We are building. It takes four, five, six years to build infrastructure in terms of a \$70-million regional health centre in Brandon, in terms of a \$7-million MRI facility in western Manitoba to serve the citizens of Wawanessa, to serve the citizens of Souris, to serve the citizens of my home community, where my family is from, Pipestone, Reston. All of my family, all of my friends, all of my communities and constituents, which includes all of western Manitoba, prior to this Government for every medical service of any degree of severity had to come to Winnipeg.

When the Brandon Regional Health Centre is up and running, when the regional health centre is completed outside the city of Winnipeg, the first time in the province's history, that will end when the MRI is up and running in western Manitoba. When increased numbers of doctors—that we have put into place, in terms of funding seats at the University of Manitoba Medical School—come on stream, we will have more Manitoba medical professionals in the system, Manitobans born, raised and educated in Manitoba to serve their home communities.

* (15:40)

We had last year the largest graduating classes of nurses in decades, in contrast to the thousand nurses fired by members opposite, the programs cut. When you cancel medical chair positions at the Faculty of Medicine, when you cancel nursing programs at the colleges and universities, it does not take a rocket scientist to understand you are going to have a shortage and a crisis in the medical system.

The architects of this crisis sit across the Chamber from us on this side of the House. We have been working diligently each and every day to begin to address the crisis that was bequeathed to the citizens of Manitoba as a consequence of—I am speechless to describe the policies that were put in place by members opposite, other than to say they were disastrous, detrimental to every rural community, every urban community, every Manitoban citizen in

terms of health care. We do not have to look far to see that pundits across this country, commentators across this country are now recognizing Manitoba as a leader in Canada in terms of restoring health care excellence to our province.

Mr. Tweed: I find it ironic that the Minister of Family Services (Mr. Caldwell) talks about caring for the people of Manitoba. Yet, when he was asked a question in the Legislature about how many people or producers he had met during the latest BSE crisis, he could not name one person. It certainly speaks to his dedication to the people that he so-called represents.

It is interesting that we had a history lesson here today. The Premier (Mr. Doer) got up on his feet and talked about the cuts of the nineties that the federal government imposed on provincial governments across Canada. Actually, he even started to put some numbers out and he was talking hundreds of millions. Then we get the Minister of Health getting up and contradicting, saying: Well, no, this Government did all the cuts, because they were the ones that lost the money from the federal government. I think they need to sit down together and at least plan a strategy that is coherent and co-ordinated in the sense of what direction they are going.

We all know the federal government in the nineties withdrew hundreds of millions of dollars from all provinces and all provinces bore that load. Whatever they had to do, they had to do because of the withdrawal of money. I think it would be honest and integrous of the people across the floor to recognize that fact.

It is interesting that we talk about why we are here today. Why did the people from rural Manitoba come in here today to talk to the people of the Legislature? Why did they come to present their views? Well, it all started in the deep dark end of the night, I presume, in a room somewhere in Brandon and, again, similar to the school amalgamations, a group of huddled Cabinet ministers and colleagues sat around the table and said: We can save one CEO's job. Think of the money we could save if we just amalgamate Assiniboine, Marquette, Southwest and Brandon. Great idea. Let us do it. It is a great idea. Move forward. We can talk about the great savings to all the people in Manitoba.

Mr. Speaker in the Chair

What do we have? We have two ministers who politically engineered the withdrawal of Brandon from that document. We have the documents that say that was taken out at the last minute, at approximately 11:30 in the evening on the next morning's announcement. So we know the Government interfered. Why? I think because they could see the problems that were coming with this amalgamation.

We know the Minister of Health came forward with the amalgamation with no plan. He did not come out to the RHAs and say: Here is where we are going. Here is the outline. Here is the plan. No consultation, just do it.

That leads us to why people were here today. Obviously, the RHA is too large to manage, or if it is not the minister's message is not getting through to the management of the RHA. He claims he is in constant contact with them. Obviously, they are either not listening to them, they do not care to listen to them, or they have their own agenda and the minister is irrelevant. I am beginning to believe that might be the answer. So we move forward. We have communities and they talk about not closing a hospital. I do not know what you would call it when you go out and take the "H" off the highway that designates a hospital and rip the post out of the ground at the same time. Like, give me a break. You guys are all common-sense people. You understand when things close, you take the signs down, and that is exactly what you have done. So do not deny it and do not mislead the people of Manitoba in saying that you have not closed hospitals, because you have.

We have three doctors resigning in Wawanesa. Now, would the minister or somebody in charge of the health system not say, you know, gee, 33 out of 42 doctors in the last four years have quit in the southwest region of the province? Why? Would a light not go on and the minister say, and maybe he said it to his LA for Health, go out there and solve that problem? But, obviously, nobody did. Nobody chose to, and they chose to ignore the problem. Now, we have a group of people that come to the Legislature to present their case to the minister and, basically, what they get from the minister

today is lip-service. Do not worry, we are not closing it, we are looking after it, we are talking to people, we are even talking about bringing a doctor from within the same system where all the problems are and saying you review it, you get back to us, tell us what is wrong.

Well, I want to read two things. One is the mandate that was given to Doctor Cram. I can tell the members opposite, many of the people in rural Manitoba are referring to this as the "Cram Sham," and that is exactly what they see it as by this Government covering their butts once again to avoid dealing with the issues that are confronting them. The mandate given to Doctor Cram, he will consult and report on rural physician recruitment and retention in the Assiniboine Regional Health Authority.

Now I want to read another mandate that has been given to the director for the new Office of Rural and Northern Health. The office will support provincial efforts to increase the numbers of physicians practising in rural and northern communities. It goes on to talk about recruitment and retention.

I say to the Government, you are papering this up. You have a \$500,000 budget paying a guy to look after the new Office of Rural and Northern Health and now you are hiring, from within, from within your own organization, where you have all the problems and you are saying produce a report and tell me what is wrong. Well, I can tell the Government, and I will be happy to tell them. People are phoning our offices. Doctors are phoning us. Nurses are phoning us and they are telling us because they fear retribution from the RHA, just as we have people in certain industries that are trying to deal with the Government that are being shut down out of sake of fear are not speaking truly what is on their mind.

So you know it is ironic. People come here today to talk to the Government. They say: You know, we do not have a recruitment problem. We have a retention problem. Why are people leaving our communities? The Minister of Health stands up and says oh, it is the stress of the on call and everybody is leaving because they do not want to work on call. Well, we had three doctors in Wawanesa, we had two in

Glenboro and one in Balder that were working a one on six call. Who chased the three doctors out of Wawanesa? I say it is the Minister of Health because he has done absolutely nothing responsible to show that he is in charge of this operation.

So do not hand me the crap about doctors are stressed out and doctors are feeling that they are overworked, because this situation clearly identifies that it lies at the seat and the feet of the Minister of Health. He has to take responsibility, not give the people of Wawanesa, Erickson, Rossburn lip-service. He needs to stand up and take control like a good manager does.

I had the opportunity to question the minister the other day in Estimates. I said: Are you aware about the three doctors leaving Wawanesa? Oh, no, no, I am not, could not read the paper. Where was the Member for Dauphin-Roblin, his legislative assistant, did you not advise him? I mean, was he sitting in the dark? Does he not pick up the phone? Does he not phone the RHA and say, excuse me, we have a problem here? Why are 33 out of 42 doctors leaving our communities? Instead, the minister sits on his haunches. He hides from the public, and only when we bring in a public display from people today, hard-working, honest, caring people in rural Manitoba that have many, many better things to do than to come here and lobby a government to do what is right and what they should do—

They have ignored the situation in rural Manitoba, and, now, when it comes home to roost, they say, oh, you are an extremist; you are throwing fear out there. Well, these people are afraid, Mr. Speaker. They are afraid that their hospitals are going to close because the Government has been lackadaisical in trying to understand the issues and get a handle on it and help the people out there solve the issues. Instead, they have buried their head in the sand and said, boy, if we just hide long enough, the problem will go away. Well, the problem is not going away and I advise all members across, go home to your communities because you have the same problems happening in your communities, and they are going to come to the minister's desk, and it is going to be the same situation as we saw today.

* (15:50)

In closing, Mr. Speaker, I ask, I plead with the Minister of Health (Mr. Chomiak). I have asked him in Estimates and I ask him again. I ask him to conduct a review of all regional health authority boards in Manitoba. Are they working properly? Some are; some are not. Others have problems. Let us learn from that. Are they being financially accountable? We know that they are carrying about \$20-million worth of debt that the Province refuses to put on their books and forces those communities to carry.

There is a myriad of things that are going right and wrong with regional health authorities. All I ask is that the Minister of Health, if he wants to blame it all on the Tories, let him do it, but let us get some action to correct the problem. I ask the minister to do that today, Mr. Speaker.

Mr. Stan Struthers (Dauphin-Roblin): Mr. Speaker, I have lived all my life in rural Manitoba, northern Manitoba, rural Saskatchewan. I have represented rural Manitobans for eight and a half years now. These are friends and neighbours. These are people who matter. These are people with real problems, who have problems in health care and other areas. These are people who work very hard for their families and for their communities, and they understand what it means to be a Manitoban and to live in a community. We understand in rural Manitoba what it takes to make a community tick. So let members opposite not claim they have some kind of monopoly on the knowledge of what goes on in rural Manitoba.

Today, Mr. Speaker, we watched as the members opposite turned a motion of urgent public importance into their own matter of urgent political expediency. Rural Manitobans deserve one heck of a lot more than what I saw here this afternoon. This is a matter of urgent public importance. This is not a chance for either side of this House to point fingers back and forth at each other. This is not a chance for us to speculate.

This is not a time to shoot our mouths off irresponsibly in the House. This is a time to make sure that we stand up for Manitobans. This

is a time when we stand up for rural Manitobans who need our help. This is not a time for political games like I have seen this afternoon. This is not a time for us to be looking at our own political hides and saying: How can I stand in front of the Legislature and whip up a crowd the best way I can so I can get a score in on the minister?

This is not, Mr. Speaker, I would submit to you, this is not the time for that sort of stuff. This is the time when we as politicians have had an opportunity to rise above that and talk about what it is going to take to get more doctors into our communities in rural and northern Manitoba.

Not once did I hear one positive suggestion from members opposite other than shooting their mouths off saying, you have got to do something. What would they have us do? They have not said. Mr. Speaker, it is absolutely irresponsible for the members across to yap about showing leadership and then not say what they would do to help the problem.

We owe it to rural Manitobans to act better than that in this Legislature, Mr. Speaker. I have been absolutely proud to be a member of a government that has taken the concerns of my neighbours, of the neighbours of the Member for Emerson (Mr. Penner) and the neighbours of the Member for Minnedosa (Mrs. Rowat) and the neighbours of the member for every one of those so-called rural representatives across the way. I am proud to have gone out to Neepawa, to Russell, to Shoal Lake, to Minnedosa, to open the chemotherapy units in those communities. Did I hear anybody across the way say that that was a good idea? Because it was a good idea.

We were told by rural Manitobans over and over and over again when I was in opposition to bring services closer to Manitobans. Well, Mr. Speaker, we did that. We have taken surgeries, not just to be held in Winnipeg the rest of eternity, we have taken them to Thompson, to Ste. Anne, to Steinbach. What do the members across think of that? Why did they not do it when they had the chance in this very House?

Do not stand and feign your indignation about what is going on now. We told people we would give them stable funding, and we did it.

The members opposite in the last election said they would fund one lousy percent. What does that mean for the people that live in the Assiniboine Regional Health Authority? What would you have cut? What services would you have cut back to come through with your promise of a 1% increase to health? You be honest. You tell people what you would cut. Do not come in here and pretend you are representing rural Manitoba and then tell them you are going to cut them to that extent.

Manitobans told us that it was very important to come up with a program that tied the bursary that we pay as taxpayers to doctors, to tie that to the underserved areas of this province. We listened. We did that. Every year that we have put money towards a doctor to become a doctor, they have to commit back to an underserved area in this province, whether it be northern Manitoba or rural Manitoba. We did it. The college said it is a good idea. Doctors told us it was a good idea. Rural municipalities told us it was a good idea. Rural patients told us that it was a good idea. Where were you folks?

We hear stories from members opposite, individual stories of catastrophe, individual stories of suffering, individual stories of people who have not received appropriate health care. I am not going to stand here and pretend those do not exist. But I am not going to stand here and let members opposite give the impression that this is something new. I dealt with too many little girls who had to be rushed to the hospital by their parents in my constituency when I was an opposition member. I dealt with too many older ladies who fell and hurt themselves, broken hips, and had to pay \$2500 from the town of Roblin to Winnipeg back in 1996 to have members opposite try to fake that this is something new. Be honest. I have been to too many little communities with my Premier and with my Health Minister and other members of this caucus, both rural and urban. I have been to too many little communities that were named here today with those members to have this Opposition Leader irresponsibly stand in this House and imply that we do not come out to rural Manitoba.

I have heard a lot of silly things come out of members opposite, but that is the worst. The

Member for Arthur-Virden (Mr. Maguire) is trying to get in on this now. The Member for Arthur-Virden knows full well that our Government has been out to his area. I have been out to his area. The Member for Arthur-Virden should try to be honest. People of rural Manitoba do not need anyone in this Legislature to trivialize or ghettoize their problems. Unless we in this esteemed Legislature can come up with better than what we have today for my neighbors in rural Manitoba, then I suggest we are failing them miserably. This is not being treated as a matter of urgent public importance, but they were playing politics with the lives of rural Manitobans.

Rural Manitobans deserve better. Thank you very much.

* (16:00)

Mr. Deputy Speaker in the Chair

Mrs. Leanne Rowat (Minnedosa): Mr. Deputy Speaker, equal access to health care is a right for all Manitobans, regardless of where they live. The Doer government made a commitment to Manitobans to maintain rural hospitals, and I am seeing that the commitment is not there. We have had several hundred people come in today and share their stories, share their concern with the present government and the lack of support that they are feeling for their issues.

The community of Rivers is looking at a new facility. They have raised over \$450,000 locally to get a new facility. Politics were played in June of this year, and they were led to believe that there would be a new facility placed in their community. They believed in the Premier (Mr. Doer), and I am encouraging this Government to follow through on that commitment.

Presently, Rivers is a community that cannot even access a proper microscope for their lab and X-ray. They have to go to Brandon to get lab and X-ray done on a regular basis, and that is hard on the morale of the nursing staff and the physicians within that facility. For a doctor to be leaving the community and going east, I know it has a lot to do with on call, but also it has to do with the lack of support from this Government and the RHA and the services that they can

provide, because I believe that they believe that the community deserves quality health care.

Several communities including Rivers, Wawanesa, Rosssburn, they are all facing the prospect of hospital closures, and it is upsetting as a new MLA to be having these calls being forwarded to me through themselves or through mail, through e-mail. It is adding to the stress of the BSE and the drought crises. As a new MLA, I am finding this very stressful, very hard to understand why the questions that are being asked from this side of the House are not being responded to in a passionate way or with some consideration of what is happening out there.

The Minister of Health (Mr. Chomiak), I know he is an urban MLA and maybe that is part of it. Maybe the communities that are coming forward are just names of places. Maybe there is some lack of concern or interest in what is happening, but the assurances were made that they would be taking actions to address these issues, and they have not.

When I was an economic development officer, we worked closely with the RHA in trying to get recruitment, and there were times when we felt as communities that our requests, our interest in working together was being I would not say ignored but just not being supported. I think that the Minister of Health has to really look at what is happening with the communities and with the RHA and work at getting a better line of communication between the people and also with the leaders in the community.

The economic aspect of having a health facility within your community is not only the nurses and the doctors. It is also with the pharmacists. There are several factors that play in having and maintaining a health facility. Several nurses that I have been talking to come from families where this is their second income. They are farming families and they are losing out, not only with the BSE crisis and the drought, but they also are in a state of concern and confusion about where the health care system will be a year from now if the minister does not take some action and address these needs.

I have had letters from seniors and I have had letters from services to seniors groups within the community who feel that the seniors—they sense the threat of closure of these facilities and are sensing an urgency that these issues get addressed because these seniors live in the community, expect the services and should be entitled to these services. I think that by responding inadequately to the questions that we are presenting which I think are fair and honest and are actually coming from the people that we represent is playing on several people's minds, especially the senior population.

Diane Diehl, whom I quoted today, is a person with disabilities and has lived in the community of Wawanesa for several years, is a strong volunteer within the community, a strong volunteer within her church, is employed in a business within the community, loves the community that she lives in and knows that if the health facility or the hospital is removed from the community that she will have to leave the community. That hurts her and it hurts the people she has become close to within that community. It will actually put her in a situation where she may not be able to afford the type of lifestyle she is presently enjoying within the community where she lives.

The economic aspect of it I touched on earlier, but I think one individual who I have a lot of respect for in the community of Wawanesa is Shirley McBernie [*phonetic*], who owns a flower shop within the community and who is very active within the community in several facets. She is also a really good network with the women and the seniors within the community and has shared on a regular basis the issues that are being presented by my fellow members. She was here today and I think she is very disappointed in the way things played out.

Community leaders, I know the mayor of Wawanesa and the mayor of Rivers have worked really closely together in trying to develop community plans and trying to create ideas and reasons for physicians to come to the community. Rivers has put together a really strong health action committee who presented a plan in June to the community and was totally supported by the community. The plan was presented to the RHA. It plays out well in how they would retain

physicians, how they would work at getting lab and X-ray supports, how the facility in Rivers would better, not only the community itself but also Sioux Valley, which is a community just down the road from them, who would work with them on a diabetes program. So the communities have ideas. They have shared those ideas with the Government and actually they do not feel they are going anywhere.

The Brandon facility is a facility that will serve regional needs, but I have heard from several people the facility, can it take on any more patients or clients? That is a concern that is very real. I know of several people who have been encouraged to go elsewhere for care, instead of going to the Brandon facility. If they cannot get their service or their assistance, medical needs met in Rivers or in Minnedosa, where do they go? Wawanesa has indicated that the doctors or the physicians there receive over 800 patients in a month. Where are these people going to go to get the help they need?

As a young mom of two children in Souris, I also realize that my children are active in physical sports like hockey and figure skating, and I worry that the health care will not be there for them if they should have a hockey game in Wawanesa. If my child should fall and break his leg, what type of service would be there for my child if he should need it? If we go to Rivers and my daughter is figure skating, what type of service is there going to be if my daughter should fall and break her arm figure skating? I worry about that. I am not a resident of that community, but I would be concerned as a visitor to that community.

So I am urging the provincial government to consider working stronger or more effectively with local elected officials, with the regional health authorities, with the health care professionals and the community members to ensure that the hospitals do remain viable and that they do remain active and strong within the communities.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Deputy Speaker, I want to take this opportunity to put a few words on the record with respect to health care in rural and northern Manitoba. Health care is a very im-

portant issue for all Manitobans, no matter where they live, whether they live in urban centres, whether they live in rural Manitoba or whether they live in northern Manitoba. We have to think about providing services for people wherever they live. There will be different types of services for different people, depending on which part of the province they live in.

Mr. Deputy Speaker, the New Democratic Party is recognized for their commitment to health care. People believe that we are the party that can make a difference in health care, and we have made a difference.

* (16:10)

When we came into office, Mr. Deputy Speaker, we recognized that there was a shortage of doctors in rural Manitoba. We recognized that the North had been ignored by the previous administration for many, many years when it came to providing health care services to people in rural Manitoba. We made a commitment that we were going to make a difference, and we have made a difference.

We have returned surgeries to rural and northern hospitals in Ste. Anne, in Steinbach, in Thompson. This is an initiative to bring services closer to people, so that all people do not have to come to Winnipeg or another large urban centre. It is a way to continue services and improve services outside the Perimeter. That was something that this Government did.

The number of doctors has increased in rural Manitoba. It has increased because we have also changed the enrollment in schools, and we have been able to attract more people into rural Manitoba. If you look at the statistics of the number of people that are coming to rural Manitoba, the numbers are increasing.

The minister gave a chart and we showed how the people had been leaving rural Manitoba up until 1998 and how the change has been made since then. In 1995, we lost 19 doctors; in 1996, 73 doctors; '97, 3 doctors; 1998, 19 doctors. Then, since 1999, there has been an additional 21 doctors; in 2000, an additional 21; in 2001, an additional 16; in 2002, an additional 48; and in 2003, an additional 30.

Mr. Deputy Speaker, there is a retention problem. We have heard what doctors have been saying. They are saying that they do not like the number of hours on call. They are concerned about time with their family. There are many issues out there that are resulting in people not staying in rural Manitoba.

That is why the minister appointed Dr. David Cram to look at this. This is a doctor who works in rural Manitoba, who understands the situation, and this is somebody who will talk to those individuals who are working in rural Manitoba but not staying. There is no doubt there are too many people leaving. So why would it not be the right thing to have someone who is working in the area talk to the individuals there to see what changes can be made to improve the situation for them so that they will continue to live and work in rural Manitoba.

But, Mr. Deputy Speaker, we also recognized other things as well. We recognized that the number of spaces in medical school was reduced too much. It was reduced from 85 to 70. That was an elimination of 15 spaces. We knew that we wanted to train those doctors because they were needed. If you train somebody from rural or northern Manitoba, it is more likely that they will stay in rural or northern Manitoba. That is why we restored these spaces, and we plan to add further spaces.

As well, we recognized that there was also an issue with foreign trained doctors. That is why we established the first program in Canada to provide quicker licensing of foreign-trained doctors. These doctors must work in rural Manitoba. Again, we have come up with solutions.

I would encourage the Opposition, rather than constantly being critical and rather than constantly creating a fear out there or trying to create a fear that this Government does not care, that they come forward and look at the solutions that we have put in place, and maybe they might even come forward with other suggestions.

They are from rural Manitoba, many of them, just as we have members on this side of the House who are from rural Manitoba. Perhaps they should think about solutions rather than criticism. It is very similar to the situation that we have with BSE.

Rather than work with the solutions that the Government has put forward and work with the people of rural Manitoba, they have instead chosen to be critical and to be critical and to be critical. They have no solutions, Mr. Deputy Speaker. That is why the people of rural Manitoba and the people of all Manitoba have said that they do not want them in office. That is why they spoke the way they did in the last election.

We also recognize that there had to be more co-ordination of doctors and services in rural Manitoba. That is why we established the Office of Rural and Northern Health, to increase the number of health care professionals in both rural and northern Manitoba.

We also know that people who are in rural and northern Manitoba often feel isolated, that they do not have the latest technology available to them. That is why we established the Telehealth sites across Manitoba, to give rural Manitobans access to specialists without leaving their communities.

My family has used the service in Swan River. One of my grandchildren had to see a skin specialist and they were able to have that service, to have a skin specialist look at his condition via Telehealth. This saved them a five-hour drive, one way, and saved them spending a night in Winnipeg. We have taken the steps to bring services closer to rural Manitoba.

As well, we have expanded ambulance services; 85 new ambulances were in rural Manitoba to help with the transportation of patients. This is a very important service to ensure that when someone has an accident or is in need of service, who is farther away from the hospital as my family all lives, that we have the service we need to get to the hospital in those conditions.

We also recognize that although there was talk about a regional health centre in Brandon for many, many years by the previous administration—I think someone said it was promised seven times, never delivered on, never delivered, lots of talk, lots of election promises, but no delivery. We are building that facility. We are also putting in the first MRI machine outside of Winnipeg. This is being installed in western Manitoba.

These are very, very important issues that we are discussing. Health care is a challenge right across Canada. It is not only a challenge in Manitoba. Our Minister of Health is recognized across Canada for his leadership role and his innovative ideas on how we can address health care, his innovative ideas on what we can do for rural Manitobans.

Ultimately, we have to think about all of Manitoba. We have to think about the people in those northern communities and how we can bring service closer to them so they are not flying out of their communities on planes to have babies, to have to see a doctor on a regular basis. We have to think about rural Manitobans. This Government has made many changes. I think the changes that we have made our very positive.

We will continue to have challenges. This Minister of Health will continue to work on those issues to ensure that health care services are continued and services are brought closer to people no matter where they live in Manitoba. Thank you.

Mrs. Myrna Driedger (Charleswood): Mr. Deputy Speaker, starting in the year 2000, I had asked the minister to consider evaluation of regionalization. I pressed that issue in the year 2000, and I pressed that issue again in 2002, and I pressed that issue again in 2003. I think it is imperative after a major change such as was implemented with regionalization, that evaluation would have been a very reasonable, good management practice to implement.

In fact, this particular Minister of Health (Mr. Chomiak) said that he did not want to evaluate regionalization because it would create too much chaos in the system. Can you imagine, Mr. Deputy Speaker? We have cardiac patients dying on waiting lists. We have rural hospitals that are already closing and several more that are on the chopping block. Yet the minister says he did not want to create chaos in the system. I think had the minister moved ahead in the year 2000 to do what was the right thing in terms of good management practice, to evaluate regionalization, some of these problems may have been prevented because we would have been able to

identify some of these issues earlier on and address the challenges.

* (16:20)

The rally today where hundreds of people attended, I think, spoke huge amounts about the fears people are feeling in rural Manitoba. I think people do not necessarily come easily to a rally and give up a whole day like that, travel many, many hours, some getting up as early as five in the morning to attend a rally here if something was not very, very important to them. They do feel afraid. They do have a profound attachment to their rural hospitals. I do not think a lot of us understand what that profound attachment means. I think it would be incumbent upon us to spend some time to try to understand that issue a little bit better.

The people came here today because they felt they had no voice. They are indicating that nobody is listening to them. They feel the RHA was not listening to them. They feel they have no voice on the board of the RHA. They feel the minister was not listening to them. So something is grossly, grossly wrong with this picture.

I certainly urge, again, the minister to look more seriously at this. We are seeing one example in one region of the province, but it is not just one region. It is broader than that and I think it is important that the minister look at evaluation of regionalization before too much more time passes.

The June 20, 2003 issue of the *The Rural News*, put out by the Society of Rural Physicians of Canada, refers to a Manitoba study that indicates Winnipeggers continue to improve their health status while rural Manitobans' health status has been generally unchanged in the last 15 years. I think that fact alone speaks volumes about why we should not be closing rural hospitals. When people's health is remaining static, that they are not improving in their health, where mortality rates are not getting better, where disability issues are not getting better, those are types of things the Government needs to address much, much more seriously. Closing hospitals is only going to compound some of that problem.

We know that low population density and isolation result in unique challenges in delivering health care to rural as compared to urban Manitobans. In order to resolve these issues, we must recognize and incorporate these differences into our planning.

Mr. Deputy Speaker, my concern about that is this Minister of Health has never committed to a plan for health care. He has indicated he has no grand scheme for health care, that he does not believe his office should dictate from on high, as he put it. He does not want to see a fiat from on high to people he is responsible for in the health care system. I really think that is not a very prudent way to do your job as the head of a massive department with a massive budget. For the minister not to lay out a plan or a vision, I think leads to what is happening right now and that is management by crisis. We have a Minister of Health who goes from crisis to crisis and cannot manage the health care system because he is not sure where he should be going with it because he does not have a plan.

This health care system is only going to be sustainable if realistic changes are based on accurate information. I do not think we have enough accurate information on what it means to close rural hospitals. I think you can find, if people want to just jump onto the issue just based on their quick thinking about it, will not give them the full knowledge they need to make these decisions.

I spent all weekend doing a literature review. The more I understood about it, and the more I read about it, the more I can see where we really have not done what has needed to be done to address this issue. I think the first part of addressing it starts with an evaluation of regionalization. After that, we need to look further into specifics as it relates to rural health care in this province. We need to put a team of people together who can look at the issue and in a collaborative way devise a vision for rural health care in Manitoba. You cannot do that by a minister sitting in his office and deciding overnight that he is going to amalgamate two giant-sized regional health authorities and not have any sound reason for doing that. His office runs around asking for empirical information. Well, he made a decision in this case without any

empirical information, and now we are seeing a regional health authority struggle. I have to wonder if the struggle is related to the fact that this minister forced amalgamation of two regional health authorities, and he set them up to fail because he did not do what needed to be done in the first place.

The role of a small rural hospital needs to be better understood. It has been a place to be born, a place to die, and everything else in between. It has played a distinct but not well understood economically and socially stabilizing community function that its larger counterparts do not play. I think we have to think very, very carefully before we take these institutions away from rural Manitobans. There is no simple or single panacea for this fix. Technology is an adjunctive tool—we know a lot of people are talking about Health Links—but is only an adjunctive tool for the practice of rural medicine. It was never meant to be a substitute for a doctor who can lay on the hands and deal with all of the issues that a patient has.

Mr. Justice Emmett Hall, whom members across the way would probably know well, said, and I quote: Every citizen in Canada should have equal access to health care, regardless of where they live.

So you cannot have a government that is saying out of one side of their mouth that they support medicare and the principles it stands for and then out of the other side of their mouth say that rural hospitals are going to be closed, because closing a hospital is going to cause economic and civic hardship in rural communities. Jobs will be lost. Physicians are going to move away. People are going to have to travel greater distances at their own cost and get care from people who do not necessarily understand their needs.

So, Mr. Deputy Speaker, I think the rally was important today. I urge the Government to do the right thing in this case and not close rural hospitals. Thank you.

Hon. Jon Gerrard (River Heights): Mr. Deputy Speaker, I rise to speak on this matter of urgent public importance on the future of health care in rural Manitoba. Clearly, we have a

circumstance at the moment where an increasing number of concerns have been coming to members of the Legislature, most particularly but not exclusively from the Assiniboine Regional Health Authority area.

These concerns have arisen and have been expressed today by many people coming to this Legislature. They have been expressed today in a petition of 583 names, which was provided in the Legislature. They have been expressed today by many phone calls, e-mails, letters, all saying similar things, that there are problems in the delivery of health care at the moment in rural areas, and particularly in the area which is the Assiniboine Regional Health Authority area.

What is apparent from the discussions—and I say this from what I have heard, and I say this as a result of my visits to places like Erickson and Wawanesa in the Assiniboine Health Authority region—first of all, there is a situation at the moment where we have a lot of rumour, rumour that the regional health authority is not being as proactive as it might be in hiring somebody for Erickson because they really are planning to downgrade the hospital at Erickson and make changes there so it would not provide emergency or on-call services and would not be recognized in the same way as a hospital, with a sign on the highway.

We have people with similar concern in Wawanesa, Rivers, Birtle, and so on. In Wawanesa the concern is exacerbated by the pending departure of three physicians from that area, one of whom I understand would very much like to stay, and the other two who are retiring. But the one who would like to stay, as I would see it, there is a big concern over the future of the Wawanesa Hospital and health care delivery in the Wawanesa area.

* (16:30)

We had a statement earlier on that the physician, when he had moved there, had been told, oh, we are going to close the Wawanesa Hospital and there is not really much point in your going to practise in Wawanesa. When he is told that, in spite of what the minister has said today that Wawanesa Hospital and the other

hospitals will not close—the Premier has said that there will not be closure of hospitals.

The fact that there is no plan for the future of the Assiniboine Regional Health Authority and how the current facilities will fit into the plan for the future, whether it be a 5-year or 10-year or 20-year plan, what is important is that there is a publicly presented plan of what the future for the region is, that that publicly presented plan be available for public consultations and that there be input so that people from the various parts of the Assiniboine Regional Health Authority can feel that in fact they have had input and we can develop together the best possible plan for the delivery of health care in the whole region.

When there is no plan or when there is a secret plan, we actually do not know which, and that is part of the problem. We do not know whether there is a secret plan that the minister and the Assiniboine Regional Health Authority has that they are not telling us or whether they have no plan. Because of this uncertainty, it creates a very difficult situation for people in the community and particularly for health care professionals who would like to provide excellent and professional service. But because there is not a clear plan for where things are going, it makes it very difficult for everybody.

One of the things which needs to be provided is such a plan. One might ask, well, what is the responsibility of the regional health authority and what is the responsibility of the provincial government? Well, it should be the responsibility of the regional health authority to present such a plan and have public discussions and public input. But it is also important that the provincial government have some guidelines or standards for the delivery of the plan.

If the guidelines or standards are that no rural hospitals are to be closed, then that needs to be part of what is part of that plan. There needs to be an overarching framework provided by the provincial government for an RHA like the Assiniboine RHA so that they can come forward with a plan which meets the provincial guidelines and standards in terms of how care is delivered and that that plan can then be looked at.

It is because the provincial government has, unfortunately, neglected its duty that they have not provided us with, except this verbal jousting which we had today, any effective plan. The statement of the minister that we are not going to close hospitals is not very helpful if there are not provincial guidelines for what should happen in the future and for plans for regional health authorities. So the provincial government has let us down, and those guidelines or standards for planning should be based on good research.

We have the Manitoba centre for policy evaluation, and they have provided a starting base in terms of database, and the provincial government needs to provide some guidelines or standards for how you translate this research, the evidence that certain hospitals have a high utilization and others not, that you have patterns of care that are needed, that people in rural areas should have access to certain types of care within certain distances. People in rural areas accept that you are not always going to get tertiary care at your local community hospital, but there needs to be some definition of what kind of care one should be able to get within a certain distance as part of the provincial standards or guidelines provided to RHAs that can then be implemented as part of the RHA's plan.

The difficulty here is that the Province has been lacking in terms of providing the standards or guidelines, and the RHA has not delivered a public plan of where it is going. So we have all this murmur and innuendo and concern and uncertainty, and this creates a very difficult circumstance for people in the regional health authority. We have had far too many resignations, and the problem seems to have been that physicians are coming, but it has been more of a revolving door with physicians coming and then leaving because there is not an adequate plan for retention.

Mr. Speaker in the Chair

I mentioned earlier on that the Government's only real plan for recruitment seems to be a 1-800-South Africa dial, that this is not adequate, that clearly we need an approach that is going to make physicians excited about practising in rural areas, that they are going to be able to feel that the regional health authority and the Manitoba

Department of Health are behind them in delivering excellent care, and when we have physicians who have before them a clear plan and an understanding that they are going to be able to deliver excellent care because they are well supported, then we will not have this kind of high level of turnover.

So, Mr. Speaker, I submit to you that there is a lot that needs to be done for health care in rural Manitoba, and it is about time that there was a real plan rather than some rhetoric. That is all we have been provided today. Thank you.

Mr. Glen Cummings (Ste. Rose): I realize that I may have to abbreviate my remarks, so I intend to get right to the point of this issue as I see it today, and that is that we are not getting the same direction and the same leadership from the minister that the RHA is providing to the local communities. What the RHAs are saying would clearly indicate to anyone who listened at all to their comments and their feedback is that the decision has been made that certain institutions in the Assiniboine RHA will in all likelihood close. That is an absolutely alarming statement to many small communities in this province, and, particularly, to those who are being referenced during these discussions.

For the people in Erickson to be told that there is a likelihood that what they will get is good service, but it will be about the same kind of service as what a northern nursing station would get is simply not acceptable, yet that seems to be the direction that the RHA is prepared to go.

What I see here today and what is most disturbing, Mr. Speaker, about the way this issue was handled today in Question Period, the way the minister and the way the Premier (Mr. Doer) have handled it is they could have put this issue to bed in the first two minutes of Question Period. They could have put it to bed in the first five minutes if they really wanted to. All they had to do was stand in their place, either one of them, stand in their place and say: We will provide a written directive to the RHA that they will live up to the Premier's promise. We will not be closing facilities and we will recruit to those facilities.

You must recruit to those facilities. That in writing to the RHA and made publicly known would have ended the Question Period today, point blank right there. What we get is defensiveness and, frankly, some avoidance of the question, which only fuels the concern if not the fear and loathing of the people in the Assiniboine RHA.

* (16:40)

Let me use an example that I was very close to for the last number of years and that is Gladstone. They were not able to keep their emergency open because of a shortage of doctors. The promise was made by our administration and by the current administration: As soon as we get doctors we will reopen the emergency.

They got doctors. Then, by golly, they said: You are not categorized properly as a facility that would provide emergency response. Therefore, ergo, we are not going to give it to you. What a self-fulfilling and very disappointing prophesy for those communities that find themselves in that situation.

To be honest, McCreary was very close several times to losing their doctors and losing the opportunity to maintain emergency, but they were able early on to recognize that the only way they would really be able to augment the recruitment capacity of the RHA—in that case it was the Parkland RHA. Interestingly enough, I am seeing three different RHAs in my constituency: Parkland, Assiniboine, was Marquette, and Central. Each seems to have a different approach to how they manage their recruitment. In the end, it seems that Assiniboine RHA is saying: We will do the recruitment, but then we are not sure what that means, because if they are not recruiting to the community in question it does not make much difference.

The same thing is true in the other RHAs, except that some of them became more forthright and they said very clearly: If the community involves itself we will support the community.

They did. They were able to recruit. It was a bountiful, if you will, or at least certainly a positive result that ended. I think the Assiniboine RHA and this Government, they cannot deny

when you have an appointed board and an appointed administrator—

Mr. Speaker: Order. According to Rule 36(4), debate on a matter of urgent public importance shall not exceed two hours in duration. According to Rule 36(6), debate on a matter of urgent public importance is terminated when the time allocated for the debate has expired. The two-hour limit has now been reached so the debate is accordingly terminated.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Mr. Speaker: The House is now into Orders of the Day.

The Chamber section will now resolve into Committee of Supply.

COMMITTEE OF SUPPLY (Concurrent Sections)

EDUCATION AND YOUTH

* (14:40)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 254 will now resume consideration of the Estimates for the Department of Education and Youth. As has been previously agreed, questioning for this department will follow in a global manner. The floor is now open for questions.

Mrs. Heather Stefanson (Tuxedo): I know over the last number of days where we have been discussing issues, particularly surrounding the forced amalgamation in our province, we have tried to bring forth many issues of concern from different constituencies. I had a number of my colleagues in yesterday expressing some concern over some issues that have arisen, whether they are costs, or programming, or all sorts of different things as a result of the forced amalgamation.

I think we have seen that there is a great deal of concern to the general public out there, particularly in some of our own communities. We are trying to bring this forward to the minister. I am still deeply very concerned about this issue. I

think in the last few days there have been a number of other issues that have come up, particularly having to do with the harmonization of contracts and so on as a result of amalgamation. I do believe very strongly that we have only started to see the beginning of what is coming in terms of costs associated with the forced amalgamation.

Time and time again we have asked questions of the minister regarding the \$10-million savings in administrative costs. Time and time again I do not believe that the answers have been satisfactory. As a matter of fact, I do not believe that the minister has really come to terms with the fact that there are no savings as a result of this forced amalgamation. In fact, there are several increases in cost as associated with this forced amalgamation.

So I think a number of these issues I do not believe have been addressed to date, but we do have a number of questions today sort of surrounding some of those issues.

I have had conversations with people in a few different school divisions of concerns, particularly in some of the administrative costs as a result of the harmonization of contracts that have just begun to arise. I know that the minister, back earlier this year, had been involved, and I guess he had stated at the time that he had set aside money to cover costs associated with the harmonization of contracts within the Sunrise School Division. I am just wondering if the minister could let the committee know today if he has set aside money to cover the costs associated with harmonization of employee contracts in all of the amalgamated school divisions.

Hon. Ron Lemieux (Minister of Education and Youth): I thank the Member for Tuxedo (Mrs. Stefanson) for the question. No one said that amalgamation and the amalgamation process was going to be easy. We, certainly, as a government, undertook amalgamations because we believe there were so many positive things as a result. There has been a lot of talk about savings, as we know it. Just on the face of it, you know when you reduce your administration from three superintendents to one there has to be some savings. Those divisions have been putting the money back into the classroom. Just on the surface of it, we understand that that is happening.

I just want to say that in the case of Sunrise School Division, after conciliation broke down and a strike with some of the employees took place, the collective bargaining process had reached a roadblock. The Sunrise School Division asked for the government's assistance in any way. So we had officials sit down and talk with the parties and to see what role we could play, was there anything we could do.

In the case of Sunrise, because there was such a huge gap in employees from what I call the rural part of the new division, the Agassiz part, compared to the city-waged employees of the Transcona part, there was about a 56% difference in wages. There was a huge gap. There is such an unbelievable difference, that particular amalgamated division compared to anyone else.

The reason I say that is because Louis Riel just finished going through a collective bargaining exercise where they never talked to the Government. They never asked us for any assistance at all. They sat down, they hashed out their differences and came up with a collective agreement. It is an amalgamated division, the old St. Vital and St. Boniface divisions. It is almost on a case-by-case basis that requests are coming in for assistance or asking government to sit down and help them out.

Right now, in Prairie Rose School Division, you have the parties who are at an impasse. Conciliation has broken down, but mediation and conciliation services from the Department of Labour are still there to assist the parties to get together, to try to come up with a collective agreement that both parties can live with.

With regard to harmonization of salaries and collective bargaining, there is a collective bargaining process that is well respected in this province, and we expect as a government that those parties will try to hash out their differences and try to work them out. In the two cases I have given, one asked for our assistance because the gap was so great, 56 percent. The other school division essentially did not talk to us. They just sat down and they hashed out their differences and arrived at a collective agreement.

Mrs. Stefanson: Mr. Chairperson, I thank the minister for his comments. Clearly, there are some issues in some other school divisions that will come about because I have spoken with some of the other school divisions that are going to have very serious issues when it comes to the harmonization of contracts.

Just for example, in my own school division, Pembina Trails School Division, they will be forced to harmonize contracts with nine different unions in order to bring parity to employee contracts within the school division. I spoke with Gail Watson who is the chair of the school trustees for Pembina Trails School Division, and she informed me that they anticipate the cost to be up to about \$1.5 million due to the harmonization of these contracts.

My comment to the minister would be that the Sunrise School Division came forward. They expressed a serious concern as a result of the harmonization of contracts, that they could not in fact afford to pay for them all themselves. The Government agreed to step in, in this situation, and help out. Obviously, a precedent, to me, has been set here where the minister has offered help to one school division. Will this same level of support be offered to other school divisions?

Mr. Lemieux: Mr. Chairperson, as a government, we are, certainly, open to having discussions with any of the stakeholders and any parties involved in the education system, whether it has to do with their financial challenges or whether it deals with their pedagogical or academic approaches to education. We are, certainly, open to having discussions with people. I know there are staff within the department who are willing to sit down anytime to meet with different organizations that have concerns one way or another in education.

I have met with a number of amalgamated divisions already. I stand to be corrected, but I believe it is about half of them. Certainly, in the next short period of time, once the Legislature is out, I will meet with the other half and have an opportunity to hear from them directly what they see as the challenges that amalgamation poses to them.

Even though I was not the minister of the day, certainly, I was part of the Cabinet, and I

agreed that amalgamation was a good thing. I felt that, for the benefit of children in the long run, we are going to see benefits, whether it is short-term benefits, medium-term and long-term benefits, I think we are going to be able to see that. I look forward to talking to all the school divisions and meeting all of them, as I said before, about half of them at least, and I look forward to meeting the others and hearing from them directly the challenges they face in harmonizing salaries or their collective bargaining challenges.

Collective bargaining, of course, falls within their bailiwick. That is their area that they have to deal with. Because the Province is saying that, and I am saying yes, we will be there to talk to you. We will help you where we can. We, certainly, want to sit down and talk to find out where you are at, but it is, after all, within their purview. It is their responsibility to, of course, be bargaining in good faith and working with their employees to try to reach a collective agreement that they can all be happy with.

Mrs. Stefanson: The minister has stated that maybe at some point we will see some positive impacts of amalgamation. The minister and his government and the previous minister of education had stated before that there would be a \$10-million saving as a result of amalgamation that would go directly into the classroom which would benefit the children. We have not seen a \$10-million saving anywhere. As a matter of fact, we keep seeing these costs that are coming up here and there as a result of the amalgamation process. These costs, if not covered someplace, well, they have to be covered someplace. Obviously, that is taking away directly from the bottom line, which is the classrooms which will negatively impact the children in our province, is the way I see it. I would challenge the minister on some of those comments that he made regarding that.

*(14:50)

I would like to go back to the Sunrise School Division and what transpired as a result of the harmonization of contracts there. I am wondering, I know the CUPE representative, Steve Edwards, said at the time, and I quote: "The provincial government has been at the

table. We know Sunrise was talking to the Government." That was in a *Free Press* article dated April 17.

Was there a provincial representative at the negotiating table?

Mr. Lemieux: I thank the member for the question. I have been advised that we did not have any staff or there was not anyone at the negotiation table. The person representing the department, certainly, spoke to the school division and talked to them about the challenges they saw trying to address the 56% difference in salaries of their non-teaching employees. I understand it is around approximately 56 percent, the gap was. He may have even spoken to the employees as well separately, but I do not believe was sitting at the negotiation table per se. Thank you.

Mrs. Stefanson: I thank the minister for his comments on that. I guess, maybe, it was just sort of a figure of speech that the representative of CUPE was saying that the Government was at the table. It leads me to believe that you were perhaps at the table with part of the negotiations. It is important to clarify that note.

I would ask the minister, in terms of the line of events that took place at the time, clearly if there was a 56% difference in gap, when was the minister made aware that there was this gross difference between the salaries within the school division?

Mr. Lemieux: I will attempt to answer the question the best I can. I do not recall the dates or the chronological order, if that is what the member is asking for. I do not know exactly. I cannot recall. I just do not know. I just recall knowing that when I was informed through staff that there was a huge difference—I would not even know. I would even hesitate a guess of dates. I am not sure if the member is asking for dates or if I could clarify that. Maybe I can get clarification on the question.

Mrs. Stefanson: The number of 56 percent is fairly significant. I would argue that there are a number of other school divisions, whether it is 15 percent or 25 percent or 10 percent, any costs associated with the amalgamation was not something that was realized by the minister.

I guess I would like to know specifically in this instance, I think even before the school divisions were amalgamated, this is what is wrong with this whole picture here, is that this Government really had no plan in place to deal with this situation of the harmonization of contracts. Obviously, there were going to be huge costs and huge ramifications revolved around this issue. I think it was fairly clear to see before the amalgamation process took place that there would be huge costs within the school division.

I guess I would like to ask what the minister or what his plan was to deal with the costs associated with the harmonization of contracts within the Sunrise School Division. Clearly they were there before, after, during and so on. They have always been there. You could figure it out, having the numbers in front of you. I guess it does not matter exactly when, but the fact of the matter is that this Government did not seem to have any plan in place to deal with the harmonization of contracts and the costs associated with those.

I guess I would ask the minister why he would let the situation—or what was his plan? What was his government's plan to deal with the costs associated with the harmonization of contracts, particularly in areas that were so significant in terms of numbers, such as the Sunrise School Division?

Mr. Lemieux: Mr. Chairperson, with regard to the differences in pay scale, as a minister I, certainly, would not be aware, nor would a lot of the employees be aware, nor would the parties be aware until they actually sit down and start talking about the differences in salaries and the differences that the different employees get.

I agree with the member that the difference in salaries as such is not as important as knowing what necessarily is going to come about as a result of a gap, whatever that gap is. Now, 56 percent. I stand to be corrected if that number is not correct, but I am sure that is the number that I was given, whether it was through the media or a media source or whether it was from the department, but parties will not know those numbers until they actually sit down.

The key point to be made here is that the school division being the employer has a huge

responsibility on its shoulders to deal with its employees. When those collective bargaining, when those contracts expire, often talks will take a while to get going. Then once they get going they have a responsibility to not only negotiate in good faith, but they have a responsibility as the employer, as the duly elected officials in that area, to bargain. Collective bargaining is not always easy, but that is their responsibility.

* (15:00)

Now, as a government, we provided \$50 a head, which I believe is almost \$3 million, for amalgamated school divisions over a period of time to provide some support to them. Now, \$50 a head is substantial. It is not everything that people want, obviously, but we have heard that it, certainly, has assisted the divisions, and the divisions have to bargain. A lot of divisions, it is my understanding, are making provisions and have made provisions for their contracts coming up. They plan in advance, and they are doing the best they can to put funds aside to address whatever gaps there are.

With regard to when I became aware that there was a larger gap, as the Member for Tuxedo (Mrs. Stefanson) said, it is not important as to the date, but the gap itself was substantial. I will, certainly, find out those exact numbers and what the exact numbers are, but the school division is where the ball lies and who it lies with with regard to negotiating with the parties.

We told the school divisions that we would not leave them as part of the plan, would not leave them high and dry in any of the challenges that they have had. We have had staff work with all the amalgamated divisions, trying to work with them closely, trying to assist them in any way we can, getting feedback from them and the possible challenges that they have got. We are going to continue to do that, whether it is financial or otherwise, and that is all part of the plan after the amalgamations took place, some of them voluntary, some of them not.

Mrs. Stefanson: The minister must have been aware prior to the amalgamation process, though, that there was going to be a significant cost increase as a result of harmonization of contracts. This is what I just cannot understand.

We are not getting any kind of answer from the minister on this issue at all. They must have known before they forced amalgamations within these school divisions that, obviously, if one school division pays teachers more or pays employees more than another school and they merge, it is going to go to the highest common denominator. There is going to be significant costs associated with this.

I guess in the case of the Sunrise School Division, I would ask the minister why he choose to wait to force the employees within the school division to go on strike before his Government came forth with money to help rectify the situation?

Mr. Lemieux: Just on a point of clarification, no, the minister did not force anybody to go on strike. That was a choice that the employees made. I have made the point clear since I became minister that amalgamation was not a lottery. Just because amalgamation has taken place, it does not mean that there will be an automatic jump up in pay for any employee within any particular school division. So the point is that employees should know that it is not a lottery. People are going to have to live within their means. People do not all of a sudden come up with a larger paycheque as a result, and it is not automatic that people go to the highest common denominator. That is what all negotiations are about.

Negotiations are exactly what the statement says. People have to sit down and negotiate. Now, if people want to negotiate benefits, maybe they will put more emphasis on benefits as opposed to salary. That is something that has to take place and that is why the Government or minister should not be jumping into the process, as was stated, in an early fashion. I mean, we received a request for assistance because the school division felt that, because of the abnormally large gap in non-teaching employees' wages, it was a gap they felt they had trouble with, so they asked the Government for assistance. We said we would not leave them high and dry.

The other side of it is that Louis Riel School Division did not ask us for any help at all. They sat down and hashed out a collective agreement

with their employees, and it is an amalgamated division. So it is difficult. That is why it has to be on a case-by-case basis. Certainly, I am open. I have met with approximately half the school divisions. I intend on meeting with the remaining amalgamated divisions to hear directly from them some of the challenges that they face.

Mrs. Stefanson: Well, I would argue in the case of the Louis Riel School Division that the salaries were not all that different. As I understand, before and after, there was not a lot of difference between the two divisions. So I would argue that a negotiation in that case is pretty simplistic and maybe they did not need the Government help on that one.

Certainly, there are other school divisions, whether it is River East Transcona, whether it is Pembina Trails School Division. Now we are seeing in Prairie Rose School Division, in Sunrise School Division—there are significant numbers of school divisions that are going to be coming forward with significant costs associated as a direct cost associated with forced amalgamation in these areas. Obviously, there was no plan in place before to deal with the harmonization of contracts and the costs associated with that. This is only, by the way, the costs associated with the harmonization of contracts. It is not even the costs associated with transportation and all sorts of other factors that are going to come into play over the next little while. I mean, this is just the start of what we are going to see here.

I am just absolutely outraged at the fact that there was no plan put in place, and I understand the minister was not the Minister of Education at the time, but he, certainly, was at the Cabinet table and did play a role, I believe, in the decision for amalgamation. He said that he was in favour of amalgamation. But where is the plan here. Where is the plan to deal with all this so that it is fair, so that each individual school division is treated in a fair and appropriate manner when it comes to the harmonization of contracts, and indeed when it comes to dealing with any cost increases associated as a result of this government's decision to force amalgamations in these areas.

I would like to ask the minister: How much money did the Government of Manitoba put toward the harmonization of contracts in the Sunrise School Division? How much money did the Government commit specifically to that contract?

Mr. Lemieux: Just a point of clarification, is the member from Tuxedo asking about all amalgamated divisions, some of the divisions or Sunrise School Division?

Mrs. Stefanson: I specifically stated the Sunrise School Division. I would like to know the amount of money put towards the harmonization of contracts in the Sunrise School Division.

Mr. Lemieux: I do not mind answering that question at all because we do have a plan, and we have had a plan in place. When we were approached to assist them, I mentioned and I will not repeat it, about how difficult they felt that gap was because it is so unusual an example in Sunrise compared to everyone else. We made a commitment to assist Sunrise School Division over a three-year period. We told them that they would have to harmonize their salaries over that—well, we did not tell them. They wanted to harmonize their salaries over a three-year period, and we told them that the first year we would be giving them \$112,000 to assist them in their first year of their contract. The second year of the contract, we told them that we would be assisting them with \$158,000. The third year was also \$158,000, and by that period of time they would have their salaries harmonized and all non-teaching employees would be on a level playing field. That is the most extreme example of any difference in salaries in the province of Manitoba.

So we were not going to leave the poor division who felt that they needed our assistance. All we could do was assist them in any way we can. That will continue to be the way. Certainly, we are not wanting to shut the door on any division. We understand the challenges that they have. There are many school divisions out there, amalgamated and non-amalgamated that approach us all the time. It is something that we, as a government, feel that the benefits will be shown over a period of time on how important amalgamation is.

* (15:10)

I know that the amalgamated proposals by Bill Norrie who, instead of cutting the divisions down to 36, was going to cut them down to 20 divisions. I do not want to get too political about it, about how the document sat on a shelf and gathered dust and did not do anything. I think the right move is amalgamation. There is de-population taking place and movements of people around the province and student enrolments dropping in many schools. There will be amalgamation in the future, but it will be on a voluntary basis. It will not be forced amalgamation. I think in five to ten years' time there will be more amalgamations, and the Province of Manitoba, whether our Government is there or some other government is there, I am sure they will be there to assist them as we have been. Thank you.

Mrs. Stefanson: I thank the minister for his comments, but I have to say that I think it is outrageous that this Government completely misled Manitobans when it came to this issue. They told Manitobans that this amalgamation process they put them through would save the Government \$10 million that they would put into the classrooms for the children.

Well, now it is costing. We have found the \$10 million absolutely no place and the Government, and the minister, I have asked several questions around this issue over the last few days, has neglected to give me anyplace where there have been any savings as a result of costs at all. Where is the \$10 million that is going into the classroom for the children? It is not there. As a matter of fact, there has been an increase in costs as a result of this amalgamation process.

The minister talks about this incredible difference, this gap between wages. Well it is very significant, but it could not have come as a surprise to the minister. I mean this is not rocket science that this would be the case, that there would be an increase in costs as a result of the forced amalgamation process, as a result of the harmonization of contracts. This is there, but I would ask the minister whether it is 56%, 10%, 9%, 6% difference, 26% difference? At what point, how much of a discrepancy between wages does there have to be within a given school division before the Government is willing to help out?

Mr. Lemieux: I thank the member from Tuxedo for the question. I thank you, Mr. Chairperson. These gaps have existed for a long time, long prior to amalgamation. As I mentioned previously, amalgamation was never meant to be a lottery. What I mean by a lottery is a windfall by anyone working within a school division as a result of amalgamation. All along as a government we have said that we expect that any benefits would be put back into the classroom and could be going back to the children, and we believe that that not only is the case but it is happening.

Just on the surface of it, I have mentioned previously when you go from three superintendents down to one in a school division, and you have three offices in the school division, you are down to one and you are starting to cut the administration side of the ledger. You are starting to gain substantial savings.

Now, the financial part of what we are talking about or the financial savings is not all that we are talking about on the benefits of amalgamation. We are talking about all the economies of scale that are involved, the opportunities where one school division did not have a very good computer program and then the—or even the purchasing of computers. That has happened for a lot of divisions. The technology has been passed through the divisions that did not have it that amalgamated with a division that did.

All of those benefits benefit the children and are benefiting the parents in the long run, and I think that is something to make clear. Our Government did not say there would just be a financial savings or a financial benefit, we said there are a lot of other benefits to amalgamation.

Members keep throwing out numbers all over the place about potential savings and I just know that we are hearing a lot of feedback, positive feedback from the divisions. We know it is not perfect and no one felt it would be perfect, but we felt that in the long-term benefit of Manitobans, and in the long-term benefit of children that amalgamation and the amalgamation process we have gone through would be of a benefit.

What is the magical year that will see all of those—I do not think there is an end date but I think it is long-term. There is a short-term, medium and long-term scale that you can use. Since we are going to be the Government for at least another eight years, we will be able to look at all those challenges in the next eight years and hopefully try to rectify all of them.

Mrs. Stefanson: The minister stated in a *Free Press* article back on the 28th of April when he said, and I quote: We did set money aside to help this division, meaning the Sunrise School Division. I am wondering if the minister can state where this money was set aside, how long before the contract negotiations settled was this money set aside for the Sunrise School Division?

Mr. Lemieux: Mr. Chairperson, last year we gave the school divisions a 2.8% increase over the previous year. That is about \$23.5 million. The Sunrise School Division, I am looking for the specifics of how much did we give the Sunrise School Division last year, but with regard to collective bargaining—

School divisions right now are putting plans together for all kinds of contingencies in all kinds of areas where they can expect costs. Negotiations, with regard to collective agreements and contracts expiring, are all part of it. When I was asked by one of the media about: Is the Province of Manitoba going to do it all for the school divisions? I said no. Nor can they to expect it. They realize they have a job to do on behalf of their own taxpayers. That is part of their job as elected officials. One part of their job is to negotiate with their employees and to be able to come up with collective agreements that are presumably satisfactory for both parties.

School divisions understand and know that within their budgets they have budgeted and put aside certain amounts of money which they understand is part of their responsibility, and we would expect them to do that. I think their taxpayers in the area expect them to do that, to budget accordingly. If you know your contracts are coming up, they should be budgeting for any kind of increases. What that number is, it is very difficult to say, but those divisions understand that harmonizing of salaries is just one challenge

to collective bargaining and they are putting monies aside to deal with it.

In the Sunrise situation, because it was such a huge gap in non-teaching employees, they approached government and said they needed some assistance. Because it is so unusual compared to other school divisions, we were not about to leave them high and dry. We mentioned that, in the first year we gave them \$112,000; in the second year, \$158,000; in the third year, \$158,000. By that time the salaries would be harmonized.

* (15:20)

In the year '02-03, Sunrise, taking a look at their operating support, was just over \$21 million. In '03-04 it is \$21.5 million. There has been an increase, let us say, of \$.5 million or more from the Province to the division. I do not mean to say that this answers all their financial problems, but I can tell you that is certainly far better than what happened in the 1990s to Agassiz and to Transcona.

What we are trying to do is, at the rate of economic growth, trying to address those challenges. We do not have all the answers. I am not going to say that we are perfect. We are not, but we are trying and working hard with all these divisions to try to assist them. Assist is the word because we expect the school divisions to be doing their work as well. I believe they understand that and they understand that they have to bargain, bargain in the truest sense of the word. They have to work as hard as they can to get the best they possibly can for their rate-payers. Of course, the employees have the onus on them to do the best they can for their union and their association. So the answer with regard to Sunrise was we are able to assist them financially, and I believe that the taxpayers in Manitoba understand that.

Mrs. Stefanson: We understand that you have been able to assist the Sunrise School Division financially. That has been stated over and over again. My question is: How much money was given to the Sunrise School Division from the Province of Manitoba with respect to the harmonization of salaries to settle the dispute back earlier this year?

Mr. Gerard Jennissen, Acting Chairperson, in the Chair

Mr. Lemieux: I guess I am going to check my math out and see how well I can do my math; 112, 158 and 158; \$428,000 over a three-year period to help harmonizing the salaries. Again, because it is such an unusual situation, we felt as a government that we had to assist this division because of the huge gap that was involved between non-teaching employees. It is very difficult to do, but on the other hand, because it is one of those divisions in the province that has this challenge, we felt that we had to do something.

Mrs. Stefanson: Well, there are many divisions within the province that are facing similar problems with respect to the harmonization of contracts. I know that the minister would agree that there has to be some sort of fairness within this process with respect to giving money to individual school divisions to deal with the increase in costs associated with the harmonization of these contracts that came about as a result of their forced amalgamation. There has to be fairness within this process. They have given it to one school division.

Does the minister not agree that if he gave it to one school division, if he gave any sort of financial assistance to one school division, is it not fair to then give it to and offer that to other school divisions that have increasing costs as a result of contract harmonization as well?

Mr. Lemieux: There are two parts to this. One is that you have Sunrise School Division coming forward and asking government, after they negotiated in good faith, the union worked hard, both parties could not resolve such a huge gap that they had, and they both realized it. So government was asked to assist. Now right after that you had Louis Riel School Division settling without government assistance at all.

My point is that it has to happen on a case-by-case basis. You have to let people negotiate in good faith and try to hammer out an agreement, try to hammer out a deal that is in the best interest of taxpayers, not only Manitoba taxpayers but their local school division taxpayers.

What I am saying is that I think not only would it be unwise but not very prudent on behalf of government to be saying, there is X amount of dollars for school divisions, because guess what? When the moment that starts to happen, when people are wanting to build a new school, why does the Minister of Education or the Public Schools Finance Board not announce what amount has been put aside for a school? Well, guess what the contractors would do? They would come right back in with that exact amount if you told them, oh yes, we have got \$4 million aside for a new school. Then you put out a tender. Guess what the tenders are going to come back at? *[interjection]*

Well, no, the analogy is that school divisions have a responsibility to negotiate in good faith. That is their job. They are duly elected officials. Let them negotiate. Let them work it out and let them put a budget together.

So my point is government will be there. We want to sit down and talk with the school divisions. I certainly plan. I have met with approximately half of them already. I certainly want to meet with the other amalgamated divisions, and I have met with many other divisions as well to get a handle on their challenges that they see in amalgamation but also specifically with harmonizing salaries, if they have a real problem and a real challenge there.

I apologize to the member from Tuxedo. I know that she has a job to do. Hopefully, I am not being too repetitive. I am trying to answer her question the best I can, and, hopefully, I have done so.

Mrs. Stefanson: Peter Tartsch, who is the CUPE representative, commented about the Sunrise School Division in a *Free Press* article on April 28. It stated that, and I quote: The Government, certainly, was involved—meaning in the Sunrise School Division. The Government realizes there are inequities out there. If they stepped up to the plate on this one, they will have to step up to the plate on other ones.

Does the minister disagree with this comment?

Mr. Lemieux: I thank the Member for Tuxedo (Mrs. Stefanson) for the question. I know that, as we have been discussing the whole issue about dollars and assistance, I will not mention the member who is sitting to her right, but the gentleman keeps saying that he wants us to give school divisions money who do not want it and do not ask for it. Am I going to go to divisions and just give them piles of money because they did not ask for it and they do not want it, like Louis Riel?

They are able to negotiate. When you negotiate, sometimes you negotiate benefits. Maybe that is the key, maybe pensions. Pensions might be the thing that they are very focussed on, which is a good thing to do, and possibly it is other benefits that they are interested in. They are not interested in the financial, so much per hour benefits. This is all part of collective bargaining, and I know all members in the House would not want any Minister of Education or government to be fiscally unwise with regard to negotiations.

Those divisions have a job to do. Yes, the unions have a job to do as well, and we expect them to do it. It is called collective bargaining, and the Province certainly is not going to jump in and advance ahead and get involved where they may not even have been asked to participate or give financial assistance.

Mrs. Stefanson: The minister is sort of skirting around the issue at hand here. The money has to come from some place. I would suggest that as a result of this Government not having a plan in place to deal with the increase in costs associated with harmonization of contracts as a result of their forced amalgamation—I cannot believe that they did not have a plan in place to deal with this.

But then, after all this takes place, and I will say again, the minister was quoted in the newspaper, in the *Winnipeg Free Press* on April 28, stating: We did set some money aside to help this division.

Well, if you set some money aside to help this division, you have not been able to tell me how much you had set aside at that point in time. You did tell me how much you have given to the

Sunrise School Division, and I appreciate that. But if you set money aside for one school division, and I would ask the minister—this is going to be realized in other school divisions as well—has he set aside money for other school divisions to deal with this issue?

* (15:30)

Mr. Lemieux: The department has a budget. We have allocated X amount of dollars—over a billion dollars. Within those dollars we certainly have different programs that we offer. We are certainly looking at how those dollars are handed out. I mention that we, within the Sunrise School Division, that division, because of the huge gap and because we are being asked for assistance, we never received any requests from Louis Riel School Division. I expect a lot of other school divisions we are not going to be getting any assistance from or asked for assistance.

I hate to say that it is hypothetical but it is in a sense. We do not know whether or not a division is going to say they cannot afford the huge wage gap and they are going to be asking Government for assistance. I do not have a crystal ball nor have we been asked whether or not divisions need assistance. I would expect that maybe a lot of them will not need assistance at all.

Time will tell when those collective agreements expire. As I said to the member before, from Tuxedo, I look forward to meeting with those divisions I have not already met with and I look forward to this being one item on the agenda.

Mrs. Stefanson: The CUPE representative, Mr. Tartsch, has said also, and I am sure the minister is aware of the issue in the Prairie Rose School Division regarding the school bus drivers who are currently on strike. All they are asking for is parity there. The minister has offered help to the Sunrise School Division in respect to when the issue came about with the harmonization of those contracts. Now they are looking for parity with the school bus drivers' salaries within the Prairie Rose School Division. Will the minister agree to help this school division out in the same respect that he helped out the Sunrise School Division?

Mr. Lemieux: I thank the member for the question. With regard to Prairie Rose, no, I am confident the strike can be settled quickly in order to minimize any kind of disruption to the students, or parents for that matter and any of the people within the Prairie Rose School Division. Mediation services and the Department of Labour and Immigration are available to the parties. I hope they take advantage of that. I know the Province has not been approached. I know talks have broken down and they have reached an impasse. I am certainly confident they will be able to work it out.

Again, it is a difficult part about collective bargaining. I know, in Manitoba we are very fortunate that this is just the seventh work stoppage this year in Manitoba. With regard to the lost days per month to strike and lockout, it was at least 25 percent higher under the previous administration when they were government. So we are very fortunate there have been very few lockouts or strikes in Manitoba. People work extremely hard to solve their collective bargaining disagreements. Again, the Department of Labour and Immigration is available to assist these parties. I am sure their dispute will be rectified shortly.

Mr. Leonard Derkach (Russell): The Minister of Education keeps defending a position his Government took that is really defenceless. What they have done is set themselves up in a very unwise move prior to an election to interfere in a collective bargaining process. That has set a precedent that has never ever been done in this province in that regard, that is to compensate school divisions in a time for a specific bargaining issue. Now that really skews a bargaining issue in this province. I do not care what the minister says, I think every single citizen who has anything to do with finance would be able to express that concern.

The minister will not come forth and tell us how much money he is setting aside to deal with other school divisions that are going to be in this same kind of situation. I can identify several school divisions right now who are just going into the harmonization negotiating process where there is going to be a problem.

If the minister does not have within his budget a certain amount of money set aside to deal with this issue, then where is he going to get the money from? I ask the minister: What sum of money and where in this document can we find a sum of money set aside to assist school divisions in the harmonization of salaries?

Mr. Lemieux: Well, I thank the member for the question. With regard to assistance, whether it be to Sunrise or another division that may ask, I have no idea who that would be, they may not ask at all for any assistance. Those dollar figures, \$112,000 this year. That \$112,000 I found within my department to assist Sunrise School Division.

The member knows that every minister, no matter who that minister is, sometimes there are underexpenditures and sometimes there are over, within their budgets. So, for Sunrise I certainly was able to find the money within my budget and we were pleased to assist them. It was such a huge gap and it was an unusual gap that they had, but you have Louis Riel that did not ask for any assistance.

I do not want to be repetitive, but you do not know what divisions are going to be asking for assistance, if they ask for assistance at all. There could be many divisions that do not want any assistance whatsoever, and they are able to manage within their own resources.

Mr. Derkach: Well, Mr. Chair, what the minister has just acknowledged to me is that he has discretionary spending within his department that is not identified here to begin with. He has made a commitment for spending next year and the year after, and you cannot do that simply by saying: I had extra money. You have to identify that source of money somewhere.

I am asking the minister where that money has been identified from and where is it shown, in what line, for the subsequent years? Additionally, the minister said and I do not think I am misquoting him, that there was assistance asked for by the school division. Is that correct?

Mr. Lemieux: Well, let me go back two steps or ten steps. Sunrise School Division, because they had such a huge gap when the parties were at loggerheads and felt that because of this huge gap that the school division was going to be unable to address such a huge gap, they wanted to have this harmonization over a three-year period by which then all of their employees would be on a level playing field. They asked the Government for assistance, if there was any way government could assist them. So the answer to the member is that when the parties were at loggerheads they felt as I mentioned before.

Louis Riel did not ask for any assistance at all. No one has talked to the Government from Louis Riel. People from Sunrise, because of this huge gap, spoke to government about this gap and whether or not they were, indeed, going to be able to cover this harmonization gap.

As a government, certainly, we have told school divisions that we are not going to leave them high and dry and we are not going to be there without assisting them in any way we can through the amalgamation process. We have had staff working with all the divisions and dealing with different issues.

So, again, when it comes down to collective bargaining, it may not be all financial. It could be benefits that may be negotiated against other things. So that is something that we, as a government, cannot foresee, what is going to be part of their collective bargaining on both sides. So we await that and do not feel that there is going to be, and may not be, a real need for assistance in harmonization.

* (15:40)

Mr. Derkach: Mr. Chair, the more the minister talks the more he talks in circles. To begin with, he has indicated to this committee that he found \$428,000 within his department that he did not need to spend on anything else and therefore decided to spend it on Sunrise. That is \$428,000.

This is almost a half a million dollars that could have been spent, that has to be identified somewhere in this Budget, or else I want to know where the accountability is, because ob-

viously the minister is showing us that he is not accountable, that he can find \$428,000 and spend it where he likes.

Mr. Chair, I asked specifically, whether the minister had a request from the school division to assist. He said yes, that the school division asked for assistance. We just went through a process in the House where a minister has been accused of misleading the House and misleading a committee.

Mr. Chair, I read from a quote from the *Winnipeg Free Press*, Thursday, April 17, 2003: Sunrise chairperson, Eleanor Zieske, stated that the division had not made a formal request of the Province to help.

Somebody is not telling us the truth. I guess we have to go back to Ms. Zieske and ask whether she is telling the truth, that they did not ask for help, or whether the minister is not telling the truth, indicating that they did ask for help. Now she is the chairperson; she knows what is going on. I know Ms. Eleanor Zieske. She is not going to mince words. She has stated on the record that they did not ask for help, that, indeed, the Government came to their assistance without a request for help.

We knew that. We said that in the beginning. We said that in the House and the Government at that time did not reject that notion, that, in fact, it was the Government that made the offer, not the school division coming to them for help. That is what Ms. Zieske says.

Now, Mr. Chairman, I want to also remind the minister of the events that occurred. This is the end of April. The Premier (Mr. Doer) is intending to call an election on May 1. The issue is a strike at Sunrise. We have to settle that before I call the election, says the Premier. Somewhere we find \$428,000 to offer Sunrise School Division to settle a harmonization dispute, which sets an awful precedent for us as a Province.

I want to ask the minister, once again: Was there a formal request from the school division to assist in the harmonization of salaries which is being rejected by the chairperson of that school division right at this time?

Mr. Lemieux: I have been advised that someone, I do not know the chairperson's name, Ms. Zieske? Whoever the chair—[interjection] I have met her but I do not know her, but I can tell you I have been advised that someone from the board asked Government to sit down and talk—

An Honourable Member: That is not good enough.

Mr. Lemieux: Well, asked the Government to sit down and talk to them because of the challenges they had with regard to the huge gap.

My understanding is that the chronology of events is that there was mediation on April 10, a tentative collective agreement was concluded on April 15, ratification on the 17th, and they returned to work on the 21st of April.

I believe what the member is referring to is an article on the 27th of April—

An Honourable Member: The 17th.

Mr. Lemieux: —that, when Government was asked, I stated truthfully that Government assisted Sunrise School Division in breaking the gap, the huge gap they faced in harmonizing salaries. The chronology is there.

Government is being very straightforward about wanting to assist Sunrise School Division in the challenge they had with regard to this unusual gap they had.

Mr. Derkach: Mr. Chair, I cannot believe what I am hearing. The minister says: Well, somebody asked. Somebody asked somebody and we gave the money.

Is that the way the department works? I hear a rumour that somebody is asking for money, pay them? Is that what the minister is saying?

The chair of that school division, Eleanor Zieske, states on the record that the division had not made a formal request for the Province to help. She states that on the record. The minister now tells us, he said—let us not mince words—the minister says the division asked for help. The chairperson is saying: We did not ask for help.

The minister now says: I found half a million dollars that I was not going to be using anyway, so we gave it to them.

Can you imagine this, Mr. Chair? Tell Manitobans that all of a sudden the second largest department in this Province has enough discretionary funding within its purview that the minister can go ahead and say: Here is half a million dollars, settle your salary dispute, okay.

What kind of a precedent does that set for the rest of the province? This is quite unbelievable. The minister says to me that he found the money from within his department, that he did not have to go to ask for extra money. I am saying where in the Estimates book did he take the money from? Show us where you were able to take half a million dollars out of your Estimates book to pay for that charge.

* (15:50)

The other question I have, I want to know the truth: Did the minister's office receive a formal request from the school division to assist with the negotiations of that labour dispute, and can the minister table that piece of information for us in this committee?

Mr. Lemieux: The member, though, when he talks about the department finding money here and there, he knows darn well that that does not happen. But he would certainly like me to find money, he is saying, to speculate somehow or to anticipate that there are going to be all kinds of requests around the province to find money here and there and everywhere. So what I would say, if the member means by "formal," a letter coming in, I have been advised that no, there was not. Now people sat down and talked, I understand, and certainly talked to people within the department about the challenges they had with regard to the gap. They said we have such a huge gap with regard to non-teaching employees that they need assistance to address that, and that they cannot address it. They are unable to address it in Sunrise.

Now, I have been advised that, no, there is no letter. If that is what the member or the chair refers to being formal, but certainly I understand, and I have been advised that there were

discussions about this gap, this unusually high gap that they felt they could not address. Once again, I reiterate that that assistance for Sunrise School Division was provided, and we are certainly looking forward to discussing with other school divisions that I have not met with yet, amalgamated divisions, whether or not they face similar challenges. I have been advised that they will not because this was an unusual situation between the old Agassiz and the Transcona side. Other divisions, of course, not amalgamated ones, face their own challenges with regard to collective bargaining. Thank you.

Mr. Derkach: Mr. Chair, it is really quite unbelievable to hear the responses from the minister. This is going on the record that we are going to use throughout the province, because I really cannot believe that, without any formal request—I mean, I know the process, and if anyone, anywhere in the system requires funding, then they better come forward, not only with just a request, I need a half a million dollars, but there had better be some rationale provided for what you are going to use that money for, how that money is going to flow, specifically what your business plan is in terms of using that money, before a penny flows. The Auditor General himself would want to know the details of that request before that money can be spent.

Here we have a minister that says: I have enough discretionary spending in my own department, in my own ministry, that I could spend half a million dollars where I chose to, and I decided to spend it on Sunrise School Division even though I did not have a formal request, even though I did not have a plan, even though I did not have any specifics on where that money was going to go. How does a minister even know that that money went to pay for salaries? Did he ask for any accountability of the money that was sent?

We had that same situation, Mr. Chair, arise with Agassiz School Division not more than a year previous, when another half a million dollars was slipped under the table to the Agassiz School Division, then because, all of a sudden, they were running a deficit, and somewhere, again, the former minister found half a million dollars to slip into that school division. Now we have another half a million dollars

being slipped into that school division, allegedly for harmonization of salaries, even though the school division had not made a formal request to that end.

Now, Mr. Gary Draper, who is the chair of MAST, is indicating that it will take another \$6 million for the province's twelve merged school divisions to harmonize employees' salaries. Of that \$6 million that is going to be required to harmonize salaries, I am assuming that the minister has some idea. Because that number is out there, that \$6 million. I know in my own school division, they are going to have a challenge. There are other school divisions that are already indicating they have a challenge. What criteria is the minister going to use to decide whether or not the department and he will flow money to these school divisions? What are the basic criteria, Mr. Chair?

Mr. Lemieux: I have said repeatedly to the member from Tuxedo that, when looking at financial assistance or asking for financial assistance, it would be on a case-by-case basis. Because you had Louis Riel, they dealt with their collective bargaining process in a way that they did not come to government, ask government for any assistance whatsoever. What they did was they were able to sit down, negotiate, hammer it out, and come out with a collective agreement. They did not formally come to the Government and write a letter to government. Nor did they ask even informally for any assistance whatsoever. So, Mr. Chairperson, I thank the member for the question, and I will be pleased to answer any other questions fully, as I have in the past. Thank you.

Mr. Derkach: Mr. Chair, this is unreal. The chair of the Sunrise School Division has said very emphatically that her school division did not ask for help. They said that emphatically on the record. Their school division did not ask for help. What the reality is, is that the Government knew that on May 1, the Premier wanted to call an election. This is April 17. We are talking about the end of April. So all of a sudden, let us put out all of the fires that are out, and we are just going to go out to Sunrise, hand them half a million dollars that the minister all of a sudden plucked out of the air, and we are going to solve the problem.

An Honourable Member: Nobody asked for it.

Mr. Derkach: Nobody asked for it, but the minister had a half a million dollars in his pocket to go and find a solution to the problem. What school division would not say thank you very much? I do not know did they give it to the school division or did they give it to their candidate in there, I am not sure.

An Honourable Member: He made the cheque presentation.

* (16:00)

Mr. Derkach: Oh, the candidate made the cheque presentation.

Well, Mr. Chair, we are now faced with another situation. Today, we have a situation where in Carman, 32 bus drivers, hit the picket line for the second day. Same issue. We have a dispute that cannot be resolved. We have a strike.

The minister does not speak on these things, of course. Now they have a cute little way of saying, well, a spokesman for the minister—you see, the minister's mouth is sealed now. We have spokespersons now that speak for him—says that the province has not been asked for any money. Well, it was the same in Sunrise. They were not asked for any money.

Now, there is a saying: What is sauce for the goose is sauce for the gander. In this instance, would you not think that if the Government could find a half a million dollars to settle the dispute in Sunrise, they should be able to find whatever money is required to settle a strike here to get kids back in the classrooms?

An Honourable Member: Is that in Lac du Bonnet, Sunrise?

Mr. Derkach: Yes, Lac du Bonnet constituency. The Premier was boasting around the province that this was a constituency he was going to win. Well, I guess he tried to buy it for a half a million dollars. It did not work.

So I want to ask the minister, who is supposed to be responsible, who is supposed to

treat school divisions equitably, who did not get a request from Sunrise School Division for money, whether he is prepared today to do the same as he did for Sunrise? He has set a precedent. Now is he prepared to go forward and do the same for the school bus drivers in the Carman area—that is Prairie Rose School Division, I believe—as he did for Sunrise?

Mr. Lemieux: I guess I will repeat myself again. Issues like collective bargaining and negotiations are certainly on a case-by-case basis. Louis Riel has not sent, informally, formally, did not request for any assistance. The reason was they were able to settle their collective bargaining on their own. They just felt they had the dollars. I am certainly not privy to their agreement, but they were able to do it.

Now, I realize that they are at a stalemate and they are at loggerheads right now with regard to the union and the employer in Prairie Rose. I am confident that mediation and conciliation people who are working with them and assisting them will be able to help them work this through. They are available to assist them. The collective bargaining process is alive and well in Manitoba. They are doing whatever they can to ensure that this will take place.

So I just want to say that on one example you have a division that understands that they have such an unusually high gap with regard to the difference in non-teaching employees, and they needed assistance. I have been advised, certainly it is informal. We have not received a request, to the best of my knowledge, formal or informally, from Prairie Rose. So I thank you, Mr. Chairperson. I certainly will be pleased to answer any other questions.

But the collective bargaining process is taking place. Bodies are negotiating. They are exercising their ability to negotiate in whichever way they can. I am hoping, on behalf of the parents and the students, that a minimal amount of disruption will take place for the children, the students and the parents of Prairie Rose.

Mr. Derkach: Mr. Chair, let us try to put this in perspective. We have a labour dispute at Sunrise School Division. The school division, in dealing with the public and in dealing with the media,

have indicated that there is a shortfall between what they can afford and what is being requested by the union. It does not matter whether it is huge or whether it is small. There is a discrepancy. There is a gap. It is not for Government to begin to interfere in a collective bargaining process by saying, oh, well, we will make up the gap. That is exactly what happened at Sunrise. The Government came in and said: We will close the gap. This is an interference in collective bargaining by the minister. You cannot call it anything else.

Had the union requested help from the minister, had the school division sent in a formal request for help from the minister, someone would have taken the time to do an analysis of what the real costs were, what was required, what the business plan was, how the repayment was going to occur if there was going to be a repayment, and then decisions would be made. There would have to be some documentation on the request from the school division or from the union.

At this point in time, we have nothing. The minister says, yeah, somebody asked, but we are not sure who. Well, obviously the school board did not. The spokesperson for the school board is the chair. The chair says very emphatically that the division had not made a formal request to the minister for assistance. What that leads us to believe is that the minister interfered in a collective bargaining process without having been requested to do so by either the union or the school division. He did that on his own.

Why? I maintain because the Premier wanted to call the election on May 1. This is April 17. Let us get the fire put out, folks. The minister finds half a million dollars. I am going to be asking the Auditor to find where this money came from, because the minister cannot identify it in the Estimates. If he can, I am asking him again to identify where in the Estimates he took that half a million dollars from. This is an accounting of all money spent by the department. I want to know where the half million dollars came from. The minister has not been able to give me an answer.

Today in the *Winnipeg Free Press*, we find that Prairie Rose School Division's 32 bus

drivers are now on strike. The minister says, well, in this case, we cannot interfere because nobody has asked us for any money. What is he saying? Is he saying that if someone asks for money then he is going to interfere again in the collective bargaining process? Is this the kind of money this minister has at his discretion to be able to patch these things?

He says in Estimates that he is going to deal with these cases on a one-by-one basis. Tell me how much money you have got and in what pool you have this money where you can start settling these labour disputes by simply throwing money at them. Is this what we have degenerated to in the department that we are now going to be able to throw money at labour dispute issues.

How much money? There are no criteria. I have asked the minister for criteria. Show us the criteria that you use to flow money for salary dispute settlements. I have no answer in that regard as well. This is probably the most bizarre situation that I have seen in recent times.

When we have a minister who says: I can find a half a million dollars to settle that dispute at Sunrise before the election but I am going to look at the rest on a one-by-one basis, that tells me he has got discretionary spending in his department. I want to know where in this Estimates book it points to where his discretionary pool of funding is to resolve those matters. This is serious stuff.

We are talking about public money that is not being accounted for. We are talking about public money that is not being identified in the Estimates because the minister cannot give me the answer. I want the minister to point out in this Estimates book where he found half a million dollars to settle the Sunrise dispute and where in this book he is going to find money to settle other disputes that he says may have to be dealt with in the future.

* (16:10)

Mr. Lemieux: Just to answer the member from Russell's question, no. There was no interference whatsoever with regard to Sunrise. No, there is no interference with regard to Prairie Rose with regard to funding.

My understanding is that the school division did informally request assistance. That is what I have been advised. I am telling the member that, no, we are not as Machiavellian as he purports that people are. Maybe he should look in a mirror.

I am telling you that what we did was we were not going to leave school divisions, and we said this all along. We put staff in place to assist amalgamated divisions with any challenges they have, whether they are financial or academic or otherwise. We have been working with divisions closely. We will continue to work with amalgamated divisions as long as they need our assistance.

I mentioned I am going to be meeting with other divisions. I met with almost half, I believe, of amalgamated divisions. I will continue to do so and find out where their challenges are.

Mr. Derkach: Mr. Chair, the minister keeps saying that there was a request from Sunrise to assist in the salary dispute that they had with the union. The chairperson is saying, we made no request of the department or of the minister.

The minister is playing with words. The issue is now formal. Well, then, show us. Table that informal request. You must have a letter. You must have a note. There must be a request in writing. Otherwise, are you telling me and are you telling Manitobans that you respond with money to requests that come to you in a conversation, in a dialogue between two people? This is unbelievable.

I am asking you, Mr. Chair, through to the minister, to table that informal request that he says is not formal that was made by the school division to assist them in settling their salary dispute before the last election. We need that tabled in this committee.

Mr. Lemieux: I am sorry that the Member for Russell (Mr. Derkach) begrudges Sunrise getting any assistance at all. That is regrettable, because the many, many amalgamated divisions might want to receive assistance down the road and his approach, regrettably, is that he will proceed to attack any division, any kind of assistance.

With regard to the strike in Prairie Rose, I believe the strike is just a couple of days now. This is the second day. I am certainly confident that it is going to end quickly. They have different issues to settle, whether it is dealing with pensions or dealing with benefits, but that is the process that is involved. It is not always financial. The collective bargaining process is taking place. The Department of Labour has mediation services people there that are working on an ongoing basis with Prairie Rose School Division and will continue to do so. Hopefully we will be able to resolve this dispute very quickly so that there will be minimal disruption to the students.

Once again we work very, very hard to work with amalgamated divisions. We will continue to do so not only with financial issues but also with academic ones as well.

Mr. Derkach: Mr. Chair, the minister stalls. He refuses to answer the questions. He refuses to put the information that I have requested on the table. I have asked him to identify where he gets this half a million dollars from within his budget, in the Estimates, where he can point to that he is going to get the money for in the future. He cannot do that. I am going to leave this issue for now and I am going to turn it over to my colleague the Member for Minnedosa (Mrs. Rowat), who has some questions to ask.

Mrs. Leanne Rowat (Minnedosa): Fleming School in Brandon is going through a process in the community. The community, who has students that go to Fleming School, had a public meeting on September 11, which I attended. They have many concerns regarding the process that is presently facing them in possible closing of their school. This is fairly new to me. So I am just wanting some clarification on some things that were brought up at the meeting so that I can better represent some of my constituents.

The Public Schools Finance Board is considering Fleming School for capital renovations. Would you be able to clarify that for me?

Mr. Lemieux: Yes, I understand that Fleming School has contacted the Public Schools Finance

Board and said that Fleming School is their No. 1 capital project.

Mrs. Rowat: Mr. Chair, is that a stand-alone No. 1 priority within the school division? It is the No. 1 priority for what? Is it to renovate?

Mr. Lemieux: Mr. Chairperson, I understand it is their No. 1 priority for a capital project. I will clarify whether or not it is for renovation or a new school. I will clarify that, but right now it is their No. 1 priority as far as any capital projects in the Brandon School Division.

Mrs. Rowat: Then I am confused a little bit here when they are also indicating that they are also following guidelines for the closure of Fleming School. I do not understand why those two things would be on the table at the same time.

Mr. Lemieux: We are looking for some clarification from the school division ourselves working through the Public Schools Finance Board, because on the one hand we hear that Fleming was not a priority for them. Now it is the No. 1 priority, for renovations, by the way. I said I would clarify whether it is new or renovations; it is for renovations.

So what we are asking the Brandon School Division is that either it is your No. 1 priority or it is not. Let us know what it is. Again, I work through the chair of the Public Schools Finance Board and through their staff, but I have been advised that we are asking them for clarification. Let us know what you want and then the Public Schools Finance Board will determine through their engineers and staff where it stands comparative to other requests, as well, throughout the province.

Mrs. Rowat: So you can appreciate the confusion and the concern that the families have within that community of where they are at on this project. They are being told at one point that it is a priority but also that there is also, on the table, a process of closure. So I would appreciate being kept up to date on that.

Do you know the time frame on when you will be meeting with the Public Schools Finance Board or with the Brandon school board to find out?

Mr. Lemieux: I will not be meeting with the school board, certainly not on this particular issue. I have tried to meet with all the school divisions on a regular basis. I am trying to. But the Public Schools Finance Board is trying to get clarification, whether through their staff or the board chair, on exactly where it is, because at one time, they mentioned that they felt that they were actually looking at maybe closing Fleming. I understand now it is their No. 1 priority.

Needless to say, the Public Schools Finance Board is a little confused and wants them to clarify it and make it quite clear, you know, do you have a priority? What is it? If it is to close it, fine. If it is to renovate it, let us know. The Public Schools Finance Board is just trying to get that clarified, because I understand that a number of meetings have happened over it.

I would want to make sure that the parents know that from the Province's standpoint, we are doing everything we can to clarify this whole issue for the parents and also for any individual who has any interest. Whether you have a child going to that school or Earl Oxford or whatever school your child goes to, you want to be clear on what is happening in the Brandon School Division.

So the Public Schools Finance Board will meet with the Brandon School Division to discuss their five-year plan, because all school divisions, as I mentioned to the Member for Tuxedo (Mrs. Stefanson), have to enter a five-year plan. It does not mean that it is in stone. They can change it, make changes to their five-year plan.

That discussion is going to have to take place and fairly soon, I might add, to clarify it not only for the parents, but also the Public Schools Finance Board have to know. When they start prioritizing what projects are going to go ahead, they have to know what items are all in the basket, what they are dealing with.

Mrs. Rowat: Then I guess, based on what you are saying, the Public Schools Finance Board will be meeting with the Brandon School Division, and I am assuming that there will be an amendment or some type of clarification on the five-year capital plan.

* (16:20)

Mr. Lemieux: Well, I am not privy to what is on their five-year capital plan, the current capital plan. I do not know what items they have listed there, because often a division will put more than one item on it. They may list a new school. They might list a number of renovations on their five-year plan.

I am not sure what currently is on their five-year plan now. I have been advised that Fleming is their No. 1 project that they want to go ahead with. So this has to be clarified. The Public Schools Finance Board, I am sure, will meet with them in the month or so to come to try to clarify that, because if they had, for example, the school as a closure, they have to rescind that as a motion or something.

Obviously, they have made a priority, a choice, and they have changed their view on the value of Fleming School to the children of that area.

All I can say to the member is thank you for the question and I will certainly be pleased to keep you informed as to what goes on with the Brandon school board.

Mrs. Rowat: One more question. There has been discussion on the renovations of the building as a historical building. My question is: Does the Public Schools Finance Board have adequate resources or a policy in place that they can deal with historical buildings? That was something that was brought up in the meeting. I have not heard of a process like that.

Mr. Lemieux: There are two things. It is the degree of financial assistance with regard to schools that have received heritage status. I understand the Fleming School does not have heritage status. It is an older building but I understand the city of Brandon does not have a category for heritage assistance, or a heritage category. So even though it is old and needs work it is not a heritage school as such.

I know that the Public Schools Finance Board does not designate a school as a heritage building. That is not within their purview to do that. It is the city or the Province that does. I

understand Brandon does not have that. They just do not have that within their jurisdiction. They do not have any by-laws or anything like that, that allow them to do it.

Mr. Ron Schuler (Springfield): Can the minister confirm that the Department of Education has offices in the Norquay Building?

Mr. Lemieux: I understand the question is: Does the Department of Education have offices in the Norquay Building? I think Apprenticeship is the office that is there. I believe so. I can clarify it, but I understand Apprenticeship is within the Norquay Building.

Mr. Schuler: Would that be on the 10th floor?

Mr. Lemieux: I cannot say for sure because that is in Advanced Education and Training, a different department, but I understand they are in the building. I cannot say for sure what floor they are on.

Mr. Schuler: I have not had the opportunity to check this out myself, but has the department been notified there was a problem with leaking ceilings in that building?

Mr. Lemieux: I have been advised that Government Services is looking at the issue. Apparently it has been brought to someone's attention and they are trying to fix it.

Mr. Schuler: I understand, and again I cannot verify that, I did not go into the building myself, I did not have time to this morning, the floor is actually covered with carpet tiles. Is that correct?

Mr. Lemieux: I do not have the answer for that. I know that Minister Diane McGifford from Advanced Education and Training would be more familiar with the issues. I am not familiar with those issues at all in the Norquay Building.

Mr. Schuler: I guess the concern is that some of the staff, first of all, I believe they were asked to lift tiles that they felt had got wet and were told to stack them at the elevator and that they would be sent out for cleaning. I think some of the staff is having concerns about health problems. Has the department been advised at all about claims of health difficulties?

Mr. Lemieux: I thank the member for the question. I know that Apprenticeship is within the Norquay Building and I appreciate the questions. I do not know the specifics around any damage of ceiling tiles or working with ceiling tiles, and so on.

I guess I would ask the member if he could wait for the minister from Advanced Education and Training to address the questions around the Apprenticeship branch.

Mr. Chairperson: Before we go ahead, I would just like to remind the Member for Springfield (Mr. Schuler) this belongs to a different department. It belongs to Advanced Education and Training and that will be next on the order.

Mr. Schuler: Actually, the minister was not clear if the Department of Education itself had offices there. There are staff right now who have serious health concerns. Whether it is factual or not, there is a belief by some individuals there that asbestos had been used on the floor and had been sealed. They feel that some of it might be coming loose because of the moisture on the floor. At this point in time, whether it is factual or not factual, it is something that should be dealt with. I think waiting for some other minister who may or may not be responsible I do not think is what we should be doing.

What I would like to ask the minister is: Would he agree to look into this issue, whether it goes to Government Services or whoever? I think it should be looked into. I cannot confirm. It was a phone call I got and unfortunately I just did not have time this morning because of all the various events that were taking place inside and around and outside of this building. If there are concerns about asbestos, if somebody could investigate. It should be done now, quickly. If there is no such problem, those fears should be set aside. Just to it, staff are working in an office where floor tiles are missing, evidently, again, I cannot confirm this myself.

From what I understood, it was under the Department of Education. If I am not exactly in the absolute right place bringing up this issue, I think it is an issue of concern. I would just ask the minister if he would look into it, have his department look into it. If there are no real

reasons to be concerned then that should be passed on to the employees. If there are reasons to be concerned then perhaps that department should be moved until such time as a proper investigation can be made.

Again, I hasten to add that all of this was told to me and I have not been able to confirm it, but evidently there is an asbestos concern. As soon as that is raised, I think it is my duty to raise it at the first opportunity and I feel this is the first opportunity that I have had to raise it. As I say, I just found out early this morning. I got a phone call at home.

If the minister would endeavour to investigate, I would appreciate it. I will be seeing the minister tomorrow and I will approach him and see if anything had to be done and, if so, what did have to be done. I leave that up to the minister then.

Mr. Lemieux: I thank the member for raising the issue. I certainly did not want to leave the impression that I was passing it on to another minister because there is hazardous material that might be in a building. As soon as I can, I will contact the Minister of Advanced Education (Ms. McGifford) and inform her that the member raised the issue. I will make sure that I contact Workplace Safety and Health to find out if they are aware of any issues. I know that Workplace Safety and Health are certainly very cognizant of the fact of what their job is, and if there are any concerns, challenges or problems that they will address it.

* (16:30)

I want to let the member know that we will pass this on as soon as possible. For most people it is very difficult to differentiate between whether or not it is asbestos dust or just dust from ceiling tiles. If there is a problem, I am sure that Workplace Safety and Health will certainly look at the building, check the building out and find out if there are any problems. If there are, I am sure they will be letting us know and they will move on it. I will certainly get back to the member from Springfield and let the member from Springfield know that there are some problems there.

I may be mistaken. It may not be ceiling tiles. It might be floor tiles because sometimes there is asbestos in floor tiles so I am not sure, but we will certainly make sure that the Minister of Advanced Education and Training is aware of the issue. Also, as we speak, it may be taken care of I am sure, because the Minister of Advanced Education and Training is on top of every issue in her department and I know she will have taken care of it if there are any problems. Thank you.

Mr. Schuler: Again, I just want to wrap up the issue. If it is possible that someone could look into it now so that the staff concerns could be allayed. And if there is a problem, that staff would be moved; if there is no problem, that that be laid out very clearly to the employees just so that the unease is taken care of.

I am sure the Minister of Advanced Education would want to get on this very quickly. I have no reason to believe that any of this is not true or true. I just bring it as a matter of urgency. If that can be dealt with, if the Minister for Advanced Education can take care of this right away just so that the employees have comfort when they come to work tomorrow morning, I think that would take care of the issue. I defer further questions to my other colleagues.

Mrs. Stefanson: I would like to continue with a different line of questioning here. I am sure the Minister is more than aware we have spent much of this session bringing forth questions revolving around the BSE crisis that more than 12 000 farmers are facing in our province at this time. It is the farmers and their families and so on and the people in the communities who are deeply affected by this issue, both in rural and in the urban areas of our province. It affects all of us, and I believe each day in the House we have gotten up and asked a series of questions concerning this crisis situation that our province is facing right now.

What we found is that it stems off into many different areas. It is not just an agriculture issue. This has to do with families who really just do not have the money to pay for so many different things, essential things, to keep food on the table for their children, to educate their children and so on. One of the issues that I had brought up in

the House revolved around the resolution that was brought forward in the R.M. of Albert involving the education taxes and the BSE crisis. Is the minister aware of this resolution that has been passed by the R.M. of Albert?

Mr. Lemieux: Just looking at an article from the *Winnipeg Free Press*, August 14 of this year, I am just wanting to read a quote, if I might quote from a Mr. Campbell. Mr. Campbell said that the R.M. would collect the school levy this year but use it on municipal needs such as replacing an old tractor, a rusty utility truck or subsidize ratepayers' municipal tax bills. I think most Manitobans would have a great deal of difficulty with that considering that that is not the use for those dollars and that is where they were never intended to go.

The point I would like to make is that municipal councillors are all duly elected. They understand their duties. They understand their legal requirements with regard to taxation, their responsibility to tax and collect. I believe that the municipal governments and school divisions will act accordingly because they understand what their legal obligation is as elected officials.

Mrs. Stefanson: So the minister, I guess, is aware of the resolution that was passed. The issue really revolves around the fact that these families are in devastating situations as a result of the BSE and drought issues that plague our province today. These families barely have enough money to put food on their table for their children, let alone pay their property taxes or the education portion of their property taxes.

If the R.M. is unable to collect these taxes from those individuals, what does the minister say to these families when they barely have enough money to put food on the table? I mean, this is a very serious crisis facing our province right now, and I would like to know what the minister is going to say to these families.

Mr. Lemieux: Just wanting to make a comment with regard to taxation on farmland and so on. I know that as a government we have lowered the proportioning from I believe it was 30 percent to 26 percent, which is about a 13.3% decrease, which is roughly a savings of about \$5 million or so to the agricultural community. Now, having

said that, I know that there is no provincial Education Support Levy charged on farmland and the ESL exemption for farmland provides for about \$11.5 million property tax relief to farmers.

Now, I know when you are in a crisis, and when the borders are closed and it is not of your doing and you look at your livelihood and you see it with the possibility of it disappearing before your eyes, I understand that the numbers that I have given and the relief that we have given the agricultural community with regard to education and taxation does not amount to a hill of beans as far as they are concerned. So I understand that, but I just want to make sure I got that on the record to let people know that we have done a lot as a government, we are continuing to do more so. I do not want to get into a lot of comments with regard to what is more appropriate for the Minister of Agriculture (Ms. Wowchuk), but certainly, we have our money on the table. We have tried to get the federal government to the table, and I think the key issue is the border.

We want to open that border. The sooner the border is open—and now there is, I understand, an agreement with Mexico to also take some dairy cattle or take some animals to Mexico which will also assist the agricultural community, rural community, and I know that yes, families are being hard pressed. I know that for some of them, they are very fortunate that grain crops are better than average, and they will be okay. But for the majority of them that are just strictly beef, there is a problem, and there are a lot of challenges we are trying to work through. But I just wanted to let people know, with that proportioning going from 30 percent to 26 percent, is about a \$5 million saving as well as the ESL portion that I mentioned on farmland which is not there, so that is another saving for the agricultural community.

Now, again, back to the municipal governments, they understand their legal responsibilities as far as their elected duties and their responsibility to collect, and I know that they will live up to what the legal requirements are on them.

Mrs. Stefanson: I am glad that the minister recognizes that there is a serious crisis situation

as a result of the BSE and drought issues in our province. I guess, at this point, no one is disputing the fact that those changes have been made in the past and so on. But I am not talking about what happened in the past. I am talking about what is going on in our province right now and what the minister plans to do to help ensure that if these families are unable and not in a position to be able to pay these taxes, and subsequently the R.M. is unable to pass on the money to the local school divisions, what will the minister do to ensure that the quality of education for those individuals within those communities does not decline as a result of them not being able to afford them right now?

* (16:40)

Mr. Lemieux: Well, one thing I can do, certainly, as a member of the Cabinet or on the Cabinet table and as part of our caucus, is to be very supportive of our Minister of Agriculture (Ms. Wowchuk), who is working, I believe, very diligently to get our federal counterparts to the table and get some money flowing. That certainly is something that I have done and I am prepared to absolutely do. I hope that the Opposition also would be supportive, likewise, with regard to assisting the Minister of Agriculture, talking to their colleagues in Ottawa, talking to the federal government members of Parliament, the Liberal members of Parliament in getting them to do whatever they can to make sure that Canadian border is open. It is not just Manitoba.

Our Minister of Agriculture has done a lot. I would not want it left on the record that somehow there is a real problem with regard to beef and the BSE and nothing is being done. A lot is being done. I understand that also, the moment that a lot of those things start to kick in to play, a lot of those RMs and rural school divisions, and those areas particularly affected by not only the BSE but by drought will be benefitting because of the assistance that is being provided by our Government. So the municipalities and the school divisions have an onus on them. They are duly elected. They understand what their responsibilities are to collect taxation, and the taxes collected should not be used on rusted tractors and utility trucks, and they understand that. I know that they know what their responsibility is. They do not have to

be told by me in order to do what they have to do.

Mrs. Stefanson: This is a very serious issue that affects more than 12 000 families in our province, and I would hope that the minister would go back to Cabinet and come up with some sort of a plan. Take this into consideration. There has already been one resolution passed by one R.M. because they know of the seriousness of the issue. They recognize it as elected officials in those communities, the seriousness of this issue. They know that these families will not be able to afford these taxes. They recognize it. When will your government recognize it?

I would ask that if, maybe around the Cabinet table, the minister could also talk to his Minister of Agriculture and to the Premier (Mr. Doer) and so on, and implement a cash advance program immediately so that more money can go into the hands of these people so that they can afford to put food on the table, so they can afford to go about their daily routines and pay the taxes, their property taxes and so on, to be able to live their lives normally like they have in the past. It is time to take the money off the table, off the Minister of Agriculture's table, and put it in the hands of the people in those communities. So I hope that the minister will take this back to his colleagues in Cabinet and pass on these comments, because something absolutely has to be done about this issue. I am not talking about what has been done in the past and so on—what the minister and his Cabinet have done in the past. I am talking about the crisis situation that is occurring in front of our eyes right now, and what are these families going to do. I want to ensure that the quality of education does not decline in these communities as a result of this crisis situation.

So I would ask the minister: What is the plan in place to ensure that the quality of education does not decline as a result of the lack of property tax funds that probably will be unable to flow to the school divisions in these communities?

Mr. Lemieux: The department, as well as myself and my colleagues, has an ongoing dialogue with many individuals who live in rural Manitoba and who are also faced with the

challenges that BSE is giving with regard to rural Manitoba, and also with regard to the drought. We do have many rural MLAs and those that are not; we have, the Minister of Agriculture (Ms. Wowchuk) who has gone all over the province having discussions with municipalities with regard to taxation. In that particular example, I do not think the member from Tuxedo is supporting Mr. Campbell, who already collected tax. He did not say he was not going to collect the tax. He just said that he was going to use it in a different way and not to submit it. So I do not think the member from Tuxedo is actually supporting municipalities withholding tax that they have already collected. I am sure that is not what I am hearing.

I would say that the member from Tuxedo is correct. Yes, there are a lot of challenges with regard to BSE. Our Government, I believe, is meeting them head-on and doing everything humanly possibly that can be done, other than getting that border open. The border to me is the key and the border will open. Eventually, it will open and things will turn around.

In the short term, I know a letter went out from the Leader of the Opposition (Mr. Murray) with regard to loans. Much has been made of that and I know that that was an initial request that he made, saying that the Government should do that. Of course, the Minister of Agriculture has put that in place.

With regard to education in the province of Manitoba and the quality of education, today we received a study that was just put out. It makes reference to the quality of education our students are getting in Manitoba. It rates the students' academic performance in language arts, in math, and science well above other countries. There was a previous study as well that said the program dealing with international student assessment, where they assess 3000 students in Manitoba, 15-year-olds—

The point I am trying to make is that the quality of education in Manitoba, I believe, is excellent based on the teachers that we have. We have excellent teachers. The programming we offer is excellent. We are not going to rest on our laurels. We understand that that is the reason why we put more money into numeracy and

literacy, trying to improve those areas. Yet the scoring that just came out is really encouraging. We should not be surprised by it, but it was really encouraging to show that not only Canadian students but Manitoban students are doing excellent and an excellent job in the education they are getting.

Now, the challenge of course, is not to rest on our laurels. What are we going to do down the road? It is something that, yes, I am very, very concerned. It is a roundabout way. I am getting there. It is very serious and it is important to know that the quality of education that students, whether they be in rural Manitoba, northern Manitoba or in Winnipeg, are getting an excellent quality of education. That is something that we are concerned with. That is something that we are monitoring on an ongoing basis.

Currently, there was one municipality that said yes, we collected the money, but we are going to use it for something else. Gary Draper and others—Mr. Draper is the president of the Manitoba Association of School Trustees. Many of you may know him. He is saying that municipalities know what their legal requirements are and they will do what the law says. They will collect taxes and they will do what they have to do, because that is their legal requirement.

I know that he, as well as many members of the Manitoba Teachers' Society and the superintendents' association and so on, are all concerned about education and want to make sure that there is no negative impact on young people in rural Manitoba, or for that matter, northern Manitoba, or the city of Winnipeg.

Mrs. Stefanson: Could I just ask the minister if he would be willing to table that report for the committee?

Mr. Lemieux: Yes, the report is the OECD that just came out. I believe part of it was published today in the *National Post*. I do not have the document with me, but I will commit myself to making sure that the member from Tuxedo receives a copy.

Mrs. Rowat: Mr. Chair, within the constituency of Minnedosa, I have been meeting with several

teachers and administration throughout the constituency, just ensuring that they know that the support is there from the Province and from our caucus.

They are very concerned about the students. They have been watching them very closely and making sure that their needs are being met and that they are coping with the situation that their families are facing.

In discussions with some parent advisory councils and some 4-H groups, they have been doing sort of an ad hoc support program within the community. I think, in the community that I reside in, it is coming across very well.

I just wanted to know if the minister or somebody from the department has been working with the parent advisory councils to ensure that they are getting the word out that there are supports and that there is some assistance available in their school fees, et cetera.

*(16:50)

Mr. Lemieux: I believe that the point you raise is not only accurate, but it is an important one. I think that the staff in the schools now, not only teachers that are dealing with young students that may be stressed out as a result of what may be happening at home and the pressures that are happening at home, but also guidance counsellors, resource teachers, principals, all staff in school, I believe in rural Manitoba they would be naturally sensitive to this, because it is from their own community and they are aware of it.

What I have asked is, certainly, that we try to be in touch, of course, with guidance counsellors and to try to ensure that and ask for what kind of supports may be needed in the different school divisions that are directly affected by BSE or by drought. When a mine closes in northern Manitoba, and I do not want to deflect away from BSE, it is a very important issue, but it is important to note, though, that the department is very good at working wherever there might be a crisis, for lack of a better word.

If a mining community closes down, the students can be very, very stressed because of the result of knowing what is going to happen. I

mean, even though a mine may not close for a year, they know through their parents and they know it is coming and there is a closing date that is happening. So the department is very, very good at working with school divisions and trying to work through different strategies to try to help out in any way they can with those areas that are experiencing either mine closures or business closures, and so on. I just wanted to note of that because the department deserves a lot of credit. The staff deserve a lot of credit at working closely with these communities. I am sure they are doing the same with regard to what is happening in rural Manitoba today.

Mrs. Rowat: What role would you as the Minister of Education have on an inter-departmental committee that would be dealing with the crisis situation, the BSE crisis?

Mr. Lemieux: Well, they would want input from the Minister of Education on, and have, on a number of different issues. What kind of committees are in place? For example, the Education and Youth School Support Unit responds to requests where there could be stressful situations. It does not matter what the issue may be, in this particular case BSE or drought, and their responsibility is to say that we do have backup.

We have support that we can provide to rural schools and to staff in schools. Either we work through the Manitoba Association of School Trustees or the Manitoba Teachers' Society. We do have some input and some assistance that we can provide, so it is important for the committee to know that. We do not play a huge role, but because children are affected in those areas of the province, it is a stressful situation for all families including children that are going to school. So we play a small role, but a role that I believe is important, just to provide support.

Mrs. Rowat: I understand or I know first-hand that the crisis is taking its toll on the young people within the school system. I have two children that are in elementary school within a school and they know and they are sensing and they understand that there is something very terrible happening in the farming community right now. I know my children, we discuss it

quite regularly. We are not directly affected in the sense that we do not own cattle, but we do have several friends that do. That is their livelihood, that is their only income that they have, and they are, my children are sensing and experiencing the stress.

I am wanting to know who in your department would be the staffperson that would be, I guess, reporting to the committee. If there is an interdepartmental committee, who would that staffperson be?

Mr. Lemieux: Could I come back to the member? I am pleased to come back with the individual's name or individuals. I am sorry I do not have that with me right now.

Mrs. Rowat: I guess just in closing, I strongly urge the Minister of Education to support our caucus's request for a cash advance. Dollars are needed in the community. These children are seeing some very serious issues happening in their households which they are so young to have to experience. I think that by providing the dollars that are required to just have a regular way of life and enjoying some small activities within the school is very much needed. So I stress to the minister how important this is and that we need to have some resolution for the real community.

Mr. Lemieux: I thank the member for the question. I do not doubt the sincerity of any member of the Legislature, because I think what we have all heard in travelling around the province is that this is a very serious issue. We understand that the border, as long as that border stays closed it just, it continues to make things worse. The Minister of Agriculture is doing everything humanly possible, along with the Premier, to ensure that in any way, whatever they can do, they are doing it.

I want to reassure the member from Minnedosa that the Department of Education is also playing a small role with regard to children and trying to ensure that we are doing what we can in the school system to make life as normal, for lack of a better word, as possible for all those young people going to school that are affected, directly affected in these areas.

Hon. Jon Gerrard (River Heights): My first question to the minister deals with Sisler High School. I understand that Sisler High School had a proposal before the Public Schools Finance Board and that they were told before the election that this was straightforward, it was coming, and they have been told immediately after the election that this is not coming. They are concerned that they are being treated as, sort of, from a political context rather than otherwise and that they are not being well treated by the current Government. I would just like a status report on where things are for Sisler High School.

Mr. Lemieux: Just a point of clarification. I am sorry. Did the member from River Heights say Sisler High School? I thank the Member for River Heights (Mr. Gerrard) for the question. I have been advised that through the Public Schools Finance Board that whatever amount is generally budgeted for, for whatever the project may be, often, not often, but on occasion it goes over that amount; when those tenders or those amounts come back through the tender process, that the dollars are over. Now, those overages create some problem, of course, because the Public Schools Finance Board only has a certain pot of money and they have only allocated so much.

They are working through with the school division to try to find a way of how this can be addressed, but the project is still absolutely on the drawing board, in fact, but it is the problem with regard to the amount over compared to what was budgeted for. They are trying to work through it. Apparently, this is going to work its way through and things should be okay as far the project goes.

* (17:00)

Mr. Gerrard: My next question, I just want to get clarification on the fact that the minister, I believe, provided to Sunrise School Division extra funds in order to allow them to harmonize wages when there was an amalgamation. Will the minister confirm that?

Mr. Lemieux: I thank the member for the question. I am not sure if the member is aware of the history behind Sunrise School Division and the gap that is between non-teaching employees.

There was a huge gap comparatively speaking compared to other school divisions. What I had been advised was that there were informal discussions with regard to that gap and the difficulty it would create for Sunrise School Division. They got into hard negotiations with the union and they were at loggerheads. They went through to conciliation, I understand. Things could not be resolved, of course looking to go on strike, and even did for a short period of time.

Any time the Department of Labour is involved through mediation and conciliation services, they continually monitor any ongoing labour dispute. They monitor that closely and they are always in discussions with, if not one I understand both parties, to see what is going on because they were involved in the process in the first place. So they continually monitor it and are involved in discussions all along the way.

Mr. Gerrard: Have funds been provided to any other school divisions in similar circumstances?

Mr. Lemieux: The short answer is no, so far. The Sunrise School Division was one that was involved with because of a huge gap, as I mentioned before. The conciliation and mediation services were involved in the process and were in constant discussions with the board, I understand, and the union about their process.

The Louis Riel School Division also got into hard negotiations, hard bargaining, but there was not, I believe, any assistance from mediation and conciliation services at all. So there was no monitoring of what was going on by a conciliator or someone involved in that process. In fact, they settled their agreement without any financial assistance from the Province.

Now we have Prairie Rose School Division who has just gone on strike. We are hoping, of course, and again through mediation services I believe there was a conciliator involved. The bargaining broke apart. They were at loggerheads and they were at an impasse. We are hoping the children will not be disrupted or the parents disrupted too much longer, that they will be able to reach agreement which is satisfactory for all.

This brings me to the point about amalgamation. The member, for example, one of the Opposition members from one of their constituencies, raised the point about should you not have just a big pot of money for everyone and should you not be providing everyone with a big dollar amount? My point is, no, we are looking at it on a case-by-case basis. When conciliation and mediation services get involved they monitor it closely. They hear the discussions. They know what is going on. They know what the gap is. They know what assistance might be necessary. So we are really dependent on those professionals to keep a very close eye on what is happening with regard to those services.

Now it is the Department of Labour and Immigration I understand, but still, because it is involved in a school division, it is something that they are in contact also with my department on what is happening.

Mr. Gerrard: I would ask the minister what are the criteria he has set out for providing funds under such circumstances? Are they the size of the wage gap? Are they whether somebody goes on strike? Are they whether the mediation services makes a call to you that help is needed? School divisions are saying the minister is doing it sometimes but not other times. What are the criteria that are being used here? When is it justified and when is it not justified?

Mr. Lemieux: I thank the member for the question. He certainly does not have to be told by me, but he knows there are different circumstances in different school divisions and they vary. Our preference, of course, is that these issues be resolved through the collective bargaining process and negotiations vary from division to division and will. Some want to deal with benefits as opposed to dollar amounts and increases. Others, as I mentioned, would prefer to deal with other issues and that is their priority. Fair enough. That is up to them. We prefer that that negotiation takes place and it should take place. We expect it to take place and divisions are aware of this.

However, it is important to note that case by case it varies from amalgamated division to amalgamated division. This is something that when a conciliator or someone in conciliation or

mediation services from the Department of Labour is involved they are keeping their finger on the pulse. They are very much aware of the different and varying issues that take place when they are involved in negotiations and possibly why they are even broken down and why they are not able to resolve something and why a division may need assistance.

Mr. Gerrard: My understanding, then, is that the minister does not have a set of clear criteria but is going on an ad hoc one-by-one basis.

Let me move on to the next sort of series of questions. What I would ask the minister is in reference to the concept which was discussed during the election, which was put forward by one of the political parties, that the taxing power should be taken away from school boards—I know this was done by the Conservative government in Ontario—and I would ask the minister to provide his assessment and whether he has, in fact, had an evaluation done of the impact of this in other jurisdictions. Can he tell us what he has been able to find out about the consequences of doing this?

Mr. Lemieux: Mr. Chairperson, I wish to make a couple of just brief comments. There was a fairly healthy discussion that took place during the election, actually, with regard to property tax, the value of it, what might be looked at down the road.

It is obvious that the members opposite, the Progressive Conservative Party, during the election campaign put their vision forward. That was rejected by people, and it was rejected because people wondered how it was going to be paid for. They took a look at, well, is it music, is it art, is it phys ed? What are they going to hack and slash and cut to make up that \$600 million, and the number varied. So it is an area that is of extreme importance because of the funding of education.

I have a committee that is going to be reporting to me in November. The chair is a member of the Association of Manitoba Municipalities. It is made up of all the stakeholders in education. They are going to be giving a paper to government. They are going to be telling us, if you do away with that \$600 million, what do

you replace it with? You cannot just do away with it. Either your personal income taxes are going to have to rise. The provincial sales tax is going to have to rise. What is the alternative then for taking taxation off of land? If you do not want taxation on land to pay for education, where are you going to get the dollars from?

So the difficulty is more than just providing a Minister of Education or the Province or any member of the Legislature saying, okay, we are going to do away with property tax. Well, that is nice but what are you going to replace it with? So that committee who has put together a working group—it is a working group, actually, and it was put together by the previous minister. The Member for Brandon East (Mr. Caldwell) put that committee together, and it was a very good move because you have the stakeholders involved, and by having them involved, they soon understand that it is a complicated area. I do not profess to know all the ins and outs, but I know when you have huge dollar numbers like that, how are you going to make it up?

* (17:10)

Now, what we try to do as a government, the previous year we knocked off \$10 million on ESL, and just this past year we knocked \$17 million off of the ESL, giving people a break. The \$400 per household property tax credit amounted to \$175 million to the taxpayers of Manitoba.

This is the feedback I have been getting from a lot of Manitobans. Yes, people are happy with receiving that. They understand that they are getting a break. The difficulty is and what they have raised to me is that, you know, it is great to have the break, but are you not addressing the bigger question about taxation on property? Is there a way to do it better? It is a fair question.

So what we are trying to do is not overhaul basic education, as was proposed by the Member for Russell (Mr. Derkach), removing art and music and phys ed but rather trying to incorporate that as an overall education and a broader education that we feel everyone should have, but how do you address the big dollar figure? I would certainly welcome any comments or

questions that the member from River Heights may have with regard to this because it is a huge challenge, no matter who the Government is.

Mr. Gerrard: My question was really initially directed at what has happened in other jurisdictions and what assessment the minister has done. The minister is suggesting, for example, that there is a major problem in music and sports, and these were some of the concerns that were raised.

In fact, for example, was there a loss of access to music and sports in Ontario when these changes were made? I think it would be quite important to know that, but let me get back to the number which the minister has referred to for a moment and I will come back to the other issue.

When I was in the Finance Estimates a few minutes ago, I asked the Finance Minister (Mr. Selinger) about this, and his first reaction was, well, you had better talk to the Minister of Education for an accurate number.

Can you provide me with an accurate number for what would be the financial cost of making this change, taking away the taxing powers of local school boards?

Mr. Lemieux: Well, I thank the Minister of Finance for that. I will be sure to thank him personally when I see him.

If I might comment on—I am just looking for some numbers now, but as I do, I just want to make a comment, that I think your point is absolutely right on with regard to what is happening in other provinces. Ontario is one to look at. Alberta, as well, they changed their system.

The working group that the Minister of Family Services and Housing (Mr. Caldwell), the former Minister of Education, the group he put together, my understanding is that they are dialoguing. They are in conversation with the other provinces to find out what is the benefit of their system or what are the pros and cons of what they have in place? Is it better than what they had? If so, what are those benefits?

I look forward to hearing from them and seeing what they have to put forward, because they are, absolutely, strong stakeholders within education. But they also have a good understanding that there are only so many dollars to deal with, and what can you do to make up that dollar figure? If you are not going to tax land at all, what other system are you planning on bringing into place? Also, part of that is what goes on in other provinces? What has been their experience?

If you will bear with me, we are trying to look through, and I am trying to address your full question. Just in part, as to looking at other provinces with regard to programming, that is being done, I understand, by the working group.

I thank the member for the question and I will attempt the best I can to try to answer it.

I am looking at the provincial contribution, and the provincial contribution with regard to the FRAME operating fund is \$790 million, almost 790.5—it is 790.4. The provincial capital, principal and interest and other is \$67 million, 67.3 to be exact. The Manitoba Education Property Tax Credit amounts to \$174.6 million. Pensioners' School Tax Assistance is \$3.3 million and the Teachers' Retirement Allowances Fund is \$91.9 million, the total being \$1,127.5 million.

So our totals show that that covers in total, because you are covering pension, property tax credit, the total contribution toward education amounts to 73.4 percent of total education costs.

Mr. Gerrard: What I was trying to get at was the number that if you took the local taxing powers away from the school boards, what is the number that you would have to make up from provincial revenues?

Mr. Lemieux: I was not trying to avoid the question. Sorry, I misunderstood it. I thought you were asking about the total contribution as a Province to education.

When I take a look at the special levy or what the school divisions raise—and a lot of numbers were being thrown around during the election campaign. It was all over the place. It was from \$300 million to \$700 million, I heard

being bounced around in different parts of the province.

The numbers that we have from the department and what I have been advised is that the number is \$486,442,508. That is the special levy that the school divisions raise.

Mr. Gerrard: When I pressed the Minister of Finance (Mr. Selinger), what he told me was that their best estimate was about \$160-million net of the property tax. In other words, without the property tax credits, if that was not there, the number would be about \$160 million or thereabouts. Can the minister confirm that?

Mr. Lemieux: Could I ask the Member for River Heights (Mr. Gerrard), please, the Leader of the Liberal Party, could you ask the question again? I have staff with me and I just want to make sure that we get it correct so we do not go through this two or three times.

* (17:20)

Mr. Gerrard: If the school boards' ability to tax locally was taken away, what would be the provincial cost to replace that and to provide that, I think to try to do that, in a straight dollar amount? But if you do that net of the property tax credit, in other words if you got rid of the property tax credit, what would that number be?

Mr. Lemieux: What I have been advised is that taking from the \$486 million the \$174 million or \$176 million leaves you with \$310 million. I believe that is the number we are looking for.

Mr. Gerrard: I want to thank the minister for that number and move on. One of the things which, clearly, is important is the quality of education and how our students are doing, say compared to other jurisdictions. I think that the minister referred to a report which was out today as an example. My question really has to do in a broad sense, what are the minister's criteria for whether we are doing an adequate job in educating children in this province? What sort of comparative assessments does the minister rely on to know whether the job is adequate? Can you give us where you are trying to go in terms of improving quality of education, what measures you are going to use?

Mr. Lemieux: I thank the Member for River Heights for the question. Education is absolutely important, and we have made it a priority for our Government. We look at it as economic development opportunities through education and so on.

The point I want to make is that, with regard to assessment and what criteria is used from school to school or child to child, an important point that has to be made is that educators, school teachers assess on an ongoing basis. A lot is made of either Grade 3 testing, Grade 6, Grade 9, Grade 12 and the importance of that testing. It might play an important role. There is very little take-up with regard to assessment or testing, but, and the member probably knows this already, teachers assess on an ongoing basis. Whether it is hourly, daily, monthly, annually, they do it continually because sometimes they have to change their method of instruction, make sure that their students are able to grasp what is trying to be passed along, so that is, I believe, truly important.

Now, the Department of Education has looked at a number of different areas where we try to use some measurement. I am reluctant to use the word "measurement" because many parents do not like to have children compared to other children. I mean, that is the reality of it. Each child is individual in their own right, and they learn at a different pace. They learn differently. Some are tactile more than others and so on. So the department looks at retention rates; they look at graduation rates; they look at national and international testing which has just come out in the *National Post* today.

Those tests that we are looking at, we have looked at a number of different options that have been given to different ways of assessment. Grade 3 was one. We take a look at school division marks. We look at school division reporting and outcomes so there are many different ways of using measurements to see where we are going with regard to our children in our school system.

We put together a document, a profile of student learning outcomes in Manitoba in August 2002. It takes a look at a performance on international assessments, the PSA report, performance on national assessments, the SAIP.

There are different ways to take a look at it. Today in the *National Post* a report came out showing how students measure up internationally. Canada was one of the top. I think we finished—I cannot recall the exact number, and I can get this for the member and also for members of the Legislature, but it is unbelievable that we are finishing so high. We finished fourth in math, language arts and, I think, in science.

It is not perfect, but when you consider that we are ahead of six other provinces and the Yukon, Northwest Territories and Nunavut as well, that really holds us in good stead. We do not want to rest on our laurels. I mentioned to the Member for Tuxedo (Mrs. Stefanson) that we put more money into numeracy, more money into literacy, trying to address the challenges that we found out of Grade 3 assessment. We found that at Grade 3 there were some challenges with regard to numeracy or math. I know it is difficult for a lot of people to understand the assessment process, but it was dealing more with subtraction and subtracting I believe up to 10. So it is a small portion of the overall assessment.

We are trying to put more money into numeracy and more into literacy in trying to address that, even though we finished quite high on the standards that are being imposed on us from the outside, in international assessments of what is going on in Canada.

Mr. Gerrard: What the minister is indicating is kind of a scattergun approach in a sense. I would ask, for example, in this assessment that was published today, what was the role of the Department of Education in that assessment?

Mr. Lemieux: Just to make a quick comment, I know the time is rapidly moving on, but I just want to comment that the department is referring to the OECD international testing result, and what it shows is that Canada is ranking second in literacy, sixth in math, fifth in science, and Manitoba is ranked among the provinces being fifth in literacy, fourth in math, and fourth in science.

So I just want to say that the department itself, this was an international as opposed to a provincial—

Mr. Chairperson: Order. A recorded vote has been requested in another section of the Committee of Supply.

As the hour is now 5:30, is it the will of the committee to rise for the day before members proceed to the Chamber for a formal vote? *[Agreed]*

The time being 5:30, committee rise.

FINANCE

* (14:40)

Madam Chairperson (Bonnie Korzeniowski): Good afternoon. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will be continuing with the Estimates of the Department of Finance.

When the committee last met, there had been an agreement to have a global discussion. The floor is now open for questions.

Hon. Greg Selinger (Minister of Finance): Yesterday, the Member for Fort Whyte (Mr. Loewen) asked for information about Internal Audit hours. I have a document I would like to provide to him and an additional one for—I think it is the same. *[interjection]*. Two pages, okay. I do not have an additional one. *[interjection]* I will have an additional one for the other side of the table, if I can just circulate it.

I will just briefly cover it. Roughly the number of hours every year have been between 27 000 and 28 600. Then you can see the breakdown by the type of activity that Internal Audit has performed and what percentage of their time it takes. So financial management and management practice is 80 percent, 79.2 percent; value for money, just under 4 percent this year; a test audit 7.3; and other, 9.7—*[interjection]* For this year.

Other includes things like risk assessment and grant accountability reviews, that type of activity. If the member or anybody has any questions, we will try to answer them for you.

Mr. John Loewen (Fort Whyte): I thank the minister and his department for that information.

I think where we ended up yesterday and it may be a repetitive question, I think I had asked if as a result of any of the audits, have any of those issues dealt within the audits been referred to the Auditor General?

Mr. Selinger: No.

Mr. Loewen: Okay, thank you.

With regard to staffing in the department, can the minister identify any staff hires in the last year and in which area.

Mr. Selinger: In the Internal Audit?

Mr. Loewen: In the Comptroller area.

Mr. Selinger: In seems hard to believe, but they say there are no new hires.

Mr. Loewen: Can the minister indicate if there are any vacancies in this department?

Mr. Selinger: In Internal Audit, five vacancies at the moment, one being filled currently; also a director of IT is moving forward for being filled, and that is it.

Mr. Loewen: Could the minister give me a little bit more detail on the secondment salary recoveries under Information Technology Services?

* (14:50)

Mr. Selinger: Three people from this unit had been seconded to the BSI, Better Systems Initiative project. One was backfilled. Now all three have returned and the backfill is no longer with us.

Mr. Loewen: I am just trying to sort out in my head why the increase in the salaries from \$241,000 to \$373,000.

Mr. Selinger: The answer is that when they are seconded to the BSI their salaries are charged there. When they come back the salary requirement goes back into this appropriation.

Mr. Loewen: So I guess the question arising out of that would be that there is still a need for these three people. I am not sure how long they were seconded for, but with \$130,000 less it was obviously some period of time. Are the plans to keep these positions full-time and is there work in this department to sustain that, or will they be moved out?

Mr. Selinger: The people have moved from the development dimension of the new taxation system back into the maintenance and operation of it. I take the member's point. Why do they need another \$130,000? Well, that \$130,000 on the development side has been reduced and has been offset by the operational side.

Mr. Loewen: I guess that is the beauty of systems. Once you develop it you just need more people to run it. The objective at the start was to use these systems to reduce staff, I thought.

Mr. Selinger: You are right in the sense that the great promise of a lot of these IT projects is that it would reduce staff. We found early on in the Enterprise System Management a lot of the clerical, routine duties were no longer necessitated, but it is also true that the system runs at a higher level, produces a higher quality of information. You are getting more productivity but you need more skilled people to keep it in shape.

Mr. Loewen: I appreciate that. We will keep an eye on that next year. Hopefully we will see some reduction, possibly.

I would just like to move to another area which I think we have the right staff at the table for, the minister can correct me if I am wrong, but I would like a little more information. I am on the summary financial statement for March 31, 2002. The latest version I have, unless the minister wants to table 2003 today. I do not know if it is ready or not. I will assume the answer is no.

An Honourable Member: Is there a question there? Or was that just one of those leading indirect—

Mr. Loewen: Well, I know the minister has till the end of September.

An Honourable Member: Would not want to waste any time.

Mr. Loewen: It would be like the Hydro report, I guess, the last day is always good.

An Honourable Member: It will be tabled in due course.

Mr. Loewen: Yes, thank you.

I guess my question, if I could have a little further explanation. I am on the Summary Statement of the Financial Position on page 47, in particular looking at the net borrowings figure. It is not reported in this report, I realize that, but at the end of 2000 the net borrowing position of the Province was \$7.660 billion and is now up to \$8.117 billion, and, I understand, within that, debt for the Hydro-Electric Board and the Lotteries Corporation has increased from \$5.59 billion to \$5.871 billion, so there is an increase there, but that does not make up for all the increase in the net borrowings. I wondered, given that the minister has repeatedly indicated that the Province is on a debt-reduction program, if there is some explanation as to why the net borrowings have had to increase some \$457 million over the last couple of years.

Mr. Selinger: First off, the page 47 we have shows the net borrowings in '01 of \$8.1 billion, \$8.152 billion, and then in '02 at \$8.117. Is that what you have?

Mr. Loewen: I am also taking numbers from 2001 and I am actually going back to 2000, so I am looking over the course of three years and the number at 2000, I believe, was \$7.660 billion, maybe subject to some rounding there, and I am just wondering why, yes, net borrowings in the year of March 31, 2000, \$7.660 billion, and that has increased to \$8.117 billion at the end of 2002. So over the course of those two years, I am just looking for an explanation as to the increase in the borrowings.

Mr. Selinger: We do not have a year 2000 document in front of us, but one of the things that changed since we came to office is that health care borrowings are now handled centrally. At one time they were handled in a disaggregated fashion by specific facilities, and they were paying a higher interest rate because the banks did not consider them fully guaranteed by the Province, although the Province was 100

percent on the hook for the financing of the costs of that. So you will see in the document, in our general purpose budget statement here, that health debt is under Other Obligations and Net Direct and Guaranteed Debt has health facilities. The health debt line has gone down and the health facilities line has gone up and I am referring to page B-10 in this. Are you at B-10?

Net Direct and Guaranteed Debt, Health Facilities: that has been brought from zero up to 499. That is money going into renewing health facilities, and that is borrowed centrally now to get the better rate of interest and to save a couple of million bucks a year in doing that, whereas before it used to be shown under health debt which was at 501 down to 234. So that shows up in the net borrowings amount here, that new way of handling health debt. That is a partial explanation.

The other one is on that same page B-10, Capital Investments, what is called Inside Government, Schedule B, Capital. This is a program brought in by the previous government in their last year where they allowed borrowings for financing technology improvements in government and other capital acquisitions inside of government. So that amount there shows an increase. That is another partial explanation. Those are the two that we can identify as increasing that amount, mostly health.

*(15:00)

Mr. Loewen: Well, I thank the minister for partially clarifying that. I guess the other issue in there—well, there are a couple of other issues in the summary financial statement. One in particular is the debt incurred by Manitoba Hydro, which has increased some \$271 million since the year 2000. Again, I am starting off at the March 2001 annual report, which also includes the figures for 2000. The figure in 2000 was \$5.59 billion. The figure in 2002 is \$5.871 billion.

Can the minister indicate—and I have just lost track of the exact numbers—but over the course of those two years, 2001-2002, how much money did the Province take out of Manitoba Hydro in terms of the one time? I am not looking at all the regular payments. I am looking at the one-time special payments.

Mr. Selinger: For these statements that you are seeing here, there is no Hydro dividend payment shown. That came subsequently. This is '01-02. The dividend payment, you might recall, came after, '02-03.

Mr. Loewen: Okay. Can the minister give me some indication what the rationale was for increasing Hydro debt \$271 million? Were those specific projects?

Mr. Selinger: Yes. It is specific projects related to a variety of capital improvements that they do: the conversion of Selkirk from coal to gas; ramping up northern development projects. They have a whole schedule: new generation major transmission, \$80 million; power supply, \$116 million; transmission and distribution, \$63 million; customer service, \$24 million; corporate group, \$31 million. It is a series of ongoing items that they are reinvesting in within inside the corporation. Those are major items as examples.

Mr. Loewen: Just for clarification, none of the money that the Province had demanded from Hydro was shown in March 31, 2002. It will show up, I believe, as \$150 million in 2003 year-end?

Mr. Selinger: It will show up as \$150 million plus \$53 million.

Mr. Loewen: That \$53 million would represent the 75 percent of this year's profits?

Mr. Selinger: Two years ago.

Mr. Loewen: Two years ago. Sorry. Can the minister indicate exactly what the original anticipation was in terms of the second draw?

Madam Chairperson: Could I just take a moment to remind you to speak through me, wait for me to recognize you, because Hansard is probably going to get more confused than I am.

Mr. Selinger: The formula is 75 percent of net profits. So if the net profits are not there, it is a lower amount. In the first two years, it was 53 and 150.

Mr. Loewen: I am just looking for clarification. The minister had estimated something different

in year two. I have lost track of that exact amount. I think it was \$75 million.

Mr. Selinger: It was about \$75 million, \$76 million, the original estimate.

Mr. Loewen: Could the minister indicate for '03-04 what his original estimate was for the special payment from Hydro?

Mr. Selinger: The budget amount was \$52 million.

Mr. Loewen: Does the minister expect to recover that full \$52 million in '03-04?

Mr. Selinger: On the basis of the First Quarter report, I would expect not, given the dry conditions we have had this year.

Mr. Loewen: Does the minister have an updated figure for what he might be expecting in terms of this special payment from Manitoba Hydro?

Mr. Selinger: The data we have is the First Quarter report which has been tabled with everybody, and they were showing losses on the year at Hydro in the First Quarter report. So if that projection carried forward, I would expect no dividend as we go forward.

Mr. Loewen: I think traditionally the first quarter is not usually Hydro's best quarter. I think in their press release with the statement they indicated that they did feel that they would be profitable for the year.

I am just wondering if the minister has projections from Hydro or if work has been done within his department to see how close they will be to taking the budgeted \$52 million out of Hydro for the fiscal year '03-04.

Mr. Selinger: Well, once again, I am not expecting—I do not have the data. I am not the Minister responsible for Hydro at this juncture. But based on First Quarter results, they are projecting a loss for the year.

It has remained relatively dry. I am not expecting that there will be a full recovery of what was projected in the Budget, by any means. I think the prudent approach at this stage would

be to assume that the dividend likely will not be available based on what we have seen so far.

Mr. Loewen: Well, that would leave a \$52-million hole in the minister's budget. I am surprised that he has not co-ordinated things a little more closely with Manitoba Hydro and the department responsible for Hydro to get a little more accurate figure.

Is the minister expecting that he will have a shortfall of \$52 million in that particular line item for the year?

Mr. Selinger: As I indicated, we will get the full story when we do the Second Quarter report and collect all the data from across government. But, as I have said twice already, I think conditions have remained quite dry, so I am not optimistic about the dividend, based on our commitment not to take money from Hydro on the dividend side unless net profits were generated.

The formula was three quarters of net profits. The First Quarter report indicates no net profits for the year. So, based on that, I am not projecting a dividend at this stage of the game.

Mr. Loewen: I have just done a rough calculation, but based on the shortfall between last year from \$75 million to I believe the minister said \$53 million—[interjection] Fifty-two million. [interjection] Fifty-three or fifty-two? [interjection] Fifty-three, and a shortfall of \$52 million this year, that would leave him short roughly in the neighbourhood of \$75 million, \$76 million in terms of his draw from Manitoba Hydro which he had originally anticipated.

Is he expecting to introduce legislation to allow him to take money out of Hydro in a different way to fill that hole, or is he expecting to fill that in from the Fiscal Stabilization Fund, or just what plans are in place if the money does not flow from Hydro?

Mr. Selinger: First of all, we have to get better information as we move towards our Second Quarter report, but we are not jumping the gun and making extraordinary plans to take money out of Hydro in any unusual way. There are no specific plans to take money out of Hydro any other way, and we will see how it goes forward.

There are going to be several adjustments as we go forward this year based on extraordinary demands around disaster relief as we have seen, dry weather conditions which affect Hydro, and other surprises which we have not seen yet. So we will make adjustments as we go forward both on the expenditure and revenue side to reflect the reality as the data is confirmed. I do not want to be speculative about it, because there are a number of moving parts and when you have a budget of this size in terms of your revenue streams and your expenditure streams.

* (15:10)

Mr. Loewen: Well I would think, now that we are virtually six months into the year, that projecting Hydro's results for year end would not be extraordinary and speculative on behalf of Hydro. Again, in the interest of making sure that information gets out in a timely and accurate fashion to the people of Manitoba, I am just trying to determine where the possible holes are in this budget and as of right now, from what the minister is indicating, there is a \$52-million hole unless there is some corresponding leap in revenue, which we will get into, is going to be a significant factor in the final balance of the Fiscal Stabilization Fund. So is the minister saying, as of now, that he has no indication that Hydro will return to the type of profitable levels that would allow him draw the \$52 million out as proposed in the budget?

Mr. Selinger: I indicated I am basing my information on the first-quarter report, which is available to everybody and the fact that we are not seeing an abundance of precipitation to compensate for the dry summer we had at this stage of the game. So I am not projecting a return to normal conditions immediately. There is no indication of that, and I am not necessarily assuming that we are going to get a dividend. That is an adjustment we are going to have to make as we go through the year, and we work on adjustments both on the revenue and expenditure side on an ongoing basis.

Mr. Loewen: I believe yesterday it was indicated that there was at least extra revenue or expense requirements related to BSE and forest fire of approximately \$60 million in terms of demands on the Fiscal Stabilization Fund. If the

dividend from Hydro does not come through, would that be an extra demand, an extra \$50 million demand on top of that 60?

Mr. Selinger: I am just going to call the Treasury Board officials up. As you know, we have tabled Supplementary Estimates today. There are numbers in there, and I just want to make sure we have the data in front of me here so I am not ballparking it. The Supplementary Estimates that I tabled today indicated an additional \$68 million, and there is a breakdown of that which I can provide you as the document comes to the front. The Supplementary Estimates I can confirm show emergency expenditures of requirements of \$68 million.

Mr. Loewen: Those Estimates do not have any allowance for the fact that there may not be a dividend from Hydro this year? They are just supplementary spending?

Mr. Selinger: These are simply Supplementary Expenditure Estimates. The total forest fire bill is anticipated to be about \$55 million. In addition, we are putting forward in direct expenditure an additional \$37 million for agricultural support programs and a million dollars for miscellaneous for a total of \$93 million.

In our main budget Estimates, we had \$25 million. When you subtract that, you get your \$68 million Supplementary Expenditure Estimates, which I tabled in the Legislature today.

Mr. Loewen: I appreciate that. I must have left my desk before the information got to me. Just for clarification, in terms of, I am on B-22 in the budget papers. The fund balance estimate then was \$145 million. That has, I think, changed because the '02-03 forecast of \$179 million was changed. I am kind of like the *Free Press* here. I am trying to figure out what is what.

What I am asking the minister is, given the new Estimates and the \$68-million difference, if he could give me a fresh estimate for the fund balance at the end of '03-04.

Mr. Selinger: It is too early to do that. We know what our supplementary expenditure requirements are, which is why I tabled them in the Legislature. The final draw from the Fiscal

Stabilization Fund will depend on further revenue adjustments which occur throughout the year, both positive and negative. Those have not been confirmed yet.

A lot of our information, for example, on federal transfer payments comes and gets adjusted every couple of months, going forwards and backwards for three years. There is a lot of give and take yet before we come. I am not projecting a final number in the Fiscal Stabilization Fund.

What I can tell you is in our quarterly report we showed a projection of \$188.6 million in the Fiscal Stabilization Fund as part of the year-end balance. That is the most up-to-date information that we have.

Mr. Loewen: The minister will understand why I am looking for clarification. At the same point last year there was a projection after the first quarter that the fund would be at \$313 million. I think it ended up at 220. As the minister has indicated, there could be pretty wide variances between.

Just for clarification, just to make sure I have got it right, the Supplementary Estimates are looking for \$68 million and that does not include any reflection of the possible hole that may be created by Hydro not being able to pay a dividend as per the legislation that was passed by the Government.

Mr. Selinger: I do not want to confuse expenditures with revenues. I think the member might be blending the two together. This Supplementary Estimates strictly deals with additional expenditure requirements. That is what we have in front of us here.

Revenues are different and they will move around on a gross basis. You will see some reduction in the potential for a Hydro dividend but you will see some potential changes in other sources of revenue, both up and down as we go forward. That will become clear as we pull it all together for the Second Quarter report.

Mr. Loewen: I apologize. I realize we are jumping around here a little bit. I have a couple of questions left for the Comptroller and maybe

we can get back to that. Then we will get into the taxation issues if that is okay.

I am on page 111 of the annual report for 2002. I guess I am looking for some more detail in terms of the net debt number. Again, March 31, 2001 indicates that, at the end of 2000, the net debt was—sorry, I have to find it here—I believe in the order of \$6,773,000,000.

Yes, \$6.773 billion. Now the net debt is up to \$7.4 billion at the end of '02, so, ostensibly, over the course of two years we have seen an increase in the net debt of the Province of some \$627 million. I am wondering if I can get a little more explanation or a little more accounting for why that significant increase in net debt.

* (15:20)

Mr. Selinger: Well, that is composed of the two elements that I mentioned earlier, tangible capital assets, what we call Schedule B or internal government capitalization, health facilities, and the requirement to address the federal accounting error in the order of about \$297 million.

Mr. Loewen: Maybe just on that federal accounting error if we could turn to the note to the financial statement again, if I could get a little more detail in terms of the explanation because it does go forward and backward, I think, in terms of how it is going to affect the province. Again, just by way of noting, part of my concern is that of course anything going backward just gets adjusted through the debts, anything forward falls into the category of revenue and expenses in terms of the operating statement. It makes it confusing, I think, for people to follow exactly what has transpired in terms of the Province's true operating position. So maybe I could just ask the minister for a little more detailed explanation in terms of not only the past adjustments but how that will affect revenue on into the future, because I believe it does affect transfer payments in a positive way, well, for a couple of years.

Mr. Selinger: The federal accounting error, as the member will recall by way of background, had a number on income tax revenues, which was artificially high due to the negligence of the federal government and the federal Auditor

General not to properly catch the impact of distributions on mutual trust funds. When they came to the realization that they had been perpetrating that error since the seventies, '73-ish, around about 20 years, just shy of 20 years, they made an immediate correction to our transfer payments of about \$168 million. So there were 30 years of missing it. That adjusted our revenue track down at about \$168 million.

Now one might think that, oh, my God, that is a permanent adjustment down. It is a permanent adjustment, but it changes from year to year because, as the member will know, mutual trust funds perform differently in each particular year. During the nineties there was a tremendous run-up in the value of those funds and the distributions attached to that, but in the latter part of the nineties and the early years of the next millennium those returns were considerably less. So there has been a permanent downward adjustment to our revenue track as a result of the correction of that error that affects all provinces. That was a hit that all provinces had to take.

Now, on the other side of that equation, and this is the item that was fundamental to our negotiation, it was that that revenue reduction should be in part compensated for by transfer payments, specifically equalization. So about 70 percent of that was gained back through equalization adjustments. So that was sort of the macro of what happened there.

Now, because it affected 10 provinces, there were other adjustments made by the federal government, and it got quite complicated at that stage, but everybody was getting their fingers into this in terms of the impacts on them. Québec had a negative impact on them and looked for some relief, as well as other provinces. Then there was, of course, the issue of repayment of the overpayment that was received and how that should be handled.

So we worked out a solution that stabilized our revenues in the present, minimized the damage going forward, while recognizing the accounting related to that error and how we dealt with that, and that is what this note really tries to explain here. It covers a page and tries to cover off that as much as possible. So, in the middle

there, you will see the overall impact of the error had wider implications, higher income tax remittances, lower equalization, higher equalization and CHST to other provinces.

So we had to negotiate that equalization would cover this revenue loss to us through the correction of that error, and that was a big negotiation. We had some fortunate precedents under the Mulroney government for a related type of error in the past that we published in our budget of two years ago, in the budget papers which explains the detail of that. We had a letter from a former Finance Minister Wilson, which provided some relief in the error that occurred during his time in office, and that precedent was very pertinent to the resolution of this federal accounting error. So we have sorted all that out including a transition payment to stabilize revenues in the province of Manitoba and got on with running our respective shows.

It was very complicated. These things happen from time to time in federal transfer payments, and, undoubtedly, similar types of activities may occur again in the future for different reasons, for different databases being affected by changes.

Currently, we are in the process of renegotiating equalization. The agreement has to be renewed. The legislation has to be renewed by April 1 of '04, and all the provinces have been urgently calling upon the federal Finance Minister to meet to discuss the future design and parameters of the equalization program. Stability, revenue stability is one of the dimensions that we think needs to be addressed, as well as revenue adequacy and revenue predictability. All of those things have been problematic in the last five years.

The stability issue is affected by changes that we saw in the federal accounting error, changes that we saw in how they calculate mining tax revenue, principally as a result of an initiative out of Saskatchewan, that had a negative impact on us last year, a significantly negative impact, because they used a different database. In Québec, they had a serious program with how they calculated real estate values which had a negative impact in Québec. There is a problem related to real estate values going

forward in British Columbia that they are very concerned about. So the stability issue is a fundamental issue on these 30-plus databases that they use to calculate equalization.

As well, predictability. When the federal government comes in and starts deducting without any notice right off your transfer payments, \$168 million, it puts the Province in a very difficult position. They have done this to other provinces as well. So it becomes almost impossible. We got that information, I think, in late December, early January, between January 20 and January 30, and as you can imagine, when you take a hit like that in the last quarter of your year, your options to respond to that are very limited. So we had that problem. That became an issue of revenue predictability which is also shared as a concern by other provinces.

Then the nub, the most substantive issue there, other than predictability and stability, is revenue adequacy. All provinces have been signed on to a restoration of the 10-province average in how we calculate equalization with full revenue coverage. This is a point where there has been a substantial amount of analytical work done by the provinces and the federal government. All of these items are on the table as we negotiate the renewal of that transfer payment, which is the only one identified in the Constitution as being necessary.

That is a bit of a long explanation, but it is just to give you an idea of the complexity of this program and how difficult it was to correct it. It was not just a Manitoba-Ottawa problem. It was a Manitoba-Ottawa-Alberta and all seven other provinces problem that needed a solution that addressed the concerns of all of those jurisdictions.

Mr. Loewen: Well, I can appreciate that it is a very complex problem. I guess just to bring it down, maybe it is oversimplifying the situation, but basically from a financial perspective what the Government did was take the \$287 million, pay it back to the federal government, charge it against the deficit in previous years and then take the \$140-million compensation that was negotiated in terms of a transitional payment and include it in the current income, current operating statement for '02-03.

* (15:30)

Mr. Selinger: The transitional payment was a recognition of the problem of then deducting the money in the last quarter without notice. They took over 168, got about 140 back on the transitional payment. We are still net worse off. That was a significant dimension of the negotiation. There was a requirement to recognize some of the previous overpayments in the net debt statement that you are seeing in front of you here which you have correctly identified.

Just getting some numbers here from my Comptroller, then there was the requirement of our repayment of \$91 million over 10 years as we go forward. We are going to have to budget for that as we go forward. That gives you an idea of how the \$287 million was arrived at, \$91 million going forward, \$168 million charge back. The additional 28 which rounds out that number of 287 is a quarter of the 112 reduction which we have to apply to the '02-03 budget year. You can see that there have been significant revenue impacts by an error the federal government admitted was entirely their mistake, but it visits a lot of volatility on the provinces. That is why we moved aggressively to solve this problem and stabilize our revenues.

Mr. Loewen: I appreciate the minister's answer. Just for clarification, what I am trying to sort through is exactly what effect it has had on the net debt, on the deficit of the Province of Manitoba and, quite frankly, how the accounting entries were made, because there is a mix here. There is an adjustment to prior years' earnings, which was a significant amount, and because of the Province's desire not to follow GAAP and PSAAC. That was adjusted out of the deficit account in prior years.

I am trying to differentiate what was done in prior years and what is done going forward. Based on his explanation, is the minister saying that the adjustment to prior years, in terms of the adjustment to the deficit, was \$168 million and that the \$91 million will be reflected in the operating statements going forward, or was the total amount adjusted as a one-time amount of \$287 million to the operating deficit?

Mr. Selinger: The entire adjustment, this was a negotiation with all provinces. This was not a bilateral. This was a negotiation agreed to by all provinces and the federal government. It was recorded in the years that the events were identified. That is where you get the number of 287; 91 to be repaid was recognized in the time frame when that was negotiated; 168 charged back to '01-02 because they deducted it back for that year, they have a three-year window that they can make prior adjustments; and the 28 was a quarter of the '02-03 amount that had to be adjusted. That gave you your 287.

Mr. Loewen: In both the summary of the accumulated deficit and in the statement of changes in cash flow, the 287 is recognized as a federal accounting error. That indicates to me that the 287 as of the end of 2002 had been paid in total, in full, and that anything going forward was another adjustment. If it is something different than that maybe the minister could explain it in the simplest of terms.

Mr. Selinger: Yes, the 287 has been recorded in the periods in which it occurred. Part of it has been deducted by the federal government off their transfers, but the remaining \$91 million will be repaid over 10 years even though it has been recorded for prior periods. These are all recorded adjustments for prior periods which are shown here in the statement, even though the \$91 million will have to be paid out over 10 years going forward.

Mr. Loewen: I apologize. I am at a bit of a loss, because the changes in cash flow indicate that cash was paid out of 287 during that period. I guess in my accounting experience in the private sector, that indicates the cash that was paid for the year. I am wondering: Is there a corresponding entry somewhere else that I am missing that indicates that the \$91 million will be paid out over the future? How would that be reflected in the changes in cash flow?

Mr. Selinger: Yes, I refer the member to the annual report, March 31, '02, page 50. The 287 is recorded as a change in non-cash items if you go right to the top there. It is the fourth line from the top.

Mr. Loewen: On page 50?

Mr. Selinger: Page 50.

Mr. Loewen: Change in non-cash items.

Mr. Selinger: Right, that is where it is recorded. That is why we are not trying to in any way pretend it is a cash item, because it is clearly stated as a non-cash item.

Mr. Loewen: I see. Okay. Well, just for clarification then, there is included in this year's Budget the 10 percent of the \$91 million going forward, and that would be the payment over 10 years?

Mr. Selinger: Again, the liability has been recorded and the cash requirement will flow forward, but it has already been recorded. So it is not a budgeted item going forward. It has already been dealt with and you just have to make sure it is part of your cash flow going forward.

Mr. Loewen: Well, then, moving back to the cash statement, I notice cash has dropped from \$1.275 billion in 2001 to \$893 million at March 31, 2002.

Mr. Selinger: Your page?

Mr. Loewen: I am on the summary statement of financial position, page 47.

Mr. Selinger: Which line are you referring to?

Mr. Loewen: Assets, Cash and Temporary Investments.

Mr. Selinger: Page 47?

Mr. Loewen: Page 47, yes.

Mr. Selinger: Which line?

Mr. Loewen: The first line under assets, cash and temporary investments has dropped from \$1.275 billion to \$893 million, which is akin to an increase in the debt of the Province of Manitoba.

Mr. Selinger: If the member would flip back to page 50, that will explain the changes in cash

flow from 1.275 to 893. That is the breakout of that number, those two numbers. You can see a summary of net income for the year and then the non-cash adjustment items and the totals of that; and investing activities and the totals of that; and financing activities and the total of that; and then changes in cash and temporary investments, which gives you those bottom line numbers.

Mr. Loewen: Well, can the minister then indicate—and he may not want to—in terms of the cash position of the Province of Manitoba, I mean it is quite a wide variance from one year to the next, close to \$300 million. Is it anticipated that the cash requirements of the Province of Manitoba are closer to the 893, or closer to the \$1.3 billion that it was in 2001?

Mr. Selinger: To get that, we are going to have to go back to Treasury Division, because they handle the cash requirements of the Province. That is where they do their borrowing around and their refinancings. If you want to bring them back, I am happy to do that.

Mr. Loewen: I thank the minister for that information. We are prepared to move to 7.4. Taxation.

*(15:40)

Mr. Selinger: I will call up the ADM for Taxation, Barry Draward, who, as I understand it, is in a national conference that he is hosting right now with Taxation officials. We have pulled him out of that experience to come here for this, and we will try to answer any questions you might have.

Mr. Loewen: I am going to turn it over to the Leader of the Liberal party for approximately 20 minutes, half an hour.

Hon. Jon Gerrard (River Heights): My question to the minister deals, to begin with, with business subsidies, and a number of these are through the tax system, direct or indirect.

I would like the minister to provide an overview of subsidies to business and a view of those which are through the tax system.

Mr. Selinger: I am going to ask some of the staff from Federal-Provincial Relations who work on these matters to come forward to help with this. I have the director of Taxation, Federal-Provincial Relations, Steve Watson, with us.

I am going to ask the Member for River Heights if he wants to maybe put that question maybe a little more precisely, because that is a very broad question. My officials are struggling with where to start the answer. Maybe you can zone in a little bit more on what you are looking for.

Mr. Gerrard: Talking about tax at the moment, let us start with the business subsidies that work through the tax system, where you provide tax breaks, tax advantages, subsidies, tax expenditures. The federal government has spent a lot of time looking at what are tax expenditures, where, in fact, through the tax system, you, in effect, make expenditures.

Can you give us a breakdown of what the business subsidies provided through the tax system are by the Province of Manitoba?

Mr. Selinger: I am not going to be able to give the member an exhaustive list. I am going to try and give him some concrete examples and then indicate to him that we are working on preparing an overall list. It was actually my desire to start looking at how we can publish tax expenditures in the future in the Budget, but with all the other demands this year, we were not able to bring it out in this Budget. We are looking at it for subsequent budgets.

For example, in this Budget, we renewed the manufacturers' income tax credit for three years. That had been going on for a while. It had lapsed and we renewed it for three years. The member will be aware of the labour-sponsored Venture Capital tax expenditures that we have capped at \$30 million in the Budget. It is a 10% credit. A guesstimate of its value would be about \$17 million.

There is the R & D tax credit which the member would be aware of. We did a R & D appendix and a budget last year, just explaining our R & D capacity in the province. That is

valued at, these guys are winging it a little bit, about \$12 million.

Another one the member might be aware of is the manufacturers' sales tax credit on the consumption of electricity for the large manufacturers and mining companies in this province. It is worth about \$8 million.

There are a number of tax expenditure measures in the agricultural area, farm fuel tax exemptions for purple gas for offroad purposes. My officials estimate it could be as high as \$30 million to \$40 million in tax expenditure.

There is the sales tax exemption the member might be aware of from his own experience for children's clothing under 14. That is worth a couple of million dollars. Food is sales tax exempt.

Slurry tanks and lagoon liners is one that we have introduced every year for the last four years. It is about \$1 million a year. That is an environmental one.

The preferential small business tax rate of 5 percent versus the general corporate tax rate which is now currently at 15.5 percent. The feminine hygiene products one, I think it is worth about \$1 million. That is not business.

The co-op education tax credit, not yet passed. We are not sure of the value. That will take time to build. I think the member understands the purpose of that is to encourage these internship opportunities and transition from university to the workplace.

The one we have in this Budget is the corporate capital tax being changed from a deduction to an exemption. That will be worth about \$10 million, \$11 million.

I am giving you some examples. I do not know, if you want to pursue this, we will keep digging here for you.

Mr. Gerrard: One of the questions I would like to ask in terms of the tax expenditures is in the arrangements with MCI. Were there specific arrangements to forgive taxes, or in relationship

to taxes, which would have, in essence, been part of the business subsidy?

Mr. Selinger: That question is properly asked of Industry, Trade and Mines, which is in charge of the transaction. I could take it as notice to get you specific information on it, but I do not have it right in front of me. I do not have the specific information on any tax expenditure elements on that.

I do not want to say until I confirmed it, but there are some dimensions of that that might be part of your question. But it was mostly a MIOP loan of about \$8 million to \$9 million, and some training money, which is just a straight expenditure. That was the overwhelming majority of it. There might have been some offsets against R & D tax credits. I do not want to say that because I have not confirmed it right now. But the vast majority of it was a MIOP loan, Manitoba Industrial Opportunities Program loan.

* (15:50)

Mr. Gerrard: Will the minister be able to provide sort of a full accounting at some point in the next short while?

Mr. Selinger: My desire is to try to have it for the next budget, as an appendix, so that it is there for public scrutiny.

Mr. Gerrard: In the last election there was considerable debate about the school tax and the taxing powers of school boards. The question that I would have is the financial implications of taking away the taxing powers of school boards, and what work the minister and his department have done on that.

Mr. Selinger: Well, that really comes under the Minister of Education's (Mr. Lemieux) mandate, the taxing powers to school boards. Under the legislation it is under the responsibility of the Minister of Education.

Mr. Gerrard: But it would have major financial implications for the Government, so, surely, in terms of taxes, this would be something which the Department of Finance would have had a look at.

Mr. Selinger: I do not want to give the impression that there is an act of—there is a review going on with the Minister of Education, a group of stakeholders that are looking at education taxation. We have participation on that committee through our Taxation people in our department. I do not want to pre-empt the outcomes of that report. There was a preliminary report brought out about a year, a year and a half ago, less than that. It identified some of the dilemmas of shifting taxation from one form of taxes to another.

I think some of the conclusions that were in that report, which is public, were that there is no easy fix here. If you are going to be shifting the burden, say, from property taxes to other sources of taxation, that presents some real challenges.

There was also the point that was made by the trustees in that report that they, I think, wanted to retain some level of ability to levy some of their own taxes, some discretionary taxing authority on their behalf. That point was made in that report as well.

Mr. Gerrard: Because of the issue of the possibility at some point in the future of taking away all the taxing powers, which was suggested by one of the parties—not, I think, by the NDP—what I would ask is: Has the Minister of Finance done some analysis to know what would be the tax implications of doing that and what other revenue would have to be made up?

Mr. Selinger: That task force, under the Minister of Education, is looking at that issue. As I have said, we have participated on that. The first report made it pretty clear that under our balanced budget legislation the money would not be easily replaced. It would require that, if it was going to be offset by retail sales tax, personal income tax, or business taxes, there would have to be a referendum to occur on that under current legislation. So it is not easily made up.

The magnitude of the money is quite large. The magnitude is in the tens of millions of dollars. My official is going by memory here. We do not have the report in front of us, but the special levy itself could be worth \$160 million of revenues that have to be made up elsewhere. It is significant amounts of money.

Mr. Gerrard: When the minister first did the special levy, he is not talking about the provincial levy, he is talking about the school board levy. The net amount that would have to be made up, the minister is indicating, is in the order of how many millions of dollars?

Mr. Selinger: We do not have the document in front of us right now. Memory is usually not a very good indicator of accuracy. The 160 number, my officials recall. I am going to qualify it. They want to verify it was net of property tax credits. If you add property tax credits, you could more than double that.

Mr. Gerrard: Will the minister provide that information accurately at some time in the next day or so?

Mr. Selinger: We will try to pull it together for you, but I do not want to pre-empt that committee's work.

Mr. Gerrard: I ask the Minister of Finance to be aware of it.

Mr. Selinger: The point is I am trying to avoid entering into a series of hypotheticals, because the committee has not reported yet. It is reasonable to ask the magnitude of the revenue that would have to be replaced under possible scenarios, but we have to avoid assuming that the hypothetical situation is a black or white one. There could be a mix of solutions. It is hard for me to project and I do not want to put a number out that would somehow be misleading.

We will try to get the actual numbers of money raised through that special levy and what that means.

Mr. Gerrard: We have been talking about education taxes, about tax expenditures in terms of business subsidies. Although we are primarily focussed here on taxes, can you give us an estimate of the non-tax total in terms of business subsidies?

Mr. Selinger: That is a specific line under Industry, Trade and Mines. I would have to refer the member there. That is where that amount is budgeted for.

Mr. Gerrard: Would the minister indicate whether that was the only place that there are business subsidies?

Mr. Selinger: What I think the member is referring to is what we consider traditional business subsidies. That would be the department, but you could also see grants and loans coming out of some programming in Intergovernmental Affairs, some of their micro-loan, community economic development programs. You could also see some supports being offered to business through agricultural programs. We have been debating some of them very recently in the Legislature which go to producers who are in fact businesses through incorporation, et cetera. Depending on how you want to define that, those three departments I think would cover the bulk of them.

Mr. Gerrard: I wonder if the minister is planning in the future to provide as part of the Budget a summary of business subsidies.

Mr. Selinger: Those are identified already in those departments, those specific programs, so there is nothing I can add to that other than to refer him to that. The tax expenditure item to which the member alluded earlier is not recorded. That is the one I have been focussing on, trying to get an accounting of that and a public declaration of that through an appendix in the Budget. Those programs are already there. They are listed. They are available for scrutiny and review through the Estimates process.

Mr. Gerrard: I would submit that it would be important to compile in one place, clearly, both the tax expenditures subsidies and the direct subsidies. For example, are there, through Education and Training, sometimes business subsidies? Are there in other departments? It would seem to me that, as a Minister of Finance, it would be a minister's responsibility to provide a compilation that crosses departments just because of the nature here of circumstance and the fact that this is important for the public to know.

* (16:00)

Mr. Selinger: I know where the member is coming from, but there are some definitional

problems here. Is a training grant a business subsidy? Is it education? There is no black and white definition of some of these things. Loans, MIOP loans, depending on the rate of interest, clearly a business subsidy. Direct grants, clearly a business subsidy. Tax expenditures linked to a particular type of productive activity, clearly could be identified as a form of tax expenditure related to a certain industrial area.

The information is there. It is reviewable. I am working on the tax expenditure piece to try to bring more public accessibility to that.

Mr. Gerrard: It would seem to me that the minister should provide a definitional approach of the Government to this and provide a summary both of direct and tax expenditures. I would hope that the minister might look at that, in terms of his budget planning.

Mr. Selinger: I would be happy to take it under advisement, but to be quite frank about it, it is a question of how you time and pace these things. It is actually a huge task just to pull together and be clear about the tax expenditure piece. We had hoped to do it this year, but given all the other demands on staff—and we run fairly lean staffs on a lot of these operations. I am continuing to work on that one, but I am not going to commit the staff in Finance to recalibrating all of this by any specific date.

I understand the point the member is getting at. I will indicate to him again that these other departments are transparent on their expenditures. Whether or not they are business subsidies some people would debate. But it is fairly clear, for example, which ITP program in Education and what it does in terms of training for industry groups. MIOPs in Industry, Trade and Mine programs are clearly identified. The programs in Intergovernmental Affairs are clearly identified, as are those in Agriculture. People see them in different ways.

The tax expenditure one I am going to continue to focus my officials' energy on pulling that together.

Mr. Gerrard: One last area, in terms of the reference to The Sustainable Development Act, which there were requirements to move and

provide evidence that one is moving toward a sustainable government. Can the minister provide us information as to what he is doing, from a Finance point of view, in meeting the requirements of The Sustainable Development Act?

Mr. Selinger: Under the sustainable development mission there is one that has been worked on most with finance officials in the area of procurement. There is an internal committee within the department that looks at procurement activities consistent with sustainable development guidelines. That internal committee of the department also reports to the joint committee between Conservation, Transportation and Government Services, which looks at government-wide activities. So that activity has been going on. I have had it reported to me as they move on that.

The member might also recall the riparian tax credit, which is another form of tax expenditure which we have identified which supports sustainable practices in things like managing cattle and river bank protection. That program had a slow start. We have expanded the scope of it to include other riparian areas.

There is quite a bit of work being done with the Axworthy task force on emissions trading. Finance has a role in that on the subcommittees, the technical side of that. That committee reports to both the ministers of Industry and of Science and Technology and myself on its overall progress. We are working away on that. I think that is by way of an answer.

Mr. Loewen: I meant to ask this question when we had Treasury here, but maybe he could just answer it on his own because he indicated in his opening statements about the change to the pension plan contributions, where new employees, an amount was being allocated for their pension plan. I just ask for clarification. Is that anything over and above section 8(6.5) of the balanced budget legislation, or is he simply following through with what was the intent of that legislation?

Mr. Selinger: It was never required by balanced budget legislation. The original balanced budget legislation made no plans for dealing with the pension liability prior to us coming into government. When we came into government we

made the debt repayment eligible to be allocated toward both the pension liability as well the general purpose debt. The previous government had not done that.

In addition to that, not covered under the balanced budget legislation, we now require each new hire to have the employer's portion of their pension costs budgeted for and contributed to the plan. That helps that pension liability curve to start flattening out and going down about 15 years out.

Mr. Loewen: I appreciate that. That simply corresponds to my reading of 8(6.5), so I am just wondering if there is anything being done over and above that. Just for clarification, the clause is that the allocation committee shall ensure that provisions exist for matching the projected pension contributions of new employees hired on or after April 1, 2000. Is that what the minister is following or is there more being done than that?

Mr. Selinger: The requirement under the legislation being changed was intended to ensure that at least there was an amount set aside for new hires, but now that we have required each department to fund it from within, additional money allocated through this fund that you are talking about is over and above that, so it allows us to attack with greater vigour from two prongs, departmental expenditure for new employees and this \$96 million reducing that pension liability.

Mr. Loewen: Okay, I would like to thank the minister for that clarification then.

On to Taxation, what I would like to do, hopefully with the minister's consent, is look at some of the—I am back on the budget document, B-7, just the revenue estimates in terms of some of the taxation matters that are involved here and just get a little more up-to-date information in terms of the taxation revenue for the Province of Manitoba in '03 and '04.

* (16:10)

Mr. Selinger: Is there a specific question there?

Mr. Loewen: We can go through them one by one, but the Budget indicates that Government

expects revenue of about \$270 million on corporate income tax. Is that a figure that the present Estimates will uphold?

Mr. Selinger: As the member knows, there is an established procedure for examining revenues to budget for any of these areas, and that is the quarterly reports. We will pull that information from the quarterly reports.

On the corporate tax one, that is information we get through the CCRA, the federal government, and that information is not available currently.

Mr. Loewen: Is there any information available on the individual income tax?

Mr. Selinger: It is the same thing.

Mr. Loewen: Or the equalization payments or the CHST? Is the minister saying that he does not really have updates for those at this time?

Mr. Selinger: For both of those, we get official data in two estimates, February and late October, early November. So they are yet to come.

Mr. Loewen: Okay, I thank the minister for that. Just turning to the provincial levies—

Mr. Selinger: On the provincial ones, for our own-source revenues, just to cut to the chase, pretty much on budget.

Mr. Loewen: So no particular concerns in terms of provincial levies with amounts fluctuating significantly from the Budget at this point?

Mr. Selinger: The variance off budget is about one-tenth of 1 percent right now, so that is pretty healthy.

Mr. Loewen: Those nickels and dimes add up. The member knows that.

With regard to the revenue from the Manitoba Lotteries Corporation, could the minister indicate whether there has been any work done on the possible effects of the smoking ban in the cities of Brandon and Winnipeg and what effect that would have? As well, if he could touch on any work that has been done based on the

premise that sooner or later we may actually have a province-wide smoking ban.

Mr. Selinger: Well, once again, that data is collected in the normal way and we do not have it in front of us right now. As my tax officials say, it is not available in the tax division.

Mr. Loewen: I apologize. I was interrupted. If I could ask the minister to repeat his answer.

Mr. Selinger: That data is not available in the tax division.

Mr. Loewen: I knew that answer was too short to satisfy me.

An Honourable Member: If you would like me to go on longer, I could.

Mr. Loewen: Could the minister indicate where that information—I mean, is he aware of whether or not that information is being looked at and where it might be?

Mr. Selinger: The information is collected as part of the second quarterly report exercise, but it is the Lotteries Corporation itself that compiles the data and they issue it through their own quarterly reports and then we work off of that, but you are right, there has been a concern about the interaction between smoking bans and revenues from Lotteries, but the corporation itself I think is very aware of that and is trying to manage around that.

Mr. Loewen: Well, what peaks my interest is in the '03-04 Estimates, the budget amount for Lotteries is roughly the same. We are hearing that after a year's experience, Brandon's VLT revenue from what we are told by the hotel association at the committee meetings we are having province-wide now is off about 24 percent. If the same rule of thumb applied to the city of Winnipeg for six months, lottery revenues, VLT revenues, at least, could be off in the neighbourhood of 20 percent, and although indications are that the casinos are still pretty full, it would seem to me that it would be something that the minister would want to get an update from pretty quickly from Manitoba Lotteries given that a 20% reduction in revenue could be a pretty significant figure to the

Province of Manitoba. If the minister is saying he has not got any information on that, we will have to look at other avenues I guess.

Mr. Selinger: I take the point the member makes, and we will get the information and publish it in the Second Quarter report. Today I do not have that information.

Mr. Loewen: I thank the minister for that. I would like to just touch on tobacco tax, and I guess the interdiction program temporarily. I assume we have got the right people at the table for that, and I know the minister expects it. I see these unmarked cars all the time on my trips to my cottage at Lake of the Woods, but I have to assure him those are not the regulators I am looking for. As a matter of fact, I have not had the opportunity to see them, but I guess really what I am interested in is the Government did introduce some fairly significant increases in the cost of tobacco under I think some misguided belief that that would have a significant effect in terms of reducing tobacco smoke. Yet really I think what has happened is the Government has seen a real windfall in revenue going in '99 from roughly \$113 million to what is projected at \$190 million in '03-04, and I wonder if there are any statistics available in terms of what the dramatic increase in taxation has done with regard to people's smoking habits.

Mr. Selinger: Yes, there was a report that was brought out this summer by an independent agency that showed that there had been a dramatic reduction in smoking through the increased tax levies and in particular there had been a dramatic reduction in smoking among young people. I am trying to remember the percentages. I remember it being in the order of 14 to 20 percent, in that range.

The data we have in terms of tobacco shipments into the province shows a reduction of about 15 percent in tobacco shipments into the province. So that would correlate I think quite highly with consumption. So I think we could say that it is about a 15% reduction in consumption based on shipments into the province, which is significant.

Mr. Loewen: We have got roughly what amounts to about a 70% increase in revenue over

the course of the last four years. Is there some reason for that outside of, I mean, I just, I am trying to figure out how the two correlate, because we had a dramatic reduction, and yet you have a 70% increase in revenue. I do not think the taxes have gone up 70 percent.

Mr. Selinger: Even though the reduction is demonstrable in terms of the amount of tobacco being consumed within our jurisdiction, the rates have more than offset the reduction in consumption, because they have gone from, say, 8 cents a cigarette in 1993 to 15.5 cents a cigarette in '03, over 10 years. Most other provinces have been following the same path in terms of this plan.

As a matter of fact, the western provinces worked together on this a couple of years ago to try and ensure that they were consistent in their efforts so that you did not have border problems by highly variable rates. All provinces across the country and many states in the United States have increased their taxes on tobacco. There are variances obviously, of course. Our biggest exposure is on the eastern border, but that is also where we have the most effective interdiction program, an enforcement program. It has been quite successful in making sure that illegal tobacco is not entering the province.

Mr. Loewen: Does the minister have the figure for how much it has gone up since '99?

Mr. Selinger: On May 11 of 2000, it was 8.6 cents a cigarette; April 1, '01, it was 9.6 cents a cigarette; and then the one that most of the provinces worked on occurred from 9.6 to 14.5 cents for April 23, '02; and then a penny again last year, from 14.5 to 15.5.

*(16:20)

Mr. Loewen: Does the minister have any concern about the possible loss of revenue as a result of a ban on smoking in public places?

Mr. Selinger: Yes, we have budgeted for tobacco tax revenues based on the strong possibility that there could be a ban on smoking in public places. That policy issue was foreseen to a degree by our officials when they did the revenue estimates. We understand the public

policy nature of that discussion and your participating on the task force. There is a revenue implication, and they have tried to budget for that as best they can without interfering in the broader public policy debate because there are significant public health benefits to banning tobacco smoking in public places. I know you are already reviewing them. There are economic impacts as well, but if it is the wisdom of the Legislature to proceed on that, that will be something that is done for public policy reasons and public health reasons. We know that there are long-term benefits to Manitobans when people smoke less.

Mr. Loewen: I am just a little curious because, in spite of the possibility that that may have an effect on people's smoking habits, the revenue is still going up by \$10 million a year in the '03-04 budget estimate as compared to '02-03. So is that strictly as a result of a penny increase, and is a factor in there for reduced volume?

Mr. Selinger: Yes. Both of those factors were taken into account, and I guess it attests to those that continue to smoke, their felt need to do that. But it also is, as I indicated earlier, the total tobacco consumption in this province is down. The independent reports I saw reported in the media this summer attributed most of that reduction in consumption to young people's habits, which, we think, is very promising. I was just reading, I think it was on the weekend or the last few days, the *Globe and Mail*. There is new research that has come out on tobacco consumption that as little as one experience with tobacco smoking can be enough to get somebody having the cravings for continuing to want to smoke, among young people. So we now are recognizing that the consumption of this product can be extremely addictive if it occurs at the right time—or the wrong time, I guess, would be the proper way to put it—in a young person's life. It can be extremely addictive.

Research has shown that price is a major inhibitor of tobacco consumption among young people and people generally.

Mr. Loewen: In terms of the numbers that the minister has here, does he have consumption numbers for '99 and projections for '03-04 that he could share with us?

Mr. Selinger: We certainly have the '99 revenue because that has been reported. The consumption was a mathematical calculation of what the revenue produced, and then you factor that back to what the consumption would have to have been to justify, to get that revenue. So a mathematical number can be provided to you.

Madam Chairperson: Member for Fort Whyte, you realize the mike does not go on if you do not get recognized.

Mr. Loewen: Thank you, Madam Chair, I will try to be more patient in the future. I am just wondering if, in those charts, the minister has some numbers with regard to consumption that he would be willing to share with us.

Mr. Selinger: What I have is simply the tax rates for those years, and then I have how revenues are doing compared to budget this year. They are, once again, just about bang on what they projected the consumption and revenues would be. So I do not actually have the revenue numbers for those specific years. I just have the rates.

Mr. Loewen: Does the minister have the prices of cartons of cigarettes for Ontario versus Manitoba versus Saskatchewan?

Mr. Selinger: The carton comparison for Manitoba-Ontario would be \$55 in Ontario and \$75 in Manitoba. That is where our biggest exposure is for price differentials, 20 bucks.

Mr. Loewen: And Saskatchewan?

Mr. Selinger: Saskatchewan is roughly the same price as Manitoba. As we go west, there is a greater consistency in the rates. It is the Ontario-Québec axis where you have the lower rates because that is where the greatest concern with smuggling has been historically.

Mr. Loewen: And were recoveries and, I guess, charges relatively consistent with prior years?

Mr. Selinger: To date, since the Tobacco Interdiction program commenced in 1994, the program has resulted in a recovery of 76 932 cartons of smuggled cigarettes—that seems like an awfully precise number—as well as 3 463 940 grams of fine cut tobacco, and 25 927 cigars.

Court stats: There have been 480 infractions related to tobacco smuggling; 312 of these have been successfully completed, resulting in \$1,321,521.92 in tax penalties and \$167,000—let us say \$166,000 in fines and costs. One hundred and twenty-eight cases have resulted in a stay of proceedings, usually where two charges are reduced to one for efficiency purposes in the courts. The remaining forty are still before the courts.

The program has been quite successful in enforcing the laws that are in place in this province. My ADM informs me that there has been a slight reduction in interdiction activity in the last couple of years because people, I think, are believing that the enforcement is there. It sort of has had an inhibiting effect on smuggling behaviour.

Mr. Loewen: Is it still the policy of the Government to sell back the confiscated product to manufacturers, including cigars?

Mr. Selinger: Where the manufacturers will take back product, we are happy to sell it back to them. The rest of it where the manufacturers are not willing to take it back, it is destroyed in a way that does not inhibit the health of our officials.

Mr. Loewen: I thank the minister for that. With regard to the change from a deduction to an exemption for The Corporation Capital Tax Act, I believe the projection was about a little over six million in terms of—is that still a number that the minister is comfortable with?

Mr. Selinger: That would be a full year value of that exemption. We are not able to bring it into full force for a full year once we pass this Budget, but that is the full year rollout cost of switching from a deduction to an exemption for capital gains tax.

Mr. Loewen: With regard to the introduction of red light cameras to catch people speeding and running red lights in the city of Winnipeg, there is some of that revenue that flows through to the Province of Manitoba. Do you have a number on that, given that the City has decided to increase the number of lights dramatically?

Mr. Selinger: The short answer is, yes, there is a revenue recovery to the Province because they are in charge of administering the court. The court is related to prosecuting those infractions and dealing with them. The legislation allowed them to have money provide for court costs and other Justice costs. I do not have a precise number in front of me here. It is under the Justice Department; they look after that dimension of it.

The Justice Estimates, I think they have concluded actually. Yes, there has been revenue come in, and that is expended in the Justice system related to court costs and other Justice activities.

Mr. Loewen: The minister is not aware of how much has been budgeted for that?

Mr. Selinger: It is budgeted within the Justice Department as part of their total budget Estimates, as an offset to their other costs.

* (16:30)

Mr. Loewen: I am just wondering if that is information that the minister could provide us at a later date?

Mr. Selinger: We will endeavor to get that. I see furrowed brows at the back of the room working on that. We might even be able to get some information in real time as the associate secretary to Treasury Board moves to the front.

Just to help the member and all of us to know where the money is shown, it is in the Estimates of Revenue book on page 8 under Justice (d) Fines and Costs. It is a subnumber underneath that \$11.5 million. It is about \$2.1 million. We guesstimate it is about \$2.1 million, our share of that revenue. That is for the 12 cameras that were in existence at the time the Budget was done. There is no specific estimate for what the new cameras would generate at this stage of the game. That is being worked on.

Mr. Loewen: Is that a number we could expect to get in the near future?

Mr. Selinger: We are talking to Justice about that. If we get something I will try to provide it to him.

Mr. Loewen: The \$2.1 million, that number translates to the court costs the Province, for lack of a better phrase, tags on to the cost of the fine for speeding or going through a red light?

Mr. Selinger: It was a formula between the City and the Province which recognized the additional costs of providing court and justice services to enforce that piece of legislation. As you can see, the bulk of the money goes to the City for their enforcement activities, but there is definitely stress on the justice system, the court system for the light tickets going through the system.

Mr. Loewen: I do not know how much extra stress there is in opening envelopes. In any event, I am being facetious.

The \$2.1 million, how much would that translate into revenue for the City?

Mr. Selinger: Pardon.

Mr. Loewen: The Province would get 2.1. Do we know how much revenue that would translate into for the City?

Mr. Selinger: We would have to get that information, but from public material I have seen in the newspapers I think they are talking \$6 million to \$8 million, in that range. I would have to verify that. It is their revenues. We do not actually track it specifically.

Mr. Loewen: When the minister gets more information on the projections for the additional cameras, if he could give me as much information as possible on the breakdown of the provincial revenue and the City revenue, if that is possible. I am going to get it from other sources, but if he has it, if he could pass that along too, that would be appreciated.

Mr. Selinger: We will attempt to get that. It is formula driven, as other fines which are collected on behalf of—well, the Province collects fines but municipalities enforce it and provide a number of enforcement activities, primarily policing and surveillance. So we will try to pull that together for you.

Mr. Loewen: The minister a year ago altered the PST regulations to collect PST on mechanical and electrical. At the time, there was quite a bit of concern from the construction industry and the Manitoba home builders regarding the cost. Does the minister have a better feel in terms of how much revenue has been generated from that change in the PST?

Mr. Selinger: There was a budget amount of \$10 million for the electrical-mechanical rationalization of that tax. As I indicated earlier, there has been a follow-up audit with the people providing those services. They have expressed quite a high degree of satisfaction with how the new regime is working. It is clear and easier for them to administer. It allows them, of course, to buy their goods and services that they need to provide that service tax out through a retail sales tax number that they have and only levy the tax at the point when the service has been provided and the products have been provided.

As I indicated earlier, in terms of our own source revenues, at this stage they are on budget overall. There is no reason to believe why this one is a problem. We delayed the implementation of it, but we think it is tracking fairly close to budget. The other thing I should say is that the member might know this has been a record year for housing construction. So it might actually do a little better, given the additional activity in the marketplace and building permits overall.

Mr. Loewen: Well, I appreciate that. At the time there was concern from the building industry that the cost might be closer to \$30 million or \$40 million. Some were even estimating as high as \$50 million. Is the minister saying that the number they expect to generate from those changes is in fact going to be on roughly the \$10-million per-year figure going forward?

Mr. Selinger: There are no prospects of three to four times of what we have estimated, \$30 million to \$40 million. It might be a little stronger because of the extraordinarily strong activity in building permits in the province this year, but the estimates are still reasonably robust.

Mr. Loewen: Does the minister have any idea of how much of that or what percentage of that revenue would be from government construction projects?

Mr. Selinger: No. The rationale for that is that our vendors remit to us, but they do not tell us which projects from which they are remitting. They are just remitting their taxations they have collected on all the full array of activity they are involved in, and, as you know, many vendors are involved within several projects simultaneously. So they are remitting their taxes on a regular basis for all the activity they are engaged in.

Mr. Loewen: I appreciate that. I am just wondering if the Government, at the same time that it has budgeted revenue from the change, adjusted their budgets in terms of expenses to see what the net would be? I assume what the minister is telling me is, no, they did not.

Mr. Selinger: Once again, vendors who remit the tax do not identify from which projects they have collected that tax. They just remit it on their total volume of activity. Projects that governments are involved in are usually capital projects rolling out over many years. There is a great variety of them in many sectors. But those projects are all tendered. It was our belief at the time that this measure was taken that it would improve the tendering process, create a more level playing field. It might actually achieve some efficiencies in the tendering because you would have a more competitive tendering process with everybody operating under a consistent and clearly identifiable set of rules which did not result in situations where somebody would be knocked out of a tender because they applied the tax, whereas the winner of the tender would not have applied the tax because of confusion. So we actually think the tendering process is more efficient and generates better results in value that government gets.

* (16:40)

Now, we know also that it has been a very dynamic year for construction, so when there is a very dynamic construction year, there is a possibility the prices can go up because there is a shortage of providers of these services. That can have a tendency to drive prices up, but we think the efficiency has been improved overall.

Mr. Loewen: Just for final clarification, then, I guess in particular on the corporate tax but also as it pertains to the health and education levy, given the comments the minister made about the

uncertain times that we seem to continue in, is there any concern that either of those projections, that the actual will be off target by a significant amount?

Mr. Selinger: No, there is no indication they will be off target by a significant amount. As I said, our overall own-source revenues are within one-tenth of 1 percent of budget projections, so in aggregate they are pretty on. Then, when you break it out in each category, they are pretty close to budget in most cases as well.

Mr. Loewen: I thank the minister for that.

With regard to the federal transfer payments, particularly the health transfer payments, there was an announcement, I think it was in February of last year, by the federal government with regard to a \$365-million payment over five years to the Province of Manitoba. I think that basically results in \$73 million a year coming into the Province of Manitoba. Was that budgeted in the '03-04 Estimates?

Mr. Selinger: Just before we go to that, are you finished with the Taxation division now?

Mr. Loewen: Just give me a minute; I will check my notes. I do have a couple more questions in Taxation. Are you saying this with regard to the Federal-Provincial—

Mr. Selinger: It is fed-prov that you are moving into. So, if we can stay on the Taxation one, then I can rotate the staff.

Mr. Loewen: Madam Chairperson, I guess just in terms of defaults on collectible amounts, could I get an update on where the Province stands in terms of defaults and uncollectables?

Mr. Selinger: Madam Chairperson, in terms of uncollectable amounts for the period ending March 31, 2003, it is .12 percent. It is actually quite a low amount, 12 one-hundredths of a percent. That, by industry standards, is a very, very good number. It is a low number.

It has gone down over the last two years from .2 percent, itself a low number, to .12. In comparison to British Columbia and Saskatchewan, B.C. has gone the other direction. It has

gone up from .2 percent in '01 to .8 percent, whereas ours has gone down.

We do not have data for the other two provinces in the west, but we have made significant improvements in that.

Mr. Loewen: Does the minister have dollar amounts to correspond with that?

Mr. Selinger: The write-off for the period ending March 31, '03 was a total of \$2.1 million, reflecting uncollectable amounts on RST, HET and Corporation Capital Tax, mostly RST, retail sales tax. That figure is roughly consistent over the last five years, six years. It has gone from \$2 million to as high as \$3.4 million, as low as \$1.4 million and \$2.1 million. It is in that range.

Mr. Loewen: Could the minister identify any staff additions over the course of last year to the Taxation Division?

Mr. Selinger: I just wish to clarify, the FTE complement has remained exactly the same, or is the member asking how many new people have been hired?

Mr. Loewen: Yes, and at the same time I would ask whether they are through competition?

Mr. Selinger: There have been 11 people hired, everyone by competition.

Mr. Loewen: I thank the minister for that.

Under subappropriation 7.4.(c), if he could explain the FTEs remain the same. The rise in salaries is fairly dramatic. Is that as a result of a higher anticipated fill rate or less vacancies? Is that a result of staff increases—audit, FTEs and an increase, which is the same as '02-03, but an increase in dollars of roughly \$300,000.

Mr. Selinger: The difference in number really reflects projections of less turnover within the department as people get hired in and start becoming more stable in those positions.

Mr. Loewen: So it is safe to say that the salary levels have not changed dramatically within that department, that it is a result of fewer vacancies?

*(16:50)

Mr. Selinger: If the member would go to page 77 in the detailed Supplementary Information for Manitoba Finance and you get to the fifth line down, Less: Allowance for Staff Turnover, it has been reduced from 175 to 58. That is the main difference right there.

Mr. Loewen: Well, quick math, that accounts for about 117,000. The total is up roughly about 300,000, so I am just trying to sort through the differential there.

Mr. Selinger: Of the eleven hires, seven were in this area, in Taxation Audit, and they also get professional salaries. The salary increases attached to them tend to have increments involved as well.

Mr. Loewen: Would these primarily be chartered accountants or accounting students? I am just looking for the level of expertise we are looking at in terms of these hires, and I guess at the same time, if I could get some explanation as to why seven new hires. Is it a workload issue or was the department understaffed last year. Just trying to get a feel for what is going on here.

Mr. Selinger: Yes, most of the new hires are as the result of retirements, and the qualifications are CAs, CMAs, CGAs, with about maybe up to 30 percent being students continuing their professional education.

Mr. Loewen: Okay, I thank the minister for that. *[inaudible]*

Mr. Selinger: I have with me the Assistant Deputy Minister of Federal-Provincial Relations, Mr. Ewald Boschmann, as well as other officials. Ron Neumann, who is Director of Intergovernmental Finance, works a lot on transfer payment issues, in particular, equalization, and also Steve Watson, Director of Taxation.

Mr. Loewen: Well, okay, let us go back to that original question regards to the health care funding that was announced by the federal government, I believe in February of 365 million over five years. I guess I am looking for a little more information on how that money will flow to the Province of Manitoba and whether it has

been included in the '03-04 Estimates that are ahead of us. I do not know if it comes in 73 a year over even allotments or whether it ramps up or just how it works, so maybe the minister can give me a little more information on that.

Mr. Selinger: If the member would start with me on page C-14 in the Manitoba budget papers, that gives you the health financing arrangements on a macro level. It is spread—well, this is the federal time frame—over three years. There is no restriction as to when you take it, but they had indicated it was over three years when they made it available to the provinces.

Then, if you go to page B-7, you will see under Federal Transfers, at the bottom of that page, Canada Health and Social Transfer Supplements \$163 million. That is the amount we have recorded for this year.

Mr. Loewen: What I am trying to get a better understanding of is there is \$365 million announced in February. Is the minister saying that in this year—

Mr. Selinger: On page B-7, in that third bullet under Federal Transfers, we show an amount of \$163.6 million.

Mr. Loewen: Is that reduced from the \$365 million, and what is left is roughly \$201 million, two years revenue? Is that what the minister is saying?

* (17:00)

Mr. Selinger: If the member goes back to C-14 in the budget papers, Manitoba has received its portion of the CHST supplement. You will see that it is 1, 1.5, for 2.5 and then the additional supplement of \$2 billion. The \$163 million represents their portion of that, and then in future years they will get growth out of the CHST increase shown on the top line there, .7 to 1.3, 1.9. It is the combination. There will be future growth on that first line. They have taken their portion, as I understand it, of the supplement and the additional supplement.

Mr. Loewen: Then back to the \$163 million, my question still remains, is that at the same time if there are other amounts in the line items below

that come out of that \$365 million commitment from the federal government? I am just trying to get a feel for what is in this year's Budget, what is left into the future.

Mr. Selinger: Yes. Like I indicated, \$163 million comes out of the supplement and the additional supplement. You will notice on page C-14, other amounts, health reform fund, diagnostic medical equipment fund, et cetera. Those monies will be drawn down as they are actually used.

Then on the CHST increase there will be future increases as indicated in that first line. So, I mean, I am not relating to the 365 number, because I do not have that number in front of me. I am trying to work off the data that we have published in the Budget to show you how we are drawing the money. The supplement money is out of that \$2.5 billion and that is reflected in the supplement line in the Budget, 163. Then there is the line above that, \$763 million, which is that first line, the CHST increase. We will get some growth off of that as we go forward. Then there are these special purpose funds underneath.

Mr. Loewen: My understanding at the time was that the Province had to account specifically for the spending of that \$365 million. Is there some way that the Government is tracking the expenditure within there. Is that related somehow in the Budget, or is it just mixed in with other amounts?

Mr. Selinger: Without trying to speak for the Health Minister (Mr. Chomiak), the health reform fund on that page, C-14, and the diagnostic medical equipment fund, we have to account for how we specifically spend that money back to the federal government. The supplement money was provided in recognition of existing pressures within the existing health care system.

Mr. Loewen: Just for clarification then, so back on page B-7, the health reform fund budget of 36.4 is the amount that has to be accounted for totally to the federal government?

Mr. Selinger: Yes, that health reform fund, 36.4, would have to be accounted for as it is drawn down. Similarly the diagnostic medical equipment fund.

I do not want to give the impression that the remaining money does not have to be accounted for, because you might recall when the first CHST improvement was made back in 2001 in Winnipeg here, there were a number of indicators that all governments agreed to start providing results of. So we have an extensive list of outcome indicators that the provinces agreed to provide to their own citizens, their own provincial jurisdictions, which are also available publicly. The minister has published it. So there are health indicators for the entire health care envelope and how it is spent and what it is generating in terms of results.

Mr. Loewen: Could the minister clarify the \$17.9 million that is the '03-04 Estimates described as medical equipment fund? Is that the remainder of the \$37 million that was set aside by the federal government? I cannot remember whether it was two or three years ago, and I quite frankly cannot remember if it was 37 or 36, but it was in that neighbourhood.

Mr. Selinger: Which item were you referring to?

Mr. Loewen: Just near the bottom of B-7, you mentioned diagnostic/medical equipment fund. Two lines below that is just medical equipment fund, and I know there were funds provided by the federal government.

Mr. Selinger: Yes, I believe that is the original allocation for medical equipment shown there.

Now, the other thing I have to say to the member is that just in terms of history here, this is still far short of what Romanow recommended in terms of restoration of federal transfer payments, and it does not even actually make up what was cut in the '95-96 Martin budget, when he took such a huge chunk out of transfer payments; 39 percent, as I recall, of all the transfer payments were reduced.

So, yes, it is a helpful improvement, but most provinces would say it is still not up to what it needs to be according to their own Royal Commission reports.

Mr. Loewen: I hope the minister can appreciate—I mean, between him and the

Minister of Health, it is hard for me to appreciate who they are blaming. If it is not the federal government, it is the previous Filmon government. I mean, quite frankly it is a long time ago. I am more interested in what is going to happen going forward.

The minister for a number of years has indicated that he has had discussions with the federal government regarding removing the ceiling on transfer payments. Can he indicate if he feels he is making any progress on that front?

Mr. Selinger: I just have to point out to the Member for Fort Whyte (Mr. Loewen), he is the only one that has raised the previous government being at fault in this discussion. I am happy to acknowledge he is correct on that, but I had not raised it today. It is only you that have raised it, so let your conscience deal with itself.

But we are talking about today. I just mentioned the shortfall on the Romanow recommendations and, of course, the cuts that occurred during the nineties out of federal transfers. The previous government was very, very clear on the impact of those federal transfer cuts on their budgets. During the time it occurred, it was a very severe blow to all provinces, including Manitoba.

The cap the member was referring to was the cap on equalization. In the last premiers-Prime Minister negotiation on the CHST, there was an agreement to lift the cap on equalization on a go-forward basis, so we actually lost money on equalization because of the cap over the last four years, but Prime Minister Chrétien and the premiers have agreed to not have the cap in place on a go-forward basis.

Now, that actually does not give us any more money because of the slowdown in the economy, and the equalization transfer payments will not hit even the cap when it was in place, but, as a matter of principle, getting rid of the cap on equalization was something vigorously advocated by all provinces because it actually undermines the purpose of the program.

When the cap was in place on equalization, it actually had the perverse effect of widening the gap between the have and the have-not

provinces because of this artificial cap, and now it has been agreed to be removed as we go forward, but as the member will know there will likely be a new prime minister within the next year and there will be another budget. We are hoping that the commitment made by the current Prime Minister will hold, although I do remember it was the former Finance Minister and likely the next prime minister who put the cap in place, or at least brought the cap down lower over the last 15 years. It has gone down lower every five-year renewal.

So we will see. I mean, at the moment, the cap has been removed on a go-forward basis by the current Prime Minister and his government, for equalization.

* (17:10)

Mr. Loewen: Well, thank you, Minister, for that response. I have a number of other issues, but I think we will turn it over to my colleague here who has some questions on Consumer and Corporate Affairs.

Mr. Selinger: I will ask the ADM responsible for that area to come forward then.

Mr. David Faurshou (Portage la Prairie): I do want to just draw the attention of the committee to the new line in the Consumer and Corporate Affairs section which deals with the allowance for an advocate in regards to the Automobile Injury Compensation Appeal Commission. Being that it is a brand-new line, I do believe that it should have a little bit of explanation.

While I did support the former Minister of Consumer and Corporate Affairs in his efforts to bring this position to bear, at no time were costs discussed. To see close to a half-million dollars allocated for this new advocate's office, I would say that this is a rather elaborate set-up in first glance. Perhaps the minister can explain as to why \$430,000-some is required for an advocate's office at the outset?

Mr. Selinger: The \$430,000-some, as I recall, for that Claimant Advisor Office—I am completely on the wrong page here. I think I will just flip over one. The 430.9 in the Claimant Advisor

Office, about 197,000 of that is one-time start up cost. You are going from a greenfield situation to having to have an office and all the equipment that goes with that, computers, technology and furniture, blah, blah, blah. So that is the one-time start up cost.

About 231,000 is operational cost part-year. When that annualizes out it is estimated to be about \$500,000 in ongoing operational cost. We have not budgeted for all that because we did not anticipate it being—so that gives you an idea. Now what does that \$500,000 involve? That would be one director FT, roughly \$65,000—\$65,500; two officers to do the claimant advocacy work at about \$104,000 for two—so about \$52,000 and change each; and a secretary-receptionist, one FT at about \$34,300. That is a subtotal of \$204,000 right there. Benefits: \$33,000 for a total of about \$238,000. I know that sounds like a lot, but then this is just a basic one director, 2 FTs and a secretary office. This is a four-person office at salaries that would be, for the complexity of the work—you can imagine how complex some of these cases are. That is a basic bare-bones start up.

Then there are operating expenses of another—it looks like about \$26,000. No, more than that. There are operating expenses of \$263,000 for things like \$100,000 for office rental; professional services, \$40,000; communications, \$30,000; transportation, \$15,000; computer-related charges, \$15,000; and then a number of smaller charges for \$263,000. So you are talking half a million for a basic bare-bones, get the project started. As you know, there is just a tremendous number of cases out there. Some of them have built up files like this over the years. The new officer is going to have to come in and wade through all of that and try to provide proper support and advocacy. I know that is painful for the member.

This will be fully recoverable from MPI, as an expense of them doing business and operating under the system they operate under. It does not come out of taxpayer revenues. It is recovered from MPI through their revenues. It is an alternative to a more expensive litigation system with lawyers and courts and all the attendant costs of that, which your government will remember was something you decided you did

not want to continue with, because it was in the multimillions of dollars of cost to go that way.

So it is half a million dollars for a claim-and-adviser system versus a legalistic system that costs several million dollars.

Mr. Faurschou: I do not want to belabour the point, but just some point of clarification is that the claimants do have the option to still proceed to court. So this does not eliminate the potential of still additional court costs. This is to attempt to resolve the issue prior to court.

Having said that, further discussion in continuance I am looking forward to.

Mr. Selinger: I just have to clarify that the recourse to the courts is only for—they can only appeal a decision of the Automobile Injury Compensation Appeal Commission only on a question of law or jurisdiction. The substantive matters now are required to be dealt with by that quasi-judicial tribunal. The claimants' advisors are part of that process, once we put it in place. That is all a substitute for the substantive dealing with these matters through litigation.

So there is an appeal to the courts on jurisdiction and a point of law but not on the substantive matters that these mechanisms will deal with. That is where the saving is and that is why you folks enacted that when you were government.

Mr. Loewen: Madam Chair, I just want to say that we certainly do appreciate the information that has been relayed to us from staff through the minister.

The minister should understand we still have some more questions. We will deal with those in concurrence, but on the basis of the discussions we have had so far, I am prepared to pass on a global basis all the Estimates, except 7.1.

Madam Chairperson: Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,675,900 for Finance, Treasury, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,185,000 for Finance, Comptroller, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,702,700 for Finance, Taxation, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,583,500 for Finance, Federal-Provincial Relations and Research, for the fiscal ending the 31st day of March, 2004.

Resolution agreed to.

* (17:20)

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$381,700 for Finance, Insurance and Risk Management, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,350,700 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,365,900 for Finance, Consumer and Corporate Affairs, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,110,600 for Finance, Amortization and Other Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

Resolution 7.10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$51,102,100 for Finance, Net Tax Credit Payments, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

The last item to be considered for the Estimates of the Department of Finance is item 1.(a) Minister's Salary, \$28,400.

We request the minister's staff leave the table for the consideration of this item.

Mr. Loewen: Given that the minister has yet to write a prudent budget that his Government can learn to live with and given that he has been less than forthright with the people of Manitoba in his description in terms of expenses and revenue to the Province of Manitoba, particularly identified by the *Free Press* in indicating his yarns in December of 2002, and given that the minister has refused to follow the Auditor's advice and fully adopt generally accepted accounting principles in presentation of the financial affairs of the Province of Manitoba, I move, seconded by the Member for Portage la Prairie (Mr. Faurichou), that line 7.1.(a) Minister's Salary be reduced to \$1. Thank you.

Motion presented.

Madam Chairperson: The motion is in order.

Voice Vote

Madam Chairperson: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those against, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Nays have it.

Formal Vote

Mr. Loewen: Recorded vote.

Madam Chairperson: A recorded vote has been requested by two members and he has support. We will recess to the Chamber for a recorded vote.

Inaudible—Audio system breakdown

Madam Chairperson: Resolved that there be granted to Her Majesty a sum not exceeding \$1,958,500 for Finance, Administration and Finance, for the fiscal year ending the 31st day of March, 2004.

Resolution agreed to.

This completes the Estimates of the Department of Finance. The next set of Estimates that will be considered by this section of the Committee of Supply is the Estimates of the Department of Aboriginal and Northern Affairs.

The hour being after 5:30 p.m., committee rise.

INDUSTRY, TRADE AND MINES

* (16:50)

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 Industry, Trade and Mines. Would the minister's staff please enter the Chamber. We are on page 105 of the Estimates book.

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): I understand that the department has been able to put together some of the information that the Opposition members have asked for, and we would be prepared to provide that information to them at this time.

In terms of reclassification, there were nine positions. In terms of the voluntary days off, 47 staff members took advantage of the program for a total number of days approved, 398, and a total savings of \$72,300.

In terms of the Business Start loan guarantees, from the time period April 1, 2002,

to March 31, the total number of loan guarantees was 41; 21 of those went to males; 20 went to females. In terms of the rural-urban split, city of Winnipeg took the majority at 34; rural is 7, although most of the rural business initiatives are now run through the REA program and under the auspices of Intergovernmental Affairs.

I have with me the members of the Premier's economic advisory committee. As I mentioned yesterday, Paul Moist and Bob Silver chair the committee.

Costas Ataliotis is a member. Jim August, Lea Baturin, Anita Campbell, David Chartrand, Jerry Cianflone, Elaine Cowan, Marielle Decelles-Brentnall, Rob Despina, Sylvia Farley, Bert Friesen, David Friesen, Chris Hamblin, Leonard Harapiak, Gary Hopper, Murray Jordan, Dr. Joanne Keselman, Sherman Kreiner, Chuck Loewen, Florfina Marcelino, Irene Merie, Reid Minish, Ashish Modha, Marcel Moody, Roslyn Nugent, Peter Olfert, Manisha Pandya, Harvey Sector, Ian Smith, Guy Sumida.

The questions related to Motor Coach, who signed the MCI agreement with the Province, that was Timothy Nalepka, VP, General Counsel and Secretary.

When did the Province's money flow? It flowed December 18, 2002.

In terms of the ownership: When we concluded the arrangement, the ownership was LJL Fund 3, 76.5 percent; Group Dina, 17.3 percent; CIBC, 6 percent.

The question of who is the management of MCI: Chief Executive Officer, Stephen K. Clauk [*phonetic*]; Chief Operating Officer, Thomas Sorrells; VP, Corporate Controller, Alan B. Swanson [*phonetic*]; Finance Treasurer, William M. Murray [*phonetic*]; Sales, Gregory Birk [*phonetic*]; General Counsellor and Secretary, Timothy J. Nalepka; Customer Relations, Sandy Baker [*phonetic*]; Public Sector, John Andrews [*phonetic*]; Operations, Sam St. Amour; Major Accounts-Private Sector, Peter Paladino [*phonetic*].

In terms of the Pembina, North Dakota plant and what was employment: In February 2002 it

was 642. As of August 2003, employment there is at 261.

Mr. Ralph Eichler (Lakeside): In your Estimates books, you are showing one as Professional/Technical. Is that Bob Silver at 3.5?

* (17:00)

Ms. Mihychuk: The secretary to the Premier's committee is Pat Britton [*phonetic*], who is the professional category, and then I believe she has an administrative secretary, secretarial—

Mr. Chairperson: The last time, please repeat so that it will be recorded.

Ms. Mihychuk: There are two staff members supporting the Premier's economic advisory committee. Pat Britton [*phonetic*] occupies the professional position and has an administrative secretary that assists.

Mr. Eichler: Thank you for that, Madam Minister. Yesterday I also had asked in regard to the grants for the racing commission. Has that information come available?

Ms. Mihychuk: The expenditures from our department are related to the administration of the harness racing meets in Manitoba. In 2002-03, it was \$104,000. This year, for 2003-04, it is exactly the same at \$104,000. The total funding from all sources is actually from the horse racing commission, from their accumulated surplus; from Industry, Trade and Mines; and also from ready funding for 2003-04 to the amount of \$137,700 from ready, for a total amount of \$329,800. So that is for 2003-04. Last year, the total funding was \$250,000 so there has been an increase of funding for the racing activities in Manitoba.

Mr. Eichler: This does not take into account any of the simulated race revenues? There is no portion of that going back to the race commission?

Ms. Mihychuk: No, at this time, there is no part of the simulcast racing that goes back to the harness racing circuit, although they would argue that they have a rightful share of it. I think that is part of the negotiations that they are using in terms of getting a more stable funding source.

Mr. Eichler: Yesterday, also, we had talked about getting a copy of the MCI contract. Did the minister get information on that?

Ms. Mihychuk: We committed to get a legal opinion of what we could release of the MCI contract and we were not able to secure that overnight. There are various portions of that agreement that will be protected, and we will not be able to release to the member or to comply with the request from the union which they made, and they wanted a copy of the contract. We have to respect the agreements that we make with private entities and confidentiality will be maintained, but we will release what we can.

Mr. Eichler: Do we have—

An Honourable Member:—in the *Free Press*?

Mr. Eichler: No, we do not want it in the *Free Press*. Do you have some type of an idea, a time frame when we may be able to receive this?

Ms. Mihychuk: It seems that lawyers work on their own schedule, so we have put in the request. I cannot make commitments for them. As soon as we get it, we will forward it.

* (17:10)

Mr. Eichler: I would like to move to page 18 of your Estimates Report. With Energy, Science and Technology, I notice there is a fund in there as well. Is this part of I, T and M? What is the relationship between the two departments?

Ms. Mihychuk: Well, the Government's economic strategy has been to focus on knowledge-based industries along with education. Last year the Government recognized the significant progress we had made in terms of that initiative and decided to create another department, which features our commitment and focus on science and technology in the department's Energy, Science and Technology, providing additional supports to that very important focus.

The relationship between EST and our department, Industry, Trade and Mines, is very close. Many of the projects are funded through some of the programs that we manage. We continue to work on similar priorities. The

initiatives in biotech, ICT, manufacturing are collaborative. Now, instead of one department, we have two. There are many projects that we work with them together. A good example is that the staff are in the same location at the international development centre on Portage Avenue.

I had the opportunity to lead a mission to Washington, D.C., for the biotech conference, and this year had the Minister of Energy, Science and Technology join us. So it doubled our representation politically there and gave Manitoba more prominence in terms of Canada's provinces.

I think the inroads on knowledge-based industries have been significant, and growing clusters have been emerging, particularly in the biotech sector. I think it is a resounding affirmation of the Government's overall strategy, which was developed in partnership with the private sector and academic institutions through the economic forum, that the strategy is working and that we are recognizing the need to transform our economy into a very sophisticated, high-tech, knowledge-based economy. So the more focus on those areas, the more successful we will be.

Mr. Eichler: On page 19 of your Estimates process, who is the managerial officer for that department?

Ms. Mihychuk: Craig Halwachs, who is here.

Mr. Eichler: On the biotech industry, who are your major players there, when you made reference to going to Washington? Who were your major players that went there?

Ms. Mihychuk: This has been an initiative that has been collaborative with government, as well as the private sector, the research institutions and the federal government. The first time we went to the international biotech conference was three years ago.

The head of the life sciences unit for government is Doug McCartney in the Department of EST, but previously was in our department. From there we started to develop a committee, including the Health Care Products Association of Manitoba, which is HCPAM, it is known as

the acronym. There are a lot of medical devices that are made in Manitoba. That is an organization that has been very organized and perhaps more fully matured than some of the other smaller groups in the medical or bio industry.

So HCPAM took the lead in developing a biostrategy. Part of that was the promotion and awareness of our biotech cluster in Manitoba. Manitoba has an enormous amount of research facilities and capability, but we had not been able to put it into a coherent or comprehensive package and, so, over the last three years, we have been working very hard to do that and have been really very successful.

The biotech conference that we went to this year in Washington, D.C., is one of the largest conferences in the world, I think, with attendance close to 15 000 people. The goal for a small jurisdiction like Manitoba is to, of course, get some recognition on an international scale. So, for instance, the virology lab was with us; the University of Manitoba was with us; Cangene was with us; the Province, Medicare, Western Life Sciences, which is a Venture Capital pool that is providing venture capital to the biotech industries. So the delegation was fairly large. I think a resounding example of how well we did was when the Premier of Alberta came to our booth and spent, I understand, an hour studying our strategy and wanting to know how Alberta could copy us. It is always flattering to have that happen. Alberta has been at the conferences for many years. So Manitoba has really made great strides and advances in the biotech sector. Overall, we have a fairly large consortium of research and private-sector people that are engaged in developing the biotech sector in Manitoba.

Mr. Eichler: Two questions. You said this was a federal-provincial, joint-funded program, is that correct?

Ms. Mihychuk: No. I mentioned the federal government because we have two foundation institutes or facilities in Manitoba that have been really critical to helping us develop Manitoba's biotech sector. That is, Ian Smith's shop at the bio-diagnostic facility on Ellice and Balmoral, and the other one is Frank Plummer's institute, the Canadian Science Centre for Human and

Animal Health, better known as the virology lab. So those two institutions play very important roles in the collaboration with St. Boniface, Health Sciences Centre, the university and the private-sector companies, but the funding to the actual convention or this one particular initiative came from the Province and individual participants in the display area. We co-ordinated people. We provided that opportunity. We did give a small grant for the attendance, but most of the participants paid their own way and had to rent booth space.

Mr. Eichler: Thank you for that, Madam Minister. Reading back through the Hansards, this has been an ongoing issue for quite some time. Can you tell me, are there numbers available on the biotech industry? What is the percentage of jobs, or what are the number of jobs in the province of Manitoba?

* (17:20)

Ms. Mihychuk: There are approximately 40 companies and institutions in our biotech cluster in Manitoba. One of the most significant numbers is that we estimate that we constitute about 10 percent of Canada's biotech sector. So, for a province that has four percent of the population, we have a disproportionate amount of biotech in Manitoba. Of the biotech sector, 75 percent of our bio is in the health-related industries and research, and 25 percent is in the agricultural, primarily plant part of bio.

The private sector has seen some significant growth as well. Cangene, which is at SMART-park at the University of Manitoba, is going through a fairly large expansion at this time. Biovail is undergoing a significant expansion in Steinbach. As you know, there is a brand-new clinical research facility at St. Boniface Hospital. The nutraceutical centre at the University of Manitoba will be another gem in our overall infrastructure to support this sector.

The actual numbers are a bit difficult to define because if you wanted to look at all health-related research, there would be much more significant numbers. If you look at the actual number of companies involved in biotech, we estimate it at about 40.

Mr. Eichler: Does the Province or this department have funding into these companies and how much?

Ms. Mihychuk: We have participated in the venture capital pool called the Western Life Sciences, but not in terms of a grant; we are participating as an investor in this pool, and expect to see a return of our investment plus some profitability. The people of Manitoba will see some rewards for their investments. We participated in that pool along with Saskatchewan and the private sector and Biovail. Included in that pool was the ENSIS group, which has money from MPI. That was one project that we invested in.

The Province of Manitoba made a commitment for the clinical research facility in St. Boniface, and money is being invested into that project on an annual basis. We have in the past provided loans to both Cangene and Biovail, but those loans have been repaid. Most of the growth and the activity that has occurred in the biotech sector has really been a bit of the catalyst in bringing the players together. After that, there seemed to be the energy amongst the research facilities and the private sector and the researchers to build it on their own.

In this case, we really did not have to build the development through a grant or financing. We played a facilitation role.

Mr. Glen Cummings (Ste. Rose): I wanted to ask the minister if she can recall the situation with Springhill hog plant at Neepawa. It has been on layoff for a significant period of time now. I know and appreciate the fact that there are ongoing discussions with her Government. It is reaching the point where there are a lot of producers and a lot of people in the industry as a whole, not just the producers but the broader spectrum of the pork industry, who are hoping that these discussions can be fruitful and that we will see this plant back on-line. I am wise enough to know that I am not here to ask questions to queer any deal that may be under discussion between Springhill and this Government.

I need assurance on the record from this minister that she is, in fact, supportive of seeing

that plant reopened as soon as possible and restored to the position in which it, frankly, had been one of the most efficient hog-slaughter facilities in the country, and certainly can slaughter hogs as efficiently as any other plant. Obviously, some of the massive swings in the market where they go from buoyant, profitable months to depressions that are very negative for operators can be very hard on a small plant. I wonder if there are any comments or insight that the minister might be willing to share with me on the record.

Ms. Mihychuk: I can say that we have been in negotiations with Springhill. We are aware of the situation. We are close to concluding what we will believe will be a package that ensures their reopening in a fairly short time frame. This Government is prepared to make a commitment to seeing that reopening, and we are very close to finalizing those negotiations.

Mr. Cummings: I will thank you for those comments, and I will accept them at face value. I appreciate the minister's candour.

Mr. Eichler: Mr. Chairman, on the Policy and Planning Coordination, who heads up that department, and what is their role?

Ms. Mihychuk: That unit is headed up by Alan Barber, and they provide policy direction and planning for the department. They are the group that is involved with putting forward policy papers on internal trade matters, international trade matters, some analysis of various trends in the economy and so on.

Mr. Eichler: I could not help but notice this is quite an expensive department. Wages are quite high, and your managerial wages are quite high as well. I guess it brings definitely money back into the province; otherwise, you would be cutting that initiative out.

Ms. Mihychuk: It is a very technical unit, and you need people that are very familiar with international negotiations. So I think that the value that we have for this has indeed proved to be worthwhile. We must continue to work on our negotiations with international, national and interprovincial agreements. Manitoba is a trading province, and so our ability to negotiate with

other partners and jurisdictions is fundamental. The group provides that support, and Manitobans get good value for their dollar.

Point of Order

Hon. Gord Mackintosh (Government House Leader): I understand there may be some confusion as to the intent of the motion—or the arrangement—that was entered into this afternoon. The intention was no votes and no quorums in 254 and 255 while the House was in session in the Chamber, but once the House went into committee, the intent was to have votes and quorums applied in all three sections.

There is a vote that is pending. I just want to seek leave of the committee that that indeed was the intention.

Mr. Chairperson: Is that understood? Once we resolve the Committee of Supply, a vote is going to take place.

* (17:30)

Point of Order

Mr. Mackintosh: Is there agreement not to see the clock until the vote is called?

Mr. Chairperson: Is that agreed not to see the clock? *[Agreed]*

Report

Ms. Bonnie Korzeniowski (Chairperson of the section of the Committee of Supply meeting in Room 255): In the Committee of Supply in Room 255 for the Department of Finance, a motion was put forth that line 7.1.(a), Minister's Salary, be reduced to \$1 by the Member for Fort Whyte (Mr. Loewen) and supported. There was a voice vote and it was defeated. A recorded vote has been requested.

Mr. Chairperson: A recorded vote has been requested.

Formal Vote

Mr. Chairperson: Please call in the members.

All sections in Chamber for formal vote.

In the section of the Committee of Supply meeting in Room 255, considering the Estimates of the Department of Finance, a motion was moved by the honourable Member for Fort Whyte (Mr. Loewen). The motions reads:

THAT line 7.1.(a), Minister's Salary, be reduced to \$1.

This motion was defeated on a voice vote. Subsequently, two members requested that a formal vote on the matter be taken.

The question before this committee is the motion of the honourable Member for Fort Whyte.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 16, Nays 31.

Mr. Chairperson: The motion is accordingly defeated.

Point of Order

Mr. Chairperson: A point of order being raised.

Mr. Mackintosh: The committee for the section sitting in 255 to put the questions on the Estimates for Finance without seeing the clock.

Mr. Chairperson: Is there leave in committee Room 255 to consider the motion and the rest of the Finance Estimates proceedings and the questions? *[Agreed]*

* * *

Mr. Chairperson: Committee rise.

IN SESSION

Mr. Speaker: The hour being past 5:30, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, September 16, 2003

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