

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

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

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

**LEGISLATIVE ASSEMBLY OF MANITOBA**

**Thursday, May 5, 2005**

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

**ROUTINE PROCEEDINGS**

**PETITIONS**

**Ambulance Service**

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

These are the reasons for this petition:

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

The Interlake Regional Health Authority claims that 21 minutes is an acceptable emergency response time, whereas the City of Winnipeg uses a benchmark of 4 minutes.

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

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

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

Signed by Steve Grisim, Susie Grisim, Amanda Grisim, Sean Berndsen and many, many others.

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

**Minimum Sitting Days for Manitoba Legislature**

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

The background to this petition is as follows:

The Manitoba Legislature sat for only 35 days in 2003.

In 2004, there were 55 sitting days.

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

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by Brij Bhutani, Kunti Bhutani and Ravi Bhutani.

\* (13:35)

### Provincial Road 355

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

These are the reasons for this petition:

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

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

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

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

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

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

We petition the Manitoba Legislative Assembly as follows:

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

To request the Premier of Manitoba (Mr. Doer) to consider supporting the said initiative to ensure

the safety of our Manitobans and all Canadians who travel along Manitoba highways.

Signed by Michael Davis, Ron Kingdon, Brian Hudon and others.

### Coverage of Insulin Pumps

**Mr. Kelvin Goertzen (Steinbach):** Mr. Speaker, I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

Insulin pumps cost over \$6,500.

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

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

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

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

We petition the Legislative Assembly of Manitoba as follows:

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

Signed by Helen Berg, Ray Friesen, Elma Brandt and many, many others.

### TABLING OF REPORTS

**Mr. Speaker:** I am pleased to table in the House the Report to the Legislative Assembly by Dr. Jerry Gray, Interim Commissioner for MLA Pay, dated May 5, 2005.

**Hon. Stan Struthers (Minister of Conservation):** Mr. Speaker, I am pleased to table the Annual Report for 2003-2004 of the Clean Environment Commission.

\* (13:40)

## MINISTERIAL STATEMENTS

### Holocaust Memorial Day

**Hon. Nancy Allan (Minister responsible for Multiculturalism):** Mr. Speaker, I have a ministerial statement for the House.

On May 1, 2000, Manitoba's Legislative Assembly voted unanimously to pass Bill 19, an act to proclaim Holocaust Memorial Day or Yom HaShoah in Manitoba. The date was established according to the Hebrew calendar on the 27th of Nissan.

On this day we join with communities around the world in remembrance of the 6 million Jewish men, women and children who perished under the deliberate and planned state-sponsored persecution and murder by the Nazi regime and their collaborators.

We also remember the millions of others who were also victims because of their physical or mental disabilities, race, religion or sexual orientation. The horror, the pain and suffering experienced by those who perished in the concentration camps, those who survived and those who lost family and friends must never be forgotten.

Sadly, 60 years later, the world has not yet learned the lesson of the Holocaust. Systematic violence, genocide, persecution, racism and hatred continue to occur throughout the world. Tomorrow, as Minister responsible for Multiculturalism, I will be attending the annual memorial service at the Holocaust Monument on the Legislature grounds and joining in the reading of the names of men, women and children who perished. At the Holocaust Awareness Program, "unto every person there is a name."

Today let us rededicate ourselves as legislators to lead by example through education and legislation to protect Manitobans from violence, racism and hatred and to stopping those who foster or commit crimes of violence, racism and hatred.

Together let us reflect on the enduring lessons of the Holocaust and reaffirm our commitment to uphold human rights, to value the diversity and multiculturalism of Manitoba society. Together let us say, never again. Mr. Speaker, following the comments of my colleagues, I would ask that all members observe a moment of silence.

**Mrs. Mavis Taillieu (Morris):** Mr. Speaker, I, too, would like to put a few remarks on the record in regard to the unanimously passed Bill 19, an act to proclaim Holocaust Memorial Day or Yom HaShoah. We must join with communities across our province, across our country and across the world to ensure that we remember the 6 million Jewish men and women who perished under state-sponsored persecution and murder by the Nazi regime and their collaborators.

We must remember the victims of this terrible incident, and we certainly must denounce persecution for physical or mental disabilities, race, culture or heritage. We know that many things have been done to people in many cultures that have been a horrible atrocity and we certainly do not want those things to be happening anymore.

I, too, will be at the memorial service tomorrow and I know there will be a number of members that will be reading names of the program that will be held tomorrow. I do also want to say that it is wonderful that we will hopefully be getting the Holocaust museum here in Winnipeg as a tribute to the many men and women who have been persecuted or lost their lives in all cultures.

We know that Manitoba is a very multicultural society. We cherish that, and we must always remember that. Certainly, we do want to join with the member opposite in saying that this should never happen again. Thank you very much.

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I ask leave to speak to the minister's statement.

**Mr. Speaker:** Does the honourable member have leave? *[Agreed]*

**Mr. Gerrard:** Mr. Speaker, I join my colleagues in the Legislature and members of other parties in remembering the Holocaust and in paying tribute to the fact that we have a Holocaust Memorial Day and ceremonies.

As will other members of the Legislature, I, too, will be participating in these ceremonies as a mark of the importance of this event and of the importance that I and I think all of us attribute to the fact that we need to remember the Holocaust, what happened and make sure that nothing like it ever happens again.

It is excellent news that the Canadian Museum of Human Rights is proceeding and that it will provide a tribute and remembrance not only to the Holocaust, but to a whole variety of other human rights abuses that have occurred so that people from Manitoba, from elsewhere in Canada and indeed from around the world can come and learn about what has happened in the past and dedicate themselves to making sure that such abuses never happen again. Thank you.

**Mr. Speaker:** Would members rise for a moment of silence?

*A moment of silence was observed.*

\* (13:45)

#### **Introduction of Guests**

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us today Dr. Shmuel Lahis of Jerusalem, Israel. Dr. Lahis is the guest of the honourable Leader of the Official Opposition (Mr. Murray).

Also in the public gallery we have from École Robert H. Smith School 17 Grades 5 and 6 students under the direction of Mr. Marcel Lacroix. This school is located in the constituency of the honourable Member for River Heights (Mr. Gerrard).

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

#### **MATTER OF PRIVILEGE**

**Mr. Leonard Derkach (Official Opposition House Leader):** Yes, Mr. Speaker, on a matter of privilege.

**Mr. Speaker:** On a matter of privilege.

**Mr. Derkach:** Thank you, Mr. Speaker. I rise with some sadness today because of what I am compelled to do as not only the House Leader but also in

reflection of circumstances that occurred in this House yesterday. I know a matter of privilege must satisfy two conditions: One, that it is raised at the earliest possible time, and No. 2, that it establishes the prima facie case for the matter of privilege.

Mr. Speaker, I could have risen at the beginning of the opening of the session, but unfortunately, I did not have a copy of Hansard until the House resumed. I needed to examine the exact words of the Minister of Education (Mr. Bjornson), in this case, before I rose on this matter of privilege. So, in that context, I am rising at the first possible opportunity.

The second condition that must be met is that a prima facie case can be established, Mr. Speaker, and that is what I intend to do in my comments.

On Wednesday, during Question Period, the Minister of Education committed what I consider to be one of the most serious transgressions in this House. As elected members, we are all expected to be forthright and truthful in comments that we make in this House. It is one of those very fundamental principles of democracy.

In his comments, the Minister of Education said and I quote. This, Mr. Speaker, before I quote was said in regard to a question that I posed to the minister. The minister said and I quote, "Mr. Speaker, on Monday I was asked a very specific question about whether I knew about the development of Swinford Park. Fact. I answered the question honestly and I have never been made aware that Seven Oaks School Division was acting as a developer. Fact. Mr. Speaker, the allegations were brought to my attention and I forwarded those allegations to the Public Schools Finance Board. Fact. Members opposite once against have brought forward unfounded allegations."

Mr. Speaker, this is a clear falsehood since the matter was known by the minister as long as March 2 of 2004. I want to re-table the documents for the House, documents that are, in fact, signed by the Minister of Education.

Mr. Speaker, the prima facie case here is that the minister has clearly committed a falsehood in this Chamber. The evidence is clear that he knew he was deceiving the House and did not, in any way, attempt to correct the wilful and misleading comments.

Mr. Speaker, I am not touching on the subject matter of the issue. I am only and strictly referring to the minister's knowing and wilful misleading and deceit of this House. I further say that our credibility as members of this Legislature lies in our integrity and the words we put on the record. It is this that we take with us from this House. It is this that is recorded in the journals and in Hansard of this Chamber.

\* (13:50)

This is a very serious transgression. I want my comments to be restricted, Mr. Speaker, specifically, to refer to the matter I find so offensive, and that is there was a wilful deceit and a wilful misleading of Manitobans and of this Chamber.

So, Mr. Speaker, with those few words, I want to make this as brief as possible. I move, seconded by the Member for Charleswood (Mrs. Driedger)

THAT this matter be referred to the Committee on Privileges and Elections for consideration of disciplinary action respecting the Minister of Education, the member from Gimli.

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, we do not take issue with the first criteria, which is timeliness.

The second criteria as to whether there is a prima facie case, I refer to *Beauchesne* 24, "The privileges of Parliament are rights which are 'absolutely necessary for the due execution of its powers'." Then, of course, *Beauchesne* goes on in 27 to say, "rarely to come up in Parliament," that is a matter of privilege, "It should be dealt with by a motion. A genuine question of privilege is a most serious matter and should be taken seriously by the House." Then, of course, *Beauchesne* goes on to say in 31, "A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege."

Mr. Speaker, the issue of allegations of whether statements are deliberately misleading have been dealt with perhaps too numerous in this House. Recently you ruled on this matter just earlier this year and there you cite Joseph Maingot in his tome on parliamentary privilege. He says to allege that a member has misled the House is a matter of order rather than privilege. He then goes on to say,

Maingot also advises on page 227 of the same volume, "That an admission that a member has intentionally misled the House would be required in order to establish a prima facie case of privilege."

So I think that is most notable. The Speaker then goes on to say, "This concept is supported by Manitoba precedence by a ruling from Speaker Walding in '85, Phillips in '87, seven rulings from Speaker Rocan in the period 1988 to 1995, nine rulings from Speaker Dacquay from the period 1995 to 1999 and by four rulings from the current Speaker from the period 1999 to the present."

In a ruling delivered on April 20, 1999, the Speaker Dacquay ruled that, "Short of a member acknowledging to the House that he or she deliberately, and with intent, set out to mislead, it is virtually impossible to prove that a member deliberately misled the House."

So, Mr. Speaker, that is the parliamentary passages on the topic. But the quotations used by the member opposite, I think, should dispel any allegations that he deliberately misled. In any event, because he clearly stated yesterday in the House at page 2307 that allegations were brought to his attention, they were forwarded to the appropriate authority, the Public Schools Finance Board. Having allegations raised with the minister is one thing. They were referred and that was appropriate, and therefore that should dispose of the matter. I think it is unfortunate that this would be raised as a matter of privilege, not only in light of the parliamentary law on the subject but in light of the facts of this particular matter. Thank you.

**Mr. Speaker:** Before recognizing the honourable Member for River Heights (Mr. Gerrard), I am sure it was done by an innocent error, we no longer have a Committee on Privileges and Elections. We had changed that to Legislative Affairs. So does the honourable member wish that change to be made to his motion?

**Mr. Derkach:** Sorry, Mr. Speaker, I was using *Beauchesne* and, therefore, that was why I used that committee. If indeed we have changed our committees, then I would submit we should change that as well.

**Mr. Speaker:** So the motion will read that instead of Committee on Privileges and Elections, it will read Legislative Affairs.

Before I recognize the honourable Member for River Heights to speak, contributions at this time by honourable members are to be limited to strictly relevant comments as to whether the alleged matter of privilege has been raised at the earliest opportunity and whether a prima facie case has been established.

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I think we are in agreement that this was raised at the earliest opportunity, and there is not an argument over that part. The part where there is some discussion has to do with whether this is a prima facie case of privilege.

I think if you will review Hansard, the first time this issue came up, the minister had indicated that he was not aware of this before, when clearly he had been aware of this, and in fact, had provided a response to an inquiry which related directly to this matter of the school board being involved with the land speculation and residential housing development which is the primary issue.

I would also ask the Speaker that when he reviews this he look at the second day this came up. On the second day this came up, the Member for Gimli, the Minister of Education, went back and said after this had been revealed and it had been pointed out, he had correspondence. The Minister of Education said on the record that this was the first time he became aware of this. Clearly, when the Minister of Education talks about this being the first time that he knew of this, after his memory had been refreshed with regard to this material, it is no longer something accidental forgetting that, you know, one must conclude is very close to, if not deliberately trying to provide an impression which is that he was not aware of this, when in fact clearly his memory had been jogged the day before. He continued to insist that this was the first time it had been brought up.

\*(13:55)

So I would suggest that it is important for the Speaker to look at this matter very carefully and to assure himself whether or not this will meet this important test, and which matters brought before this Legislature on a matter of privilege must meet, because I think this will come very close and it would be smart for the Legislative Affairs Committee to have a look at this.

**Mr. Speaker:** A matter of privilege is a serious concern. I am going to take this matter under advisement to consult with the authorities, and I will return to the House with a ruling.

We will move on to Oral Questions.

## ORAL QUESTIONS

### Seven Oaks School Division Land Acquisition and Development

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, a citizen came forward a year ago with allegations that the Seven Oaks School Division was developing residential properties with taxpayers' money. He had felt that it was inappropriate and brought his concerns forward. His concerns were not investigated at that time. Then, in the late fall, the Public Schools Finance Board decided that something indeed was wrong and at that time they sought a legal opinion.

I would like to ask the Minister of Education what in the fall actually triggered the Public Schools Finance Board to seek a legal opinion, feeling that indeed something was wrong, when, in fact, months earlier nobody felt anything was wrong. What triggered the change in the fall?

### Point of Order

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

**Hon. Gord Mackintosh (Government House Leader):** Well, Mr. Speaker, we seek your guidance then. The opposition has made a tactical decision to raise a matter of privilege which raises the subject matter that is the purview of the question that has just been raised.

So I ask you, Mr. Speaker, it is our understanding that in this House when the matter is under advisement by the Speaker, it is a matter of privilege, and that then pre-empts debate questioning in the House on that matter. I would be pleased if you would provide the House with your guidance on that.

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

**Mr. Leonard Derkach (Official Opposition House Leader):** Well, Mr. Speaker, on the same point of



order. I thought the House Leader of the government would have listened carefully to comments which I made. Specifically I indicated in my matter of privilege that I was not touching on the subject matter of this situation, rather I was referring to the comments that were put on the record by the Minister of Education. Those comments were wilfully dishonest, they were untruthful and the evidence presented to the House shows that very clearly.

Now if the minister wants to stand up in his place and apologize for those comments that is one thing, but, Mr. Speaker, we are not talking about the subject matter. We are talking about the comments that were made by the Minister of Education.

**Mr. Speaker:** The honourable Member for Inkster, on the same point of order.

**Mr. Kevin Lamoureux (Inkster):** On the same point of order, Mr. Speaker. I think the Government House Leader is having a wishful thought. I do not know how the Government House Leader feels this particular matter that has been raised, a legitimate matter, in any way should prevent the opposition from being able to address a very important issue to all Manitobans given that the matter of privilege is talking about the question of telling and being straightforward, transparent and honest inside the Chamber.

That was my understanding of the motion being brought forward. It had very little to do with what the Government House Leader is trying to prevent us from being able to question the government on.

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, I have read the motion very carefully, and I listened very carefully to all speakers. My interpretation as the Speaker is that the matter of privilege was raised pertaining to whether the minister knew on Monday or if the minister knew prior to. That is what I will be bringing my ruling on.

Other matters pertaining to that subject, I will entertain those questions, but I will not entertain questions pertaining to whether the minister knew on a Monday or if the minister knew prior to. Anything to do with the issue not raised in the matter of privilege, I have no choice but to entertain those questions.

Order. So I am ruling that the question is in order and the honourable Government House Leader does not have a point of order.

\* \* \*

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Well, Mr. Speaker, as I have said repeatedly, we do have a 30-day review process we are undertaking to get to the bottom of this issue. We will be dealing with the facts of this situation once we have undertaken that 30-day review.

#### **Land Management Review Report**

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, the question had been what triggered the Public Schools Finance Board to decide to seek a legal ruling last fall. The minister did not answer the question.

Mr. Speaker, we learned yesterday in Estimates that not only did the Public Schools Finance Board become concerned enough to seek a legal opinion, which this minister refuses to provide us, they also ordered a land management review to do a forensic analysis of the financial situation.

Will the Minister of Education table today a copy of the land management review so that taxpayers can see how their money was spent in this land development scheme instead of on children's education?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Once again, Mr. Speaker, part of that 30-day review process will answer all these questions. I would also like to remind the member opposite that, in Estimates yesterday, we talked about both the legal opinion and the land management review request that had been undertaken as part of the Public Schools Finance Board's due diligence in addressing this issue. Both of those documents were requested by the Public Schools Finance Board. Both those documents are part of a process they have engaged in, and those documents will be brought forward to the Public Schools Finance Board for their review.

**Mrs. Driedger:** We learned yesterday in Estimates that the Public Schools Finance Board had both the legal document and the land management report, and

they had them in February for two to three months. The legal ruling itself said what Seven Oaks School Division was doing was illegal. They knew that in February. They had the legal report in February and they had the land management report in February.

However, I have to ask this minister, considering what he has said since, did the NDP-appointed Public Schools Finance Board knowingly withhold information about illegal activities and financial discretions for the past two to three months. Having not provided it to the minister, he had not heard about it from them, have they knowingly sat on this information knowing there is illegal activity going on? Have they knowingly withheld that information for two to three months, considering that it continues to happen today? Did they sit on that information?

**Mr. Bjornson:** Again, this issue was raised in Estimates, and as part of the discussion around the issue in Estimates, it was identified with the reports submitted to the Public Schools Finance Board. These issues generated questions from the Public Schools Finance Board which were then referred back to the appropriate parties. Correspondence took place between the different parties involved.

The arms-length operation of the Public Schools Finance Board, Mr. Speaker, an independent board of government and the elected officials of the Seven Oaks School Division were all engaged in this process. The information was being exchanged. My understanding was both documents were going to be submitted together and dealt with at the table of the Public Schools Finance Board before being brought to my attention.

#### **Seven Oaks School Division Land Acquisition and Development**

**Mr. Gerald Hawranik (Lac du Bonnet):** Mr. Speaker, yesterday the Premier (Mr. Doer) stated that he recognizes that school divisions do not have authority to develop land. The Minister of Education said yesterday that he agrees school divisions should not be developers. However, as we speak, the Seven Oaks School Division is continuing to break the law by developing the land.

I ask the Minister of Education why he is continuing to ignore the fact that Seven Oaks School Division is continuing to develop the land. Why is he not doing something?

\* (14:00)

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** We are doing something. As I have mentioned, I immediately requested my deputy to explore the events that transpired in this case, Mr. Speaker. We have asked for the co-operation of the Public Schools Finance Board, an arm's-length organization. We have asked for the co-operation of the Seven Oaks School Division. We are getting that co-operation. We do have a couple of documents that have been generated in this process as a result of due diligence on behalf of the Public Schools Finance Board when this issue was raised to their attention. We have undertaken a 30-day review and the facts have come out.

**Mr. Hawranik:** The Minister of Education is well aware a legal opinion was provided to the Public Schools Finance Board which stated that the Seven Oaks School Division is breaking the law by developing land. The school division continues to break the law, today, tomorrow and for the next 30 days while the minister is waiting for his ridiculous report.

I ask the Minister of Education what he will do about it. Will he just ignore the fact that the school division is breaking the law today, tomorrow and for the next 30 days?

**Mr. Bjornson:** The member opposite is suggesting the process is ridiculous. I disagree. I feel that we are engaged in the process that will address this issue.

Once again, Mr. Speaker, I have initiated this process. My deputy has assembled a team that will be looking into what happened in this particular occurrence, and we will get to the bottom of this. I agree that school divisions should not be developing property. I have said that, and I am very concerned about that. We are going to address it. We will go through this process to address this issue.

**Mr. Hawranik:** The process that the minister has developed is almost as ridiculous as the minister himself.

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

**Mr. Speaker:** Order. All members know that all members in this Chamber are honourable members. I

ask the honourable Member for Lac du Bonnet to withdraw that word.

**Mr. Hawranik:** Yes, Mr. Speaker, I unconditionally withdraw the word "ridiculous."

The Minister of Education constantly stands up in this House, throws up his hands and says I know nothing. Well, the minister knows that school divisions who develop property are breaking the law. The minister knows that Seven Oaks School Division is continuing to break the law by continuing to develop the land.

Does this minister not have regard for the law? Why is he allowing the school division to continue to break the laws as we speak?

**Mr. Bjornson:** Once again, I am very concerned about this issue. School divisions should not be in the business of development. What we have done immediately, of course, was to send letters to all—

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

**Mr. Speaker:** Order.

**Mr. Bjornson:** Thank you, Mr. Speaker. We have sent letters to all school divisions advising them of the appropriate disposition practices and will continue to look into what transpired and how this process has failed us. We will fix this.

#### **Seven Oaks School Division 2003-2004 PSFB Annual Report**

**Mr. Ron Schuler (Springfield):** In The Public Schools Finance Board Act it states, "the board shall annually, within six months after the end of the fiscal year, make a report to the minister. Also, the minister shall lay a copy of the report from the board before the Legislative Assembly forthwith." This minister has not yet tabled a copy of the 2003-2004 Public Schools Finance Board annual report with the Legislature, which is in clear contravention of the act.

Is there something within this report the minister is attempting to hide from Manitobans, even if it means breaking the law to do so?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Mr. Speaker, there is

nothing being hidden in the report, unfounded allegations once again. We explained in Estimates yesterday why there was a delay in the report being submitted and he— *[interjection]*

**Mr. Speaker:** Order. We are not going to resort to name-calling in this Chamber. I heard it very clear. It was very fortunate that I cannot identify where it came from because I was looking at the Minister of Education. I will caution all honourable members to be very, very careful. Every member in this Chamber is an honourable member and they will be addressed as such.

The honourable Minister of Education has the floor.

**Mr. Bjornson:** Thank you very much, Mr. Speaker. As I was saying before I was rudely interrupted, indeed, the question was raised in Estimates. It was addressed in Estimates yesterday.

**Mr. Schuler:** Once again this minister is willing to break the law either because he is hiding something or out of sheer incompetence. Will he now table the 2003-2004 Public Schools Finance Board annual report as is required by his own legislation?

**Mr. Bjornson:** Mr. Speaker, once again, the member, I believe, was at the Estimates table when this question was raised. It was identified in Estimates that the report was delayed. There are reasons for that and that was addressed in Estimates yesterday.

**Mr. Speaker:** Order.

#### **Point of Order**

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

**Mr. Leonard Derkach (Official Opposition House Leader):** Mr. Speaker, when questions are brought forward in this Chamber, they are brought forward for a reason. It is the responsibility of the minister to either answer the question forthright and truthfully, or if he does not have the answer at his disposal then to take it as notice. Those are options which are provided and the practices of this House have always been that. To simply indicate that I have addressed this matter at some other forum is not appropriate, otherwise what is the point of Question Period.

Mr. Speaker, we have asked a serious question. We expect an answer. If the minister does not have that answer then let him take it as notice instead of stalling and telling us untruths, if you like, in this Chamber.

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

**Hon. Gord Mackintosh (Government House Leader):** Well, Mr. Speaker, first of all, there was unparliamentary language, I believe, in the statement by the Opposition House Leader. Again, the matter is under advisement by yourself, but, second of all, a question was asked of the minister and the minister replied that the matter had been dealt with fully in Estimates, which is an important process of this Chamber as well. So it raises questions as to why the opposition would want to ask questions they already know the answers for.

**Mr. Speaker:** On the point of order raised by the honourable Official Opposition House Leader, he does have a point of order because committees are made up of certain members and the members do have a right to raise questions in the House. The ministers do have the obligation to deal with those questions in committee. That is a different function of the House. This is Question Period and members can raise any question they wish and the ministers are obligated to deal with the questions that are raised.

#### Point of Order

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

**Mr. Leonard Derkach (Official Opposition House Leader):** Yes, on a point of order, Mr. Speaker. Then would it be appropriate to give the minister some latitude to answer the previous question, which he did not?

**Mr. Speaker:** The honourable Minister of Education wishes to answer the question.

\* (14:10)

**Mr. Bjornson:** Mr. Speaker, as I said yesterday in Estimates the report is currently in the Department of Finance, and there are some reporting issues that are going to be sorted out before it is available.

Also in Estimates, I assured the member from Charleswood who had asked the question at the time that it has nothing to do with the current situation in Seven Oaks with respect to the disposition of property, Mr. Speaker. The report will be coming forward.

**Mr. Schuler:** This minister swore an oath to duly, faithfully and to the best of his knowledge and ability perform and fulfil the duties and requirements of the office. As a result, Manitobans have placed their trust and confidence in his loyalty, integrity and ability.

This minister has not fulfilled his duties as minister. He has not shown integrity and he is not deserving of the people's confidence nor their trust. Will he now live up to the law he swore to uphold and do the right thing and table the 2003-2004—

**Mr. Speaker:** Order.

#### Point of Order

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

**Hon. Gord Mackintosh (Government House Leader):** Well, Mr. Speaker, all members of this House are honourable members. The member is just alleging that the minister is not fulfilling his oath of office which is a very serious allegation. I ask that you have him withdraw this. This is a ridiculous allegation and surely he understands that all members are honourable in this House.

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

**Mr. Leonard Derkach (Official Opposition House Leader):** Mr. Speaker, I do not think there is any reflection on the minister in terms of his honourable character. The question has to do with the minister doing the honourable thing and ensuring that in fact the oath he took is fulfilled like it should be in this province.

**Mr. Speaker:** Order. On the point of order raised by the honourable Government House Leader, I just earlier reminded all honourable members that every member in this Chamber is an honourable member and all members should be treated as such. I would ask the honourable member to rephrase his question.

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**Mr. Schuler:** Will he now live up to the law he swore to uphold and do the right thing and table the 2003-2004 annual report of the Public Schools Finance Board?

**Mr. Bjornson:** Mr. Speaker, when I am in receipt of the report, I will certainly table the report.

#### Point of Order

**Mr. Leonard Derkach (Official Opposition House Leader):** Mr. Speaker, I hate to rise again, but this is on a point of order.

**Mr. Speaker:** Order. Is it on a point of order?

**Mr. Derkach:** Yes, it is.

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

**Mr. Derkach:** Mr. Speaker, I rise on a point of order because as I was listening to the question that was being posed by the member from Springfield, the member from Interlake, against your caution, was shouting names at the member from Springfield.

Mr. Speaker, I heard this clearly—

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

**An Honourable Member:** Shame.

**Mr. Speaker:** Order.

**Mr. Derkach:** Mr. Speaker, I heard this clearly from where I was sitting. This is a continuous action that keeps coming from that corner, and it should be called to order.

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

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

**Hon. Gord Mackintosh (Government House Leader):** The pot calling the kettle black, Mr. Speaker.

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

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition, it does not help decorum in the House. From where I sit—

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

**Mr. Speaker:** Order. From where I am sitting, I clearly never heard the comments, but I would like to take this opportunity to—we are early in Question Period yet—remind all honourable members that each and every member in the Chamber, you are all honourable. We are all honourable members, and I hope each and every member will treat each other as such. Okay. So I hope that will take care of the point of order.

#### Seven Oaks School Division Land Management Review Report

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, the land management report that was ordered by the Public Schools Finance Board in November is a forensic financial analysis of illegal land development by the Seven Oaks School Division. The minister said yesterday that it was done in February. I think it is very important to see how taxpayers' money, money they pay towards children's education, is being spent on land development that is even illegal land development.

I would like to ask the minister again and give him a second chance today. Will he table it today in this House?

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Once again, this document was requested by the Public Schools Finance Board. It is a document that is part of a process the Public Schools Finance Board has undertaken as part of their review. They are still dealing with the issues raised by that document. There are still some questions that might need to be asked as a result of that document. I said yesterday in Estimates that, that document, as well as the legal opinion, will be dealt with together at the Public Schools Finance Board table as part of the due process that they have been engaged in trying to get to the heart of this issue.

What we will do is we will continue to work under the parameters of the 30-day review that we committed to do once this issue came to light. We will have all the facts on the table on or before June 2. I have said that in the House, I have said it in the hallway during the scrum and I have said it in Estimates. This issue will be addressed, Mr. Speaker.

**Mrs. Driedger:** Mr. Speaker, the minister's handling of this situation is absolutely sloppy. Yesterday in

Estimates he told us his officials have a copy of that report. He told us that in Estimates. It is no longer with the Public Schools Finance Board. He told us that his officials have it.

I would like to ask the minister today then why does he not have it. Why has he not looked at it? Will he table it today?

**Mr. Bjornson:** Mr. Speaker, this is a very complicated issue which has many—

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

**Mr. Speaker:** Order. The honourable minister.

**Mr. Bjornson:** Once again, Mr. Speaker, it is a very complicated issue. There are many questions that are going to be asked in the process of getting to the root of this issue. Part of that process includes, as I said, this document which has been submitted as part of the review we have undertaken.

As I said, the document will raise a number of questions. We would like to have an opportunity to analyze the document and ask some more questions. We will be engaged in this review process and have all the answers on or before June 2.

\*(14:20)

I have told members opposite in the House yesterday, I have told members opposite during Estimates, I have told the media in the scrum, and I will tell them again today, a 30-day process, all the answers on or before June 2.

**Mrs. Driedger:** Mr. Speaker, breaking the law is always complicated. This minister keeps changing the feet in his mouth, going from one foot to the other.

Mr. Speaker, those two reports are terribly important to Manitoba taxpayers. They are talking about an illegal activity that is happening right now where taxpayers' money through a financial transgression is taking place. Taxpayers' money is going towards land development that is illegal by a school division.

Instead, the mill rates in the last few years have been going up for the people of the Seven Oaks School Division. The children are not getting

adequate funding in that school division. They are getting almost the lowest funding in Manitoba. Yet, somehow, this school division has money to spend on illegal land development. Will the minister table those reports today?

**Mr. Bjornson:** Once again, the report is part of the process. We will get the bottom of this issue, Mr. Speaker. We will address this issue.

With respect to the Seven Oaks School Division and mill rates, it is rather interesting to hear members talk about mill rates because with the measures that we have taken to reduce taxes in the last five years, pardon me, six years now, reducing the ESL, increasing the property tax credit, tax relief for farmers, providing an equalization formula for school divisions such as Seven Oaks where they do not have the same industrial tax base and commercial tax base, we are providing \$130 million more into the base, when members opposite put 15.2 million in five years. I do not need lessons from members opposite when it comes to how we fund the school system. As far as the \$2 million in question, it was raised in the Estimates and I assured the member then it would not be.

#### **Seven Oaks School Division 2003-2004 PSFB Annual Report**

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, it is obvious this minister needs lots of lessons on how to run his department. The Public Schools Finance Act is very clear. It states that the board will submit within six months of the end of its fiscal year which was June 30, meaning by December 31, it is to file an audited report with the government, with the minister. Yet the minister tells us he cannot table it as he is required to do with this session because it remains in the Department of Finance.

So I would ask the Finance Minister can he explain if he has the audited report, did he receive it before December 31, and if he does, why has he not turned it over to the Minister of Education (Mr. Bjornson) to table in this House.

**Hon. Greg Selinger (Minister of Finance):** The Auditor required us to make some auditing changes in how we account for financing public schools construction and reconstruction, and that is the reason the report is taking a bit longer to be prepared. Once those changes have been made, as recommended by the Auditor, it will be forwarded to the

Minister of Education and forthwith tabled in the Legislature.

**Mr. Loewen:** Mr. Speaker, once again this minister refuses to answer a question. He could just stand up. Do you have the audited report? If you have the audited report, sir, it is your obligation to table it with the House. You have no authority to doctor the report, to change the report. Even if you want to adjust it, you have a responsibility to table it with the House.

Is the minister saying that he did not get the audited report from the Public Schools Finance Board by its deadline of December 31, 2004?

**Mr. Selinger:** Mr. Speaker, I carefully explained the answer in the last question. Perhaps the member did not hear it. The Auditor General changed the way we do the accounting for public schools financing reconstruction and construction. Those recommended changes have to be incorporated in the way we report on public schools finance activities.

Once that accounting treatment has been improved and changed, as recommended by the Auditor General, this report will be forwarded to the Legislature through the Minister of Education forthwith. The media did cover the changes in the accounting issues with respect to public schools. Once that treatment has been encapsulated in the report, it will be forwarded forthwith to the Legislature.

**Mr. Loewen:** Mr. Speaker, once again, it is not an acceptable answer. The issue is the act calls for the Public Schools Finance Board to submit an audited report. If the minister is saying he does not have the audited report, he should stand up and say that. It does not give the authority for the minister or for his department to take a period of time to review the report and adjust it to their needs. He should immediately table this report whether he likes it or not. Whether it needs work within the consolidation of the government's statements or not, he should table, and he is obliged to table it in the House.

So, Mr. Speaker, I would ask the minister to stand up and give the people of Manitoba a simple answer. Is it because he does not have the audited report, or is it simply because he is arguing about how it should look before he submits it to the Minister of Education for tabling?

**Mr. Selinger:** Mr. Speaker, when the Auditor General recommends accounting treatment changes with respect to any entity in the government, the comptroller in the Department of Finance acts as an adviser to make sure those accounting changes are properly done and provides advice to the department on how those items should be properly treated and handled with respect to their annual report. When that task is completed, the report will be forwarded to the Legislature forthwith through the Minister of Education.

### **Waverley West Subdivision Provincial Land Ownership**

**Mrs. Bonnie Mitchelson (River East):** This NDP government has abused its authority and made a mockery of the whole City of Winnipeg planning process in the handling of the Waverley West subdivision.

Will the Province now commit to sell the land it owns to remove itself from the conflict of being landowner, developer and regulator?

**Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade):** Mr. Speaker, this is a process that is followed, as all processes are followed, certainly when—

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

**Mr. Speaker:** Order.

**Mr. Smith:**—which were followed by this side of the House, as the legislation dictates. Had the City of Winnipeg reviewed a proposal for development and then determined that an amendment is needed to Plan Winnipeg, it is referred to my office. We work with the information that is supplied by the City of Winnipeg, and I trust thoroughly the information I receive from the City of Winnipeg. It is a level of government that has professionals in that area and certainly professionals in the area of planning.

If the member from River East has a problem with the personnel in the City of Winnipeg, I wish she would just stand up in her place and say that.

### **Cost Benefit Analysis**

**Mrs. Bonnie Mitchelson (River East):** Mr. Speaker, the only processes we have difficulty with

are the processes this government puts in place where a minister can stand in the House and say, "I am going to take 30 days to investigate myself." Is that not wonderful? If that is the kind of process that this government follows throughout, it is a sad state of affairs for the Province of Manitoba.

There is a significant discrepancy between the City of Winnipeg's cost-benefit analysis of \$74 million versus the Province's \$228-million cost-benefit analysis of Waverley West. Will the government now commit to full disclosure of all the financial aspects of this deal, including the release of all the pro formas? Manitoba taxpayers are asking for the truth. They would like this government to stand up and release that financial information.

**Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade):** Mr. Speaker, this, as in many of the Plan Winnipeg developments, had followed the process by the City of Winnipeg. It had been something that had been forwarded to my office. Again I will mention to the member opposite, the proposal for development certainly has determined that an amendment was needed, and it was warranted by the City of Winnipeg.

I would like to mention to the member, as she should know, certainly housing has confirmed the cost-benefit analysis. It is public. If she would like to use my computer, I can tell her, I can give her the address. It is on the Web. It is something that is out there. If they would do their diligence and look up the information themselves, they would have that information right now.

#### City of Winnipeg Planning Process

**Mrs. Bonnie Mitchelson (River East):** I wonder, Mr. Speaker, if his computer is the same one that the Minister of Education (Mr. Bjornson) uses in order to get the answers that he provides.

Mr. Speaker, the minister and his NDP government have corrupted the planning process for Waverley West. Citizens in Manitoba, especially in the city of Winnipeg, have no faith, and they cannot trust this government to be unbiased when it comes to planning. What guarantee can this government give the City of Winnipeg and the citizens of Winnipeg that any future planning process like Plan Winnipeg will not be corrupted like Waverley West was?

\*(14:30)

**Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade):** Mr. Speaker, my computer, like the Minister of Education's computer, is hooked up to MTS. Quite frankly, certainly as we look at the cost we are paying for our computers now, they certainly are a much higher cost.

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

**Mr. Speaker:** Order.

**Mr. Smith:** Mr. Speaker, the costs are considerably higher now with MTS as for all people in Manitoba, and it is terribly unfortunate. The members opposite, when they want to talk about things and mention words like corruption, we all recall MTS many years ago.

Mr. Speaker, this side of the House follows policy and procedure. This has been done in this case with Waverley West. We are proud of that fact. The information was forwarded by the City of Winnipeg. I do trust the City of Winnipeg with their analysis, with the information they forwarded to us. Why does the Member from River East not get up and question the information that was supplied by the City of Winnipeg, which she seems to be saying is inaccurate.

#### Seven Oaks School Division Independent Review Request

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, my question is in regard to the Seven Oaks School Division and the debacle that is happening over there. An in-house review is not good enough. I have absolutely no confidence in this government conducting an in-house review that will be meaningful to any degree whatsoever.

There are those of us who will remember the unethical conduct of Mr. O'Leary in the late nineties in his approach to provincial exams, and I would table an interesting article, Mr. Speaker, which headlines, "The whistle blower loses his job. Math teacher scapegoat over exams, says colleagues." This is all to do with Mr. O'Leary.

I ask the Minister of Education whether he will table today the investigation, the in-house investigation that was done back then in regard to Mr. O'Leary and his actions.



**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** Well, Mr. Speaker, it is regrettable the member would be sinking so low indeed to talk about our educational leaders.

I have a tremendous amount of respect for the work that our educational leaders do in this province, and we work collaboratively with those educational leaders. Whether it is superintendents, school board chairs, principals, teachers, administrators, we are all working together for the betterment of the system. It is regrettable that the member would stoop to such a level in the House and besmirch the reputation of an educational leader. He is well respected in his community for the work that he does on behalf of the children in that community.

**Mr. Lamoureux:** Well, Mr. Speaker, I would ask the Minister of Education to rethink in terms of what it is that he is saying.

Mr. Speaker, if we go back to the incident at hand that I refer to, the article talks about, let me quote what one reporter had indicated as quoted from Hansard, "NDP leader Gary Doer made a last-minute change to his party's code of ethics."

**Mr. Speaker:** Order. When honourable members are addressing other members in the House, please do it by constituencies or ministers by their titles.

**Mr. Lamoureux:** Mr. Speaker, I apologize. I am making reference to the Premier (Mr. Doer), but that was actually quoting what the reporter would have said, "Made a last-minute change to his party's code of ethics last week when he let his campaign manager, Brian O'Leary, off the hook for breaching standards, exams security."

Mr. Speaker, this government has bent over backwards for Mr. O'Leary in the past. I think it begs the question as to what degree can this government really and truly have an independent review, not in-house. We do not need an in-house review. We had one in the past.

Will the minister table that in-house review? If he is not prepared to table it and acknowledge there is a need to have an independent review in this situation, Mr. Speaker, what we are going to witness is yet another cover-up of Mr. O'Leary having his hand in the cookie jar.

**Mr. Bjornson:** Once again, Mr. Speaker, I have absolute faith in the process that we have engaged in to address this issue.

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

**Mr. Speaker:** Order.

**Mr. Bjornson:** We will engage in this 30-day process. It will be a very thorough process, particularly given the time lines that we have to work with. I know the staff that will be assigned to this process will be working very hard on answering all the questions that are raised as a result of this situation. We will have the answers on or before June 2. We also mentioned in Estimates that there would be third-party participation on an as-needed basis, Mr. Speaker, if we did not have the expertise to address specific issues that were raised as a result of this inquiry.

**Mr. Lamoureux:** Mr. Speaker, would the Minister of Education acknowledge that he does not have the ability to table an investigation, an in-house investigation on Mr. O'Leary that happened just a few years back? Then why should we be content with yet another in-house investigation? You have to look at the reality of what has taken place. Back then, a teacher lost his job because he did what was right. He followed the law. Mr. O'Leary escaped, got nothing. From the best that we can tell, he received nothing. He is the one that led the situation.

Mr. Speaker, I think what Manitobans want is the truth. The only way they are going to get the truth on this issue is if there is an independent review. This government and the NDP have clearly shown that they cannot be trusted when it comes to dealing with Mr. O'Leary. An independent review is what is necessary. I am challenging this government to do what is right and call for an independent review of this situation.

**Mr. Bjornson:** As I said, in 30 days all facets of the situation would be reviewed. We will have those answers on or before June 2. It will include all the due process that has been engaged in by the Public Schools Finance Board, which has involved the land management, which has involved a legal opinion. All these issues will be dealt with. All the information pertinent to the review will be dealt with, Mr. Speaker. We will have the answers the members opposite require.

### **Upgrade to Water Treatment Plan Steinbach**

**Ms. Marilyn Brick (St. Norbert):** Mr. Speaker, given this government's commitment to water protection and co-operation with all levels of government, could the Minister of Water Stewardship inform the House of the important project started in Steinbach?

**Hon. Steve Ashton (Minister of Water Stewardship):** On Monday, Mr. Speaker, it was definitely worth the trip to go to the wonderful city of Steinbach and announce a \$2.3-million upgrade to the water treatment plant. I have had the opportunity to visit communities like Lac du Bonnet for similar announcements and Portage.

I want it put on the record, Mr. Speaker, that this is very much a part of this government's commitment to all parts of the province. I do want to acknowledge, we had a unique sighting recently and it was not, by the way, the Sasquatch, where there were three Tory MLAs in northern Manitoba. There are still more sightings of the Sasquatch in northern Manitoba than we have sightings of Tory MLAs.

### **Mental Health Programs Early Psychosis Intervention**

**Mr. Cliff Cullen (Turtle Mountain):** Yesterday, members of this House wore red flags to remind Manitobans that the earlier psychosis is identified and treated, the better the outcome.

Mr. Speaker, in March of 2002, the former Minister of Health stated that if your child is not getting care for a psychosis episode that is a crisis. Further, in July 2002, the former Minister of Health promised, "We want a first episode psychotic program. We want a seamless program. We want a province-wide program." Today, nearly three years later, we still do not have a province-wide program in Manitoba.

I would ask the Minister of Health (Mr. Sale) why he has not followed through on his government's promise to provide early psychosis intervention to all Manitobans.

**Hon. Theresa Oswald (Minister responsible for Healthy Living):** I appreciate the member opposite's question, as I have appreciated his interest in mental health issues, particularly concerning our youth.

Certainly, since this government came into power, since 1999, funding for acute mental health services has increased by 38 percent, Mr. Speaker, an increase of close to \$20 million. One of the most important things we can do for our young people is to ensure that we are promoting mental wellness in our young people.

\* (14:40)

That is why, with our Healthy Schools Initiative, Mr. Speaker, the theme this year is mental health. We have had tremendous uptake across the province on this issue, helping young people deal with issues of coping, self-esteem, of all issues concerning mental health. We are going to commit to do more.

**Mr. Cullen:** I would like to point out for the minister's information that the Manitoba Adolescent Treatment Centre is the only centre for early psychosis prevention intervention in the province. Between October 13, 2004, and March 31 of this year, Early Psychosis Prevention and Intervention service had to close its doors to new patients. Obviously this is a service that is in desperate need of expansion.

Will the minister commit today to expanding this valued program to communities throughout Manitoba?

**Ms. Oswald:** Mr. Speaker, as I said previously, we certainly have since 1999 shown a sincere commitment to increasing mental health services with increased funding by 38 percent or over \$20 million.

Since 2003, Mr. Speaker, we have funded the RHAs an additional \$400,000 to add staff to assist people in communities where, all best practices show, is the best possible care we can give to people with mental health issues but support people in facilities in the province. We are going to continue to support young people and all of those that suffer with debilitating mental health issues.

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

### **MEMBERS' STATEMENTS**

#### **YMCA-YWCA Women of Distinction Awards**

**Ms. Marilyn Brick (St. Norbert):** Mr. Speaker, I had the pleasure of attending, along with several of

my colleagues from the Manitoba Legislature, the 29th annual YMCA-YWCA Women of Distinction Awards held last night at the Winnipeg Convention Centre.

This event honours women who have made a difference in the life of their communities. While many of these women come from diverse backgrounds, cultures and experiences, they all have one thing in common. That is their commitment to making Manitoba a better place to live.

Last night's event honoured 44 Manitoba women who have made a difference in their schools, communities and workplaces. Award categories included community volunteerism, arts, culture and heritage, health and wellness, education, training and development, recreation, sport and active living, the Young Women of Distinction Award, the Gerrie Hammond Memorial Award of Promise and others.

Mr. Speaker, I want to congratulate all award winners and nominees honoured last night at the YMCA-YWCA Women of Distinction Awards. I especially want to congratulate Ms. Buchi Nnadi, a second year University of Winnipeg student who won the Young Woman of Distinction and Recreation Award.

I also want to thank Marilyn Kapitany, Doris Mae Oulton, all members of the board of directors and steering committee, event sponsors and guests for making last night's event such a successful occasion. It is an honour to see the dedication of Manitoba women to their community recognized. These women are an inspiration to all of us.

Mr. Speaker, the YMCA-YWCA Women of Distinction Awards has been celebrated in Manitoba since 1977. Since then the event has grown to include 23 YWCA and YMCA-YWCA associations throughout Canada honouring local women through awards celebrations. Last night was a true celebration of the dedication and spirit of Manitoba women. We thank them for their commitment.

**Mrs. Myrna Driedger (Charleswood):** Mr. Speaker, I have to say that I am absolutely surprised that the Minister for the Status of Women (Ms. Allan) did not rise today, again, as she did not last year to do a ministerial statement on such an important subject. If this Minister for the Status of

Women was really appreciative of women's efforts in this province and wanted to properly acknowledge them, she should have at least had the decency today to stand and do a ministerial statement on the topic. That is absolutely shameful.

Last night, along with many of my colleagues, we had the opportunity to attend the YM-YWCA Women of Distinction Awards, and it was a wonderful time to celebrate the accomplishments, contributions and achievements that Manitoba women have made.

We would also like to thank Doris Mae Oulton, the chair of the event, as well as the board, staff and volunteers who put in countless hours to ensure that last night's banquet was a tremendous success. I would also like to thank the Y, which has hosted and co-ordinated the Women of Distinction Awards annually for the past 29 years. They do exceptional work.

All of the nominees had stellar qualifications, Mr. Speaker, making it very difficult for the selection committee to decide on just one woman of distinction in each category. I would like to extend heartfelt congratulations to each of the 44 women who were nominated and at this time acknowledge those women who were selected for awards.

The Young Woman of Distinction Award went to Buchi Nnadi. Lee Newton received the Community Volunteerism Award. In the category of Arts, Culture and Heritage, Cherry Karpyskin was awarded. Leigh Murphy received the Research, Science and Technology and the Environmental Award. In the category of Media and Public Relations, the award went to Lindor Reynolds. The Education, Training and Development Award was given to Pauline Clarke.

Coleen Dufresne's contribution to women's sports, both as an Olympic athlete and coach at the U of M, won her the Sport and Recreation Award. The Health and Wellness Award recipient was Barbara Shumeley who was acknowledged for her tireless and passionate work on women's health. Betty Black received the Business, Trades and Professions Award and Navdeep Bhullar was awarded the Gerrie Hammond Memorial Award of Promise.

Mr. Speaker, we would just like to congratulate all of these women who all, really, are distinct in their categories. Thank you very much.

### Victoria General Hospital Guild

**Ms. Kerri Irvin-Ross (Fort Garry):** Mr. Speaker, I had the pleasure of attending this year's Victoria General Hospital Guild Bridge Luncheon which was held on Tuesday, May 3, at the Waverley Heights Community Club.

Mr. Speaker, the guild's annual Bridge Luncheon has been hosted by Victoria Hospital Guild volunteers for the past 20 years. Participants this year enjoyed a delicious lunch and a friendly afternoon of bridge playing. The luncheon this year had approximately 200 people participating at this fun event.

I am proud to say that most of the food and prizes for the luncheon were donated by the guild volunteers. I also want to thank the staff of Canada Safeway, located at 2155 Pembina Highway, for donating the buns and fresh strawberries for the luncheon. Safeway staff has also chosen Victoria General Hospital Guild to be their charity of choice for 2005.

Mr. Speaker, the guild volunteers improve the quality of life for patients and for hospital staff. Volunteers help greet visitors at the hospital front doors, help staff in feeding patients, volunteer in the guild-operated hospital gift shop and undertake many other responsibilities. The Bridge Luncheon is one of the many fundraising initiatives organized by the guild. Proceeds for this year's Bridge Luncheon will go towards Victoria hospital's new oncology wing.

Mr. Speaker, I want to thank the guild's volunteers for organizing this year's Bridge Luncheon. I want to thank Marilyn Nash, president of the guild, and approximately 350 guild volunteers for their commitment. Finally I want to thank the staff of Canada Safeway at 1255 Pembina Highway for their community support.

The next guild event will be a giant garage sale held on May 14 and 15 at the Safeway parking lot. I encourage all my fellow members to attend and support this great community group. Thank you.

### Steinbach Music Fest

**Mr. Kelvin Goertzen (Steinbach):** Mr. Speaker, on Tuesday of this week I had the opportunity, together with my wife Kim, to attend the 7th Annual Music Fest in Steinbach, hosted by the Steinbach 55 Plus

Seniors Club, another tremendous evening of choirs from around the province and around our region made up of seniors coming together to display their talents, to display their wonderful, wonderful spirit for our communities and for our province.

Included in the performances that evening were The Keenagers, who were directed by J. Stoesz; Partage de Bonheur, directed by M. Pierre Cuillier; the Steinbach 55 Plus Choir, directed by Evangeline Rempel; the Winkler & District Seniors Choir, directed by Wes Hamm and the Eastman Male Chorus, directed by John Enns. The evening was emceed by Peter Dick from Steinbach and it was hosted by the Steinbach 55 Plus Centre and its president, Pat Porter.

We appreciate all the work that our seniors do. Mrs. Porter at the seniors' centre in Steinbach has done a wonderful job in their new facility. We appreciate the contributions they make to our communities throughout their entire lives and they continue to make a vital contribution to the communities within our region, around our province.

We are just blessed to have the tremendous seniors in our communities showing an example for all of those of us who continue to live there, Mr. Speaker, and we thank them from the bottom of our hearts for their contributions in the past and for their contributions still today. Thank you very much.

\* (15:00)

### Marsville Program

**Mr. Cris Aglugub (The Maples):** Mr. Speaker, I rise to congratulate the students from École Leila North Community School and teacher Mlle. Kerri Debiuk for participating in this year's 13th annual Canadian National Marsville Program.

Mr. Speaker, the Canadian Marsville Program simulates the development of the first colony on Mars through the use of the Internet and other communication technologies. This year the program had 200 Grade 6 students from Winnipeg participating in it. Fourteen of those students were from École Leila North.

Mr. Speaker, École Leila North students have been researching the planet Mars in the classroom

since January. With the help of other Winnipeg schools, Mlle. Debiuk's class was tasked with researching the types of transportation, food production and health and recreation issues associated with living on Mars. The students also developed their own astronaut fitness and tracked their fitness progress. The students also constructed a section of the Mars habitat which was made out of plastic and duct tape. This required students to communicate with other Winnipeg schools through e-mail, fax and telephone to ensure each section of the habitat would fit together.

Mr. Speaker, on April 22, the students from École Leila North and other Winnipeg schools gathered at Maples Collegiate to assemble their Mars habitat and to present their findings. A video link allowed other Canadian students undertaking similar Mars settlements to see the work completed in Winnipeg.

Mr. Speaker, I congratulate Jeff Cieszecki, Marsville's Manitoba regional co-ordinator, Mlle. Carrie Debiuk and all École Leila North students that participated in Marsville 2005. I also congratulate all other Winnipeg teachers and students who participated. Thank you.

## ORDERS OF THE DAY

### GOVERNMENT BUSINESS

#### House Business

**Hon. Gord Mackintosh (Government House Leader):** First, Mr. Speaker, would you canvass the House to see if there is agreement, in 255, to first complete Intergovernmental Affairs and Trade prior to commencing Aboriginal and Northern Affairs, and also see if there is leave to move the Estimates for Conservation from the Chamber to 255 to follow Aboriginal and Northern?

**Mr. Speaker:** Is there agreement for Room 255 to first complete the Estimates for Intergovernmental Affairs and Trade prior to commencing the Estimates for Aboriginal and Northern Affairs? Is there agreement? *[Agreed]*

Okay. Also, is there leave to move the Estimates for the Department of Conservation from the Chamber into Room 255 to follow the Estimates for

Aboriginal and Northern Affairs? Is there agreement? *[Agreed]*

**Mr. Mackintosh:** Mr. Speaker, the House has agreed. Would you please call debate on report stage amendments, Bill 22, The Water Protection Act, and would you please call Supply?

**Mr. Speaker:** In the Chamber, we will be resuming debate on report stage amendment, and in the committee rooms we will be dealing with Estimates.

Will the committee chairs please go to their respective rooms, please.

### DEBATE ON REPORT STAGE AMENDMENTS

#### Bill 22—The Water Protection Act

**Hon. Steve Ashton (Minister of Water Stewardship):** Mr. Speaker, I would like to, following discussions with the opposition critic, ask if there be leave to consider three subamendments, the first to clause 1(1) of the bill, amendment to clause 1(1).

**Mr. Speaker:** Does the honourable minister have leave?

**Some Honourable Members:** Leave.

**Mr. Speaker:** Leave has been granted.

**Mr. Ashton:** I move, seconded by the Minister of Industry, Economic Development and Mines (Mr. Rondeau)—

**Mr. Speaker:** Order. The request was for leave. Leave was granted. Now we have to distribute the amendments, and then we will deal with them.

Order.

The subamendments have been distributed, and in order for the honourable minister to move a subamendment, you would have to wait until we get to the amendment dealing with it, or you can do it if by leave, by unanimous consent of the House to do them without waiting until we hit that amendment.

**Mr. Ashton:** Mr. Speaker, then perhaps to simplify this, I would ask for leave to have this amendment dealt with. There are two other subamendments I will

be asking for the same leave to deal with prior to calling the specific amendments.

**Mr. Speaker:** The honourable minister has asked for leave to move his first subamendment. Is there leave? *[Agreed]*

**Mr. Ashton:** I move, seconded by the Minister of Education (Mr. Bjornson),

*THAT the amendment to Clause 1(1) of the Bill be amended by striking out the definition "commercial operation".*

**Mr. Speaker:** The honourable Minister of Water Stewardship is moving a subamendment to his initial amendment. Okay?

**An Honourable Member:** Right.

**Mr. Speaker:** As long as we understand.

**An Honourable Member:** By leave.

**Mr. Speaker:** By leave. It has been done by leave.

It has been moved by the Minister of Water Stewardship, seconded by the Minister of Education,

*THAT the amendment to Clause 1(1) of the Bill be amended by striking out the definition "commercial operation".*

**Mr. Ashton:** Mr. Speaker, I want to first indicate that I had the opportunity to discuss with the previous critic and the current critic. I know the official opposition critic for Water Stewardship has indicated that certainly it was his intent to bring in a similar subamendment. By way of explanation, this was raised by KAP following the committee hearings in September when we dealt with Bill 22.

Certainly, the legal advice that I had received at the time of drafting the bill was that the use of this definition was applicable only to this bill, but the concern that KAP expressed that has been expressed, I know, by the former opposition critic and the current opposition critic is that there might be some implied extension of the inclusion of agriculture as a commercial operation to other areas.

\* (15:10)

I think it is a point well taken in the sense that, notwithstanding the legal advice that was received, clearly agriculture has been treated quite separately and should be treated quite separately from commercial operations in everything ranging from assessment through to taxation and other very important policies. So what the subamendment does is make it very clear that there is no implied definition here that could be used in other areas, and I know the opposition critic has particularly raised concern in terms of the assessment side.

So I do want to indicate, Mr. Speaker, that this amendment is certainly based on feedback that has been received from both Keystone Agricultural Producers and from the opposition and, notwithstanding any of the original legal opinions I received, better I think in this particular case to err on the side of caution, and that is why I appreciate the leave of members in bringing this subamendment in. I do want to indicate, I do believe the opposition critic has a very similar amendment, so this is not strictly a government initiative. The opposition critic has, very rightly, identified this area, and we are persuaded it does require a subamendment.

**Mr. Jack Penner (Emerson):** I want to thank the minister for concurring with what the farm organization has said to both of us from time to time. I think their concern, as well as many concerns that I heard expressed about the amendment from other people and even, Mr. Speaker, a few members of the government staff were telling me that, once the inclusion of agriculture as a commercial operation was drafted into any government bill, it would force them, from time to time, to look at that prescription of an industry.

We all know that the agricultural industry as a whole, and I call them primary agricultural producers, in large part we know that many of them have had to change their ways dramatically over the last while. When people look at those operations today from the outside, they say that they do not resemble the old farms that we knew under much of the agricultural legislation and/or regulations and even some of the programming was drafted for and under.

So, Mr. Speaker, I was very concerned when I saw the descriptive line that was being put in here designating agriculture, without exception, as a commercial operation. I truly want to voice my

appreciation to the minister for having recognized that this might, in fact, over the long term get other organizations and/or other government departments to look at this interpretation under this bill, and then try and apply it in other areas. Should it have been that this would have become law, then I suspect that those that were doing the assessments of farm properties in this province would have been forced to look at the commercialization of agricultural aspect and say that would force us to at least take a hard look at whether agriculture should now be deemed as an agricultural operation under the assessment act, or whether they need to amend the assessment act conforming to The Water Protection Act. That was my main concern.

Having been the minister dealing with the assessment act, the Minister of Municipal Affairs at that time, I know how these things are done, and I know how these issues are brought to the Minister of Municipal Affairs, which is now Intergovernmental Affairs, from time to time. The department then recognized the need for the change to conform was, of course, a big concern. That, I believe, was in large part the agricultural community's main concern, because not only might it have forced the change in the assessment and the portioning under the assessment act—we all know that agriculture today is apportioned at 26 percent and, where commercial, is apportioned at 60 percent of the assessed value of a given property. That would have meant a vast amount of additional tax revenue possibly having been generated from that agricultural community. There might even be some in the province saying, "Well, that is the way it should be." The argument I make for that is that agriculture and farmers have always been price takers. They have no ability at all as individuals to pass on the additional cost such as a commercial operation does have some leeway in passing on additional costs.

If their taxes increase, for instance, in the business I used to be in, the automobile business, in our garage, in our workshop, we would just add a bit to the work bill, and as long as we were competitive with the other competitive forces in our community, we were able to do that, pass on that additional cost to the consumer and the customer. We did that, quite frankly. But on the farm you simply have not got that opportunity because there are virtually no competitive forces other than the odd company bidding for specialized crops.

For instance, in the area of wheat production, you are forced to take what the Wheat Board sets out in the initial price; then, if there is a final payment to be made, everybody gets the same. There is no additional ability to pass on those additional cost increases. Similarly, when prices rise in input costs, such as chemicals, fertilizers and those kinds of things, again, these additional costs cannot be passed on by the producer.

I know that on our farm, when my boys came to the point where they did their final budgeting for this year, for what that was worth for this year, the budgeting they did showed them there was absolutely no way except for those farmers that might have contracted sunflowers and a few of the specialty crops at a set price for this coming year, could they pencil out any kind of profits for their agricultural operation, through no fault of their own, through absolutely no fault of their own. There was no way these additional costs could have been passed on by those producers to the consumer in any way that would have compensated them for the increased cost.

That was the main reason the minister and I had a significant discussion on this matter. That is why the farm organizations came to see me and the minister and lobbied hard that we recognize the difficult situation they might be in if they would be forced to accept that. The other important issue to recognize is that, without even making the assessment changes or The Municipal Act changes or the assessment act changes, those kinds of things this might have triggered, there might have been an element of this that might have been applied without us even having recognized or given much thought to, which was brought to my attention.

\* (15:20)

If all your buildings were now designated under a provincial act as commercial buildings, that would have brought a whole new regimen into being that we as agriculture producers were not normally subjected to. That is engineering plans, architectural plans, and the submission of those through The Planning Act and all those kinds of things. Until now, farmers, except in those cases where large livestock operations and seed plants and those kinds are built, those are subject to the same commercial kind of taxation in most cases, unless they are very small operations, that they are basically deemed just

for their own home use. The same architectural design, the planning, the engineering, all that already kicks into place, but most smaller farmers were afraid that if this was applied in this act they could very well be, by municipal planners, by municipal organizations, by councils, and even by by-law, then required to conform to The Water Rights Act, and the application of commercialization in that Water Rights Act.

Therein lay, I think, the biggest fear. It was not so much the Big Brother aspect of government that the organizations were facing. They thought they would, little by little, in one form or another, be required to be subjected to the commercialization aspect of agriculture via this bill. So I commend the minister for having recognized that and having seen fit to remove that from his bill. I believe that that in large part, will serve to demonstrate that this minister is really serious about applying principles in this act that will best serve the needs to ensure a small aspect of dealing with clean water in this province of Manitoba.

The bill itself, in large part, deals largely with rural matters, as the minister well knows. The bill deals with drainage of structures. When I say drainage structure, I mean watershed areas, fairly large watershed areas, and the planning of those watershed areas. I think the bill speaks rather well to that, or at least allows for regulations to be drafted to ensure that some of this could happen. I have said this before, that this is enabling legislation. Let us not forget this. There is very little descriptive language in this bill, very little. We know it talks about the need to deal with watershed areas. We know it talks about dealing with nutrient levels and dealing with regulating, probably, farms and farmers, in the application of nutrients. I mean, the minister has made no secret of that. That is his intent.

And then, it also deals with a matter that is unknown. There is a fairly large section in this bill that is very, very vague. I really thought hard about attempting to put some meaningful amendments into that aspect of this bill. I thought the amendment that I made to the preamble of this bill would deal in a much broader basis with this. Then, if it really is enabling legislation, the preamble will now say that the urban side of effluent generation must be, without question, a major effort by government to deal meaningfully with the discharges and the effluent treatment and the neutralization of water.

I want to see the day, Mr. Speaker and Mr. Minister, when this government will come forward with a plan to actually deal with the treatment of waste water to the point where those of us sitting in the Legislature can raise a glass of regenerated water in this House and drink it. If we are going to keep on dumping human effluent and dumping lagoons out of small communities and large communities of waste water into our rivers and our streams, then I want to be assured the fish that drink that water on a daily basis are able to do so with clear conscience, and without those fish having fear of them generating some kind of disease they might pick up out of that water.

The issue that concerns me most is all the biological kind of materials that we drop in water in one form or another, whether it passes through our bodies in forms of pills or medicines that we take. All those kinds of things pass through our body, but much of the content of that medication does not dissolve or the body does not pick up, and then it is passed through the body into where? Our waste water.

I want to see in this province, and I believe there is some room now with the preamble being written the way it is. There is some room now, Mr. Speaker, for that part of water to be dealt with meaningfully; treat it and extract those materials from that water before we put it back in the lake. I do not care whether it is ejected into the Red River and then passed on to Lake Winnipeg, and then passed on through the northern rivers into the Hudson Bay—

**Mr. Speaker:** Order.

**Mr. David Faurshou (Portage la Prairie):** Mr. Speaker, it is a privilege for me to rise today in debate regarding the subamendment as proposed by the minister. I do want to say I appreciate his remarks when he introduced the subamendment because indeed, I was very concerned when the definition as introduced to this bill involved the terminology "commercial operation," because, even though the current state of affairs as to the responsibilities acquired by each ministry, times do change. I will give the example of what transpired in my own personal business.

As a pedigreed seed grower, we produce pedigreed seed; then we take the seed and process it through cleaning machines that extract any wheat



seeds, and to essentially size the seed so there is a uniform seed available for producers here in the province of Manitoba, and indeed, elsewhere. We shipped our seed not only within Canada but internationally as well.

Our business was governed by Agriculture and Ag-Food Canada, and it was our responsibility to provide documentation, report our activities in the seed processing and to substantiate all activities through the record-keeping that was required by law. I will say, though, Mr. Speaker, the responsibilities for this record-keeping and making certain that the statutes federally imposed upon the industry in which I am engaged created another agency. It was called, and is currently called, the Canadian Food Inspection Agency.

Now, within this new agency that was created, the responsibilities for monitoring the activity of seed cleaning came to be that agency's responsibility. This Canadian Food Inspection Agency also acquired the responsibility of monitoring the cleaning of grains to export standards by terminal operations, whether at port site or inland. Those particular operations of the cleaning of grains for export are considered commercial operations. When those operations were merged into one agency, which included not only the export terminal operations, cleaning of grains, but now it includes pedigreed seed-cleaning operations which essentially were, for the most part, located on farms and operated by those engaged in farming.

\*(15:30)

So, Mr. Speaker, now that both these seed-cleaning operations were now under one agency, that agency did not make a distinction between a commercial cleaning operation where we are all familiar with the large grain terminals inland and on our coasts, were now monitored by the same people that were responsible for coming in and inspecting our small grain cleaners located throughout the prairies and all across Canada on farmsteads.

So these inspectors came to my own premise and tried to impose the same level of restriction that comes with a large commercial operation. Perhaps, the word "restriction" is not appropriate, but it caused us considerable concern that the large commercial operations have to have training programs, and, because of their volume and their

number of employees, they are able to have employees that are very designated, for instance at a specific task, and trained only in one particular operation, where, on our own personal operation, one must be schooled from the very menial tasks of custodial work and sweeping the floors to, essentially, maintenance work of changing the light bulbs that light our facilities, to repairing the grain cleaners, and then monitoring as well.

So, Mr. Speaker, one has to be very, very schooled in the multiple tasks because the operations just could not sustain, because of our lower volumes, specialized staffing. Because the same legislation now was being imposed by one agency, there was no differential made, or differentiation made, between a large-scale commercial operation and a small-scale farm operation.

We in the industry, it was almost impossible for us, and I will use the example of the forklift operator that took the bags from our seed-cleaning operations and placed them on the floor of the warehouse because we now were required to effectively have a licensed forklift operator who could appropriately demonstrate that they had been schooled in the operation of a forklift and could demonstrate that by providing a document that attests to it. Well, obviously, Mr. Speaker, for us to send someone away to be schooled in the necessary skills of operating a forklift and to make arrangements for this schooling would take significant time. Our operation had no latitude and had to be shut down until we had a licensed forklift operator.

So I come to the point of why I am so concerned about the commercial designation because, currently, this terminology, this definition, may be in the Bill 22 act, under the responsibility of Water Stewardship, but who goes to say in a decade from now or even in a shorter period of time that responsibilities for enforcement of the Bill 22 does not then fall to the minister of the environment or the minister of natural resources or whatever other ministry that could potentially come to be responsible for clean water in the province of Manitoba.

There could, then, be other legislation already in existence in that department where there are inspectors responsible for enforcing legislation that would not make a differentiation between an agricultural operation and a bona fide commercial operation, as took place at the federal level when the

Canadian Food Inspection Agency was created and merged with some of the former responsibilities of the Agriculture and Agri-Food Department of the federal government.

Mr. Speaker, I have another example of how one department can take precedence over another department. It happened only two short years ago, and I want to thank the former Minister of Natural Resources, the honourable Member for Emerson (Mr. Penner), who, through his ministerial understanding of the legislation, was able to assist getting over a misunderstanding that was created in Portage la Prairie when the construction of potato storage facilities was taking place on the new property owned and operated by Simplot Canada. The land within this particular situation was the reason that the farming component that was putting up the agricultural storage of potatoes was deemed to have to come in compliance with commercial storage facilities. As you are well aware, when one is engaged in commercial storage, one has to acknowledge that, because of the sheer volume that goes in and out of commercial storage, some commercial storage facilities change the inventory upwards to 20, 50, and I know some, that over 100 times throughout the year, so these commercial facilities have to withstand significant volume and traffic.

It is acknowledged that special concrete, high-tensile steel and high-density concrete is required in a commercial operation. We have to make certain that all of the electrical wiring is protected by solid conduit because there is always that chance of contact when you are going in and out. As you will appreciate, the risk of contact is substantially increased when you are doing something for a hundred times versus doing it one time a year. That is the case, that these agricultural storage facilities that were being constructed were for one filling per year. Common sense would dictate why would we want to impose on a facility that is only going to be filled once a year, the same building requirements that a facility that would see 100 fillings and emptying in the year.

So, Mr. Speaker, I try to explain why commercial definition within this legislation alarms me because I have two very, very specific examples, and the rationale for imposing this commercial designation on these agricultural buildings was because the agricultural storage of potatoes was

taking place on land that happened to be owned by the Simplot Canada Limited and they had been designated as a commercial operation under processing legislation, and just by that association, the land and subsequently the agricultural potato storage facility had to be—

**Mr. Speaker:** Order.

**Ms. Bonnie Korzeniowski (St. James):** Mr. Speaker, in the section of the Committee of Supply meeting in Room 255 considering the Estimates of Intergovernmental Affairs and Trade—

\* (15:40)

**Mr. Speaker:** Order. We have to resolve into Committee of Supply first before you can address—

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

**Mr. Speaker:** Order. Is there agreement in the House for the House to set aside the business in the Chamber and resolve into committee? Is there agreement? *[Agreed]*

There is agreement. Okay. So the House will now resolve into Committee of Supply.

#### COMMITTEE OF SUPPLY

**Mr. Chairperson (Conrad Santos):** Committee of Supply, please come to order.

#### Report

**Ms. Bonnie Korzeniowski (Chairperson of the section of the Committee of Supply meeting in Room 255):** Mr. Chairperson, in the section of the Committee of Supply meeting in Room 255 considering the Estimates of Intergovernmental Affairs and Trade, the honourable Member for Fort Whyte (Mr. Loewen) moved to reduce the Minister's Salary to 50 cents.

The motion reads as follows: Moved by Mr. Loewen

THAT the salary of the Minister of Intergovernmental Affairs be reduced to 50 cents, which would have been the cost of the postage rescinding the letter he sent to the City of Winnipeg giving his approval for the Waverley West development to proceed.

Mr. Chairperson, this motion was defeated on a voice vote, and subsequently two members requested that a formal vote on this matter be taken.

\* \* \*

**Mr. Chairperson:** A recorded vote has been requested. Call in the members.

*All sections in Chamber for formal vote.*

\* (15:50)

**Mr. Chairperson:** Committee, please come to order.

In the section of the Committee of Supply meeting in Room 255 considering the Estimates of the Department of Intergovernmental Affairs and Trade, the honourable Member for Fort Whyte (Mr. Loewen) moved a motion to reduce the Minister's Salary to 50 cents.

The motion reads as follows:

THAT the salary of the Minister of Intergovernmental Affairs be reduced to 50 cents, which would have been the cost of postage for sending the letter he sent to the City of Winnipeg giving his approval for the Waverley West development to proceed.

This motion was defeated in a voice vote and subsequently two members requested that a formal vote on the matter be taken.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 21, Nays 30.*

**Mr. Chairperson:** The motion is accordingly defeated.

The Chamber will now revert back to the House in session, and the sections of Committee of Supply will resume in Rooms 255 and 254.

## IN SESSION

### DEBATE ON REPORT STAGE AMENDMENTS

(Continued)

#### Bill 22—The Water Protection Act

(Continued)

**Mr. Speaker:** Order. We will resume debate on the subamendment moved by the honourable Minister of

Water Stewardship (Mr. Ashton) and the honourable Member for Portage la Prairie (Mr. Faurichou) has the floor and he has just a little over two minutes remaining.

**Mr. David Faurichou (Portage la Prairie):** I will conclude my remarks because I believe I have provided adequate information to the minister within this debate that made this subamendment so necessary because, as I said previously, perhaps he may not have this responsibility in the future and when departments merge and responsibilities change, perhaps the new minister that has this responsibility might not be so understanding of the initial intent of the minister that proposed this.

I do want to conclude my remarks by stating that the former Minister of Natural Resources and for Rural Development had a big part to play with getting over the hurdle that was placed before us in the construction mode of the potato storage facilities located next to the Simplot Canada processing facility. I want to thank him on behalf of the producers involved, that his involvement was greatly appreciated and saw this project into completion so that the potato harvest could be placed in storage without delay, so I thank the former minister for that. Thank you very much.

**Mr. Peter Dyck (Pembina):** I, too, want to put a few comments on record regarding the amendment we have regarding taking the commercial operation out as the definition in this bill.

Mr. Speaker, I also represent an area that is highly diversified that, in the agriculture areas, is dealing with special crops. Just to give you examples, I have a lot of potato producers in our area and following that as well are the onion producers. These are the special-crops people. It does not stop there. On our own farm this, of course, would impact us as well. If we would have changed this to commercial operations, it would make dramatic differences and changes for us and, of course, the area I represent. I want to speak in favour of this amendment and for the change that is taking place here.

Mr. Speaker, in addition to that, these commercial operations spend huge dollars—rather, these potato operations spend huge dollars in construction of potato storages. If the definition would have stayed as was, it would have made a big

impact on their operations. As I have indicated, the area I represent has many potatoes grown there and onions as well, beans. These would all be impacted and it does not matter, a farm is a farm.

I am pleased the minister has indicated this change will take place. I want to indicate there were many discussions that took place. The honourable Member for Emerson (Mr. Penner) drew this to our attention, and drew to our attention the impact this would have on any farming operation. I applaud him in his efforts for what he has done in explaining it to all of us. I think those of us who are involved in agriculture understand the implication of this. However, if you are not in agriculture, I can also appreciate the fact that you do not foresee, or you do not see, the dramatic impact it would have upon the producers and the farming operations within the province of Manitoba. I am speaking on behalf of the constituents I represent, but this includes all of Manitoba. I know there are members opposite that are being impacted by it within their own constituencies, especially those who represent the rural part of Manitoba.

Mr. Speaker, I just want to again indicate the impact it makes upon us in the farming operation is huge if it would have remained as the definition was originally. But, further to that, I just wanted to put a few more comments on the record regarding Bill 22. I still am of the opinion that, with all the amendments we have added to this bill, it now dramatically changes the intent of this bill, and I would really like to have seen this bill go back to the public for their scrutinizing and allow them to put information back on the record.

I am not talking about this now in the realm of politics but as it impacts the producers of Manitoba, the farmers of Manitoba, and, yes, we as a caucus have looked at it. I know the MLA for Emerson, the critic for this area, drew this to our attention. There were a lot of flaws, and I want to respect the fact that we have amendments here which are going to try in some way to correct these. However, I also maintain that when you get the general public involved in this and those who really are dramatically impacted by it, when we get their input, there is something they would have seen that possibly we have not seen, and we would have been able to take that information and possibly make this bill even better.

Mr. Speaker, with those few words, I certainly am pleased that we have made a change here.

However, I still feel we could have gone another step, involved more people, and, hopefully, been able to add more things to this bill from the comments that would have been given to us by the general public. Thank you very much.

\* (16:00)

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, I, too, would like to put a few words on the record in regard to this bill. In fact, just prior to the vote that we had in committee, I had the opportunity to talk with my leader in regard to it. The first question he had asked is which amendment was this and I was not really too sure. I know it is one of many amendments that the government has brought forward in regard to this bill.

Between the two of us, we had a discussion in terms of what is right and what is not in terms of just how many amendments can the government bring forward. I believe this is an amendment, because I understand we did it through leave that was brought in. That is over and above the amendments the government minister has introduced already.

When you start talking in terms of numbers, we are talking about from the minister himself, 12-plus amendments at this stage. When we were having that discussion, we thought, indeed, it would be most appropriate for the minister to re-evaluate, as I indicated yesterday, in terms of what it is that he is actually doing in regard to this bill. I think it is worthy of noting, Mr. Speaker, it was back on March 8 of 2004, that is over a year ago when this bill was actually brought to this Legislature. That has got to be a first in itself, where the government thought it was an important enough bill that they would carry it over through the session, and ultimately, the bill was spoken on back in June of last year.

I myself, I believe, spoke on June 1, and then we passed it into committee back on June 2, I believe it was, of 2004. Then it goes to the committee stage on September 13, 2004, where the public had their first opportunity to really provide input. After committee, it just kind of sat until the Legislature reconvened, and then it was reintroduced back in November. Now we have the bill before us in the report stage, and we look on the Order Paper and we have a litany of amendments that are being proposed.

Mr. Speaker, one could ultimately argue—well, opposition, are you going to propose amendments,

and there could be all sorts of amendments. The government should not necessarily be held to account for the number of amendments that an opposition party might bring forward. But what we are talking about is government amendments being brought forward and the fashion in which they are brought forward.

This particular amendment was brought forward by the minister through leave today, and then we are expected to be able to comment on the bill or on the amendment, and take a position. This one is fairly straightforward. It is very much farmer-friendly. There is a mindset out there, in terms of we do not look at our farming community as commercial, in terms of terminology. To delete the commercial operation is something that would appease our farmers and justifiably so; but, having said that, if an MLA were to walk in and see this amendment, this would be the first opportunity they have had to actually see the amendment, and we are expected to be able pass it.

I think we should start looking at the amendments collectively, the number of amendments that are being brought forward by the government. I would highly recommend to the government that there has to be some sort of a point or a number of amendments the government should be allowed to introduce until we say, no, there is no more. It is now time to bring it back into committee. We have gone past that point in regard to Bill 22.

There is getting to be far too many amendments being brought forward by the government. I think it is irresponsible of the government to be bringing the number of amendments that it has. Obviously, they have not done their homework; that has become very apparent when you introduce a bill back in March of last year, March of 2004, and we are still receiving amendments today. We have a problem with that, and we feel the government should do the right thing and stop the debate, bring it back to committee and allow for a better process of accountability.

What it really speaks of is management of business, of House business, inside this Chamber, Mr. Speaker. The government has once again dropped the ball in terms of managing the important business of governing, and as a result, now they expect the opposition parties to jump on and to bail them out, as one member points out, and speak to their amendments and just allow them to pass.

Well, Mr. Speaker, you know, if we were talking about two or three amendments from the government and the government provided us the opportunity to get a good understanding of them in advance and they are not ones that are in essence going to change the substance of the bill, well, I would be a whole lot more receptive and open to the government doing that. But I have not had the chance because of the sheer number of amendments that have been brought forward to go through, each and every amendment that the Minister responsible for Water Stewardship (Mr. Ashton) has brought in.

Mr. Speaker, there are other items that are before us. It is not just Bill 22. There are other pieces of legislation that do merit and deserve to be debated and to hear comments from as many members as possible prior to passage into committee stage.

For a minister to bring in a bill with this number of amendments, Mr. Speaker, I do not know if he is really doing us a service in terms of Manitobans as a whole. That is the reason why I feel that we have gone past a certain point of acceptability, that the government needs to, at the very least, stop debate here.

Let us bring it back into committee, and the minister can bring forward these amendments in committee where he can be questioned on each of the amendments and get a better understanding as to why it is that he feels it is important that the bill be amended in the fashion.

I would suggest to you, Mr. Speaker, there is a very good chance that if the government minister did do that, he would be far more successful at getting all these amendments passed in a more timely fashion and also, by doing it that way, we would be debating all of the other pieces of legislation that are there.

Mr. Speaker, there are a number of bills, and if you start looking at just the thickness of some of these bills and the impact that some of these bills are going to be having, one has got to question in terms of why it is that we are not having the debate on those bills, especially given this natural habit the government has in terms of not wanting to sit.

We need to get better indication in terms of what the government's intentions are, and I would suggest to them that, if they really want this bill passed quickly, what they might want to do is they might

want to have this bill go back to committee where it belongs at this point, quite frankly, Mr. Speaker.

Hopefully, then, by bringing it to committee, we will be able to put it through the process quicker, and in debates inside the Legislature, we could be debating other legislation as opposed to a bungled attempt by the government to bring forward amendment after amendment after amendment after amendment and so on; 12-plus, as they say, and those are just the government ones.

Mr. Speaker, at least he is recognizing the faults that are in the bill, as the opposition and the Leader of the Liberal Party have recognized faults by bringing forward amendments, too. I was just referring to the government amendments.

So, having said those few words, Mr. Speaker, I am prepared to leave it at that and see what happens. Thank you.

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

**An Honourable Member:** Question.

**Mr. Speaker:** The question before the House is the subamendment moved by the honourable Minister of Water Stewardship.

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

\* \* \*

**Hon. Steve Ashton (Minister of Water Stewardship):** Mr. Speaker, I—

**Mr. Speaker:** You need leave.

\* (16:10)

**Mr. Ashton:** I would like to ask leave, Mr. Speaker, to move a subamendment to clause 33(1).

**Mr. Speaker:** Does the honourable member have leave to move a subamendment to his amendment? *[Agreed]*

The honourable Minister of Water Stewardship, once it is distributed, we will move your subamendment.

**Mr. Ashton:** I move, seconded by the Minister of Energy,

*THAT the amendment that adds section 33.1 to the Bill be amended in subsection 33.1(1)*

*(a) in the section heading by striking out "commercial" and substituting "existing"; and*

*(b) in the part before clause 33.1(1)(a), by adding "or agricultural" after "commercial".*

**Mr. Speaker:** It has been moved by the honourable Minister of Water Stewardship, seconded by the honourable Minister of Energy, Science and Technology (Mr. Chomiak),

*THAT the amendment that adds section 33.1 to the Bill be amended in subsection 33.1(1)*

*(a) in the section heading by striking out "commercial" and substituting "existing"—*

**An Honourable Member:** Dispense.

**Mr. Speaker:** Dispense.

**Mr. Ashton:** This subamendment does the same thing that the previous subamendment did, and the same background applies. This is something that was raised by KAP, raised by the previous critic for the opposition, raised by the current critic. Notwithstanding the legal advice with the bill was that the definition that was in place would not have consequences outside of the bill itself, given the representations brought forward, we felt it appropriate in this case to move the subamendment and look forward to support from members on all sides of the House for what is, I think, a well-intentioned subamendment based on feedback from both the opposition and also from Cabinet.

**Mr. Jack Penner (Emerson):** When I look at this section of the bill, it is really dealing with regulations. It appears to me that what the minister is attempting to do here is, in the section in the amendment that he proposed to as 33.1(1), it reads, then, "A regulation made under Part 2 other than section 7, or under any of clauses 33(1)(a) to (d), may provide that an owner or operator of a commercial operation affected by the regulation may apply to the director for an order

*(a) specifying a transitional plan by which the applicant may, over a specified period, come into compliance with the regulation; and*

(b) exempting the applicant from the application of all or part of the regulation for that period or any part of it."

Now, if you add "agriculture", if you take away "commercial" and add "existing" and add "agriculture" to that, it would read, "may provide that an owner or operator" for an existing operation—an existing and agricultural operation—"affected by the regulation may apply to the director for an order

(a) specifying a transitional plan which the applicant may, over a specified period, come into compliance with the regulation; and

(b) exempting the applicant from the application of all or part of the regulation for that period or any part of it."

That is the way it would read, then. Is that correct, Mr. Minister? That is correct.

Then I would propose, and this leaves some question in my mind what the addition of this regulation, this first amendment, was about in the first place, and I would suspect that if I read this correctly, then from the start it would say, "Regulations, the Lieutenant-Governor-in-Council, may make regulation designating as an invasive species any non-indigenous organisms that place or may place an aquatic ecosystem at risk of harm if it is introduced into or otherwise enters that ecosystem."

That is really what you are dealing with, Mr. Minister. That part of the act, right, that talks about introduction of invasive species, 33(1) and then you are adding 31(1) to that. That, of course, in

(a) designating an invasive species indigenous organism that places any of the aquatic ecosystem at risk of harm if it is introduced into otherwise ecosystem;

(b) governing, regulations or prohibiting the discharge of other release of water pollutants into water;

(c) respecting the siting, construction or operation of onsite waste water management systems; while

\* (16:20)

(d) governing, regulations or prohibiting the access of livestock to water bodies or areas adjacent to water bodies;

(e) respecting and providing of notice of an approval of, or amendment to, a watershed management plan under section 16;

(f) respecting the review of an approved watershed management plan under section 17;

(g) specifying advisory boards and other entities that perform functions relating to the water of purpose of water council's coordinating role under clause 20(c);

(h) prescribing water management principles that are consistent for the purpose of this Act; and

(i) defining any word or phrase under but not defined in this Act; and

(j) respecting any other matter that the Lieutenant Governor in Council considers necessary or advisable to carry out the purposes of this Act.

Then you would add: "transitional orders re: commercial operations," but you are now removing?

**An Honourable Member:** Commercial.

**Mr. Penner:** Commercial. You are saying?

**An Honourable Member:** Existing.

**Mr. Penner:** You are just now saying, "transitional orders re: existing operations"?

**An Honourable Member:** Yes.

**Mr. Penner:** And agriculture?

**An Honourable Member:** Yes.

**Mr. Penner:** Will that be the heading then, or are you adding that in the actual clause itself where it says, "A regulation made under Part 2 other than section 7, or under any of clauses 33(1)(a) to (d), may provide that an owner or operator of" an agricultural operation—is that the way it would read?

**An Honourable Member:** Yes, transitional orders are existing operations and adds "for agricultural" after "commercial."

**Mr. Penner:** So you are leaving "commercial" both from the heading as well as the clause?

**An Honourable Member:** It deletes "commercial" from the heading, and adds "for agricultural" after "commercial."

**Mr. Penner:** In the clause itself? Okay. That simply means that all agricultural operations would be subject to the same rules that you have applied here in section 33(1)? *[interjection]*

That would mean that, for instance, in areas of the province where there are significant potholes, and I refer in large part to western Manitoba where pothole country exists, there could be a significant move made under this act, and I want farmers to clearly understand what they have asked the minister to do, because this could become very substantive. If there was deemed to be, under this act now, any invasive species that could be identified, that would mean an area could be set aside as a pristine area, and, without compensation, a farmer could actually be probably designated without his land. The minister says no, but think very carefully about this, think very carefully, Mr. Minister, what you are doing with this clause by adding the agricultural wording to this.

I am afraid the minister, and I would not mind some discussions with the minister before we pass this section, maybe with his department even, on this matter. I should have looked more closely at this when I noted that the minister might be coming with this amendment to add "agriculture" to this section. I had paid more attention to another part of the bill that the minister, I believe, is adding "for agriculture" to another section of the bill. Is that correct, Mr. Minister?

**An Honourable Member:** Three sections.

**Mr. Penner:** Three sections?

**An Honourable Member:** All it does is make sure it is not lumped into commercial.

**Mr. Penner:** I am more concerned about how this whole section of regulations addresses the ability of an agriculture operation to be able to function

properly without constantly looking over its shoulder to see what kind of regulations and/or provisions might be made under this section regulating his or her operation in given parts of this province.

Again, I point at the western part of the province where we have significant pothole country. When you look at the aspect of invasive species, it is probably relatively easy to imagine that, when the migration of ducks and geese and pelicans and all those kinds of things take place, they might, in fact, drop an invasive species. The pelican is a perfect one maybe to look at because a pelican has a fairly large pouch on which it can carry either minnows or bugs or almost anything. *[interjection]* One of the members in the Legislature said "and/or maybe baby," and he is correct. It could be baby fish. It could be baby bugs. It could be an invasive specie that could be carried and maybe it might carry this for

If it should be deemed then by some agronomist, entomologist or whatever that we have an invasive species now in one of those potholes, we might want the government, whether this minister or some other minister sometime in the future, the way this bill is drafted, might want to say we have to set this whole thing aside, this whole area of the province aside and not allow the normal commercial operation to take place. I look at the water wells being drilled in that western part of the province now, and how they would be affected by this kind of action. What kind of powers would be given to a minister that this current minister does not even recognize and know yet?

The minister should recognize that he will not always be the minister, although I believe he has good intentions at heart here. I would seriously suggest we take another hard look at this before we give consent to passing this provision. I think if the wording would simply mean transitional orders re: existing operations, in that sense it would not single out the agricultural community and identify it singly, as this will do now because it is identified that way. If it just would deal with existing operations and, in more general terms, might, in fact, serve a better purpose in the long run for the purposes of the act than identifying agriculture with it. If existing operations are simply, whether they are agriculture or commercial or in any otherwise, the identification is not there then as to single them out.

The only reason I raise this is because all of us in the agriculture community recognize the importance



of water, water channels, streams and potholes in the part of Manitoba. We all know what that means to the general well-being of the ecosystem, including our waterfowl and migrating water fowl and those kinds of things, but the importance the pothole country plays in this area, and indeed we do have in the eastern part of the province some pothole country as well. Central Manitoba has bodies of water that migrating fowl use from time to time. Identifying and singling out agriculture as a particulate in this sense when you and I would agree with what the minister is trying to do here by just saying existing operations, in my view, would lend a lot of credibility to then the total operation of the regulatory mechanisms he is identifying here that should be looked at.

So I would suggest to the minister that we might want to leave this in abeyance for a short period of time. He might want to have some discussions with his department about that and raise the concerns I have just raised with him. I just suggest that if you are willing to do that, Mr. Speaker, I would suggest that we leave this without passing it, and then move on to the next amendments, if that is the will of the House and if the minister agrees. The minister has indicated agreement to that. I would then be prepared to move on to the next subamendment.

\* (16:30)

**Mr. Dyck:** I move, seconded by the honourable Member for Turtle Mountain (Mr. Cullen), that we adjourn debate.

*Motion agreed to.*

\* \* \*

**Mr. Ashton:** I would like to ask leave to move the final subamendment, which is being distributed.

**Mr. Speaker:** Does the honourable member have leave to move his final subamendment to the amendment? *[Agreed]*

**Mr. Ashton:** I move, seconded by the Minister of Energy (Mr. Chomiak),

*THAT the amendment that adds section 32.1 to the Bill be amended in clause 32.1(c) by adding "or agricultural" after "commercial".*

*Motion presented.*

**Mr. Ashton:** This is consequential to the previous amendments which make it very clear that agricultural is to be separated in this act from commercial, and for the same reasons that we did ask for leave, when we asked for leave here and again, the current critic and former critic have raised this concern, KAP has raised this concern, and they intend us to make sure that agriculture is treated separately from commercial, something that has been practised by legislation in Manitoba and practised in terms of taxation, practised in terms of assessment and will be practised in this bill as well.

**Mr. Penner:** I would commend the minister for this addition because, again, I agree with what the minister just said. I think this clearly differentiates the fact that agriculture and commercial are different, and operate in a different perspective in the province of Manitoba as they do elsewhere. They must be seen in different forms. I certainly do not disagree when a registry of either declarations or a registry of amendments to regulations pertaining to either one of these, whether they be commercial, agriculture or other for that matter, be designated, there needs to be clearly, a registry kept of those kind of things. When an order is, in fact, ordered against an operation, or in light of an operation, that there be proper registry maintained in respect of the recognition of the property. Identifying an agricultural property, I think in this respect, is important because it demonstrates the difference between commercial operations or any other kind of operation, whether they be, indeed, wildlife or tourism functions, and all those kinds of things.

Those can all be deemed commercial, and then to single out agriculture as a specific industry that is relatively different is important. I believe, in this respect, that there needs to be registry kept of orders given by the department dealing with matters pertaining to the proper implementation of an important bill such as this. This bill, once we know what the regulations will be, will only demonstrate the importance of the application of this bill, or indeed, the intent of this bill. Seldom have I seen a bill drafted in this manner during my time in this Legislature without having some relatively specific areas of concerns identified in the bill that the bill must address, and the law that is supposedly drafted here would be applied to. So this is a very, very vague piece of legislation, yet that vagueness, once it

is prescribed in regulation, only then will we know the effectiveness of this bill.

The other thing, I will repeat, Mr. Speaker, I think it is important we recognize how this bill is largely directed at dealing with water issues in rural Manitoba, water issues dealing with issues of nitrification in the lakes, dealing with nitrification or phosphatization of waters, and indeed, all the other elements that are prevalent in our whole ecosystem. We all know that when waters, specifically down the Red River, run the way they do virtually every spring, they have a corrosive effect on the riverbanks. When I look at the loss of the riverbanks in the Red River over the last 10 years, it is quite immense.

The '97 flood, I think, certainly demonstrated how disastrous a flood of that nature can be to unstabilizing the riverbanks, especially in Red River clay, and how Red River clay, once it softens up, becomes almost like a pudding, and just above banks including huge oak trees slide right into the river, we have witnessed that time and time again.

\*(16:40)

The other thing I think important to note is that this bill will address—and that is why I say that this addition to this section, I think, is a good addition because it will reflect on the importance of dealing with matters that we should have dealt with in a totally different manner some 20 years ago.

Mr. Speaker, 18 years ago, when I became the Minister of Natural Resources, we had what was then called the Dutch elm beetle come into Manitoba. It had started happening a couple of years before that, so I say 20 years ago. We saw the Dutch elm beetle come into Manitoba, and there was a huge outcry that we should not cut trees; that we should not cut our majestic elms, and we did not. We listened to the then so-called environmentalists. And I say "so-called," then so-called, because they were then "so-called" because I do not think they knew what they were talking about, nor did any of us know the huge devastation that that Dutch elm beetle would cause to our elm trees in the province of Manitoba.

There were large efforts made to protect the elms in the city of Winnipeg, but there were no actions taken along the Red River where the elm was as majestic or as prevalent among those banks. Virtually every elm tree has died since that Dutch elm beetle caused havoc in Manitoba.

Almost every elm tree has died along that Red River. Those of you that would have taken the time to come out and witness the chaos that those dead elms were causing on the Red River during the '97 flood and, indeed, just the year before last, when I took pictures, and I will show them to the minister, of the huge mass of log jams caused by the bridge at St. Jean, for instance. It is a fairly low bridge, and the massive log jams that happened there. Those log jams were up to a mile deep into the river and as wide as the river. The whole river was covered with elm trees. It was unbelievable.

Where did all those elm trees end up eventually? In Lake Winnipeg. They are all in Lake Winnipeg, and, this year, again, when the water rose, the bridge at St. Jean again trapped a fairly significant amount of elms, but not as many as during the '97 flood and a few years after that. But there are still massive amounts of lumber, rotting wood to come down that Red River, all the way from Fargo to Winnipeg. All those dead elms will eventually end up in Lake Winnipeg.

The reason I say this is that we as legislators have a responsibility sometimes to look beyond the hard lobbyists and what the impact is of what they are telling us at the time. We have the ability to say realistically, let us do something. If we would have cut at that time, if we would have taken and cut every elm tree along that Red River and harvested them and sold them to the furniture industry—the elm wood at that time was in high demand, at a high price—we could have had a very significant economic industry set up at that time to make lumber out of that elm instead of listening to the so-called environments who were yelling, "No, no, you cannot cut these elms. We are going to save them."

Well, the Dutch elm beetle saw to it that we would not save them, and now they will become, or they are becoming, the major impact to the degradation of water and the ecosystem in Lake Winnipeg. That rotting wood, I would venture to say, will cause a larger effect to Lake Winnipeg than maybe anything agriculture does because those trees will stay in that lake for years and years and years. They will slowly rot, and we know what rotten wood does eventually. It causes mercury to form in waters.

So I think we need to be careful sometimes when we as legislatures allow ourselves to be trapped by the discussion of the day and the urgency with which

those discussions are presented in this Legislature, and how we allow ourselves, either as opposition members, and I know the now-government members were all opposition members then, and they made significant amounts of noise about saving the elms. What we did in the city of Winnipeg, we saved a lot of them, and large numbers, and we saved some in rural Manitoba, but largely along the Red River banks, we caused a situation which we are now reaping the negative effect of. I think Lake Winnipeg is in large part being affected by the rotting wood that is lying at the bottom of that lake.

So, Mr. Speaker, I say that agriculture is not, in my view, the big culprit that the minister would have liked to make it when he made his first speech. I excuse him somewhat because, at that time, I think he did make some comments out of ignorance. I use that word because ignorance, to me, is simply not knowing what the real situation is. So, speaking from a point of ignorance, the minister said things that I think he would probably say different today because he has had two years of experience in his portfolio, probably almost three years, is it, Steve, almost three years that you have been the minister?

**An Honourable Member:** One and a half.

**Mr. Penner:** Almost two years that he has been the minister now, and I think one learns a lot. I can speak from experience, especially in the department of natural resources, that there is an awful lot to learn by a minister. How the ecosystem functions in this province, is one one only learns over a long, long period of time, and those of us that have lived on the land and operated on the land and made our living off the land know how important the ecosystem is, how important clean water is, how important it is to maintain and ensure that there is a balance in that ecosystem.

I know we are accused many times as farmers of using chemicals and fertilizers and all those kinds of things. But, when I look at the effect of the phosphate base in our soil, and I said this before, that when I look at the content of phosphate in our soil back in the sixties when we first started soil testing, and I look at the levels of residual phosphate in our soil today, there has been virtually no change in those levels. That concerns me because the price of manufactured commercial fertilizers is going up and up and up, and when the energy prices go the way they have now, and we know that nitrogen and

phosphate fertilizers, nitrogen especially, take fairly large amounts of energy to manufacture, we know what the economic impact is of that energy, and I believe that that will cause farmers to decrease the amount of application and maintain a balance of productive values in our soil base that might actually lead more to the degradation of our soil.

So, Mr. Speaker, I say to you, that this clause, we will support this subamendment to the amendment. I would ask that we then move on to the next subamendment in this bill.

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

**Mr. Leonard Derkach (Russell):** Mr. Chair, I want to speak to the way in which we are moving this bill through.

Mr. Speaker, we have seen the bill presented to this House more than a year ago. A year later, we have the minister, who is now a different minister than introduced this bill, coming into the House with amendments, subamendments, which changes the intent, which changes the spirit, which changes the bill from its original form.

\* (16:50)

Mr. Speaker, when you have that many significant amendments—I know that the Minister of Water Stewardship (Mr. Ashton) can get up in his place and speak to the subamendments and he can say, "Well, I remember a bill that was introduced by the Minister of Rural Development that had 70 amendments," I would suggest to the Minister of Water Stewardship that this is a tiny portion of what The Municipal Act involves. The Municipal Act is at least a half an inch thick in terms of the paper. The review of The Municipal Act happens very, very rarely. As a matter of fact, if the minister wants to go back to some of the comments that were made regarding how The Municipal Act went through, from all reports, they said it was the smoothest process that municipal councillors had ever experienced in terms of how the legislation went through.

*Mr. Conrad Santos, Deputy Speaker, in the Chair*

Now, my colleague, who was the Minister of Urban Affairs at that time, acknowledges that because he was also involved in that process because

he was the Minister of Urban Affairs. The member from Southdale was very clearly a part of making sure that that legislation went through in the way it did.

Yes, there were lots of amendments to it, but if you look at what the amendments were, they were not the kinds of substantive issues that we are seeing in this bill, which is a minor bill compared to The Municipal Act.

Now, Mr. Chair, I do not mind an amendment here and there if it is going to allow for an improvement of the bill based on something that came out of a committee. Those amendments could have been made during the committee stage because, then, those amendments are open to the public to comment on or to make reference about.

As is being done now in report stage, Mr. Chair, we are past that committee stage; we are now into report stage. We are now not bringing only amendments into the House, we are bringing subamendments into the House.

So the process has become so convoluted that the ordinary person out in rural Manitoba or anywhere in this province, whether it is urban or rural Manitoba, it does not matter, you really do not have a clear understanding of how this bill is going to impact on your life, on your community and on your economic activity.

As a farm person and someone who is engaged in the ag industry, I have to say that I am really worried about the government's true intent with this legislation. The reason I have suspicion is because of the government's comments as they relate to the pollution in Lake Winnipeg.

If you were to take a water sample on the Red River as the Red River enters Manitoba, and then you were to take samples of that river as it came closer to Winnipeg, and you were to do the same with the Assiniboine River—and let us start the Assiniboine River right at the Shellmouth Dam. Let us begin taking water samples there, and let us take those water samples at intervals as the river progresses toward the city. We will take samples before it enters Brandon, then we will take water samples before it enters Portage. We will take water samples before the river enters Winnipeg, and then

we will take water samples after the two rivers meet and leave Winnipeg at Lockport. Then I want to ask the minister, if he would be brave enough to do that, if we would examine the results of those water samples, we would find what the member from Emerson found.

That is, that over the course of the last 30 years, the levels of pollutants in the river before it reaches this city have not changed. The Minister of Water Stewardship (Mr. Ashton) knows this because he has the information, Mr. Speaker.

The levels of pollutants are flat line for the last 20 years. If the minister has different information, I would even ask him to stand on a point of order and correct me, but he knows that this information is correct.

Now, if you look, then, at the level of pollutants as the river exits Winnipeg and goes towards that lake that we now are calling a polluted lake, it is the Lake Erie of Manitoba, we find that the level of pollutants as the river leaves Winnipeg has been growing exponentially over the course of the last 20 years. Now, what does that tell you? That tells you that you have a problem, and the problem needs to be addressed.

Now, it does not mean that we lay the blame on one sector of society or another because we are all contributors to that, but we have a responsibility to collectively address that and correct it. We should not tolerate raw sewage being dumped into the Red River. We should not accept raw sewage being dumped into the Assiniboine River. And this is being done at least seven times a year. And it is not hundreds of thousands of gallons, it is millions of gallons of raw sewage pollutants going into the river to be swept into Lake Winnipeg and into Hudson Bay on an annual basis. But what does the government say?

*Mr. Speaker in the Chair*

Instead of acknowledging that problem, and instead of addressing that problem, because it is going to be a costly fix—and we all know it is going to be a costly fix but let us start addressing it at some point—the government feels more comfortable in blaming a sector of society for it.

So who are they going to blame? Well, you have read the articles, as I have. They blame the

agricultural producers for putting in pollutants, for grazing cattle along the rivers, for allowing their fertilizers and chemicals to be washed into the rivers. Well, if that were the case, then we would see the level of pollutants in the river between the border and Winnipeg rise over the course of 20 years. We would see the pollutants in the Assiniboine River rise over the course of 20 years. But what has actually happened is agriculture producers across this land have acted reasonably and responsibly to avoid pollution of our waterways, because our waterways are the most critical thing that we have in rural Manitoba to survive on. The rivers, the streams, the lakes are our lifeblood. Without them, we do not have an existence in rural Manitoba.

So we have been protecting those waterways, those watercourses, by building retention dams, by making sure that we zero-till, minimum-till. The way we work our land has changed dramatically in 20 years, and so, therefore, the soil that is sometimes washed into the water streams that causes silting has now been diminished. You do not see, in the skies of Manitoba, the horrendous dust clouds that we used to see that were experienced in the thirties and beyond. When there is a wind on the Prairies today, the sky is still clear. And why is it still clear? Because we in this province, and in other provinces, have taken it upon ourselves to protect our most treasured resources, our land, our water.

We plant shelter belts, we leave woodlots. We even plant new woodlots. As a matter of fact, the former Minister of Natural Resources said very boldly that, "Today we have more forest in this province than we had 40 years ago." Why is that? Because our process and our attitude and our approach to activity on our land has changed. We have truly accepted what is called "sustainable development," a term which is foreign to the government in this Chamber, because sustainable development means that we protect our environment at the same time we acknowledge the need for human activity in our environment, but we conduct our human activity and our economic activity on the landscape and in the environment with consideration for the impact it has on our environment.

\* (17:00)

That is why today, Mr. Speaker, our fish supplies are actually healthier than they were 20 years ago. Our water outside of Lake Winnipeg is

actually as good as it was 30 years ago. There is a lot more activity on our landscape than there was 30 years ago.

Where are pollutants coming from? Our pollutants are coming from activities that we as people engage in. One of the things that have been lagging is our effort to ensure that whatever we return to the water streams does not harm it. I have to point the finger at governments collectively, local, provincial and federal, for not wanting to address those issues because they were expensive.

Today, we have found ourselves in a situation where we talk about Walkerton as those events that were done because of careless individuals who did not have the good conscience to ensure that the water was pure and safe. No. It is our collective attitude.

If you really want to look at pollutants, I challenge the government to look at what is put into this huge river that flows through our city, to be mindful of what goes into there. I know it becomes a very sensitive issue for government and other civic authorities because it means that somebody is going to have to spend some money to clean it up, but I say let us identify the problem. The charts, the studies that have been done, the graphs, show where that problem is, but where is the attack. The attack has been on the agricultural community in a very unfair way.

I have two minutes left. How time flies when you are having fun.

I think the Minister of Water Stewardship (Mr. Ashton) has to undertake a second look at this legislation. Yes, they have the authority and the power in government to pass it, but we do not say when. If they had an attitude of openness, they would recall the standing committee to examine all of the amendments that have been brought forward, to allow the public, to allow the person on the street, to allow the person that this is going to impact on, to come before the committee and express their views on this bill.

Some of the amendments are good. Some of the subamendments might be good, but why was it that in the beginning of the drafting of this bill, such glaring errors were made? Only because of the efforts of people like the member from Emerson here, the member from Portage, who have been the

conscience of ensuring that the right thing is done with regard to this legislation, that we have forced the government to come forward with amendments, but that does not answer all the questions.

We will continue to debate this legislation on its merits and on the basis that until we see—how can the government expect us to pass this by June 9 if here we have May, 9, 8, 5—what are we at, May 5 today? May 5. I am ahead of myself—we are still passing amendments and subamendments, introducing amendments and subamendments. I am saying to the Minister of Water Stewardship and his government, take another look at this legislation and ensure the process is opened up so that Manitobans who are out on the street can come and make representation before the committee. Thank you very much.

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

**An Honourable Member:** Question.

**Mr. Speaker:** The question before the House is the subamendment moved by the honourable Minister of Water Stewardship (Mr. Ashton).

**An Honourable Member:** Question.

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

\* \* \*

**Mr. Speaker:** We will move the next subamendment to the amendment that will be moved by the honourable Member for Emerson once we have distributed the subamendment.

**Mr. Penner:** Mr. Speaker, I would ask for leave to present a subamendment that would read, and I would move, seconded by the—

**Mr. Speaker:** Order. Does the honourable member have leave to move a subamendment to the amendment?

**Some Honourable Members:** Leave.

**Mr. Speaker:** Leave has been granted.

**Mr. Penner:** Mr. Speaker, I would move, seconded by the honourable Member for Pembina (Mr. Dyck),

*THAT the amendment adding Clause 8.1 to Bill 22 be amended in the proposed Clause 8.1(2) by striking out "minister" and substituting "Lieutenant Governor in Council".*

**Motion presented.**

**Mr. Penner:** Mr. Speaker, I want to just briefly indicate to the Assembly here of what the amendment would, in effect, do. This amendment would say, actioned by minister if order not complied with. If a person fails to comply with an order issued by the minister, the minister may cause anything to be done that is required by the order and take any other measures the minister considers necessary to prevent, minimize or alleviate the water shortage.

\* (17:10)

I want to say to the minister, with all due respect, if they were to take any other measures that the minister considers necessary to prevent, minimize or alleviate the water shortage, I believe that that order should be given by the Lieutenant-Governor-in-Council. I believe that that should be a Cabinet decision and our caucus believes that that should be a Cabinet decision, that when a water shortage declaration is made, and I believe that putting that in the hands of a single minister is, maybe I should use the word a bit presumptuous, but I doubt that the minister really would want that responsibility all by himself, I would suspect that he would want the support of his Premier (Mr. Doer) and his Cabinet before he would give an order that would cause anything that could cause any other measures to be taken, that is a very broad basis of power put in the hands of one single minister.

That is why I propose to the minister that we would strike out the word "minister" and substitute "Lieutenant-Governor-in-Council." I believe that would give a lot of people in the province of Manitoba, whether this minister remains as minister of water or not, totally immaterial, but I think it would, in the future, give a lot more comfort to, for instance, those people that must use water in the potato processing industry, to an industry such as that, to, for instance, whole towns and villages that might be prevented from utilizing water to do processing or for irrigators of potato land, those kinds of things, that could be cut out from water entirely by one single stroke of the pen by a minister.

I think for the economic impact of such an action, although the minister might say, or another

minister might say, "Well, that is never going to happen unless I consult," but the fact of the matter is the legislation says "the minister," and if the legislation says "Order-in-Council," then the Premier and his Cabinet must become involved in making that decision.

It is certainly, in my view, an authority that should not be put in the hands of a single person. I, quite frankly, Mr. Speaker, if I was the minister, I honestly would not want that kind of authority placed in my hands. I would demand, and this minister might demand the same thing, that he would take that to his Cabinet, and he would say, "Cabinet, I must have your approval or not," but there might be some other minister that simply would not do that. They would say, "Hey, now I have got the power. I have got the power now, under this act," and might say, "I am going to show you what kind of power I have," and, therefore, make the order, the order that would become law according to this bill.

So I suggest to you, Mr. Speaker, that if this amendment be passed this way, it would make the bill, I think, a more credible bill, and it would alleviate some of the fears that I have heard expressed by some people that have had a look at this bill and have had a look at some of the amendments that have already been dealt with in this House previously. They said, "If that could be changed," then that is one of the reasons I am proposing this amendment currently to this bill.

So I hope that the minister, in his wisdom, will see what I am trying to do with this bill, and that is simply make it more acceptable and adaptable to the people of Manitoba. I think they would, in the final analysis, commend the minister for having recognized that this is a very important power that needs to be given to the Executive Council, in other words, the Premier and the Cabinet, that they should have the authority to say, "Yes, you can," or "No, you cannot use the water." That is basically the essence of the authority given under this section. So I say to you, Mr. Speaker, I am prepared to recommend passage of this subamendment at this time.

**Mr. Lamoureux:** I wanted to be able to put a few words on the record because I am not too sure exactly what is going to happen with this bill, if it is going to ultimately be adjourned or if in fact, Mr. Speaker, this amendment is going to be called to a question right away.

I listened very closely to what the member from Russell was talking about. I actually appreciated the comments. I think they are very much in sync with some of the things I have been saying, Mr. Speaker. When I look at this amendment, it is with some frustration in the sense that I would welcome the opportunity to have been able to ask the member from Emerson what it is that he is ultimately hoping to be able to accomplish with this amendment.

On the surface I must say, Mr. Speaker, that getting the L-G involved, my understanding or how it has been explained to me is that, in essence, it would then require an Order-In-Council and by having an Order-In-Council it then takes it out of the sole discretion, if you like, of the minister, whoever that minister happens to be. Given the very nature of regulations and the impact that it has when we pass legislation, I think there is some merit for it.

Once again, I find myself in a position in which I have more questions than answers in regard to what is an amendment, Mr. Speaker, that, on the surface, one would think a person could, in fact, support. I do not know what the government's position, and more importantly, what rationale the government is going to be using, either in favour or against this amendment or subamendment. I think that is somewhat sad and it is one of the reasons, in the last opportunity I had to address subamendment, I commented on the committee stage. At the committee stage, at least I would have been afforded the opportunity to get a number of the questions I have in regard to this particular amendment on the record and get a better understanding of what it is the member from Emerson is actually trying to accomplish.

Mr. Speaker, I feel it is very much becoming a closed shop here. You have a minister that, no doubt, has a sense of what is being talked about, at least I trust he has a sense of what is being talked about, but I suspect his colleagues within his own government would not be aware of the changes that are being talked about to Bill 22.

I operate on the assumption that Bill 22, back in March of 2004, was talked about within the NDP caucus, Mr. Speaker. I suspect it would have been. What I suspect is that the number of amendments and the content of those amendments have not been talked about, so you have a minister that brings in or carries on a bill from March of last year that is

substantially—there are a number of substantial changes that are being proposed, both from the government side and the opposition side.

I have made reference to this in the past. I truly do believe we are doing a disservice, Mr. Speaker, by not allowing for a better process in addressing these bills. The member from Russell and I agree with the fact that this is a very peculiar way of making legislation.

\* (17:20)

I do not believe it is healthy. I did this the other day in addressing other amendments, and I would do again. The questions I would ask the member from Emerson if we were sitting in standing committee reviewing the clause-by-clause on the bill, the questions that I would be asking is to get a better idea as to what is all entailed when you give the power to the L-G. Is it just an O/C is required as a result in order to implement a change? It would be nice to be able to have that dialogue with the member from Emerson, and based on information that the member from Emerson would provide to do the follow-up questions with the Minister of Water Stewardship as to how he would be responding to the statements being made.

Unfortunately, we do not have that opportunity. I hope, because I know the member from Thompson has been adjourning debate on a number of amendments, I would hope that when the time comes, that he will, indeed, be addressing each and every one of these amendments. If members take the time and use energy and resources to be able to come up with them, I would really encourage the Minister responsible for Water Stewardship, in fact to address the amendments, each and every one of them, and some of the concerns that have been raised.

Having said that, the concern I have in regard to this particular amendment is the impact. What are the arguments for not having this particular change implemented? How does allowing the L-G-in-Council, or an Order-in-Council negatively impact the intent of this legislation? Obviously, it makes a substantial change to the legislation, and I suspect the government will likely not support it, but to what degree will the minister share with this Chamber as to the rationale being used as to why this should not be supported?

I would ask that we get a detailed answer as to why the government is going to take whatever position it is taking in regard to it, because again, I would like to be able to hear both sides of the issue on this particular amendment. On the surface, given the very nature of regulations and the type of impact that it has on our waterways, I think it is important that we ensure we get the best process possible.

At this point in time, I am not too sure if it is the best process by allowing the minister to have all that authority. Would it, in fact, be better off so when there are changes in regulation and things of this nature, that an Order-in-Council would be required, thereby putting in a check to ensure there is not a misuse of authority. That is what I would be inclined to think, but I will await for what the minister has to say in regard to this amendment and ensure him that I do approach it with an open mind. I would like to hear a proper response from the minister.

Having said those few words, Mr. Speaker, I look forward to further comments. Thank you.

**Mr. Gregory Dewar (Selkirk):** I move, seconded by the Member for Wellington (Mr. Santos), that debate be now adjourned.

*Motion agreed to.*

**Mr. Speaker:** The honourable Member for Emerson has another subamendment. We will distribute it to the members, and then the honourable member will move it.

Does the honourable member wish to ask for leave?

**Mr. Penner:** Mr. Speaker, I would ask for leave to move another subamendment.

**Mr. Speaker:** Does the honourable Member for Emerson have leave to move a subamendment to the amendment? *[Agreed]*

The honourable Member for Emerson wants me to make this distribution, and then you will move your subamendment.



**Mr. Penner:** I move, seconded by the honourable Member for Russell (Mr. Derkach),

*THAT the amendment to Clause 21(1) of Bill 22 be amended by adding "and at least one must be a representative of the Association of Manitoba Municipalities" at the end.*

***Motion presented.***

**Mr. Penner:** Very briefly, there was an amendment passed on this section by the honourable Member for River Heights (Mr. Gerrard), which added "a farmer" to this clause. Basically what this does, this subamendment amends the amendment to read, "at least one of the five must be an active farmer who is representative of the agriculture practice in Manitoba, and at least one must be a representative of the Association of Manitoba Municipalities." I think it is self-explanatory.

We just want to make sure that the board that would be established under this act would, in fact, have an agricultural representative on it as well, that understood agriculture, and would also, in fact, have a person from the municipal organization in this province which represents all of rural and urban Manitoba that will clearly understand the impacts to local governments.

For that reason, we move this subamendment. We believe again over the long term, the impact to this will be such that it will make a better board and will, in fact, allow for the better administration of this bill. I would hope that we would now agree to passing that subamendment.

**Mr. Ashton:** I certainly will look at the amendment. I can indicate that one thing that immediately comes to mind is this legislation will be in place for a significant period of time, potentially, and organizations do change. It was not that long ago we had the Union of Manitoba Municipalities and the Manitoba Association of Urban Municipalities. We do have the Association of Rural Municipalities currently, so there could be some difficulty with entrenching a specific organization.

Certainly, I can indicate we have made it very clear our intent is to ensure municipal representation, along with agricultural representation, but, once again, organizations do change. What would create a significant difficulty is if you entrench something

you then require an amendment in the Manitoba Legislature if there was a change.

Mr. Speaker, I have indicated a willingness to look at amendments and subamendments. I know it shocked members opposite when we agreed to one the other day. Today we have had two agreed to by all parties. So, notwithstanding the House leader's comments, there is some good work going on on this bill. I commend all members of the Legislature for coming here, rolling up their sleeves and working hard to make this bill, a good bill, an even better bill. Thank you.

**Mr. Speaker:** Okay, when this matter is again before the House, the debate will remain open. The honourable member will have 13 minutes remaining when this matter is again before the House.

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**EDUCATION, CITIZENSHIP AND YOUTH**

\* (15:30)

**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 of the Department of Education, Citizenship and Youth. As had been previously agreed, questions for this department will follow in a global manner.

The floor is now open for questions.

**Mrs. Myrna Driedger (Charleswood):** I am curious, and I would like to ask the minister why he hesitated so much today and for so long before coming out to speak with the media. He was sent back in and sat in his seat for, oh, I do not know, 20 minutes or more, and I wondered why the minister was hiding out in the House rather than facing the music on this issue.

**Hon. Peter Bjornson (Minister of Education, Citizenship and Youth):** I really do not understand what relevance that question has to the Estimates process. I am not even going to respond.

**Mrs. Driedger:** One of the statements that the minister did make when he came out, and I think all

members here would be interested in hearing this was that in May when he did receive the letter he did indicate in the scrum today that they were specific allegations, and the minister said, and I quote, "I should have asked more questions. They gave me ambiguous answers." Can the minister tell us who he referred to when he said "they gave me ambiguous answers"?

**Mr. Bjornson:** As I said before, the process involved, once the allegations were brought forward, the allegations were referred to the Public Schools Finance Board and as a process the response that I had signed was very ambiguous in that it did not address the specifics of the allegations, and that was based on the information that I would have received from the Public Schools Finance Board.

**Mrs. Driedger:** Well, the minister indicated to the media that what he received were specific allegations. So he has acknowledged that they were specific allegations about the Swinford Park Development and land development. The minister indicated today they were specific allegations; "I should have asked more questions; they gave me ambiguous answers." He also said in further questioning from the media, you know, when the reporter said, "Did you not know the law yourself? Why did you have to wait for somebody to tell you whether the laws were being broken or not? Did you not know the law?" The minister said, "Yes, I knew the law." So, if the minister knew the law and the minister saw this letter addressed to him, how could he have handled this so badly?

**Mr. Bjornson:** Once again, we engaged in a process, and, obviously, there have been some errors made in this process, and we are going to fix those errors. That is why we are undertaking another process that will involve the 30-day review, and we are committed to find all the answers to all the questions.

**Mr. Leonard Derkach (Russell):** Well, Mr. Chair, this reminds me of the Paul Martin scenario that we have in Ottawa. Mr. Martin did not remember. Mr. Martin did not know. But now the truth is coming out, and Mr. Martin did know.

I come back to the minister here with regard to this. May 2004, you, Mr. Minister, received a letter from a Mr. Snyder, and that letter was very specific with regard to allegations about Swinford Park, about Lombard North and about Seven Oaks School

Division. Now your friend, Mr. O'Leary, who is the superintendent of Seven Oaks School Division, was involved in that, and you, Mr. Minister, chose not to act on it.

Mr. Chair, the minister refusing to act on it, indicating very specifically that he knew the law and the law was being broken, has caused a breach of trust with Manitobans. I am asking the minister why it is he did not take specific action understanding that what was being done at Seven Oaks was against the law. He admitted he knew it was against the law. Why did he continue to allow a school division to break the law knowingly, and he sat by and watched it happen?

**Mr. Bjornson:** Well, as I said, when we received the allegations, I had no reason to believe they were anything but allegations. We take all the letters seriously because there is a process when there are allegations brought forward. These allegations were, accordingly, as a matter of process, forwarded to the Public Schools Finance Board. In that process the response that I had passed on to the concerned citizen was a reflection of the research and process that had been undertaken at the Public Schools Finance Board. Accordingly, the response did not give me any indication whatsoever that there was anything untoward about what was going on, that this was nothing more than a standard practice in the disposition process.

**Mr. Derkach:** Mr. Chair, we are not talking about a disposition process. The minister is pretzelizing the issue here. What we are talking about is the development. We are not talking about acquisition. We are not talking about disposition. We are talking about development.

The letter the minister received was responded to by him in May of last year, and he said in his letter that he signed, that this was a matter between the City of Winnipeg and the school trustees and not his. Yet he said, also, that he knew in May of 2004 that the allegation that was made was one where the school division was breaking the law. He knew the school division was breaking the law. He sent the allegation to the Public Schools Finance Board. He wrote the letter back and said, "Well, there is nothing wrong here." He was trying to sweep this under the mat.

Then, Mr. Chair, after the allegations were made, he did not bother to pursue this any further.

He sent the matter to the Public Schools Finance Board. I know officials at the Public Schools Finance Board are extremely attentive to their work. These are professional people who understand what their responsibility is. I am talking, not about the political appointees to the Public Schools Finance Board, I am talking about the staff at the Public Schools Finance Board. The staff there are professionals. They know what they do.

Now, he is saying that it took a year for this information to come back to him that showed that this was an illegal activity. Is that what the minister is really saying to us?

**Mr. Bjornson:** As I have said, I have never been advised that the Seven Oaks School Division was indeed acting as a developer. I have never been advised of that, until Monday. You know, I must take exception to some of the comments that the member from Russell is making with respect to the board, because there are a lot of very dedicated, hard-working, committed people on that board who have had—

**An Honourable Member:** I have not made a reflection on the board.

**Mr. Bjornson:** Well, the member from Russell is suggesting otherwise, that he is not reflecting poorly on the board, but I believe he has been casting aspersions on the board—

#### Point of Order

**Mr. Chairperson:** On a point of order, the Member for Russell.

**Mr. Derkach:** I ask the minister to give his head a shake. I was not reflecting on the board whatsoever, Mr. Chair, I was simply indicating that they were political appointees, which is the truth. I was not reflecting on their talent, but I was talking about the staff of the PSFB who have the day-to-day responsibility of making decisions and acting on issues. I did not reflect on the talent nor the quality nor the abilities of any of the board members.

Mr. Chair, I know those board members. Mr. Glenn Nicholls, as a matter of fact, was my deputy minister for a period of time, and I know he is a very competent and capable individual, but let us not deny the fact that these are political appointees because that is exactly what they are. But I was referencing

the staff and the fact that staff are very competent, very professional and would not let something lie on their desk for a year. That is what I was referring to.

My point of order is that the minister is misconstruing the issues and misconstruing what I said and is trying to put words in my mouth and that is unfair and unwarranted.

**Mr. Chairperson:** Order, please. I thank the Member for Russell for that. There is no point of order. It is a dispute over the facts.

\* \* \*

**Mr. Chairperson:** Honourable Minister, you have the floor.

**Mr. Bjornson:** As I was saying, I think there is a lot to be said for the work that the Public Schools Finance Board has been doing. The appointees to the board have done a wonderful job. We have certainly given them a tremendous task with the amount of money that we have invested in the Public Schools Finance Board for their programs.

To put it on the record once again, \$333 million in the last six years, \$161 million more than the previous six under the previous government. They are a very hardworking, dedicated group. We have built several brand new schools, major renovations, over 600 projects.

I have visited a number of schools in my tenure as minister as well, and very often one of the first things that I see as a result of that tour when I go to the schools is they like to show the new labs or the new gymnasium or the new computer lab or whatever the case might be because our program has had a tremendous impact on the quality of facilities that we have in our province, and our Public Schools Finance Board is doing a terrific job.

**Mr. Derkach:** Mr. Chair, I want to ask the minister, he just said again that he did not know that Seven Oaks School Division was acting as a developer until it was brought to his attention on Monday. Now, can I ask the minister did he not read this letter from Mr. Snyder.

I am going to quote from this letter, "What mandate do the school divisions in Manitoba have regarding the development of residential

communities in their area?" Residential communities in their area. I go on further to quote, "I ask this because I am concerned that the Seven Oaks School Division is acting as the developer (through Lombard North Group—Consultants) of a community called the Swinford Development."

\* (15:40)

Mr. Chair, it goes on to talk about "minutes from the division meetings indicate that they (the Seven Oaks School Division) are paying out rather large sums of money to contractors for installation of roads, sewers and all the other necessities required to build the community."

Now, Mr. Chair, is the minister telling me that he does not understand that this letter makes reference to Seven Oaks School Division as a developer of residential lands? Is that what the minister is saying?

**Mr. Bjornson:** I understand the content of the letter. I also took the letter to be allegations, and I wanted the letter to be forwarded to the Public Schools Finance Board for investigation. Upon going through that process, I was never advised that Seven Oaks School Division was, indeed, acting as the developer.

**Mr. Derkach:** Mr. Chair, you know how long it would take to find this out in the real world? It would take someone to go to the Land Titles branch and look at land titles. Send a staffperson. Send one of your political appointees to the board. Send Mr. Zaidman, who was then the chair of the board, who was also involved in Seven Oaks School Division as a trustee. He would know first-hand. You can pick up the phone and call Land Titles Office. That would take about 10 minutes. And if they will not give it to you on the phone, walk into their office. That would take you another hour.

Mr. Chair, do you know that—

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

*The committee recessed at 3:41 p.m.*

*The committee resumed at 3:54 p.m.*

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

Honourable Minister, I think you had the floor.

**Mr. Bjornson:** Yes. Actually I would like to table the letters that were requested by the members yesterday with respect to the letters sent regarding the disposition process. Actually, I would appreciate if the member from Russell would repeat the question.

**Mr. Derkach:** Mr. Chair, we were talking about the Public Schools Finance Board. We were talking about the letter that the minister received from Mr. Snyder. In the letter I asked the minister whether he would acknowledge or whether he understood what the letter said. We were talking about the length of time it would take to get information from Land Titles or from people who would know about the land development, i.e., Lombard North, i.e., the Seven Oaks School Division. All it would mean is the minister could pick up the phone and phone his good friend and supporter, Mr. O'Leary, who is the superintendent of Seven Oaks School Division, and then he would have known personally whether or not this school division was undertaking a land development.

I do not think Mr. O'Leary would have tried to hide the fact, and, as a matter of fact, if he had gone on that computer he talked about in the House today, and gone to the Seven Oaks Web site, he would probably have found the same information.

**Mr. Chairperson:** Order, please.

**Mr. Derkach:** Mr. Chair, is he saying that he did not trust that the information was inaccurate here?

**Mr. Bjornson:** When you receive such letters with allegations, you forward them, as a matter of process, to the appropriate personnel within the departments to address those allegations. That was a procedure we followed. That is the procedure that I respected and, as I said in the media scrum after the Question Period session today, I did say that, regrettably, in hindsight, I should have asked more specific questions in the process, because it was quite ambiguous with respect to the response.

**Mr. Derkach:** Who was ambiguous, Mr. Chair? Can the answer be more definitive in who was ambiguous in their response to him?

**Mr. Bjornson:** Once again, when we go through the process and forward the allegations to the Public Schools Finance Board there is a staffer who researches the allegations, all letters of concern that are forwarded. It is vetted through the executive director. It is vetted through the chair of the Public Schools Finance Board before I see that, and I mentioned that in Estimates the other day.

**Mr. Derkach:** We are missing a link here, Mr. Chair. Is the minister saying that his deputy did not give him the clear information? So is it his deputy who was ambiguous in giving him the information, or was it the chair of the Public Schools Finance Board that was ambiguous with the information?

**Mr. Bjornson:** I was never advised that the Seven Oaks School Division was, indeed, acting in the capacity of developer. That is where the information and the communication process failed. With respect to my deputy, my deputy at the time, I do not recall having a conversation with my deputy with respect to this particular issue—

**Mr. Chairperson:** Honourable Minister, excuse me. There is some conversation going on. It interferes with the debates here.

Okay. You have the floor, Honourable Minister. It is yours.

**Mr. Bjornson:** As I said, my deputy at the time was Pat Rowantree. She is no longer my deputy. She chose a different career path, and, as such, I do not recall having a conversation with her, at the time, about this issue. As I said, I was never advised this is anything other than a normal disposition process. As I said before, and I will say it again, I, in hindsight, should have asked more specific questions. That is why we are engaged in this process today where we will have all the answers to these questions addressed once we can conduct a full and thorough review.

**Mr. Derkach:** Mr. Chair, the minister is not even making any sense because in any normal process the correspondence that comes to the minister's office is vetted through his special assistant, then goes on to his deputy minister and then he gets a copy of it, and it is flagged. I am aware of how the process works. Then, of course, it would probably go to the Public Schools Finance Board for response.

Now the minister says his current deputy was not the deputy minister then. Can I ask him when Ms. Rowantree left his department?

\* (16:00)

**Mr. Bjornson:** I believe she left in July, end of July, last year.

**Mr. Derkach:** So, Mr. Chair, she was the deputy at that time. This matter was left unresolved on her departure so the acting deputy, who is Mr. Farthing, then took over the file. Is he saying that Mr. Farthing was ambiguous in his response to the minister? Is that what he is saying, or was it Mr. Zaidman, or who was it? Who is the person who is providing ambiguous information to the minister?

**Mr. Bjornson:** Well evidently that is going to be part of the review to find out where the communication broke down. That is part of the review that we are engaged in and also—[interjection] Excuse me, I still have the floor. Also, it is rather curious that the member from Russell is now saying I understand the process because the process is exactly what I had undertaken to follow previously, saying I should phone the Real Estate Board of the Land Titles Office but it is the process that I followed and it is a process that apparently failed. We are committed to finding out where this process failed, Mr. Chair.

**Mr. Derkach:** Mr. Chair, the reality is that the minister failed and he tried to sweep this under the carpet because of his relationships with Mr. Zaidman and with Mr. O'Leary. That is the truth, and that is maybe what needs to be investigated. Now the minister is starting to accuse staff because he is saying that is part of the review, we are going to find out who that culprit was who gave me that ambiguous information and that is going to be part of the review. He is now starting to point his fingers at his own staff. This is a witch hunt.

I cannot believe that the minister would put on public record this kind of information. Now, Mr. Chair, I want to ask the minister which staff, in which department—[interjection]—which group of staff, which individual staff the member has now cast a shadow on and he has now directed his deputy to do an investigation on in terms of the information that he received.

**Mr. Bjornson:** First of all, we are doing a review, and that review includes within those terms of reference the examination and the communication process. That is what we are committed to do, and that is when we will have all the answers to how this situation arose, how this situation unfolded.

**Mr. Derkach:** So what the minister is saying, to save his own cotton-picking hide, he has now instructed that the mandate of the review is to look at the communication that he received from his staff. In other words, he is now pointing the finger directly at staff, and that is what he is saying is part of the review.

Now, Mr. Chair, I want to ask the minister if he would table the terms of reference of the review.

**Mr. Bjornson:** Thank you. Yesterday we actually read into the record the specific objectives in terms of reference that we are engaging in in this process and it was agreed that that was acceptable yesterday.

**Mrs. Driedger:** Can the minister indicate if those are the complete set of terms of reference, or I thought the minister yesterday might have been indicating that that was a preliminary draft of terms of reference. I am asking the minister if there was more added to that. Is there more going to be added to it?

**Mr. Bjornson:** First to clarify, the member from Russell was saying that, just for the sake of information for the member from Russell, I have once again reviewed the very specific terms of reference that we had talked about yesterday—

#### Point of Order

**An Honourable Member:** Point of order, Mr. Chair.

**Mr. Chairperson:** The Member for Russell, on a point of order.

**Mr. Derkach:** Mr. Chair, instead of taking time reading them into the record, tabling them would suffice. Could I ask the minister to table them please?

**Mr. Chairperson:** Would you want to respond to the point of order? I just want to inform the members here that it is not a point of order.

\* \* \*

**Mr. Derkach:** Mr. Chair, I would like to ask whether the minister would table the terms of reference.

**Mr. Chairperson:** I gave the honourable minister the floor.

**Mr. Bjornson:** Once again for the benefit of the member of Russell, I will refer to the specifics that the review will undertake to address the following issues: Did the Seven Oaks School Division act within its legal authority in the disposal of this land? Did the Seven Oaks School Division conduct appropriate financial due diligence in the transaction associated with the disposal of this land? Were the transactions financially beneficial to the Seven Oaks School Division? Did the Public Schools Finance Board conduct an appropriate review of Seven Oaks School Division's application regarding the disposition of this land, and what should be done to improve the land disposition review process?

**Mrs. Driedger:** Yesterday, Mr. Chair, we had a discussion about adding a term in there about the acquisition of land, and I thought the minister had agreed that, in fact, they would add that in to the terms of reference that the acquisition of land would also be looked at.

**Mr. Bjornson:** Under the purpose, and my apologies to the member from Charleswood, we did mention that yesterday, to review and report on the financial and legal implications of the transactions undertaken by the Seven Oaks School Division and approved by the Public Schools Finance Board in the acquisition and disposal of land in the area known as Swinford Park, and that is when I referred to the specifics shortly thereafter, and part of that, as I said, I have mentioned all the terms of reference that we will be considering there.

**Mrs. Driedger:** There is a term of reference in there about disposition, then. Do you have a term of reference, a number item, for acquisition?

**Mr. Bjornson:** Once again, the preamble under the purpose, it refers to the acquisition and disposal of land.

**Mr. Derkach:** Mr. Chair, would the minister table those terms of reference that he has in front of him?

**Mr. Bjornson:** There is still some consideration about the final wording of some of the points, and we will not be tabling it yet.

**Mr. Derkach:** Mr. Chair, that is precisely the points that we have been making in the House and in here. The minister is so sloppy with his work that he has now indicated to this committee that the terms of reference are not ready. Now he said that the information would be in, in 30 days from the time that he had given the mandate and the terms of reference. Now he is telling us that day five of this investigation, or day six, or whatever it is, we do not have a completed set of terms of reference that he can table. Now is the minister telling me that he is so incompetent and so incapable of giving direction that he cannot table the terms of reference today that he gave six or seven days ago to his department?

\* (16:10)

**Mr. Bjornson:** The member from Russell is inaccurate in suggesting it has been seven days. It has actually been four days since I had this discussion. It was in that time that I had the discussion with the deputy minister about what actions we would undertake to get to the bottom of this issue. The fact that we have not finalized the terms of reference as such does not prevent us from engaging in collecting information and establishing the process to address this issue.

The member from Russell must also recall that I have repeatedly said in the House, in Estimates, in the media scrum, that this process will be completed on, or before June 2, and we are committed to completing this process on, or before June 2.

**Mr. Derkach:** Mr. Chair, he said it is a 30-day process. This is day four, as he has acknowledged, but he does not have the terms of reference done yet. How can he give direction that says you have 30 days to investigate this when he has not even completed the terms of reference yet?

**Mr. Bjornson:** As I said, the terms of reference are not finalized, and as I said, we are committed to having this completed by June 2, and we will complete this process by June 2. The entire document referring to the terms of reference, the specifics are quite clearly established. There is some wording that we are working on with respect to the terms of reference, but I also indicated in my previous answer that not having this finalized does not prevent us from engaging in the process by starting to collect all the relevant information, which is something we are engaged in as we speak, and

assigning staff to engage in this process, as well. We are well underway.

I assure the member from Russell, as I have assured members who have asked the question about the time frame within which we are going to work, as has the First Minister (Mr. Doer) assured the members, that June 2 is the deadline. As a former teacher, I am not giving any extension on this assignment. It will be completed by June 2, and we will have the review completed and brought forward at that time.

**Mr. Derkach:** As a teacher, he should know that instructions have to be clear in order to be followed. He said two things. One, he just said in his response that the terms of reference were finalized; then he elaborated on it. He said some specifics still have to be written. Which is it? Are the terms of reference complete, and if they are, would he table them for the members of this committee? That is what we are asking about. He said they were complete. If they are complete, table them.

**Mr. Bjornson:** What I did say was that I did read the specifics we will be undertaking in this review. I also said there was some language, language in question on the document does not include the specifics of the review. My deputy is very clear on what the task is at hand, and it is not preventing us from engaging in the process without the terms of reference document finalized. We are collecting the relevant information as we speak. We are getting staff together to address this. We will have everything completed by June 2.

**Mr. Derkach:** Mr. Chair, he said the specifics of the terms of reference were complete. Would he table the specifics, please?

**Mr. Bjornson:** I have read the specifics of the terms of reference into the record on two occasions now, and we are not tabling the document until such time that the entire document is complete.

**Mr. Derkach:** So the minister has refused. I want it put on the record that the minister has refused to table the terms of reference, or the specifics of the terms of reference. I want to ask the minister who wrote the terms of reference.

**Mr. Bjornson:** I have asked my deputy minister to undertake this review. I have asked my deputy to develop the terms of reference. He has been acting as per those instructions.

**Mr. Derkach:** Mr. Chair, excuse me for chuckling. The minister has just said that he has asked his deputy to develop the terms of reference and then he has asked his deputy to do the review. Is that how I understand it? Is the minister clear in that? He asked his deputy to do the terms of reference, and he also has asked his deputy to do the review.

**Mr. Bjornson:** Once again, my deputy was asked to develop the terms of reference. My deputy was asked to get on with the review. I also mentioned that my deputy has been looking at staff who would be engaged in the process of conducting this review.

**Mr. Derkach:** I want to ask once again. Now, he just said that it is his deputy who was assigned to conduct the review. That was his response just a minute ago; now he is saying that the deputy is going to be assigning staff to work along with him. On May 4, on page 2351, the minister said that this was a task assigned to Claude Fortier. So who is it? Is it the deputy, is it Claude Fortier, or who is doing this and heading up this review?

**Mr. Bjornson:** As I said, I had asked my deputy to develop the terms of reference. I had asked my deputy to set the wheels in motion conducting the review and there are staff that are assigned as part of a team to be engaged in this review. Mr. Fortier is one of those staff.

**Mr. Derkach:** Let us just review what we have been through today. The minister said that he received ambiguous answers from staff when he asked the question. So, after he received the letter, he said he wished he had asked more questions because the answers he received were ambiguous. A year later, a year later, he is now going to assign the same staff whom he received ambiguous answers for, to do the review. Is that an appropriate assessment and an appropriate response to a fairly serious allegation here?

**Mr. Bjornson:** The only appropriate assessment is the member from Russell's assessment.

It is not the same deputy, first of all, and Mr. Fortier was not part of the process with respect to the information that I had received.

**Mr. Derkach:** So who did the ambiguous information come from? Can the minister identify

the persons who gave him the ambiguous information?

**Mr. Bjornson:** We are going to be engaged in a process that will answer those questions.

**Mr. Derkach:** The minister made an accusation on his staff. He has the responsibility to answer questions in Estimates. The question is who did you point the finger at when you said you received ambiguous information. Which staff? Which group of staff? Who were the individuals?

You were the one who led into that. We did not.

\*(16:20)

**Mr. Bjornson:** As the member from Russell has indicated, he is aware of the process once allegations are brought forward, once letters of concern are brought to the department, and we went through that process. We are trying to determine, with the insufficient information that has been brought forward, where in this process did that take place. That is what we are going to be looking at. The review is going to be answering a lot of the questions, and we intend to get those answers.

**Mr. Derkach:** I am not giving any credibility to the process, to that 30-day process. All it is, is a stalling tactic for the minister, the Seven Oaks School Division and his buddies at Seven Oaks School Division. That is all this is. Let us face reality. The minister has pointed fingers at staff. He did that today by saying that he received ambiguous information. I want to ask the minister what the ambiguous information was. What was the specific ambiguous information he received from staff?

**Mr. Bjornson:** My understanding of what had been transpiring at the time was this was an issue for local concern around the development, the development being an issue of local concern for the locally elected officials and for the school board, as per my response to the individual who raised the allegations.

**Mr. Derkach:** Mr. Chair, who was the staffperson who sought legal advice on this matter?

**Mr. Bjornson:** They came though the executive director of the Public Schools Finance branch.

**Mr. Derkach:** So Mr. Fortier was the one who initiated the request for legal advice on this issue. Is that what the minister has just said?



**Mr. Bjornson:** No, I did not say that. Mr. Fortier is not with the Public Schools Finance Board.

**Mr. Derkach:** Can the minister tell me who it was who asked for the legal advice, then? Who is the executive director, please?

**Mr. Bjornson:** The actual letter requesting the legal advice was sent by Konrad Erickson, and it was done at the request of the executive director of the Public Schools Finance Board, Mr. Goluch.

**Mr. Derkach:** So Mr. Goluch requested the legal advice on this matter. Why would it take an executive director of the Public Schools Finance Board some six or eight months later to be requesting legal advice when, in fact, you, as the minister, had already responded in terms of what your view of the situation was?

**Mr. Bjornson:** That is why we are engaged in the process. That is what we are going to find out.

**Mr. Derkach:** Mr. Chair, the minister did not have the clear wisdom to ask for legal advice on this matter. An executive director with the Public Schools Finance Board doing his job saw that there was something wrong here and asked for legal advice. Can the minister tell me when that legal advice was received?

**Mr. Bjornson:** February 15, 2005.

**Mr. Derkach:** So the minister received legal advice.

**An Honourable Member:** No, not me.

**Mr. Derkach:** The minister says, "Not me." The legal advice was received by the Public Schools Finance Board that the minister has responsibility for on February 8. Can the minister tell me what the legal advice was?

**Mr. Bjornson:** Only the disposal of land is clearly within the powers of the division.

**Mr. Derkach:** We are not talking about disposal, Mr. Chair. I told the minister we are talking about development. Can the minister tell me what the legal advice was regarding the development of Swinford Park by Seven Oaks School Division?

**Mr. Bjornson:** The legal advice reads that only the disposal of land is clearly within the powers of the division.

**Mr. Derkach:** So, Mr. Chair, the development is an illegal activity. Is that correct?

**Mr. Bjornson:** The legal advice says that only the disposal of land is clearly within the powers of the division. That is what the legal advice has.

**Mr. Derkach:** So the minister received that on February 8, and he was clearly aware that this was an illegal activity. Can the minister tell me what he has done since?

**Mr. Bjornson:** As I have said, I did not receive the legal opinion. There has been a process that was put in place by the Public Schools Finance Board. The Public Schools Finance Board requested a legal opinion. The Public Schools Finance Board requested the assistance of the land management to do an assessment as well. Both those documents were at the request of the Public Schools Finance Board. Both of those documents have been through a process that the Public Schools Finance Board was committed to, and continues to be committed to, as they review this issue. The land management review did go to the Public Schools Finance Board and accordingly generated some questions. They sent their questions off to the appropriate parties. The questions were answered, and some of the questions were dealt with at the board meetings. I believe, the questions around the land management were dealt with on March 15, and none of this was raised with me previously.

**Mr. Derkach:** Well, Mr. Chairman, I am going to ask the minister when he received the legal advice.

**Mr. Bjornson:** I was advised that there had been a legal opinion sought on Monday.

**Mr. Derkach:** Is the minister saying that the department withheld this very, very critical and sensitive advice they received from the legal department from the minister from February 8 until May 8?

**Mr. Bjornson:** First of all, it was not the department. It was the Public Schools Finance Board, an independent body of government, and the Public Schools Finance Board was engaged in a process. As I said, some questions were raised as a

result of the information that they had received through the two documents that they had requested. They did have a plan in place to put these items on agenda for further discussion and review, and I have been advised that the PSFB was going to bring that forward once they had completed that process.

**Mr. Derkach:** Mr. Chair, did the minister not indicate yesterday in Estimates that his officials had that information already?

**Mr. Bjornson:** As part of the review, my officials do have some of the information, and I also said that the Public Schools Finance Board has been engaged in this process. They had planned to have on the agenda the review of the two documents together as they were certainly related documents, and I was apprised that once they had been through that process I would have received the appropriate information once that had taken place.

**Mr. Derkach:** Mr. Chair, this is quite incredible. On May 2, 2004, Mr. Snyder wrote directly to the minister. He did not write to the Public Schools Finance Board. He wrote to the minister. In his letter, he made a very, very serious allegation, which was an allegation of an illegal activity taking place in a school division. Now, this had to be viewed by the minister. It was written to him directly. The minister then tells us that a year and six days later—a year and six days later—he finally received the advice, both from the PSFB, his own deputy, and legal advice subsequently, that this was an illegal activity.

\* (16:30)

You know, the minister must think the world is stupid and that he can just say anything and anybody would believe it. But the minister cannot expect citizens of Manitoba to believe him for one second when he thinks he can try to sweep this under the mat by saying it took him a year and six days to investigate and to receive information on an allegation that anybody could have had within hours. Is the minister saying this is acceptable performance and due diligence on his part?

**Mr. Bjornson:** As I said after Question Period today, and I will say it again, in hindsight, with very specific allegations raised and somewhat ambiguous response that had been sent, I should have asked more specific questions. Having said that, of course

hindsight is 20-20, and we are now engaged in a process that will see where this disposition process failed. That process is one that we will undertake and, as I said repeatedly, will be complete and public on or before June 2.

**Mr. Derkach:** Mr. Chair, the only ambiguity in all of this is in the conduct and performance of the minister. The Public Schools Finance Board did their job. The minister meets with the chair of the Public Schools Finance Board quite regularly. Why it is that he would not have received this kind of information from the Public Schools Finance chair is beyond me.

Secondly, the Public Schools Finance Board officials, and I am sure it took some time to get to them, realized that something was not kosher here. They sought a legal opinion after the minister had already played his hand in this issue, because he wrote back a letter, as minister who has responsibility, the minister's word is law, and he said to Mr. Snyder, "You do not have a truthful allegation here because this is not something that is my responsibility. It is a matter for the City of Winnipeg and the school division and the trustees." He washed his hands of this.

Then his officials, Public Schools Finance staff, said somebody has to look into this because this is not kosher. In order for them to protect their own integrity which they have responsibility to do, and is the rightful act, they went ahead and asked for a legal opinion, as they should have, which came back saying, "No, Minister, you were wrong in your response. You have responsibility here." The legal opinion says that you have, Minister, responsibility for this.

Now, to buy more time, the minister decides to put a 30-day review. I do not know what is magic about 30 days, except that it gives time to the Seven Oaks School Division to get their defence in order. At the same time, the activity continues. Lots are being developed; houses are being sold for a buck. The activity continues.

**An Honourable Member:** Interesting.

**Mr. Derkach:** The minister says "interesting." Is the minister saying there were no houses sold for a dollar, no properties sold for a dollar? Is the minister saying that? It would be interesting to know from the minister.

Meanwhile, the land is being developed by Seven Oaks School Division. They are still continuing. This is an illegal activity which now is being condoned and tolerated by the minister. Mr. Chair, I want to know how long the minister is going to continue to tolerate an illegal activity on the part of the school division.

I want to use an analogy. If, in fact, a school division had another illegal activity, let us say it is the trafficking of drugs going on in that school, would the minister put a 30-day review on to determine whether or not these allegations were true, or would the minister act to curb the activity immediately? In this same way, why is the minister not acting immediately to curb this illegal activity and to somehow address it in an appropriate fashion?

**Mr. Bjornson:** The analogy, certainly, that is a rhetorical question. That type of behaviour would not be tolerated. You are asking in the analogy if I would tolerate drugs being sold in the schools. Certainly not. That is a ludicrous example.

In this particular case, as I said, we are engaged in a process that will get to the bottom of the issue, and we have said, myself and the First Minister (Mr. Doer) have said, that school divisions should not be in the business of property development, and we are going to get to the bottom of this issue.

**Mr. Ron Schuler (Springfield):** I have a question for the minister, and that has to do with the letter that was sent to Mr. Snyder. Who wrote the letter? Was it departmental staff or was it written by Public Schools Finance Board?

**Mr. Bjornson:** It went through the Public Schools Finance Board as per the process. It has been identified. In fact, the member from Russell spoke about the process. He knows the process. That was the process. When you get letters of concern, letters of allegations, we submit them to the appropriate personnel. They review the information and they forward it appropriately.

**Mr. Schuler:** I asked the minister why would an arm's-length organization, according to this minister, be writing his correspondence.

**Mr. Bjornson:** Simply because the PSFB is the agency that oversees the disposition of school property.

**Mr. Schuler:** We have been through this before. This is the fox in the henhouse. The complaint is about PSFB and the school division. So what does the minister do? He gets a complaint about development taking place. Instead of having departmental staff look at it, he sends it to NDP-friendly Seven Oaks School Division appointees at the Public Schools Finance Board.

No wonder, all the way through, this has been whitewashed. Minister, there is no wonder that nothing has been done about this, that for almost a year nothing takes place, because it is the same group of people. I mean, it just swirls round and round and round. You get a complaint, and basically you sent it to the same group of people that the complaint was about, and they write you a letter saying there is no problem.

Minister, we do not need 30 days to figure that one out. Minister, how is it possible that a complaint would come forward pointing a finger at these people, and that is where a letter or the information would forward from saying that there is no problem? Minister, how could you have bought into that?

**Mr. Bjornson:** The allegations are specifically about the role of the school division and the school division acting as a developer, as the allegations have outlined. The Public Schools Finance Board's responsibility is around the disposition of excess property in the event that school divisions determine property surplus and, as such, were requested to respond to the allegations that have been brought forward.

\* (16:40)

But the allegations, again, focus on the Seven Oaks School Division and their role in the alleged development, and I say alleged because at the time I took those as allegations and forwarded it to the appropriate department for a response. That is the process, and the process has been identified by the former Minister of Education, the Member for Russell (Mr. Derkach), and he says he is aware of the process. This is the process we engaged in, and we reacted according to the responses we received. That is the process.

**Mr. Schuler:** To the minister, we could sit for days and philosophically disagree where this government spends its money because we fundamentally disagree

how the government spends and where they spend, but an election decided that and until the next election, the government decides where priorities are.

This is a completely different conversation we are having. This is about being a good steward of the people's money. This has nothing to do with disagreeing about should you have spent money here or spent money there. This is about accountability and being good stewards of the people's money. I ask the minister does he believe he was being a good steward of the people's money by sending the complaint to the individuals that, basically, the complaint was about.

**Mr. Bjornson:** We did not do that.

**Mr. Schuler:** We have gone over this before and it is so clear. You have the former trustee, chair of the board, you have a former individual who was involved in the school board, are chair and vice-chair of the Public Schools Finance Board, both from Seven Oaks School Division. You have Brian O'Leary, who is clearly involved with this, who knows the individuals at the Public Schools Finance Board.

The school board is supposed to set five priorities and send them to the Public Schools Finance Board. It is not supposed to be a cozy relationship. It is supposed to be arm's length between the school boards and the Public Schools Finance Board, not between the minister's department and the Public Schools Finance Board, although they do have a semi-autonomous relationship, but the break is actually between the school board and the Public Schools Finance Board, because the Public Schools Finance Board, in the end, sets the priority and decides where money is going to be spent.

So the minister should have known that there were very close ties between Brian O'Leary of the Seven Oaks School Division and the individuals running the Public Schools Finance Board. A serious complaint came forward, and it was serious, because it spoke about illegal activity at the Seven Oaks School Board, at the division. Minister, I ask you again is that being a good steward of the public's money by sending the complaint to the very people who the complaint was about.

**Mr. Bjornson:** First of all, I would like to assure the member from Springfield that no public tax dollars

were lost in this endeavour. Secondly, the member is talking about some individuals in very unflattering terms who have been educational leaders in their community, and they have executed their duties very admirably in many ways with respect to how they have conducted themselves on the Public Schools Finance Board.

As I said before, they have been a very busy committee, and that is largely because of the emphasis that our government has placed on infrastructure. They have been very diligent in the execution of those duties with respect to infrastructure and addressing the needs of the public schools. We have been building more schools, replacement schools, major renovations and over 600 projects and I really respect the work that they have done as a board in execution of those duties.

With respect to the suggestion that, you know, the fox and the henhouse analogy, it is a rather curious one. I mean, the allegations were concerning the Seven Oaks School Division and, again, the allegations on the development speak specifically to the issue of the disposition of property, as such and, appropriately, the allegations were referred to the Public Schools Finance Board for a response.

**Mr. Schuler:** The minister categorically says, "No money was lost. No public money was lost in this development." How can he say that with absolute certainty when he has not been able to say anything else with certainty until his 30-day review is over?

**Mr. Bjornson:** I have been advised as such that that is indeed the case and no money has been lost.

**Mr. Schuler:** I am sorry. I did not hear the last three words the minister spoke.

**Mr. Bjornson:** I have been advised that no money has been lost in this endeavour.

**Mr. Schuler:** So the minister gives us his word that no public money has been lost on this development. He is willing to stake his credibility on that statement.

**Mr. Bjornson:** As I said, I have been advised that no public money has been lost on this endeavour.

**Mr. Schuler:** We now move from "no money has been lost" to "I am being advised." So, until the

minister is advised otherwise, until this point in time, the advice has been, and until advised otherwise, "No money has been lost." So that means later on we may find out that money has been lost. But, until this point in time, the advice is we have not.

**Mr. Bjornson:** I believe one of the questions was how do I know that no money was lost, and I said that I have been advised that no money has been lost, and, as such, this is part of the questions that will be asked when we engage in the process. As I have said, we are engaged in that process. We are collecting information. We are assembling staff to address this issue. We are finalizing the terms of reference and we are underway to address all these questions through this process, and it will be, as I said, completed on or before June 2.

**Mrs. Driedger:** Can the minister tell us who advised him that no public money was lost and what was it based on?

**Mr. Bjornson:** That would be part of the land management process that was undertaken, the review.

**Mrs. Driedger:** Is the minister prepared to table that report today?

**Mr. Bjornson:** No, I am not.

**Mrs. Driedger:** I am curious, in terms, then, of how that land management report was done. What has been happening in Seven Oaks School Division is that mill rates going up and property owners are having to pay more property taxes to the school because the school says it needs more money. So how can the minister say that no public money was lost when, in fact, this type of land scheme could be forcing property taxes to go up?

So, while no money is lost, taxpayers may be having to put—*[interjection]* They are. In the last few years, taxpayers are having to pay more property taxes so the school division has enough money. The school division is putting out their own money for the development. They have had to put out their own money. All those cheques are approved through the minutes; they have invoice numbers on there. That is public money, taxpayers' money; almost \$2 million of it that we can account for has gone out to pay for the development costs.

\* (16:50)

Mr. O'Leary is saying he cannot find any expenses that he can cut; therefore, he has to raise property taxes. He has to raise his own special levy because he does not have enough money, so he is charging taxpayers more to fill his coffers. But he has got enough money for land development. How can the minister say that no public money is lost? No, it is not lost to the school board, or to the minister, but it sure is lost from the pockets of the taxpayers. Can the minister not see that clearly?

**Mr. Bjornson:** Exactly what happened as a result of all the transactions will be part of the review. I really have to take exception to some of the comments that were made with respect to property taxes because our government has been committed to address this issue and we have had a significant impact on property owners.

I know that, in my own situation in Evergreen School Division, taxes have gone down considerably. In our recent announcement where we cut an additional \$30 million from the education support levy, it has meant that my taxes on my property in Evergreen are down significantly.

If you look at the record throughout the 1990s, our average taxes went up significantly. We have a meaningful contribution from the member from Fort Whyte where the taxes have gone up significantly throughout the 1990s, and taxes have been relatively flat throughout the six years under this government, and we have made significant inroads in addressing this issue. Part of that, of course, is the fact that we are funding education at the rate of economic growth.

I know, as a teacher in the 1990s, the impact that funding announcements had when members opposite were in power and \$15.2 million was put into the system over the course of five years. Every year when the funding announcements would come, I would be looking at my colleagues and say, "Okay, who is not going to be here next year because this government is not investing in our children?" And more often than not, it happened. If somebody retired, they were not replaced. We were certainly lacking for a number of, and wanting and needing a number of resources to provide meaningful education for students.

I really take exception to the comments about property taxes. Essentially, the members opposite are a one-trick pony when it comes to education. I hear more about taxes than I do about educational issues, and it is really frustrating that that is the only emphasis that members opposite seem to have. They want us to have an excellent education system, but they do not want the tax people to pay for it.

**Mrs. Driedger:** I would remind the minister that it was one of the taxpayers that lives in the Seven Oaks School Division that first brought this issue to his attention in May. He is the one that is having to bear extra costs because Mr. O'Leary said the school division did not have enough money so they had to raise property taxes.

They are paying the up-front costs of all this development, almost \$2 million. Imagine how the property taxes might have been brought down if they had not had to write all these cheques over the last few years to pay for the development costs. It has been coming out of their budget.

Where does the minister think that money is coming from? It is coming from the taxpayers. The school division is writing cheque after cheque to build sewers, \$93,000 right now to the City of Winnipeg, just for this new cul-de-sac that is going in on his phase three, which is illegal, and they are still doing it today. Has the minister even gone out there today to have a look at the bulldozers that are out doing phase three and building the 20 houses on the cul-de-sac?

You know, the more the minister answers questions here, and his lack of interest in really getting to the bottom of where this money is coming from, his lack of understanding that somehow this money has to come from somewhere, I am just becoming more and more concerned at his thumbing of his nose at taxpayers. Taxpayers for the last couple of years have had to pay extra school property taxes in this area, so that the Seven Oaks School Division had enough money to go out and spend \$2 million on land development.

Would the minister commit today to an independent review, rather than doing a review of himself on this issue?

**Mr. Bjornson:** I believe the review we are doing is on the Seven Oaks School Division in the land

transaction, certainly not myself. The member talks about the Seven Oaks School Division specifically and the impact on the local taxes. Again, I will remind the member that I have been advised that no taxpayers' dollars were lost in this exercise.

I will also like to put on record that our government has been engaged in the funding of schools discussion on an annual basis, where we have individuals representing different educational leaders at the table talking about how we fund schools. Certainly, we recognize that there are challenges unique to Seven Oaks School Division with respect to the commercial base and the industrial base. As such, we have had adjustments to the equalization formula, and the equalization formula addresses areas where the assessment is very low. That is one of the steps that we have taken to assist with school divisions such as Seven Oaks that do not have that assessment base of other school divisions.

Again, our efforts to reduce the education support levy have had a significant impact. Our increase in the property tax credit has had a significant impact, and these are real savings for taxpayers. When property values were flat through the nineties and taxes went up over 60 percent on average, and here we have a record where property values have been escalating and taxes have been relatively flat. In some cases, in many cases, in fact, property taxes have gone down. Again, Seven Oaks, like other school divisions with low assessment, benefit from our commitment to review the financing of schools on an annual basis, and that includes adjusting equalization payments accordingly.

**Mrs. Driedger:** If the minister's commitment to funding has been so significant and had a significant impact, why did the school board feel they were forced to raise taxes? They have almost the highest property taxes in the province. Yet the minister is sitting here—and I am not even sure he is aware of the big picture in the province, to sit there and spew forward his rhetoric.

*Mr. Cris Aglugub, Acting Chairperson, in the Chair*

Meanwhile, the taxpayers of this area are having to dig into their pockets, and these are hardworking people. These are hardworking North End people with great pride in their communities, work really hard. They are having to dig into their pockets in the last few years because they are being forced to pay

more and more property taxes, almost the highest in the province.

The minister does not seem to have any respect for what they are having to do, and yet he is saying, "Well, no public money was lost." Yes, but how much public money, extra money was taken out so that the Seven Oaks School Division could get into the land development business? Does he not even understand that they are having to pay more and more? What is he basing his decision on?

No public money was lost. Well, extra public money is going into land development. Mr. O'Leary had said they did not have enough money, so they had to raise taxes. It is coming out of their budgets. Does the minister not realize that perhaps property taxes in this area could have gone down if in fact the school board could have lowered their property taxes because they were not putting money into land development?

\* (17:00)

**Mr. Bjornson:** First of all, with respect to Seven Oaks School Division, the suggestion that the property taxes are increasing significantly, I would like to advise the member from Charleswood that, over a period of five years, there was only one year in that, being 2000-2001, where property taxes in Seven Oaks School Division exceeded the provincial average in terms of increases. The next four years the increases in taxes were well below the provincial average, and, of course, that is only part of the picture because the other part of the picture also includes what we have done with our reduction of the provincial ESL with our increase in the education property tax credit.

These are all measures that have offset a lot of the tax increases that we have seen. I can understand why in 2000-2001 Seven Oaks School Division had to increase their taxes significantly. It was still catch-up from funding announcements of zero, minus 2, minus 2, minus 2.60. Again, this lack of commitment over the 1990s to the education system had dug a significant hole which we have been dutifully working to dig out of.

Again, when we talk about divisions like Seven Oaks School Division that do not have the benefit of major industrial and commercial assessment, we continue to work with our partners in the

equalization formula and continue to address the issue of funding as it relates to school divisions that find themselves with lower assessment bases.

**Mrs. Driedger:** One other question on this issue. The superintendent for the Seven Oaks School Division says they made money on this. What did Mr. O'Leary base that on? Has he been running a set of financial statements to know exactly what he thinks they made money on? How does Mr. O'Leary—in fact, it does not even add up. He is saying \$2.7 million or something is what they sold things for, but yet they paid \$350,000 for land and almost \$2 million for the development of the properties, which adds up to, what, almost \$2.4 million. So how is he saying \$700,000 when he said he sold everything and got 2.7? That does not even add up. There is about \$400,000 short here. How can he be running out there saying he has made \$700,000?

None of this is adding up. Does the minister not see that? Does Seven Oaks have a set of financial reports on this issue that gave Mr. O'Leary the ability to run out and say he made this amount of money and then everybody is thinking, "Well, he made money?" How can you say that? The numbers do not even jive.

**Mr. Bjornson:** First of all, I am not saying that. It is a curious question in that first you asked how they can spend \$2 million and now you are speaking to words attributed to Mr. O'Leary indicating that there was a profit. These are all questions that will be addressed through the review. We are committed to find out all transactions in this process and the impact these transactions have had.

*Mr. Chairperson in the Chair*

**Mr. John Loewen (Fort Whyte):** If it is, as the minister says, and we all know it to be true that it is illegal for school divisions to be in the development business, why is Seven Oaks in the development business?

**Mr. Bjornson:** We are conducting the review to determine how this process has gone awry.

**Mr. Loewen:** When did the minister first become aware that Seven Oaks was in the development business?

**Mr. Bjornson:** As I said, and I have said it twice, there were allegations brought to my attention, but I was not advised they were indeed involved as developers until this week.

**Mr. Loewen:** Well, if the minister knows they are developing land and it is contrary to the law, why are they still developing it?

**Mr. Bjornson:** Again, we will be determining all aspects of this development through this review process.

**Mr. Loewen:** Well, I am not asking about the review process. The minister has stated that he found out this week that the school division is acting contrary to the act. They are in the development business. We know that bulldozers are still out there. They are still in the development business. My question to the minister is why is he allowing this to continue.

**Mr. Bjornson:** We agree that school divisions should not be engaged in the process as developers, but we are engaged in a process to determine how the disposition process had fallen off track here, and we are going to address all these issues through the review.

**Mr. Loewen:** Why does the minister need a review to stop illegal activity?

**Mr. Bjornson:** We committed to a 30-day review that would look at all aspects of this development, and we are going to proceed with that 30-day review.

**Mr. Loewen:** Based on that theory, if you rob one store, under your ministry, it would be okay to rob stores for another 30 days until you stopped. What kind of logic is that? The minister has admitted that the school division is operating contrary to the act, illegally, in its development process. When will it be stopped?

**Mr. Bjornson:** When the Public Schools Finance Board initiated the review with the land management branch with looking for the legal opinion as well, it certainly indicated that this is a complicated legal and financial matter, and that is why we have undertaken the review process. All these issues will be sorted out once we have completed this review process. It is, indeed, a very complicated legal and financial matter.

**Mr. Loewen:** Well, development is a complicated and very risky business. That is why school divisions are not allowed to be in that business. The minister, you know, maybe he can clarify it for me. I understood him to say that it is illegal for school divisions to be in the development business. That, to me, is said pretty simply. Is that the case?

**Mr. Bjornson:** We agree that school divisions should not be in the business of development. That is why we are conducting the review of this process, and as I said, it is indeed a very complicated legal and financial situation that we are dealing with here.

**Mr. Loewen:** Is the minister indicating that the school division should not be in the development business because it is contrary to the act?

\* (17:10)

**Mr. Bjornson:** As I said, there has been legal opinion sought on this issue. There are still some questions that need to be answered, but we, myself and the First Minister (Mr. Doer), have both said that we do not believe that school divisions should be in the business of land development.

**Mr. Loewen:** Well, again, it is obvious the school division is in the business of land development. When is it going to stop?

**Mr. Bjornson:** That is why we are undertaking this review. This process has failed and we are going to address this. The review is committed to finding the answers to all of the questions.

**Mr. Loewen:** The minister has given no explanation as to why he considers it necessary to allow the school division to continue operating in an illegal fashion. He does not need a report, he does not need a study to tell him that. He knows it is happening today. The question is how long is it going to continue with your full knowledge, sir.

**Mr. Bjornson:** I will repeat my answer. It is a very complicated legal and financial issue that we are trying to get to the bottom of this situation. That is why we have engaged in this review process.

**Mr. Loewen:** The minister is indicating it is very complicated, which would only lead one to the presumption that he knows a whole lot more than he has been willing to tell anybody. How many lots



were there in that development for sale in the total project?

**Mr. Bjornson:** All the questions, relevant questions, to this process, will be part of the scope of the review. As I said, it is very complicated. It is very complicated on two fronts, as a legal issue, and as a financial issue.

**Mr. Loewen:** This is most disconcerting, Mr. Chair. The minister has his staff at the table. He has the information necessary. He has the expertise at the table to answer very simple questions. He does not need to undertake a study or a review to tell members of this committee how many lots are available for sale in this development.

**Mr. Bjornson:** Once again, this is not an issue dealing with the Department of Education. It is an issue around Seven Oaks School Division's duly elected officials. It is an issue around the Public School Finance Board. We are undertaking a review to see how the process has unfolded. It is a very complicated process. It is complicated in two ways, legally and financially, and as such, for the member to suggest that we have all the answers, that is not accurate. We are looking for all of those answers. I appreciate that it is going to be a very intensive study and in a very short time frame. We have committed to have all the answers to all the questions by June 2.

**Mr. Loewen:** It is said in some quarters that ignorance is bliss. On that basis, this minister must be a very happy man. This is incredible. This is not complicated in this matter. You have had a land management study done. I am simply asking how many lots were put up for sale by the Seven Oaks School Division in this subdivision. A simple number will do, sir.

**Mr. Bjornson:** There are a number of dimensions to this particular issue. We are committed to finding out all the answers. Again, we have requested all the relevant information. We will have all the answers. I have committed to do so. I have said so in the House. I have said so in the scrum. I have said so in Estimates now. The First Minister has also said so, that this review process will take place and that the review process will answer all the questions. We have committed to do so in a very tight time frame, given the complexity of this issue, and those questions will be answered on or before June 2.

**Mr. Loewen:** Mr. Chair, through you to the minister, that is entirely unacceptable. It is a very simple question. The minister, we do not know anymore what story he is going to stick with today. We have seen him change his story so many times on this issue, it is hard to tell what day it is with him. The simple question is a study has been done already in terms of the land management review. Is the minister saying that land management review did not include the number of lots that were going to be for sale in this subdivision?

**Mr. Bjornson:** As I mentioned the other day, yesterday I believe it was, with respect to the land management review, as a part of that process, once the Public Schools Finance Board received a land management review there were some questions generated from the information contained therein. The Public Schools Finance Board accordingly sent a letter requesting clarification on some of the issues that were raised in that land management review. The Seven Oaks School Division responded to that letter, and the Public Schools Finance Board dealt with the land management review issues at a board meeting.

The other part of this equation, as I said, is the legal opinion, and both documents need to be dealt with concurrently at the Public Schools Finance Board table. That was a process that they had committed to engaging. That was the process that they had undertaken. I would have to find out the date when those two documents would be on the table at the PSFB, but those two documents are going to be part of this 30-day review that we are undertaking.

**Mr. Loewen:** Does the minister's deputy have both those documents?

**Mr. Bjornson:** Yes, the deputy does.

**Mr. Loewen:** Will the minister table both of those, the land management review and the legal opinion, with this committee?

**Mr. Bjornson:** No, I will not, and as I said, these were documents that had been at the request of the Public Schools Finance Board. They are still engaged in a process of analysis of those documents as well.

**Mr. Loewen:** Well, the minister has the documents. For some reason he is hiding them which is neither

in this committee's interest nor the public interest nor, I daresay, in his interest.

I would think, having read the *Free Press* editorial today, the minister might realize it is in his interest to finally just come clean with all the pertinent facts, every bit of information that his department knows so the public can be the judge. The question is simple. You have admitted your deputy minister, who is sitting beside you at the table, has the land management review. Are you saying the land management review does not indicate anywhere in there how many lots it believes are for sale in this subdevelopment?

**Mr. Bjornson:** Once again, I will reiterate that the complexity of this issue is such that we need to do due diligence in the analysis of the documents. It is already evident that the documents have generated some questions. Those questions were raised through the discussion with the Public Schools Finance Board. Those questions were addressed to the appropriate parties. Some of the questions have been answered, but it is something that is necessary to do further analysis. The review is going to provide all the appropriate information, and to provide all that appropriate information, there must be due diligence on behalf of all parties to make sure the information is provided, to make sure the information is analyzed and to make sure all the questions are answered.

Just as a point of information, I do not bother reading the *Free Press* editorials.

\* (17:20)

**Mr. Loewen:** The minister should because his latest answer falls into another category which they identified quite clearly as blah, blah, blah, blah, blah. Once again, it is a very straightforward question. How many lots are in that subdivision and how many remain to be sold?

**Mr. Bjornson:** Once again, I would like to reiterate that there are, indeed, many dimensions to this issue, and that is why we are going to engage in a process. That process will include due diligence in the analysis of all the documents, all pertinent information. Clearly, when the documents were prepared and submitted to the Public Schools Finance Board, they raised questions, and those questions are part of the process that they have undertaken to find the answers to this very complex issue.

**Mr. Loewen:** Well, it seems to me the only overriding complexity in this issue somehow involves the minister's convoluted thought process with regard to all this.

If the minister will not tell me how many lots are involved, then how many acres are involved?

**Mr. Bjornson:** From what I understand, 23.4 acres.

**Mr. Loewen:** How many of those acres would be devoted to school sites and park sites, and how many of those acres would be devoted to housing development?

**Mr. Bjornson:** I can only speak to the acreage dedicated to the school site, and that was 10.79 acres.

**Mr. Loewen:** Is that 10.7 acres still held as a school site?

**Mr. Bjornson:** Yes, it is still land that is designated and dedicated for the future site of the school.

**Mr. Loewen:** So that would be 10.7 of 23.4 acres that have been set aside for a school site. Have we got those figures correct?

**Mr. Bjornson:** That is correct.

**Mr. Loewen:** Well, if those numbers are accurate, and we have got roughly 13 acres left over, is that 13 acres what is dedicated to the housing developments in this parcel?

**Mr. Bjornson:** I cannot speak to the specifics of what that acreage would represent.

**Mr. Loewen:** Well, it would be typical of these types of developments to have somewhere of three-and-a-half to five houses, units per acre. So, based on that, we would be looking at a development, if it is, in fact, 13 acres, it could be anywhere from 40, upwards of 70, units.

Is the minister saying that he has no idea how many units have been developed inside that development?

**Mr. Bjornson:** What I am saying is that I cannot speak to the specifics of the breakdown of that acreage. I can assure you that the 10.79 acres has been dedicated for the school site.

Now, one thing I should also advise the member, the 23 acres, when divisions acquire property for the purpose of a future school, the parcel is often sold as one parcel. So sometimes schools do acquire excess amounts of property, as such, and the rest of the property is accordingly surplus, and is disposed of, usually through the appropriate disposal process.

In this case, the parcel of land was sold in its entirety to the school division in anticipation of the construction of the school.

**Mr. Loewen:** The excess was subdivided by the school division?

**Mr. Bjornson:** That is why we are conducting the review.

**Mr. Loewen:** Well, the minister said he already knows that the school is in the land development business, and it is illegal. Is he saying he does not know whether the school subdivided the remainder of the site? Are you pleading ignorance to this too?

**Mr. Bjornson:** Well, it is obvious that it was subdivided. We have said, myself and the First Minister (Mr. Doer), that school divisions should not be in the business of land development, and that is why we are conducting the review.

**Mr. Loewen:** Subdivided into how many lots?

**Mr. Bjornson:** Once again, I cannot speak to those specifics.

**Mr. Loewen:** Cannot because you do not have the numbers, or just simply will not?

**Mr. Bjornson:** I believe I have answered the question. I cannot speak to those specifics.

**Mr. Loewen:** You cannot speak because you do not have the numbers, or you cannot speak because you do not feel like it?

**Mr. Bjornson:** I am sorry, I missed the second part of the member's question.

**Mr. Loewen:** Are you saying you cannot speak to the numbers because you do not have them, that your deputy does not have them in the report, or is it because you just choose not to?

**Mr. Chairperson:** I just want to interrupt for a minute here. I would like to take a moment and remind all honourable members on both sides of this table to please address your questions through the Chair. I respectfully ask for the co-operation of all honourable members in this matter.

**Mr. Bjornson:** I cannot speak to the specifics about how many residential lots are in that particular subdivision.

**Mr. Loewen:** How many remain unsold?

**Mr. Bjornson:** I cannot speak to those specifics. Again, what I do know is that there are 10.79 acres that are dedicated for the construction, future construction, of the school.

**Mr. Loewen:** What school?

**Mr. Bjornson:** Mr. Chair, as the member knows, there is a five-year planning process where school divisions submit capital plans and identify need based on enrolment changes, based on demographic shifts, based on health issues. As such, the five-year capital plan for Seven Oaks School Division has identified an early years school, K-to-8 school, on their capital plan. That is what they intend for that particular site.

**Mr. Loewen:** The Seven Oaks School Division is in the process of being funded to build a brand-new high school. As the minister knows, the Pembina Trails School Division, which is in my constituency, and which is the only constituency in Manitoba that does not have a high school, despite requesting it time and time again, has not received funding for a new high school.

In the interest of my constituents, would the minister suggest that I go back to the Pembina Trails School Division, and should I tell them to break the law, or should I tell them to hire Brian O'Leary?

**Mr. Bjornson:** That is a pretty interesting question. It is a pretty silly question. The member from Fort Whyte must know the process. The school division submitted a five-year capital plan. It did reference the fact that Pembina Valley, I am sorry—

**An Honourable Member:** Pembina Trails.

**Mr. Bjornson:** Pembina Trails, thank you.

**An Honourable Member:** Come out and visit some day.

**Mr. Bjornson:** Yes, I have visited that school; I have visited schools in Pembina Valley.

**An Honourable Member:** Pembina Trails. You ought to go and visit some day, sir.

**Mr. Bjornson:** Oh, I am sorry, Pembina Trails, thank you. Yes, I have visited that school and have visited schools in Pembina Trails.

Pembina Trails has submitted a capital plan which is requesting a high school in 2009 and that, like any other submission to the Public Schools Finance Board, goes through a process. The member stands in the Chamber and reads a petition where he suggests that we only build schools in NDP constituencies, but I remind the member that I was in Winkler this Monday turning sod. I cut a ribbon in Steinbach where we built a new school. Lac du Bonnet constituency has a couple of new schools.

I would like to assure the member from Fort Whyte that we indeed build schools for all Manitobans. The Public Schools Finance Board has had a tremendous track record and has \$333 million in capital expenditures over six years under our watch and the commitment for the next three.

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

### INTERGOVERNMENTAL AFFAIRS AND TRADE

\*(15:10)

**Madam Chairperson (Bonnie Korzeniowski):** Good afternoon. Will the Committee of Supply please come to order.

This section of the Committee of Supply will be continuing with consideration of the Estimates of the Department of Intergovernmental Affairs and Trade. The floor is open for questions.

**Mr. Larry Maguire (Arthur-Virden):** I just have one question. I think we are prepared to move line by line here shortly, but I just have one question before we get to that area. I would just like the minister to

indicate to me how many development plans that have come across his desk have gone to the Municipal Board in the past year or since he became the minister.

**Hon. Scott Smith (Minister of Intergovernmental Affairs and Trade):** Madam Chair, I would, certainly, take that under advisement and get the member the exact number of that. It is from all over the province of Manitoba and, obviously, there will be a number from outside the city of Winnipeg. We will get him the exact number and have that to him, hopefully, tomorrow.

**Mr. Maguire:** I wonder, because he has only been the minister since October 12, if he can get us back to last spring's Estimates as well, just for the last year.

**Mr. Smith:** Yes. I will have staff look that up and get that information back to him, the last Estimates.

**Mr. Maguire:** I guess at this point, Madam Chair, we are prepared to move line by line through the Estimates process.

**Madam Chairperson:** Resolution 13.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,985,300 for Intergovernmental Affairs and Trade, Community and Land Use Planning, for the fiscal year ending the 31st day of March, 2006.

#### *Resolution agreed to.*

Resolution 13.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,886,700 for Intergovernmental Affairs and Trade, Provincial-Municipal Support Services, for the fiscal year ending the 31st day of March, 2006.

#### *Resolution agreed to.*

Resolution 13.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$154,238,000 for Intergovernmental Affairs and Trade, Financial Assistance to Municipalities, for the fiscal year ending the 31st day of March, 2006.

Shall the resolution pass?

**An Honourable Member:** Pass.

**Mr. Maguire:** Just on the infrastructure programs, Madam Chair, just one question in regard to that.

Can the minister give me any indication if his department has had dealings with the infrastructure of the slaughter plant in Dauphin for beef cattle? The proposed plant?

**Mr. Smith:** Yes. I can inform the member from Arthur-Virden that we have been in discussions with them. We have received some information, and it is being dealt with at this time.

**Mr. Maguire:** Can you enlighten us as to any information he may have in its progress at this point?

**Mr. Smith:** I would just advise the member that that information, until it is fully complete, is confidential.

**Mr. Maguire:** Can he confirm for me that they are dealing with the circumstances around the water treatment facilities developing the intensive environmental programs and needs this plant will have?

**Mr. Smith:** This is inclusive of it, with the discussions, yes.

**Mr. Maguire:** Do you have any indication to this committee as to when the proposed plant will start construction?

**Mr. Smith:** As it follows through the process and information is exchanged back and forth, I would not put a time line on that information. I know it is up to the City to supply information as timely as they possibly can regarding the issues. I would not want to put a time line on it.

**Mr. Maguire:** I guess I was not looking for a specific date, Madam Chair, but I know it has been indicated that it would go this fall. Is that still on track as far as the minister knows, or does he have information that it would be moved back some?

**Mr. Smith:** I know they are very interested in having the information relayed as quickly as possible. Obviously, it is a project they are quite interested in, getting all the information back and forth in to us. I think it has been said by themselves that they would like to look at those types of time frames, but whether or not that is doable, I could not tell the member. We are certainly working with them with their information as quickly as we can, and I know they are working as quickly as they can. So, if a time frame was given by them as being that, it

certainly may be something you could maybe address with them.

**Madam Chairperson:** Resolution 13.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$154,238,000 for Intergovernmental Affairs and Trade, Financial Assistance to Municipalities, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

Resolution 13.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$19,905,900 for Intergovernmental Affairs and Trade, Canada-Manitoba Agreements, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

Resolution 13.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$24,970,600 for Intergovernmental Affairs and Trade, Urban Strategic Initiatives, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

Resolution 13.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,394,400 for Intergovernmental Affairs and Trade, Trade and Federal-Provincial and International Relations, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

Resolution 13.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,730,400 for Intergovernmental Affairs and Trade, Emergency Measures Organization, for the fiscal year ending the 31st day of March, 2006.

\* (15:20)

**Mr. Maguire:** Madam Chair, I would only like to, at this point, in relation to the Emergency Measures Organization and the efforts of the personnel in those departments, as with all of these areas of course, commend them for the work they do throughout the year. I just wanted to put that on the record that we acknowledge their work is under duress many times,

and we commend them for the fine work they do in all of the areas of emergency measures in Manitoba.

**Mr. Smith:** I would like to thank the member for that. I know we all agree that they do very good work. Those comments will be passed on by our T.O. that we have here with us, Mr. Chuck Sanderson. We all do agree that the work that they do is well recognized right across Canada as being some of the best work.

**Madam Chairperson:** Resolution 13.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,730,400 for Intergovernmental Affairs and Trade, Emergency Measures Organization, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

Resolution 13.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$221,400 for Intergovernmental Affairs and Trade, Costs Related to Capital Assets, for the fiscal year ending the 31st day of March, 2006.

***Resolution agreed to.***

The last item to be considered for the Department of Intergovernmental Affairs and Trade is item 1.(a) Minister's Salary, \$29,400, contained in Resolution 13.1.

At this point, we request that the minister's staff leave the table for the consideration of this item. Debate may proceed.

**Mr. John Loewen (Fort Whyte):** Madam Chair, I would like to thank the staff for their attention during this Estimates period. They have done a wonderful job supporting the minister and we appreciate it.

I would say with regard to the minister's salary that his record not only in this department but in his previous department has been appalling, to say the least.

In his previous role as Minister of Industry, Trade and Mines, he oversaw and was tasked with the responsibility of monitoring the Crocus Fund, and yet we see that unit holders and taxpayers of Manitoba have been fleeced out of \$60 million as a result of his inattention to this particular file. When

asked to account for it in this committee, he simply refused to answer any questions, which is a real slap in the face to not only the unit holders but to the taxpayers of Manitoba.

With regard to his short tenure in this department, once again his record is appalling, particularly with regard to his lack of attention to process regarding two amendments in particular, but in particular to the issue of Waverley West. When the City was holding hearings, and public debate was held on January 4 and 5, 2005, the minister did not even have the decency to show up to those hearings to listen to what has gone on.

Since that point, he has completely and on a regular basis put out misleading and incorrect information regarding Waverley West, and in particular with regard to the information that was shared with the City of Winnipeg at the hearings in January.

He continually falls back on his memorized line that somehow it is the City of Winnipeg that is driving this process, and, again, the reality is that it has been the Province from day one that has been driving the Waverley West. They have been doing it for one reason and one reason only, and that is because they can smell a big windfall profit when the land is rezoned and it is actually done.

They have completely ignored the fact that the Province's role is to be a regulator, not a developer, and this minister has overseen the placement of this department, everybody that works on that issue in this department, and the NDP government in a complete and utter conflict of interest. He has repeatedly ignored recommendations in Plan Winnipeg, which was completed in 2001.

He has not only ignored Plan Winnipeg, he has been disrespectful in the process by putting out misinformation that directly contradicts the information that was brought to those hearings in January from the City of Winnipeg with regard to their estimates for available lots and infill housing lots, as well as opportunities to develop in such places as Kapyong Barracks and the Fort Rouge yard.

He has been putting out this misinformation on the sole basis that he is trying to demonstrate some political justification for the decision to ignore the 22 objections that he received requesting that he send

this file to the Municipal Board and instead, for his own NDP government's political advantage, has simply run roughshod over this amendment to Plan Winnipeg from day one.

He has also reneged on a commitment he made to an individual regarding the Oak Point Transit Corridor when he indicated that he would, in fact, send that issue to the Municipal Board. He has reneged on that commitment and once again has totally usurped the process. He has single-handedly corrupted the planning process particularly with regard to Plan Winnipeg, but more so to the whole province by his actions.

A lot of work, a lot of effort, a lot of thought, a lot of research went into Plan Winnipeg, and for him to just be not only the proponent but the regulator and, in fact, the minister who ran roughshod over this process is a disrespect to everybody whose valuable input was gathered before Plan Winnipeg was finalized. That is something that this government will have to be accountable for. He has regularly and routinely ignored information that has been supplied to him, particularly with regard to Waverley West.

He has, in particular, ignored the information that has been put forward by the City of Winnipeg in terms of opportunities, and he has not stopped there. He has now, you know, put bills before the House dealing with the Capital Region, which, again, have no definition in terms of how it will be regulated and what roles citizens will have in terms of input into Capital Region.

He is also putting forward amendments to The Planning Act, which will basically take the decisions for planning away from elected officials and put them with appointed bodies, and this is something that he needs to be held accountable for.

As I said previously, this minister single-handedly has corrupted the planning process throughout Manitoba. I do not believe there is anybody left in Manitoba who can have any faith in any planning process being undertaken by this NDP government as a result of this minister's actions and his complete disregard for proper process.

Therefore, I will move, seconded by the Member for Arthur-Virden (Mr. Maguire),

THAT the Minister's Salary be reduced to 50 cents, which would have been the cost of sending a letter to the City of Winnipeg rescinding his letter which approved the change in the by-law with regard to Waverley West and the amendment regarding Plan Winnipeg.

He should have instead sent this to the Municipal Board. Thank you, Madam Chair.

\* (15:30)

**Madam Chairperson:** It has been moved by the Member for Arthur-Virden—

**An Honourable Member:** Fort Whyte, seconded by Arthur-Virden.

**Madam Chairperson:** Oh. It has been moved by the Member for Fort Whyte (Mr. Loewen)

THAT the salary of the Minister of Intergovernmental Affairs be reduced to 50 cents, which would have been the cost of the postage rescinding the letter he sent to the City of Winnipeg giving his approval for the Waverley West development to proceed.

The motion is in order. All those in favour?  
[Agreed]

Debate will then proceed. Not seeing any speakers, are we ready for the question?

**An Honourable Member:** He has no defence, will not even defend himself. We are ready for the question.

**Madam Chairperson:** The question before the committee is that the salary for the Minister of Intergovernmental Affairs be reduced to 50 cents, which would have been the cost of the postage rescinding the letter he sent to the City of Winnipeg giving his approval for the Waverley West development to proceed.

Is it the pleasure of the committee to adopt the motion?

**Some Honourable Members:** Agreed.

**Some Honourable Members:** No.

**Voice Vote**

**Madam Chairperson:** All those in favour of the motion, please say yea.

**Some Honourable Members:** Yea.

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

**Some Honourable Members:** Nay.

**Madam Chairperson:** In my opinion, the Nays have it.

#### Formal Vote

**Mr. Loewen:** Recorded vote.

**Madam Chairperson:** Does the honourable member have support of another member?

**An Honourable Member:** Yes, he does.

**Madam Chairperson:** The honourable member does have support. This committee will now recess in order to proceed to the Chamber for a counted vote. This section is now recessed.

*The committee recessed at 3:33 p.m.*

*The committee resumed at 3:54 p.m.*

**Madam Chairperson:** Resolution 13.1. RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,764,700 for Intergovernmental Affairs and Trade, Administration and Finance, for the fiscal year ending the 31st day of March, 2006.

#### *Resolution agreed to.*

This completes the Estimates of the Department of Intergovernmental Affairs and Trade.

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.

Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates?  
[Agreed]

The committee is now recessed.

*The committee recessed at 3:55 p.m.*

*The committee resumed at 3:57 p.m.*

#### ABORIGINAL AND NORTHERN AFFAIRS

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Aboriginal and Northern Affairs.

Does the honourable Minister of Aboriginal and Northern Affairs have an opening statement?

**Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs):** Yes, I do, Madam Chairperson.

**Madam Chairperson:** Mr. Minister.

**Mr. Lathlin:** Madam Chairperson, of course, again, I am pleased to introduce the 2005-2006 Estimates for Manitoba Aboriginal and Northern Affairs.

My department has developed partnerships and co-operative approaches with many communities, Aboriginal organizations, government departments and agencies, and other levels of government and non-government bodies.

In the department, they are seeking to enhance the living conditions and opportunities for the people of northern Manitoba by helping to improve transportation, municipal infrastructure, provisions for safe water, housing, health care and educational opportunities. Of course, we are also very committed to co-operation with First Nations people and other Aboriginal people across Manitoba. Our interest is sustainable community economic development that provides new opportunities for all, and, especially, for the Aboriginal people of Manitoba.

My department Estimates for '05-06 is exceeding \$30 million. I want to point out today that since this government has come into power in the fall of 1999 there has been a much larger emphasis being placed on Aboriginal and northern issues by our government. Since '99, this government has almost doubled the Aboriginal and Northern Affairs budget by adding \$12.2 million. Before we came in, the



previous government had whittled the budget down to approximately \$16 million. We have done so because we believe there is still plenty we can do to improve the economic circumstances of northern and Aboriginal people.

In recognition of the growing Aboriginal population and its impact on Manitoba's economy, Aboriginal and Northern Affairs, in collaboration with other departments, is working on the Manitoba Strategic Plan on Strengthening Aboriginal Participation in the Economy, which we refer to as SAPE.

\* (16:00)

The plan incorporates six principles that were identified as the foundation for full participation of Aboriginal people in the economy in a report that was compiled and endorsed through the Federal-Provincial-Territorial-Aboriginal Forum of ministers and leaders on Aboriginal affairs.

These principles include building understanding, maximizing economic potential, creating a stable business environment, human resource development and support, physical infrastructure, and financing.

The leadership council with community stakeholders will provide direction and guidance for the Manitoba SAPE strategic land and advise on some of the ongoing activities such as the Aboriginal employment partnership agreements that fall under the broad umbrella of SAPE. Consistent with the SAPE initiative, the Province continues to sign partnership agreements designed to encourage the development of strategies for increasing the representation of Aboriginal workers in the workforce. By working with these various industries and institutions representing public and private employers, the Province encourages them to hire and retain Aboriginal people and develop programs to promote constructive cultural relations.

I want to say here that, when we first started, this interaction in the signing of agreements was primarily between government and public-sector organizations. Now private industry, private business is starting to follow the development of these agreements, and also they recognize the number of Aboriginal people that are living in Winnipeg. They recognize and accept that in order for them to have a good business, a successful business, they now must start to have a diverse workforce and so are now

buying into this idea of hiring Aboriginal people into their companies. We are very happy, of course, that they are starting to get it.

The most recent agreements that were signed were with the North Eastman Health Association and IBM Canada. The Manitoba government also has a commitment to the Aboriginal population in Winnipeg by ensuring ongoing collaboration with the Aboriginal community and the Aboriginal component of the Winnipeg Partnership Agreement. We work in co-operation with the lead department, Intergovernmental Affairs, and the City of Winnipeg and Canada on the Aboriginal component of the Winnipeg Partnership Agreement, and have established an Aboriginal partnership committee made up of key Aboriginal members of the business, social and academic communities to assist with the Winnipeg Partnership Agreement to identify priorities and review project proposals.

In treaty land entitlement, we are continuing to place a high priority on the successful completion of negotiations of treaty land entitlement in Manitoba, and we are continuing to make available to Canada so that these lands can be converted to reserve lands.

Aboriginal and Northern Affairs, Agriculture, Foods, and Rural Initiatives, and Healthy Child Manitoba are also working together on applying the Northern Healthy Foods program. Various community-based plans and approaches are being considered. The project will assist with northern community contacts, community capacity and partnership building, identification and assistance with community projects, and development of community and regional resources.

In the Island Lake area, Aboriginal and Northern Affairs continues to provide an active role in planning future district health services with the Four Arrows Health Authority in the Island Lake area. Joint efforts include development of the new primary health care centre serving approximately 9000 people. The first patients began receiving dialysis at the new facility in Garden Hill, funded by Manitoba Health, during January 2005.

Our department is also working with Manitoba's First Nations, Canada and Manitoba Health to seek improvements to health care delivery and health care determinants in Manitoba following the Romanow report. Future joint efforts include a fiscal analysis of

Manitoba and Canada departments providing health and social services to First Nations residents of Manitoba, both on and off the reserve.

The Aboriginal development program supports operating costs for seven Aboriginal organizations, tripartite costs for another two and provides small grants to support capacity for community-based organizations.

In the Aboriginal Economic and Resource Development Fund, we fund new innovative community-based Aboriginal employment and economic development projects. For example, last fiscal year, \$1.4 million approximately was designated for 63 projects where there is a total of \$10.2 million in total project investments. Seven million dollars of these funds were received from sources outside the provincial government. The government has also acted on all but a few of the 60 recommendations of the Aboriginal Justice Implementation Commission report. Manitoba remains committed and continues to proceed with implementing those recommendations.

On Hydro-related initiatives, our government and Manitoba Hydro are continuing to work together with the Northern Flood related issues, but also with non-Northern Flood Agreement communities to address effects of Hydro development in northern Manitoba. On December 6, '04, for example, an agreement was signed with Fox Lake First Nation to address adverse effects there. A settlement agreement was ratified by Fox Lake Cree Nation members, and it provides some \$3.7 million for Manitoba over three years and then \$15.2 million from Hydro over the next 15 years. The agreement will also transfer about some 5400 acres of Crown land to Fox Lake, and study the feasibility of establishing an urban reserve at Gillam and a resource management area within Fox Lake traditional territory. All three parties signed the MOU on Fox Lake participating in developing the proposed Conawapa hydro-electric project.

In War Lake, we did a similar signing just recently, \$2.68 million in compensation was agreed upon. The agreement provides \$1.5 million from Manitoba over nine years, and then another \$1.8 million from Hydro for the next nine years. That also includes an MOU to continue discussions with Canada about establishing additional reserve lands at Ilford.

In the local government area for '04-05, talked a little bit about our initiatives there. Despite quite a bit of success we are still challenged in the area of water and waste water operations and certification for workers. We are still experiencing challenges there by high turnover rates and lack of experience for backup operators. Many primary operators are now certified and plans include providing individual training that will help increase the numbers of certified primary and backup operators. Training sessions were delivered in the past year with a level 1 Wastewater Treatment and Collection course in Winnipeg and a level 1 Water Treatment and Distribution course in Thompson. We have trained 75 percent of the operators, and the remainder will attend the Red River College courses matched to their requirements. Similar training of community clerks in accounting, recreation directors and firefighting also occurred over the past year.

\*(16:10)

We are also funding external consultants to work directly with the communities of Nelson House and Seymourville, incorporated last year to work with Cross Lake and Norway House, which they are in the process of incorporating. The consultants provide expertise, advice and administrative functions such as by-law development, land use administration, assessment and taxation, public administration, human resource management and policy development.

We are also continuing to work with Indian and Northern Affairs Canada, the Canada-Manitoba Infrastructure Program and our department in the Capital Region Regional Planning Advisory Committee. An informal, inter-jurisdictional, inter-departmental working group has been formed to study the potential for a cost-sharing infrastructure project between communities and First Nations that are in close proximity to each other.

Our department continues to collaborate with the Northern Association of Community Councils. We provided a one-day seminar on policy and information sharing with the elected community representatives. The aim is to increase the community's capacity for providing municipal services to its residents.

Some of the initiatives in '05-06, our LGDD division, local government division, continues to encourage community capacity and autonomy with

training and development activities. Some of these include workshops for elected representatives and staff, annual workshops for mayors and councillors, training for clerks and administrators, firefighting training, water and waste water treatment training. There is also an annual workshop for community recreation and wellness staff. We continue to provide fire services training and equipment appropriate to the needs of the small outlying communities.

I am pleased with the work done by staff in developing and publishing "SAFE Workplace, A Workplace Safety and Health Manual for Your Community." That is what the manual is called. This is the foundation for the introduction of a new workplace safety and health program in the communities. In the department, we assist with workplace safety and health initiatives, the community fire program, constable program, and so on.

Another notable aspect of support for community development is the funding increase by \$178,000 for incorporating communities. Two communities incorporated last fiscal year and more may be following this year. The local government division also remains focussed on the provision of safe drinking water, environmental protection not only through our program to upgrade water and wastewater treatment facilities but also with our commitment to operator training.

The priority given to safe drinking water and recognition of the importance of the role of water treatment plant operators is evident in increased funding for water operator wages, the translation to a \$4-per-hour increment for operators. An operator's certification is now mandatory, and the increase will support recruitment and retention of qualified operators.

In closing, I could speak I guess a lot more about the Manitoba Aboriginal and Northern Affairs, but I would like to take some time to have our staff join us.

**Madam Chairperson:** Not yet.

**Mr. Lathlin:** Not yet. Therefore I will conclude my opening remarks, Madam Chairperson. I am now ready to answer questions.

**Madam Chairperson:** We thank the Minister of Aboriginal and Northern Affairs for those comments.

Does the official opposition critic, the honourable Member for Lac du Bonnet, have any opening comment?

**Mr. Gerald Hawranik (Lac du Bonnet):** Yes, Madam Chair, I would like to thank the minister for his opening statement. I thanked him for that opening statement in spite of the fact that I disagree with some of what he just said in terms of what he thinks he has done for Aboriginal people and northern communities in Manitoba. I have a number of concerns and I want to summarize them very quickly.

First of all, the spending in the department, he mentioned that the amount of spending has gone up since 1999. It is not the amount of money that you spend that counts, in my view, that should be the measure of attention to Aboriginal and Northern Affairs, it is the effectiveness of this government to make their dollar work and to make a difference to Aboriginal people and to northern communities. I do not think that he has quite made that difference having regard to the amount of money that this government continues to increase into Aboriginal and Northern Affairs. I think there should be a lot more done for the money that is going into that department, and the minister is responsible for that.

I think he has to look at himself in terms of whether or not he is effectively using that money that is coming into Aboriginal and Northern Affairs. I have no issue with the amount of money, necessarily. What I have issue with is what are you doing with it, and are you making a difference to Aboriginal people, and are you making a difference to the northern communities? I would submit that you are not, in comparison to the amount of money that is going to that department.

There has to be measurable results in any department. Money that comes into any department, you have to have some measurable results and some improvement in the quality of life, particularly in this department for Aboriginal people, and quality of life within northern communities. While there may be some instances, some examples of an increase in the quality of life within those communities and within the Aboriginal community, I do not think that it has made that much of a difference compared to the amount of money, extra money, that is going into the department.

I have concerns about this minister's lack of attention to Métis people, and I remind the minister that he is the Minister of Aboriginal and Northern Affairs, and Aboriginal people include Métis, they include Inuit and they also include Status Aboriginal people. I think his comments over the last number of months, this last year particularly, shows his lack of attention that he is paying to Métis people, and in terms of his comments with respect to South Indian Lake in the newspapers and with respect to the hunting and fishing rights that Métis people believe that they have.

I also have concerns about the lack of real training opportunities offered for Aboriginal people, and in particular, Manitoba Hydro and the Wuskwatim project. When I looked at some of the brochures that Hydro has produced, I see opportunities like being a waitress, like being a bartender. I mean, that is an opportunity? I think there has to be real training offered for Aboriginal people, and I do not think that that in itself is the goal of Aboriginal people. They have to be trained properly, and I would support a real training program. I do not believe that Manitoba Hydro in the Wuskwatim project is really providing good opportunities for Aboriginal people.

He has to understand that in the next 10 years in this province 40 percent of our workforce is going to retire. It is critically important that we provide funds and we provide real programs, real training opportunities for Aboriginal people because it is essential for them. There has to be real opportunity for them.

I am concerned, too, with the way he has treated the South Indian Lake situation, the displaced residents, and the fact that there seems to be now a rush on for reserve status for those displaced residents in South Indian Lake. I am concerned that this vote, and of course, the minister will say that they have been waiting 30 years to have reserve status, well, sure they have, but all of a sudden now the rush is on because Wuskwatim vote is coming. He knows that, and they are against the Wuskwatim hydro project. He knows that as well as I do that they are, and if they had their own reserve status, of course, they will not be able to vote.

I am also concerned about the lack of attention to federal government responsibilities. I see it time and time again with this minister, and I am going to be asking him questions with regard to that.

Aboriginal people, of course, the primary responsibility for Aboriginal people is the federal government. The provincial government, of course, has some responsibility as well, but we have to ensure that they are involved in the process. It is up to the minister to hold the federal government's feet to the fire when it comes time to upholding their responsibility to ensure that proper attention is given to Aboriginal people and northern communities.

\* (16:20)

I am also concerned about the devolution of Child and Family Services' responsibilities to Aboriginal family service agencies, particularly if that happens without proper training and resources. The Aboriginal Family Services agencies, I think, are a good idea. We supported that in the Legislature. What we are concerned about is to ensure that there is an orderly transfer of responsibility, that, in fact, people do not fall through the cracks. That is what we are concerned about.

This minister shows a complete lack of regard, I believe, for the health of Aboriginal workers in casinos, in Aboriginal casinos, when he spoke in the Legislature, and I heard him saying that casinos on Aboriginal reserves are not within the jurisdiction of the provincial government.

Well, it is a health issue for me. I think it should be a health issue for the Aboriginal and Northern Affairs Minister. He has got to take that into consideration. He has to ensure that not only people who are working within the casino have their health protected but also those who come to gamble at those places as well.

So I am going to be focussing some of my questions on those particular areas, and that is why I wanted to direct the minister to those particular areas of my concern. I look forward to hearing what the minister has to say with respect to some of those questions.

**Madam Chairperson:** We thank the official critic for his remarks.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and proceed with consideration of the remaining items referenced in Resolution 19.1.

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

**Mr. Lathlin:** Madam Chairperson, I am very pleased to introduce our staff here this afternoon. I will start off with Marilyn Duval, who is the executive director of Local Government Development Division, stationed in Thompson, right? Joe Morrisseau is executive director of the Aboriginal Secretariat here in Winnipeg. Is that right? Then we have Ken Agar, who is manager of agreements services here in Winnipeg. We have Rene Gagnon, who is the director of finance, stationed in Thompson.

**Madam Chairperson:** We thank the minister.

We will now proceed to the remaining items contained in Resolution 19.1, on page 23 of the main Estimates book. Shall the resolution pass?

**Mr. Hawranik:** Yes, I have a request, Madam Chair, in terms of the way we will proceed through the Estimates. As traditional in this House and in this committee and other committees, I have asked that we go to a global discussion first to ensure that we properly discuss all the issues first before going to a line-by-line passing of the Estimates.

**Madam Chairperson:** Is it the will of the committee to discuss on a global basis? *[Agreed]*

**Mr. Hawranik:** My first question to the minister is with respect to, in the budget of '03-04, he had \$257,000 allocated for the food program to reduce food costs in northern Manitoba, and I ask the minister, effective '03-04, how much of that \$257,000 did he spend.

**Mr. Lathlin:** Madam Chairperson, I can indicate to the member the Northern Healthy Foods Initiative, for the program, virtually all of the funds have been spent in implementing the program. As he probably knows, because I know he has been following this closely, there were some options that were identified when we did our first assessment, and we are now implementing the program.

We are trying to go into those communities who have been identified as needing the program the most, mainly isolated fly-in communities. I should also tell the member that this all has to do with the high cost of transportation resulting in the high cost

of foodstuffs in the community. That is why we have launched this program. It is a very modest program, in my opinion, but the plan is to partner with other groups, including the federal government, and, hopefully, it will be more than \$250,000 by the time we fully implement the program.

**Mr. Hawranik:** The minister indicates that in '03-04 virtually all those monies were spent. Can he tell me how much was lapsed?

**Mr. Lathlin:** Madam Chairperson, I can indicate to the member that, out of that budget, approximately \$200 has been lapsed.

**Mr. Hawranik:** Can the minister indicate whether he has done an evaluation of that program, an assessment of the program, to determine its effectiveness in alleviating food prices in northern Manitoba?

**Mr. Lathlin:** Madam Chairperson, you know, the member knows, he is a smart person, you start a new program, you develop it and then you fund it, you implement it, and you cannot do an evaluation in less than a year. You have to have some data. You have to have a record upon which to base your evaluation. So, no, there has been no evaluation. We just started the program.

**Mr. Hawranik:** I take it that the minister's answer is no, that he has not evaluated the program, and yet he is asking for more money. He was just saying he hopes he has more money. On what basis can you ask for more money when you have not evaluated the program?

**Mr. Lathlin:** Madam Chairperson, what I am telling the member is that when you, and I am sure he is aware of this as well, he is a businessperson, he knows what it takes to launch a new program. You launch a new program; there is no effective way you can evaluate the effectiveness of that program after less than one year. I agree with him, however, that there needs to be an evaluation once the program has been carried out for some time.

\* (16:30)

**Mr. Hawranik:** Well, I would disagree with the minister in terms of evaluation. Evaluations are done constantly in many programs. *[interjection]*

Okay. I disagree with the minister entirely. There are ways to evaluate programs on an ongoing

basis, and I am concerned that he has not started to look at an evaluation of the program and that he should be doing that. Can the minister describe to me some of the programs that were funded and how much they were funded, and what was the observable outcome of those programs?

**Mr. Lathlin:** Madam Chairperson, I can indicate that about \$45,000 was spent in the partnership building project with the Bayline Regional Round Table. Health Canada is co-funding this two-year project to assist communities with the capacity and partnership building on food self-sufficiency projects. They will also be producing a manual of resources, a food security Web site and so on.

Then we have worked with the Four Arrows Regional Health Authority for a community—  
*[interjection]*

Then we are also working with the Four Arrows Regional Health Authority for a community—  
*[interjection]*

**Madam Chairperson:** Could I remind all members to please try and respect the person who has the floor and pay attention to the answers.

**Mr. Lathlin:** Madam Chairperson, you know, this member is asking me questions. I would think they are sincere questions, and I am trying to answer them in the same way, in a sincere way. I am not looking for anything. I just want him to listen to my responses because then he is going to go out the door and say that I did not answer the questions.

So, as I was about to explain to him, we have started working with the Four Arrows Regional Health Authority for community garden projects in each of the four Island Lake communities. The funding is mainly for acquiring gardening implements, seeds and soil preparation.

With the Northern Association of Community Councils, we are spending money there to assist five isolated communities on the east side of Lake Winnipeg to develop food and garden projects over the spring and summer of 2005.

So those are some of the examples of the way we are spending the money and some of the projects we are involved in.

**Mr. Hawranik:** I mentioned this to the minister before as a possible solution to part of the problem with food prices in northern Manitoba. I would agree with him when he mentioned prior in other questions that I had made to him. I had mentioned to him that I believe, of course, as he believes, that it is important to control food prices in northern Manitoba, but there is something that he can do immediately or almost immediately.

I have suggested this to the previous minister as well as this minister, and that is to control milk prices in northern Manitoba through the Milk Prices Review Board. They have the authority to set milk prices in the North. I have heard even the previous minister on CJOB indicate that he would be looking at the issue. It is a relatively easy way to control milk prices in Manitoba through supply management, and still nothing has been done in that regard.

The minister knows as well as I do that in some communities in northern Manitoba the price of milk can be \$5, \$8 a litre for milk. We can control in this province the prices for liquor and beer right throughout the province. It is equal whether it is in southern Manitoba, middle Manitoba or in northern Manitoba, right through this province, and we can control that as a Province consistently throughout the communities. Yet we seem to refuse to control milk prices.

I would ask the minister once again to consider that request, that in fact milk, of course, as he knows, is a very important part of Canada's Food Guide, very important for nursing mothers and others. I think it is worthy of consideration, and I would ask that the Minister of Aboriginal and Northern Affairs speak to his colleagues to, in fact, push that and, in fact, that something happens before the end of this year. I have asked it twice already for the last two years and there has been absolutely no response that is favourable from either minister.

**Mr. Lathlin:** Yes, I remember the question that the member had asked previously, and I will also remind him of the response that I gave him at the time that he asked me that question, and that was even before I came to the Legislature, this high cost of food products or stuffs in the North had already been an issue. I was a chief at that time. I was part of MKO and we were pushing for this kind of program.

What I told him the last time was that milk was not really the issue when we were talking to

governments at the time. It was the outsiders who came and joined the effort who said, "Wow, the high cost of milk," and they wanted to politicize it by saying the cost of a bottle of whiskey in Winnipeg is the same as in Churchill. We were not interested in doing that. What we were interested in, though, was highlighting the high cost of food. I think the previous Minister of Aboriginal and Northern Affairs may have even given him that type of a response, and that is what I am doing here today. In the community of people that were consulted, milk was not the issue.

You know what the issue was? The high cost of food, winter roads and so on. It is the cost the basic food items that is the issue. People are not asking us to control the price of milk, but they are asking us to find ways and means of reducing the high cost of food. One of the ways in the long term that the cost of food can be reduced in the North is by investing in a transportation system. The winter roads traditionally were constructed primarily on the ice, on the rivers and lakes. We are starting to place the winter roads on land so that hopefully, eventually, down the road we can have all-weather roads going to some of these communities.

Today, people are asking for roads. The reason they are asking for roads is that they can reduce not only the cost of food, but also the whole cost of living generally.

**Mr. Hawranik:** The minister indicates that the cost of food is the issue. Well, milk is food. It is part of the solution and something that can be done immediately. If we have to wait until every northern community is connected by a road to reduce the cost of food, we will be waiting a long time, because there are lots and lots of northern communities that will be without road service for many years to come.

\* (16:40)

He says that people are not asking him to control the price of milk. Well, I have many people asking me to lobby the minister to reduce the price of milk, and since the minister is not getting anybody to ask him the same question, from now on, I am going to be forwarding those requests directly to the minister as well. I take it from the minister's answer, and he can confirm that for me, he is not interested in controlling the price of milk in the North. Is that his answer?

**Mr. Lathlin:** Madam Chairperson, what I can tell the member is that I live in the North. I have been there all my life. I travel the North extensively. I do not just read about the places in the North. I actually have travelled there. I sleep there, and I stay there sometimes two or three days, so I know the people that we serve in the North. I visit with them regularly.

The thing they ask me the most about is the high cost of food. Can you do something about transportation so that eventually we can drive out of here to Thompson or The Pas or Winnipeg and get our food cheaply instead of flying the food in or through the winter-road system? Unless he has been travelling the North, like I have done for these many years, I beg to differ with him. I think I understand the North a lot better than he does.

**Mr. Hawranik:** Obviously, if the minister has, and I do not doubt he has travelled extensively throughout the North, he obviously knows the price of milk is too high. He knows the price of milk is too high. You live there; you should know that. My question to the minister is this. What is your objection to controlling the price of milk in the North? What, exactly, is your objection?

**Mr. Lathlin:** Madam Chairperson, the simple answer is the people are not wanting to do that right now.

**Mr. Hawranik:** I have a question regarding Public Accounts of Manitoba for 2003-2004, and I refer to page 69 of that report under Aboriginal and Northern Affairs. I note that one of the expenditures was \$8,437 to Buffalo Gal Pictures Inc. Can the minister tell me what that was for?

**Mr. Lathlin:** I will pledge to the member that I am going to have to take that question under advisement. I will make a pledge to him that I will research it ASAP and give him the information from my office by mail.

**Mr. Hawranik:** I refer to the same report where \$10,600 was spent by providing it to the Indigenous Bar Association in Canada in Surrey, B.C. Is there any agreement by the minister to provide funding to that bar association in British Columbia given the fact that the members of that association, of course, would all be lawyers?

**Mr. Lathlin:** Madam Chairperson, the member is asking questions from previous years' expenditures. I am not aware of those two items that he has been talking about so I am going to have to take that under advisement. I am sorry.

**Mr. Hawranik:** I appreciate that the minister will take it under advisement, providing me, hopefully, within a timely period, the answers to my questions.

I have also a question about those same expenditures where the Aboriginal and Northern Affairs ministry paid \$5,800 to the Manitoba Moose. Can he explain to me what that was for?

**Mr. Lathlin:** Madam Chairperson, I can indicate to the member that as part of our efforts in, you know, capacity building, and education, people development, we sometimes will fund trips from the North, bring kids into Winnipeg to come and take part in the southern activities because to us they are very educational, if you can get them out of their reserve, out of the northern isolated community, you know, suicide prevention, all kinds of problems that exist in the northern communities.

So sometimes we will fund trips out to Winnipeg. When I was in Conservation, we used to fund a program that would bring kids out to the Goldeyes games, projects such as fishing and getting kids out from the core area to come out fishing. Those kinds of activities were funded, and this expenditure to the Moose game was a similar kind of expenditure.

**Mr. Hawranik:** Can the minister indicate how many children were involved with that expenditure from the North and how were they selected?

**Mr. Lathlin:** Madam Chairperson, I do not have those figures right at hand, but I know when expenditures like that are being requested of me I make sure that those kids are from the North and that the selection has been done fairly. Usually, a committee made up of community leaders or workers get together with other people, other stakeholders, and they make the selection.

**Mr. Hawranik:** Can I ask the minister to provide me, at this point he would not be able to do that, but certainly on notice, if he could provide me with a similar letter as to who these children were and where they came from?

**Mr. Lathlin:** Madam Chair, I will endeavour to get that information. That information gathering will probably take me a little bit more time than those other ones that he has requested information on. So I will endeavour to get him that information.

**Mr. Hawranik:** I have some more questions in terms of the same, in the same public accounts '03-04. I would like the minister to give me some information in terms of what meetings were held and what purposes the expenditures were made for under the following: the Burntwood hotel partnership in Thompson for \$5,406; the Elkhorn Resort & Conference Centre in Onanole for \$14,645; the Gold Trail Lodge (2003) Limited in Thompson for \$5,185; the Mystery Lake Motor Hotel in Thompson for \$11,162; Place Louis Riel for \$24,582; the Viscount Hotel for \$7,901.

If he can provide, he will not be able to provide that to me today, I know that, but certainly I would appreciate within a timely basis as to the period of time within which those expenditures were made and the purpose of those expenditures. If it was a meeting, who it was with, that kind of information. If he can provide that to me within a certain period of time as well.

**Mr. Lathlin:** Yes.

\*(16:50)

**Mr. Hawranik:** Further to that I ask for other information, such as the \$63,488 paid to Calm Air International Limited in Thompson; Fort Richmond Travel Service for \$8,477; Perimeter Airlines Limited for \$18,198; Skyward Aviation Limited for Thompson of \$42,537.

Similarly, if the minister can provide me with that information at some point as to where those trips originated and went to and for what purpose those tickets were bought, can he provide that to me as well?

**Mr. Lathlin:** Yes.

**Mr. Hawranik:** One last request with respect to the Supplementary Information, Public Accounts, '03-04, I notice there was an expenditure to Manitoba Hydro of \$288,167. I do not know if he can provide me with some information at this state. If not, can he provide me with information as to why he would have paid



Manitoba Hydro over \$288,000 out of Aboriginal and Northern Affairs?

**Mr. Lathlin:** Yes.

**Mr. Hawranik:** I get back to the South Indian Lake situation, the displaced residents at South Indian Lake. In my opening statement, I indicated to the minister that South Indian Lake displaced residents have been waiting for 30 years for reserve status and the minister is quite aware of that, or perhaps even more than 30 years, but I think that was the number the minister had indicated when I asked it previously of him in the House. Can the minister indicate why negotiations over the last few months are proceeding almost at the speed of light after decades of malaise?

**Mr. Lathlin:** Yes, I would be very glad to explain to the member because I suppose it is difficult to get a real good hand on issues in the North when you hardly ever visit the North. So you are trying to do your research from down here. I have recommended to people on that side to travel at least to Grosse Isle. I understand why the member is asking these questions because he does not know. He goes only by information that—

**Madam Chairperson:** Order, please. I would like to remind all committee members that talking across the table is acceptable unless it becomes disruptive. You are becoming disruptive at this point.

**Mr. Lathlin:** He goes by information, by what a few people tell him. Now, the real story is that over the past 70 years people who have moved to South Indian Lake, most of those people living in South Indian right now are First Nations people, members of Nelson House First Nation.

I am told that there are approximately 900 people living in South Indian, and out of those, the majority are from Nelson House. There are some Métis people living there. I am told about 20, 24 people. Sometimes I am told it is 12 people as well as some non-Aboriginal people like teachers and merchants and so on.

My information as of today is that those people who are intending to become members of this new reserve, I am told, that 96 percent of them have already indicated that they want to become members of this new reserve. So I would hardly call, you know, trying to move fast. If it has taken 70 years,

and people at the meeting that I was at—anyway, there were elders there. There was the head man there, and also the mayor was there at the ceremony that I was at with the federal Minister of Indian Affairs. It seemed to me that these people who were at that meeting were extremely happy that, finally, they are going to have a reserve.

In fact, it was a very emotional meeting because the elders were there. They told me that so many people, so many elders had died while waiting for this reserve to become a reality. So my role, I do not decide as to whether South Indian Lake becomes a reserve. There are people who live there who have been lobbying to get that done, and if the Department of Indian Affairs agrees that this is a good idea to turn South Indian Lake into a reserve, then they will do that. I have nothing to do with reserve creation. It falls under the federal government.

Now, as far as some of the Métis people who live there are concerned, I want to take offence to the member's assertion that I have no caring for Métis people. He is absolutely wrong. He is dead wrong, Madam Chairperson. I am an Aboriginal person. He is not. So I know what I am talking about. At OCN, there are roughly 3500 treaty Indians living at OCN, and there are roughly 200 Métis people living at OCN. No problem. I do not see the member from Lac du Bonnet coming there to be a born-again Indian activist and speak on behalf of those 200 Métis people who live at OCN quite happily. Some of them are my cousins, and they do just well, thank you very much. They live in houses; they belong to OCN. OCN provides fire protection, police protection, infrastructure, and they go to school in our schools. Not a problem.

So I do not see why the member is trying to stir up something in South Indian Lake. The only reason that I can come up with is because he has no idea what is going on in South Indian Lake. He knows all about what is going on in Lac du Bonnet, but he has no idea what is going on in South Indian.

**Mr. Hawranik:** I take it from the minister's comments that no one can ask him questions except an Aboriginal person. I mean, that is absolute nonsense. I am the critic. I can ask you questions. I am entitled to ask you questions. I do not care where I live. I live in Manitoba. I am a Manitoban. I can ask you questions, and I am entitled to answers, Mr. Minister. I do not care where I live in Manitoba. I am

a Manitoban, and I can ask you questions, and I have to be the critic, so I want answers when I am asking you questions. Do not talk down to me, because that is what you are doing.

Those questions were posed to me by people living in South Indian Lake. They live there. They live in South Indian Lake—

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

\* (17:00)

**Madam Chairperson:** Order, please. I would remind you all to speak through the Chair to avoid this kind of emotional uprising, and I would ask again to please respect each other in your answers and your questions.

**Mr. Hawranik:** Those questions, I have to remind the minister, were actually questions posed to me by the people living in South Indian Lake. The minister does not live in South Indian Lake that I am aware of. They are legitimate questions. They know the issues better than the minister does himself. They live there, as he tells me that I do not live in the North. Those are legitimate questions, and I want legitimate answers from this minister.

When I talk about the Métis people, and I note that when I make the statement that the minister has not been advocating as strongly as he should for Métis people, those are the words of David Chartrand, the president of the Manitoba Métis Federation. Those are his words. As a result of this, of the South Indian Lake situation, he is threatening to take the government to court if the new band infringes on the rights of, he says there are about 50 Métis adults and their families living at South Indian Lake.

My question to the minister is that, if he does that, will the government defend that action.

**Mr. Lathlin:** Madam Chairperson, I know very well the feeling of people talking down to you. I have been talked down to for most of my life by people. But I have learned over the years that I will never, never back down anymore from somebody who talks down to me. So I know the feeling.

As far as the Métis people in South Indian Lake are concerned, as I told the member a while ago,

those Métis people living in South Indian are no different from Métis people living on First Nations land reserves throughout the 61 reserves that we have in Manitoba. As I told him at OCN, there are roughly 200 Métis people living there, and the world has not fallen over or come down. They are doing very well. So I gather that is what would happen in South Indian when South Indian eventually becomes a reserve.

**Hon. Jon Gerrard (River Heights):** I have several questions for the minister. Let me start with a question about the audited financial statements for the Northern Affairs communities for 2002-2003 and 2003-2004. Have all the audited financial statements been submitted in order or are there some outstanding, and if so which ones?

**Mr. Lathlin:** Madam Chairperson, I can indicate to the member that all of the communities have submitted their audited statements for '03-04 except, I understand, for Pikwitonei. Pikwitonei, you know, there is no issue. The explanation is that apparently there was a change of clerk. There was a time there that they did not have that capacity. They have that capacity now, and I understand the audited statements are going to be coming very shortly to our office.

**Mr. Gerrard:** So two things. One would be the audited statements for South Indian Lake for '02-03 and '03-04 are in and complete. And the second point, I have got some other questions on Pikwitonei, in particular with regard to the water plant, which I gather, since it was built, has required quite a bit of upgrades or repair or additional expenses. I would ask the reason for the problems with the water plant at Pikwitonei as well.

**Mr. Lathlin:** I have followed that issue as soon as it was brought to my attention. I understand the water treatment plant has now been completed. This spring, the Office of Drinking Water visited the community, and they conducted tests and sampled the water. Apparently, all the samples have met the drinking water standards.

**Mr. Gerrard:** The minister did not confirm that the South Indian Lake audited statements are in, but maybe he—*[interjection]* Yes. Was there a problem with the water plant at Pikwitonei with the engineering or the design or the construction, or was everything perfect?

**Mr. Lathlin:** As far as I am concerned, the information that I have is apparently last winter in February '04, the people in Pikwitonei complained about the colour and the smell of the water they were getting. The people working on that facility, the water operators apparently consulted with the plant manufacturers and, from there, they were able to determine that the settings were placed too low, and so, after consultation with the engineers, they were able to adjust the settings, and I gather now they are getting the water. The boil order was lifted July of '04.

**Mr. Gerrard:** The problem, in the minister's information, was not in design or construction or in engineering. It was an operational problem with the settings, which has now been corrected.

**Mr. Lathlin:** Yes. It was just the way they were operating the machines or the facilities.

**Mr. Gerrard:** I understand that in Sherridon there have been some problems with the water plant there, that the design or the engineering has not been sufficient to deal with some of the fairly high mineral and acid levels, and that there have been problems from time to time. Can the minister tell us more about these problems in the design for the site, why these things have arisen and what is being done about it?

**Mr. Lathlin:** I have to apologize to the member. There was too much noise there. I could not really hear. Is he referring to Sherridon?

**Mr. Gerrard:** Yes, at Sherridon.

\* (17:10)

**Mr. Lathlin:** I visited Sherridon two weeks ago maybe, visited with the mayor and council, and I understand that right now we are looking at a study that would look at putting in a line that would bypass the problem area that the community was talking about last time I was there. When I was there two weeks ago, they talked about the problem, but it seemed to me that they were fairly satisfied with the plans that have been put in place to study the water delivery system there, and, hopefully, we can put in the system that they have requested, which is a new water line.

**Mr. Gerrard:** There are, as the minister probably knows, two water plants, and one satisfactory

solution would certainly be putting that water line in and hopefully the minister will be able to proceed with that.

In Split Lake there were recently some concerns about costs, expenses from Manitoba Hydro, with something in the range of \$14 million. I wonder if the minister can provide, you know, what those expenditures have been in Split Lake, Tataskweyak First Nation for the last several years.

**Mr. Lathlin:** I think the member probably knows that Manitoba does not directly negotiate with Split Lake or Tataskweyak. Most of the dealings that go on, negotiations, are carried out between Split Lake and Manitoba Hydro, and that goes for pretty well all of the Hydro-related files that we have. There are times where Manitoba will become involved, but for Split Lake the work has primarily been done between Split and Manitoba Hydro.

**Mr. Gerrard:** So what the minister is saying is that he does not get involved in the operation and the relations of Manitoba Hydro with northern communities.

**Mr. Lathlin:** Well, Madam Chairperson, as Minister of Aboriginal and Northern Affairs, yes, you know, just by the nature of the department, our department will be involved in some negotiations. We have an agreements management office that does that. It is basically a facilitating role that we have. In some cases we will be asked to fund jointly with Manitoba Hydro where it is warranted. So, although I sit in on some meetings, you know, the interaction is primarily between the affected band or the affected community and Manitoba Hydro.

**Mr. Gerrard:** I would ask the minister some questions in relationship to Pukatawagan which, the minister knows, Mathias Colomb First Nation has had, as I understand it, the largest oil spill in North America with something like 300 000 gallons of diesel spilled between 1952 and 1989, and of course some of that period, there was Manitoba Hydro operating and running the facility there. It has been a huge spill which has been only partially cleaned up. As the minister knows, the centre of town has been demolished as a result of problems and looks a bit like a war zone. I would ask the minister what his approach is to the community and what he can say is being done to help people there and clean this up.

**Mr. Lathlin:** Madam Chairperson, again, just recently I met with the chief and council from Mathias Colomb in my office, a couple of weeks ago, maybe, and among other things we talked about the oil spill. I know there are negotiations going on right now between Mathias Colomb and the Department of Indian Affairs federally and Manitoba Hydro. Where those negotiations are at today I do not know, but I will be meeting with the chief again shortly to talk about housing, but I know when I meet with him I am sure he will bring up any progress that he has made in his dealings with Indian Affairs and Manitoba Hydro.

**Mr. Gerrard:** I hear, sort of, conflicting reports as to the role that Manitoba Hydro has in the community, the responsibility that it has accepted or not accepted, and would ask what the situation is from the minister's perspective and whether their potential that Manitoba Hydro can help in a significant way in cleaning up the oil spill, or the diesel spill, given that Manitoba Hydro was running the facility for some years.

**Mr. Lathlin:** I believe where things are at right now with respect to Mathias Colomb negotiating with Hydro and Canada, when I was in Pukatawagan about a year ago, I guess during the summer, the leaders there told me that Hydro was not forthcoming with whatever they are supposed to be doing and they were also saying to me that Indian Affairs had not done enough.

So, recently, I think after they had gotten together again, they had determined that this agreement that had been struck between Hydro and Indian Affairs, according to Hydro, they had done whatever it is that they committed to in that agreement and, you know, same old problem of now Indian Affairs has to come along and do their part of whatever agreement that they had made. The agreement had to do with providing money to clean up the contaminated ground.

So right now I understand that at least they have cleared that up and that is probably what the chief was taking to me about the last time I met with him. It seems to me that they were going to go after the federal government to do their part.

**Mr. Gerrard:** Can the minister indicate how much support the federal government has provided for the

clean-up and how much support that Manitoba Hydro has provided for the clean-up?

**Mr. Lathlin:** Madam Chairperson, I do not mind answering the member's questions but there is a minister that is responsible for Manitoba Hydro. The information that I have with respect to Hydro, Mathias Colomb and the federal government is because I visit Pukatawagan quite frequently and when I get to talk to the chief, even when I am in The Pas when I bump into him there, we talk about these things. So that is where I get my information from.

**Mr. Gerrard:** I did ask some questions of the minister for Manitoba Hydro about Manitoba Hydro affairs in the North and he said he was not going to answer any of them, that he was going to wait until the CEO of Manitoba Hydro was before a committee at some point in the future. Clearly, we need to get him before a committee as soon as possible. I hope the members of the opposition will push for that as well.

I hear that, just let me pass on to the minister, that there needs to be some help both from the federal government and the Manitoba Hydro and that the concern is that the Manitoba Hydro has not been contributing as much as it needs to, but that there does need to be both participating because it is a big job, in terms of cleaning up. I will just pass that on to the minister and he can look into this perhaps as part of his Northern Affairs responsibilities, and I thank him for doing that.

\* (17:20)

I want to go back to the situation around Sherridon and the situation of Kississing Lake and the toxic wastes which are a huge, huge problem, as the minister well knows. Although there are several departments which are involved in trying to act, the bottom line is that in five and a half years, there has not been very much done in terms of isolation of the toxic waste tailings and of any cleanup to speak of. There has been a little bit of stuff done on the top, as the minister knows, to protect from children playing on it, but, by and large, in terms of the water itself and the leaching into Kississing Lake, very little has been done. What will the minister be doing as part of his responsibilities to help and improve this situation?

**Mr. Lathlin:** I am quite familiar with Sherridon and the problems they are having with tailings that are almost right adjacent to the river and lakes around there. When I was in Conservation, we committed to work with the federal government and spend, I believe it was \$2 million over four years, to look at fixing the orphaned mine sites at Lynn Lake and Sherridon. Of course, it was contracted to professional organizations including federal agencies to look at it. Our main concern at the time—and I should say that this issue had been left there. Nobody had done anything. The previous government had never done anything, even though there were representations continually being made by those two communities. Eventually, when we got into government in '99, I think it was 2001 we finally got around to making that commitment.

What they were going to do was a health-risk assessment, and cap or construct some kind of a barrier around those mine holes. I understand the health risk assessment has been completed. These are professional people, scientists, who conducted the health risk assessment. They concluded that, in their opinion from their findings, there is really no health risk that is there as far as the water in Lynn Lake, the red cloud. That is what we are being told right now, that there is no apparent health risk.

The other part to that, however, is creating the barriers for the mine holes and that is what we are looking at right now. Apparently, fences were built, but for some reason or other some of those fences have started to fall down, and now we are going to have to go back in there and do some more work.

**Mr. Gerrard:** The minister's comments with regard to health risk, the minister is saying that applies both to Sherridon and to Lynn Lake that there is no health risk at the moment. Is that what the minister is saying?

**Mr. Lathlin:** The report that I saw was referring specifically to Sherridon.

**Mr. Gerrard:** One of the problems with toxic wastes is that as they leach into Kississing Lake, you have effects on the invertebrates, and the fish, of course, need invertebrates to live so there are likely very significant health effects on the fish as a result of not having enough food as well as the possibility of direct toxic effects on the minerals. I think the people who are living there and their livelihood in

terms of being able to get fish to eat and so on, and to have a thriving tourism industry is certainly affected. I think it would not be good for the minister to think that enough has been done. I am very concerned about what is happening on Kississing Lake. I think the minister should be taking this forward more aggressively than he is.

**Mr. Lathlin:** Well, Madam Chairperson, I also still have concerns. Even though there is this report that tells me that there is no apparent health risk, and I am sitting there looking at the red water and the red cloud, myself, as a layperson, I guess I can give this layperson opinion, I am not totally convinced either. I agree with those people who live there that there might be some danger.

**Mr. Gerrard:** I wonder if the minister would make the report available to me that he is referring to which indicates that there is no health risk.

**Mr. Lathlin:** Yes, I can do that.

**Mr. Gerrard:** I thank the minister for that.

I want to talk for a moment about Cross Lake, which is a community, I believe the largest in northern Manitoba, perhaps the largest in Canada, which does not have a hospital there. It seems to me that with the size of the community there is an opportunity here to look at a facility which might be a future-thinking facility.

There are, as the minister knows, problems with diabetes and a variety of other things in the North, and if one looked at the hospital as an opportunity to treat more medical problems locally but also to provide the capacity, the expertise locally to do much more in the way of prevention in terms of diabetes, heart disease and to provide additional community palliative care, because you are building capacity in the community.

I know that the minister does not have a direct responsibility in health care, but it would seem to me that this might be something that the minister in his role as an advocate for people in the North might consider looking at and consider looking at the feasibility and the advisability and the potential here.

**Mr. Lathlin:** Madam Chairperson, I think I am losing my voice. About two weeks ago, I was in Norway House attending a funeral, and while I was

there I met with, not the chief, but some of the councillors from Cross Lake. I had also met with them in Thompson last fall.

They have plans that they have shared with us and one of them is they want to work with the provincial government, Manitoba Hydro and the federal government, I guess too, because they realize that they are going to have to look into housing, community infrastructure, and one of the things they talked about also was some kind of a health facility.

Now, I know Norway House is talking the same way, and in fact, Norway House said one time that apparently they had come down to Morden-Winkler to visit the health care centre there, and that is the kind of an idea that they have that they want to do, perhaps Norway House and Cross Lake being Morden and Winkler.

So those are just plans right now. I agree with the member that I think we could probably, the provincial government could be involved in some way, but also a lot of the responsibility would have to fall on the federal government.

**Mr. Gerrard:** When I asked this question of the Minister of Health (Mr. Sale), as to who would have the lead, he was very unclear as to whether it would be provincial or federal and it seemed to be a problem in part of where the jurisdiction is, but I think the minister as an advocate could look at this seriously. Cross Lake and Norway House are a little bit further apart than Morden and Winkler, as the minister knows.

One last quick question, the all-party task force, this did some communities in the North, but I heard from people in the Northern Affairs Community Council that they wanted more input into the all-party task force, and I wondered if the minister had any suggestions.

**Madam Chairperson:** The hour being 5:30, committee rise.

#### IN SESSION

**Mr. Speaker:** The hour being 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 5, 2005

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