

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

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
First Session—Thirty-Eighth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, September 8, 2003

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

Introduction of New Members

Mr. Speaker: I am pleased to inform the Assembly that the Clerk of the Legislative Assembly has received from the Chief Electoral Officer a certificate showing the election of Ms. Kerri Irvin-Ross as member for the constituency of Fort Garry, which was delayed due to an application for recount. I hereby table the return to the writ of election. The honourable member has taken the oath, signed the roll and has the right to take her seat. On behalf of all honourable members, I wish to welcome you to the Legislative Assembly of Manitoba.

I am also pleased to inform the Assembly that the Clerk of the Legislative Assembly has received from the Chief Electoral Officer a certificate showing the election of Mrs. Leanne Rowat as member for the constituency of Minnedosa, which was delayed due to an application for recount. I hereby table the return to the writ of election. The honourable member has taken the oath, signed the roll and now has the right to take her seat. On behalf of all honourable members, I wish to welcome you to the Legislative Assembly of Manitoba.

TABLING OF REPORTS

Mr. Speaker: I am pleased to table, in accordance with section 28 of The Auditor General Act, the Auditor General's Report of an Investigation of Hecla Island Land and Property Transactions.

I am also pleased to table in the House the reports of members' expenses for the year ended March 31, 2003, in compliance with section 38(1) of the Indemnities, Allowances and Retirement Benefits Regulations.

I am also pleased to table in accordance with section 28 of The Auditor General Act, the Auditor's Report on Examination of Le Collège de Saint-Boniface.

I am also pleased to table in accordance with section 28 of The Auditor General Act, the Auditor's Report on the Operations of the Office of the Auditor General for the year ended March 31, 2003.

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, I am pleased to table the Supplementary Information for Legislative Review 2003-2004 Expenditure Estimates for the Department of Health, copies which have been previously distributed.

Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines): I am pleased to table copies of the Supplementary Estimates for Legislative Review for 2003-2004 fiscal year for the Department of Industry, Trade and Mines.

Hon. Diane McGifford (Minister of Advanced Education and Training): Mr. Speaker, I am pleased to table the 2003-2004 Departmental Expenditure Estimates for Manitoba Advanced Education and Training, the 2003-2004 Departmental Expenditure Estimates for the Manitoba Seniors Directorate and the 2003-2004 Departmental Expenditure Estimates for the Manitoba Status of Women.

*(13:35)

Hon. Oscar Lathlin (Minister of Aboriginal and Northern Affairs): Mr. Speaker, I would like to table the Department of Aboriginal and Northern Affairs Supplementary Estimates Information for the year 2003-2004.

Hon. Tim Sale (Minister of Energy, Science and Technology): Mr. Speaker, I am pleased to table for the House the Supplementary Information for Legislative Review for Healthy Child Manitoba, 2003-2004 Expenditure Estimates and the Supplementary Information

for Review for Manitoba Energy, Science and Technology.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I am pleased to table the following reports: the Manitoba Agriculture and Food Supplementary Information for Legislative Review 2003-2004 Departmental Expenditure Estimates.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to introduce to the House the eight students who have been selected to serve as pages at this session. They are, beginning at my extreme right: Stephanie Mulaire, Nikki Kippen, Rhiannon Kuzmin, Ashley Lavallee, Kyle Burkett, Carson Stoney, Frankie Sarson, Valene Bertrand. On behalf of all honourable members, I welcome you.

I would like to draw attention to the Speaker's Gallery where we have the six individuals who are appointed to the Manitoba Legislative Internship Program for the year 2003-2004, where they are seated. In accordance with established practice, three interns were assigned to the Government caucus and three to the Official Opposition caucus. Their term of employment is 10 months. They will be performing a variety of research and other tasks for private members. These interns commence their assignments in September and will complete them in June. They are, working with the Government caucus: Ms. Erin Crawford of Brandon University, Ms. Catherine Glass of the University of Ottawa and the University of Manitoba and Mr. Ihor Michalchyshyn of the University of Winnipeg.

Working with the caucus of the Official Opposition are: Ms. Olivia Baldwin of the University of Winnipeg, Mr. Kevin Warkentin of the University of Winnipeg and Ms. Linda Wiens of the University of Winnipeg. Copies of their biographies have been distributed to the members. The administration of the program is carried out by our Clerk, Patricia Chaychuk. The caucus representatives on the Internship Administration Committee are the Member for

Burrows (Mr. Martindale) and the Member for Portage la Prairie (Mr. Faurichou).

I would like to take this opportunity on behalf of all members to congratulate the interns on their appointment to the program and to hope that they will have a very interesting and successful year with the Assembly.

I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us a visitor from India, the Honourable Chaman Lal Gupta who is the Minister of State for Defence. Professor Gupta is accompanied by Doctor Vedanand. These visitors are the guests of the honourable Member for Radisson (Mr. Jha).

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

I would like to draw the attention of all honourable members to the loge to my right where we have with us Mr. Binx Remnant, who is the former Clerk of the Legislative Assembly.

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

*(13:40)

ORAL QUESTION PERIOD

Bovine Spongiform Encephalopathy Compensation

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, today, under the Doer government, there are Manitoba families who cannot pay their bills or put food on their tables. There are producers here today who are facing the collapse of an entire industry. There are businesspeople who are facing laying off employees and shutting down completely.

The BSE and drought crises should be the top priority of the NDP government; but the Premier, Mr. Speaker, has failed to provide leadership, he has failed to provide adequate assistance and he has failed to provide any kind of long-term plan. Manitobans are tired of this Premier's excuses. They are tired of him constantly blaming Ottawa for the problems here

in Manitoba. He is the Premier for all Manitoba and he should show leadership on this issue.

I would ask the Premier: Where is his plan to help Manitoba families that are suffering under a crisis that has nothing to do with their doing? Where is his plan?

Hon. Gary Doer (Premier): Mr. Speaker, of course the member will know, notwithstanding the political rhetoric, that the border was closed to all Canadian beef producers and has resulted in a very, very negative impact on the economy of many families and a great deal of uncertainty as we attempt to try to get the border re-opened to our major export markets in United States and as we attempt to get our border reopened throughout the international community, Mexico and United States, being the two largest markets that Canada has for beef production.

We continue to believe that the border is still the crucial issue in terms of long-term certainty and long-term economic viability for our industry. We have also announced some short-term programs dealing with the feed program and feeder program, low-interest loan program. Mr. Speaker, we have also announced, in spite of the fact that it was not requested by members opposite, a slaughter enhancement program of some \$2 million.

Mr. Speaker, we note that the slaughter capacity in Manitoba has diminished. I think it was 292 000 cattle were being processed in Manitoba in 1988 and when we came into office it was less than 20 000. In addition to that, we have been dealing with a framework agreement with the national government that we believe is inadequate. Of course, we believe that program should have been amended both for grain and oilseeds producers and our cattle producers to ensure the economic viability.

The first program we agreed to, Mr. Speaker, was in concert with the cattle producers of Canada, the cattle producers of Manitoba and with the other western provinces at the western premiers' meeting in Kelowna. We made adjustments and amendments to that program because it did not have the kind of sustainability in the short term for our producers.

Mr. Murray: Mr. Speaker, it is known for a fact that it took 72 days before the Premier finally met with members of the Manitoba Cattle Producers Association to discuss the BSE crisis. It took weeks before he met with rural municipalities. It took all this time. We know that during the election campaign the Premier made numerous trips to rural Manitoba, but it has not gone unnoticed that since that election his appearances have been nowhere.

More likely, Mr. Speaker, it is because the Premier has no plan or no long-term solution to offer those people that are in a crisis. The Premier says that he does not have a Brink's truck, but he does have a rainy day fund, a fund that was established clearly to deal with crises when they arise. Manitoba families are put in that crisis today. The Premier so far refuses to go into that fund to help those Manitoba families who find themselves in a situation or crisis that has nothing to do with them.

Mr. Speaker, my question to the Premier: If the rainy day fund is not set up to deal with this BSE crisis, then what is the fund for?

* (13:45)

Mr. Doer: Mr. Speaker, first of all, the program that was *[interjection]*

Mr. Speaker: Order.

Mr. Doer: Thank you, Mr. Speaker. First of all, the program that was announced and proposed by the cattle producers in Kelowna, we suspended the meeting to discuss with the cattle producers of Manitoba the exact program and its impact and benefit here in Manitoba. We did not sign on to the program in Kelowna without advice and consent of the cattle producers.

When they subsequently viewed this program as not being sufficient, we then went and reworked the program to include what members of the Cattle Producers Association had proposed and also rework it to come in with not only buying time but buying change with the slaughter enhancement program that we announced to try to increase our capacity.

We knew two months from now when it was in July, or three months from now, we were going to have to deal with the challenges of a lack of slaughter capacity here in Manitoba, a development that took place over two different governments over fifteen years, Mr. Speaker, and its impact on Manitoba producers. So just going from one shift a week to four shifts a week and going from a plant operating for eight hours to sixteen hours we hope will make a difference for more cattle being processed and produced here in Manitoba rather than other provinces.

I would note, Mr. Speaker, that the member opposite wrote a letter to constituents and I can table that letter if you would like. In that letter he says that the provincial government needs to provide programs to deal with the cash finances of farmers and he proposes a low-interest loan program or a cash advance. One of those "ors" we did meet with the hundred-million-dollar announcement we announced.

In terms of dealing with geographic areas, Mr. Speaker, during the election and since the election, I was in every geographic area of this province, something that could not be said for the Leader of the Opposition during the election campaign.

Mr. Murray: So, Mr. Speaker, this is unconscionable coming from the Premier of the Province of Manitoba. He used to blame Ottawa, now he is blaming the cattle producers. That is unbelievable.

Manitoba producers and their families are trying to put on a brave face, but it is pretty difficult under these circumstances. The Premier is afraid to look them in the eye, so I will ask him to close his eyes and imagine what those families are going through as they try to put food on the table or buy school supplies for their children as they attend school. It is about their future, it is about their livelihood and it is about their communities. The Premier has simply failed Manitobans. He has not shown leadership and he has not given Manitobans any assurance that he will be able to deal with another crisis should it arrive. The Premier may have some tough decisions to make to ensure that we keep a balanced budget but that is his responsibility. That is what he was elected to do.

I will ask the Premier one more time: On behalf of families in crisis in Manitoba, will he do the right thing, go to the Fiscal Stabilization Fund and give a cash advance to those cattle producers today?

* (13:50)

Mr. Doer: Mr. Speaker, the member opposite, in his letter to constituents, called on a low-interest loan program. We have announced that. They asked us to amend the program that was originally agreed to by the cattle producers and a suggested set of reasonable amendments which we agreed to which we have done. We have gone further than what the Opposition Leader has suggested by having a slaughter enhancement program. That is because of the fact that when they came into office in 1988, there were 292 000 cattle processed and slaughtered here in Manitoba. When they left office it was under 20 000. We are going to do something about that. I think we should all join together with those ideas that are out there to get more slaughter capacity. That is not blaming anybody. That is just dealing with the reality that we are dealing with today.

We are taking money out of the rainy day fund for cattle producers. We took out \$50 million in the year 2000 from the rainy day fund to deal with the low prices and low income for the grain and oilseed producers. We took out another \$50 million or \$45 million in the year 2001 to deal with the low prices for grain and oilseed producers. This summer

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. The honourable First Minister has the floor. I ask the co-operation of all honourable members, please.

Mr. Doer: This summer we are taking money out of the rainy day fund to pay for the feed program that was not part of the federal-provincial program, to pay for the slaughter enhancement program and to backfill the low-interest loan program. We are taking money out of the Fiscal Stabilization Fund to deal with the economic crisis of having over \$50 million in forest fire funds that have to be expended to put out the fires across Manitoba. In northern Manitoba there are over 500 fires.

I would note that this weekend in Windsor, Ontario, the municipal leaders from across Canada, including the municipal leaders here in Manitoba, have called on the federal government to support the producers across this country. It is not an either/or. Our money is out of the rainy day fund because people need it. We have approved money and we will continue to support our cattle producers as we did with the grain producers in the years 2000 and 2001.

Livestock Industry Feed Assistance Program

Mr. Jack Penner (Emerson): Mr. Speaker, the seriousness of the crisis in the livestock industry cannot be overstated. We know there are young families that are seriously hurt. We know that the NDP government during the late seventies and the early eighties closed the packing industry in this province and we know that they are now on a path of closing the primary producer industry in this province.

I want to ask the Minister of Agriculture why she suspended, why did you close and see fit to prematurely end the feeder program even though you knew this would have a negative impact on this industry. Why did you end it?

*(13:55)

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, this is a very important issue and one that has taken the majority of our Government's time through the summer months. I can tell you that our Government is working very closely with the cattle industry. The Manitoba Cattle Producers have been meeting with my department on a regular basis and we have been meeting with the processors in this province. When the slaughter program was put in place we consulted with the Manitoba Cattle Producers as to the design of the program.

Although they supported the slaughter program, they then came back and said this program is not working, can you change the program. What they asked us, Mr. Speaker, is that we make changes to the program within the parameters of the funds that were available. There is a news release that the Manitoba Cattle Producers put out indicating the number of

animals that were in Manitoba, and they asked for reallocation.

Mr. Penner: It is almost unbelievable that this minister will stand in her place and accuse the Cattle Producers of directing her to ending programs and redefining new programs when she knows full well that it was her responsibility and is her responsibility.

I want to ask the minister then: Will the minister tell this House why she caved in to the federal government and signed on to the APF program under the auspices? Is this a ploy to start blaming the federal government and the Cattle Producers for having signed on to an APF program that will be the biggest disincentive program that has ever been devised by Ottawa to diversification in this province?

Ms. Wowchuk: First of all, Mr. Speaker, I do not know what the member thinks his responsibility would be if he was minister, but my responsibility is to consult with the industry and work with them and we have worked with them. We worked with them on the slaughter assistance program. We consulted with them. We heard their suggestions and we listened to them and we made changes to the feed assistance program as they suggested, a program that is 100 percent funded by the provincial government.

I want to say that I am quite surprised that the last time we were in this House, the members opposite were asking us why we were not signing on to the Agricultural Policy Framework. Now they are saying do not sign on to the Agricultural Policy Framework, Mr. Speaker. This is a program that has been in long discussion with the producers of this province and producers across the country.

Just as programs that they signed on to may not be perfect, this is a program that I have consulted with the producers with and they have said sign. We will continue to work on the program.

Minister of Agriculture and Food Resignation Request

Mr. Jack Penner (Emerson): Well, Mr. Speaker, the compensation program did not work. Producers are not getting their fair share

of the slaughter capacity because of the incapacity of the minister to negotiate a fair percentage of the cattle going into the slaughter industry. The feeder program that has been cancelled without notice and the loans program are not meeting the producers' needs. You have failed to introduce a cash advance program.

Will the minister now do the right thing and offer her resignation to this Legislature?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, it is quite amazing that a person by the name of Stuart Murray would write a letter to his constituents and

Mr. Speaker: Order. I would just like to remind all honourable members when making reference to other members in this House to do so by their constituency or ministers by their portfolio that they hold. I ask the full co-operation of all honourable members, please.

Ms. Wowchuk: Thank you, Mr. Speaker, and I will withdraw that. I will say that it is quite amazing that on one hand the Leader of the Opposition would write a letter to constituents and say that Government should consider such things as a low-interest loan in the letter, and then when we put a low-interest loan in place, or, he says, an interest-free cash advance. He said either/or.

We put in the low-interest loan, and now that is not adequate for them. I can tell you, Mr. Speaker, the low-interest loan program is working. It is getting cash into the hands of many families who cannot sell their cattle and need a cash flow until such time as the borders open or other money from the federal government begins to flow. The program is working. The member asked for it; we have done it. They should congratulate us on putting money into the farmers' hands.

Bovine Spongiform Encephalopathy Cash Advances for Producers

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, this minister obviously does not understand her portfolio. When there is no debt-servicing ability

Mr. Speaker: Order. Is the honourable Member for River Heights on a point of order?

Point of Order

Hon. Jon Gerrard (River Heights): On a point of order, Mr. Speaker, the minister has referred to a document. I would just ask her to table the document.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I would be very happy to table a letter written by the Leader of the Official Opposition (Mr. Murray) that went to many people in Manitoba and in the Interlake where he did suggest a low-interest loan program that we delivered on.

Mr. Speaker: On the point of order raised by the honourable Member for River Heights, the honourable member has tabled the document, so that should take care of the matter.

* * *

*(14:00)

Mr. Speaker: The honourable Member for Ste. Rose has the floor.

Mr. Cummings: Mr. Speaker, this minister obviously does not understand her portfolio when she says her loan program is working. When there is no debt-servicing ability left in a business, it cannot take another loan. She has failed particularly the cow-calf industry which is the basis of the industry in this province. Will she now reconsider her program and use a cash advance bridging program now that she has signed on to the APF?

Ms. Wowchuk: I find it quite amazing that when there was a need for money in the pork industry in 1997, the government of the day, then the Conservatives, put in place a program that was called the Producer Recovery loan. It was at prevailing interest rates, much higher than what we have put in place for the cattle industry. Now we have put a program in at three and a quarter, Mr. Speaker, and two and a quarter for young producers, and for some reason they do not think this program can work. I can tell you that the Manitoba Agriculture Credit Corporation is working closely with producers

and ensuring that they are able to get a cash flow until such time as other monies flow to producers in this province. I can tell you we did discuss this program with the people in the industry before we implemented it.

Mr. Cummings: Mr. Speaker, she has once again demonstrated she does not understand the problem. When the borders close, you have no market. Where have you been Madam Minister? It is time to stand up and go to the Premier (Mr. Doer) and tell him that the producers of this province need some cash relief. A steer in Alberta is worth a dollar per pound. A steer in Manitoba is worth 70 cents. Will she take action?

Ms. Wowchuk: Mr. Speaker, there is no doubt that it is a very difficult situation in rural Manitoba, and I can tell the member that I have visited with producers in all parts of this province to talk about the situation they are in. The most important thing that can happen is to have the border open, because if the border does not open this industry is going to have to change tremendously, but we are having some permits issued. There is some meat crossing the border. We know there is a lot of hurt out there, but the member also knows that there are some animals that are starting to move right now in auction marts. There is the sale of some animals. There are some animals starting to move into the slaughter facilities at Moose Jaw and into Quèbec. It is a difficult situation. I know it is a difficult situation and we are putting in programs to help people with their cash flow. We have signed on to the Agricultural Policy Framework, are signing on to it. The federal minister tells us there is going to be federal money flowing from that program.

Mr. Cummings: Mr. Speaker, it is indeed sad when the Minister of Agriculture in this province does not understand the gravity of the problem that one of its principal industries is in the middle of now, people who are cow-calf operators with no cash flow, no pasture, drought conditions, no ability to transport, no money. Transports want money up front. They need assistance now, not in the new year. Will she put in place a transition program so they can even make it to the APF program, a cash advance?

Ms. Wowchuk: Mr. Speaker, the member says that I do not understand the industry or what is going on out there. I do not think he understands what his party has been asking for.

They asked for a low-interest loan or a cash advance[*interjection*] Or. We have put in a better program than they put in when the other industries were in trouble. There is a cash advance. There is a cash flow. I hope more livestock starts to move. I hope more permits are issued so that meat can start to go across the border.

I have talked to many people who said they need money. The loan program is the bridge program that is in place to help people until the borders open or until other programs come into place, Mr. Speaker.

Livestock Industry Feeder Assistance Program

Mr. Larry Maguire (Arthur-Virden): My question is to the Minister of Agriculture.

Mr. Speaker, the Minister of Agriculture and the Premier (Mr. Doer) of Manitoba have failed to provide effective assistance to the Manitoba Cattle Producers affected by BSE, but that is only just a part of this tragic story.

Madam Minister, 32 of Manitoba's rural municipalities have been severely crippled by drought and have declared themselves disaster zones. They have lobbied your Government for \$50 an acre payment for pasture assistance. It has become so drastic that some are considering withholding the payment of school taxes in order to assist livestock producers and their families.

Are you prepared today, Madam Minister, to announce the assistance that is being requested by these drought-stricken cattle producers?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, when I visited the southwestern part of the province, an area that the member represents, I had the opportunity to see how serious the drought was. Indeed, the drought situation is very serious. At that time, people told us that they had no cash flow, and if there was some way that they could get some cash to make some decisions on

whether to purchase hay, whether to haul hay, that would be very helpful to them.

At the meeting that we had in Hartney, it was suggested that we put in place a program similar to the Producer Recovery Program. We listened to the producers. We listened to Manitoba cattle producers, and we put in place \$100 million of loan authority to allow up to \$50,000 that farmers can borrow to allow for a cash flow until such time as the border opens or there is additional money flowing from programs such as the Agricultural Policy Framework.

Mr. Maguire: Mr. Speaker, Manitoba cattle producers know all too well how ineffective this minister has been. She missed the opportunity by not implementing the Greenfeed Program that she could have put in place. She has not offered transportation assistance for hauling feed to these drought stricken areas, and she has failed to outline any kind of feed security program for this winter.

Madam Minister, I ask you again: On behalf of the producers and their families, will you announce detailed assistance today?

Ms. Wowchuk: Mr. Speaker, the member talks about a Greenfeed Program. I am sure the member knows that under Crop Insurance there is a Greenfeed Program, and the farmers have the ability to cut their hay for greenfeed if it is so needed. There were some changes that were requested from the producers and those changes were made.

With respect to what our department is doing, I can tell you that through the straw and hay line we have been listing hay. We have been connecting people who are in need of straw supply. There has been a lot of movement.

Mr. Speaker, those producers asked for assistance in the form of a cash flow. They are taking advantage of the loan program to ensure that they have cash flow to deal with personal bills or to purchase hay or to move straw. The program is working. There is cash flowing.

Certainly, I do not want to minimize the situation. The drought in many parts of the province is very serious.

Minister of Agriculture and Food Resignation Request

Mr. Larry Maguire (Arthur-Virden): Well, Mr. Speaker, if the minister would spend as much time creating solutions as she has creating excuses we would not be in this mess. As the Agriculture Minister, she has failed by not implementing a cash advance program to deal with BSE. As the Minister of Intergovernmental Affairs assigned to protect rural Manitoba, you have not even recognized the severity of the drought on ranchers and their families. You have provided nothing in that area. As the Deputy Premier of Manitoba, you obviously have no influence on your caucus and your Cabinet colleagues. Either you have not worked hard enough to convince them of the importance of this issue or you do not understand the issue yourself.

Madam Minister, why do you not stop the rhetoric and do the Manitoba farmers a favour and resign?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): I think the farmers of Manitoba would expect more of the Opposition than playing politics. I think the farming community would want the Opposition members to make some real suggestions on what we could be doing.

* (14:10)

An Honourable Member: We have.

An Honourable Member: And we followed them.

Ms. Wowchuk: You made a suggestion on a low-interest loan program. We implemented that program, Mr. Speaker. At one point you were suggesting that we sign on to the Agricultural Policy Framework. Unfortunately the Opposition has changed their mind but we have given our word, communicated to the federal Minister of Agriculture that we are signing on to the Agricultural Policy Framework.

I can tell you, Mr. Speaker, we have asked the federal government for a lot more than that. We have asked them to look at how they can help out in the areas where we are helping out now.

Bovine Spongiform Encephalopathy Impact on Families

Mrs. Leanne Rowat (Minnedosa): Mr. Speaker, the BSE crisis is taking an incredible toll on Manitoba families. One recently wrote: We are now living in fear and desperation. What will become of us? Our young children do not yet understand the scope of the crisis before us. They do not know that money is quickly disappearing and they will not be able to participate in their extra-curricular activities. No more curling, 4-H, figure skating, hockey.

My question is to the Minister of Family Services: How many families in crisis, in fear, in tears, in need have you met with?

Hon. Drew Caldwell (Minister of Family Services and Housing): I would like to welcome the Member for Minnedosa to the Chamber. This is her first question and I well remember when I was a rookie here, Mr. Speaker, feeling some of the enthusiasm about joining this Chamber. So I welcome the member to the Chamber and I thank her for her question.

Mr. Speaker, of course, myself, the Premier (Mr. Doer), the Minister of Agriculture (Ms. Wowchuk), all members of this caucus have been extremely busy this summer meeting with constituents, meeting with our communities, empathizing and working with them toward resolving this problem and will continue to work to open the American border, along with colleagues across western Canada.

Mrs. Rowat: Mr. Speaker, this same mother writes: Winter is quickly approaching and the kids have outgrown their snowsuits and boots. We cannot afford to buy new ones. How will we keep them warm? There is a lingering feeling in rural Manitoba that the Doer government does not have a full appreciation of the circumstances and the realities of rural life.

Mr. Speaker, can the Minister of Family Services tell this House what plan he has put in place to deal with farm families to ensure they are not being abandoned?

Mr. Caldwell: I wonder if I might request that the member table the letter so we get a full appreciation on this side of the House, the letter to which she refers, Mr. Speaker.

Mr. Speaker: Honourable Member for Minnedosa, are you willing to table the letter?

Mrs. Rowat: Yes.

Mr. Speaker: The letter will be tabled. The minister, to continue with his response.

Mrs. Rowat: The individual who has written this letter would like to remain anonymous, but I will table it. It is tabled.

Mr. Speaker: I thank the honourable Member for Minnedosa for that information.

The honourable Minister of Family Services and Housing, with the response to the question.

Mr. Caldwell: Mr. Speaker, as I indicated in the first response, we on this side of the House as well as members opposite this summer spent a lot of time in our constituencies. We have been meeting with producers, meeting with families, hearing stories and experiences very similar to the one the member raised with her quotations from the letter.

Mr. Speaker, each and every day, we are working towards opening the border. As the Minister of Agriculture has argued *[interjection]*

Mr. Speaker: Order.

Mr. Caldwell: Thank you, Mr. Speaker. We are working each and every day with producers and families, not to make political points, but to help our communities.

Mrs. Rowat: Mr. Speaker, this woman goes on to write that the Agriculture Minister is totally out of touch and that the minister and Premier will do nothing to help us. We have children to feed, clothe and educate.

Mr. Speaker, what is the Minister of Family Services offering farm families desperate to feed and clothe their children?

Mr. Caldwell: Apart from the political rhetoric, Mr. Speaker, my door is always open. The doors of my colleagues are always open. We have been, as I suggested earlier, very busy this summer in communities throughout the province. As for our record on family services and child welfare, we are a leader in this country and very proud of that record.

Bovine Spongiform Encephalopathy Cash Advances

Hon. Jon Gerrard (River Heights): Mr. Speaker, my question is to the Minister of Agriculture. The Official Opposition has been asking for cash advances. It is my understanding that the Agricultural Policy Framework in the context of that provides for the provision for substantial cash advances. Can the Minister of Agriculture tell us about how that is going to work and when such cash advances might be available?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Mr. Speaker, I have had many discussions with the federal minister with regard to all of the assistance that we are looking for producers across western Canada to deal with this BSE crisis, including supporting us on our feed program, looking for a program to deal with culled cows, looking for a cash advance for producers to be funded by the federal government. We have had no response from the federal minister to be positive on any of those questions.

However, with the Agricultural Policy Framework, when there are enough provinces that have signed on to the program, the federal minister has said there will be an interim payment that will flow because money from the Agricultural Policy Framework, from the business risk management, should not flow until the next year. But he has said there will be an interim payment. I look forward to details on those when the minister decides to flow that money.

Livestock Industry Feeder Assistance Program

Hon. Jon Gerrard (River Heights): Mr. Speaker, my supplementary question to the Minister of Agriculture. The Government announced in July that it would help feedlot operators in Manitoba by providing \$2 a day per animal from mid-June until October 15.

Leaving aside the callous, underhanded way the Government ended the program August 31, without telling producers, I ask the minister now why is it that two born-and-raised-in-Manitoba cattle, the same age, the same weight and fed in the same feedlot are not treated equally by the NDP government with one being covered by the program and the other not.

Hon. Rosann Wowchuk (Minister of Agriculture and Food): First of all, Mr. Speaker, I would like to tell the member that he is wrong when he said that we dealt with this in an underhanded way and did not consult with the industry. I can tell the member that we have ongoing meetings with the cattle producers and the cattle producers outlined what kind of program we could develop and we also informed the producers when the program was ending. I also want the member to know that we asked the federal government to help us with this program as well, and the federal government has said no. Despite the fact that the slaughter program does not work in Manitoba, despite the fact that the federal Liberal caucus in Manitoba said that they would lobby on our behalf to get the federal government to support us on this feed program, we have had no support from the federal Liberal caucus.

Mr. Speaker, all producers are entitled to this program if they had their animals on feed as of May 30. There are still people who are applying, so I am not sure why the member is saying one producer is being treated differently than the other. Both of them should apply.

Mr. Gerrard: Mr. Speaker, my supplementary question then. I ask the Minister of Agriculture why is it that one animal, the investment of a producer in Manitoba, is covered when the side-by-side animal also born and raised in Manitoba and on a Manitoba feedlot, but the investment of

a producer who lives a mile across the border in Saskatchewan is not covered. Is this Government creating disincentives to investment in our wonderful province? Why is the Government insisting on building barriers to interprovincial investment when that investment is helping to build our province?

* (14:20)

Ms. Wowchuk: Mr. Speaker, when we designed this feeder program, we designed it along with the Manitoba Cattle Producers because the slaughter program was not working. We designed the program to work for Manitoba producers.

If the member has a specific case that he would like to talk about, I would encourage him to give me the details of it and then we can discuss it, but the program was designed for Manitoba producers with Manitoba tax dollars. No federal dollars.

Livestock Producers Meeting with Premier

Mr. Ron Schuler (Springfield): My question is to the Minister of Agriculture. For 72 days this minister failed to convince her boss, the Leader of the Doer government, to meet a farm group or a cattle producer or a farmer. Why did it take 72 days for her to convince the Leader of the Doer Government to meet with the cattle producers?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Well, Mr. Speaker, I will defend the position that our Leader has taken on all of these issues. I can tell you that when we were in Kelowna it was the Manitoba Premier (Mr. Doer) that said be sure that you are on side with your producers.

Mr. Speaker: Order. I need to be able to hear the questions and the answers in case there is a breach of the rules or practices of the House. I know you all would expect me to make a ruling, so I ask the co-operation of all honourable members, please.

Ms. Wowchuk: Well, thank you, Mr. Speaker. Our Premier has attended events with the cattle producers. He met here on June 23 with the cattle producers, but I can tell you that this issue

has been a priority for our Government. It was one of the first issues that was raised by our Premier at the Western Premiers' Conference to be sure that Manitoba's issues were being properly addressed. He may not have been in a meeting with them on the very first day, but he was addressing their interests and he will continue to address their interests. I can tell you that in my office we have been having ongoing meetings with the Manitoba Cattle Producers and all people in the industry.

Mr. Speaker: Time for Oral Questions has expired.

Speaker's Rulings

Mr. Speaker: I have two rulings for the House.

Before I proceed, I would just like to remind all honourable members that when the Speaker stands all members should be seated and the Speaker should be heard in silence. I ask, in the future, the co-operation of all honourable members. I will tell you the reason I do it is because I need the members that I am making the ruling to be in the House. That is the reason I do that, so I ask the co-operation of all honourable members, please.

As Speaker of the Thirty-Seventh Legislature, I took under advisement a matter of privilege raised by the honourable Member for Russell (Mr. Derkach), on April 30, 2003, regarding the release of a report by the Auditor General. Given that I had undertaken to return to the House with a ruling and also given that the Fourth Edition of Bourinot advises that a breach of privilege committed in one Parliament may be considered and dealt with in another Parliament, I am now returning to the House with a ruling on this matter as I believe the matter raised is one that is very important to members.

During Oral Questions on Wednesday, April 30, 2003, the honourable Member for Russell raised a matter of privilege regarding the release and distribution of the Auditor General's report on the Dakota Tipi First Nation Gaming Commission and First Nation Gaming Accountability in Manitoba. The honourable Member for Russell indicated that he was unable to obtain a copy of the report that had been tabled in the House and that copies were not

being provided to members but were being provided to the media. He then moved "THAT this matter, because of its seriousness, be moved to the Standing Committee on Legislative Affairs, and then be reported to the House so that this matter can be cleared once and for all." The honourable Minister of Energy, Science and Technology (Mr. Sale), the honourable Member for River Heights (Mr. Gerrard) and the honourable Member for Turtle Mountain (Mr. Tweed) also offered contributions on this issue. I took the matter under advisement in order to consult the procedural authorities.

There are two conditions that must be satisfied in order for the matter to be ruled in order as a prima facie case of privilege. First, was the matter raised at the earliest opportunity and second, whether a prima facie case of privilege has been established. I am satisfied that the matter was raised at the earliest opportunity, so this condition has been met.

Regarding the second condition of whether a prima facie case of privilege has been established, the issue of access by members to reports and information has been raised in the House on several occasions, and I am not unmindful that this issue is of serious concern for members. On previous occasions when this type of situation has been raised, it usually has been raised in the context of the release of reports and information by a government prior to release in the House. However, in this instance we are dealing with a case where the issue under consideration is the release of a report by an independent officer of the Legislative Assembly.

The parliamentary authorities do not contain any relevant citations to offer guidance for the matter at hand. Manitoba practice does not contain any specific rulings dealing with the release of a report by an independent officer of the Legislature, therefore the practices of the Canadian House of Commons were examined.

A comparable case did occur in the Canadian House of Commons in October, 2000, when the report of the Information Commissioner was tabled in the House on October 16, 2000, yet copies were not made available to members of the opposition until three hours after the tabling. In this particular

case, the Chair did not rule that there was a prima facie case of privilege. However, the Chair did undertake to conduct an investigation into the apparent miscommunication surrounding the release of the report so as to ensure that the situation did not occur again.

Based on this precedent, I would rule that there is no prima facie case of privilege, but I would like to advise the House that I did take action to redress this situation. At the time the issue was raised, I investigated the situation and as a result wrote to the independent officers of the House to request that in future when reports are being tabled in the House, the independent officers provide nine copies of the report for tabling in the House. By providing nine copies for the Chamber, this will help to ensure that there are sufficient copies to meet the demands of members. In addition, the importance of also providing copies to the Legislative Assembly Journals office in a timely manner was stressed to the independent officers to further ensure that copies are available for members and for the caucuses. I trust that this should resolve the matter.

*(14:30)

I have one more ruling.

Following the presentation of the Speech from the Throne on Monday, June 23, 2003, the honourable Member for River Heights (Mr. Gerrard) rose on a matter of privilege to discuss the seating arrangement of the House, particularly the allocation of seats provided to the honourable Member for River Heights and the honourable Member for Inkster (Mr. Lamoureux).

At the conclusion of his remarks, the honourable Member for River Heights moved: That this House recess to allow for representatives from MLAs in all three seating blocks to get together with the Speaker to see if the concerns in relation to seating in the Legislature can be resolved.

The honourable Government House Leader (Mr. Mackintosh), the honourable Member for Russell (Mr. Derkach) and the honourable Member for Inkster also offered contributions on this issue. I took the matter under advisement in order to consult the procedural authorities.

There are two conditions that must be satisfied in order for the matter to be ruled in order as a prima facie case of privilege; first, was the matter raised at the earliest opportunity, and, second, whether a prima facie case of privilege has been established.

I am satisfied that the matter was raised at the earliest opportunity, so this condition has been met.

Regarding the second condition of whether a prima facie case of privilege has been established, there are no previous Manitoba rulings that would provide guidance in this case. The past practices of the Manitoba House with regard to seating has been that the assignment of blocks of seats has been under the purview of the Speaker, while the Leaders of the recognized parties have been given the discretion of assigning specific seats within the block of seats allocated by the Speaker. Marleau and Montpetit advise on page 184 of *The House of Commons Procedure and Practice* that those members who do not have a party designation or who represent a party not recognized by the House are seated subject to the discretion of the Speaker.

The events of the First Session of the Thirty-Eighth Legislature were such that there was no Speaker in place after the election, because according to The Legislative Assembly Act, the position of Speaker becomes vacant on dissolution. In the absence of the Speaker, the Clerk of the Legislative Assembly has the duty to exercise the administrative authority of the Office of the Speaker regarding matters such as the allocation of block seating for the seating plan. In this instance, a temporary seating plan was devised by the Clerk based on past practices of the House.

Although some honourable members may not have been satisfied with the placement of seating, as was stated by Speaker Parent of the House of Commons on September 30, 1998: There is no such thing as a bad seat in the House of Commons. We have all been elected in the same manner to sit here as honourable members.

I would therefore rule that there is no prima facie case of privilege.

MEMBERS' STATEMENTS

World Literacy Day

Mr. Jim Rondeau (Assiniboia): I am pleased to inform all members today that it is World Literacy Day. Along with a number of my caucus colleagues, I had the pleasure of attending a breakfast with the Honourable Jane Stewart, Minister of Human Resources and our own Minister of Advanced Education and Training (Ms. McGifford) to commemorate this day. The breakfast was sponsored by the Manitoba Chamber of Commerce and Pricewaterhouse, which demonstrates their commitment to this cause.

Illiteracy affects us all. The average salary for a Manitoban with less than a high school education is only \$19,000. Studies have shown that people with low literacy experience greater unemployment, increased difficulties with health and, in particular, reading prescriptions and prescription errors. Knowing what your prescription says and getting it right is very, very critical.

Illiteracy tends to perpetuate over generations. We need to stop this cycle. It is a cycle of ill health. It is a cycle of poverty. In the information age that we now live in, good literacy levels are essential.

I would like to commend the Literacy Partners of Manitoba, its board and executive director, Marg Rose, for organizing this event. I am proud of our Government over what we have done. We have increased the funding for literacy by \$100,000 again this year. In 2002, there were 2100 people involved in literacy programs. This year there are going to be 2400, an increase of 300 people. We have done a lot as far as bringing up parent-teacher programs in literacy, child reading programs, and in Assiniboia itself, they did a great job as far as summer reading programs. Myself, the Optimist Club of Assiniboia, the Member for St. James (Ms. Korzeniowski) and Stevenson-Britannia are holding a literacy barbecue on the 20th to gain resources for literacy programs and gain school supplies for needy students. I invite all honourable members to do this type of

organization to improve the literacy in our province.

Bovine Spongiform Encephalopathy

Mr. Ralph Eichler (Lakeside): Mr. Speaker, I rise today to talk about the devastating impact of the BSE crisis on families, businesses and communities throughout Manitoba. When agriculture suffers, our entire economy suffers. The damage to Manitoba's economy alone from the BSE crisis is more than \$100 million, costs that will ultimately be borne by all Manitobans.

Governments have been slow to respond to the crisis. The Premier has been reluctant to speak to producers, preferring to gag about with rock stars and movie stars. It took weeks for the Premier to admit that the provincial BSE recovery program was not working. Only under mounting public pressure did the NDP revamp the package, provide for a feeder program, but they just dumped the program without warning weeks before it was to end. The Doer government launched a low-interest loan program which many producers have criticized and simply saddled them with one more debt. Others do not qualify for it. The PC caucus supports a cash advance program to help get needed dollars to all producers' hands, but the Doer government has repeatedly said no.

Compounding problems for some livestock producers, they have been devastated by drought and severe grasshopper infestations. In parts of Manitoba a number of rural municipalities have been forced to declare their regions a disaster area. I would encourage the Premier to visit our livestock producers on their farms, to find courage to look them in the eye and see what needs to be done to this multimillion dollar industry and Manitoba's economy in turn. If the BSE indeed is the Government's No. 1 priority then will he not hesitate to meet producers on their turf and hear their concerns.

* (14:40)

Western Canada Games

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I am pleased to rise and draw attention to a very important event that happened this past August in rural Manitoba. The 2003 Manitoba Lotteries Western Canada Games were held in August, the 1st to the 10th, in Selkirk, Gimli, Stonewall and Beausejour.

Mr. Speaker, 2000 young athletes from Manitoba, Saskatchewan, Alberta, British Columbia, the Yukon, the North West Territories and Nunavut competed in 18 different sports. The memory of these games will live forever in the minds of the athletes, the coaches, officials and volunteers.

The 2003 Games marked the first time four communities joined together to host a major sporting event. I want to thank the Premier and my colleagues for having the confidence that smaller communities could do the job. I want to report they did a great job.

It also marked the first time Nunavut competed and I am pleased to report that they won a medal in wrestling. Over 3000 volunteers gave the gift of their time and talent to ensure the success of these Games. The newly completed Selkirk Waterfront was a hot spot for visitors and residents where they enjoyed eight nights of free entertainment. For 10 days, spectators were treated to a great showing of 18 sports and witnessed the talents of western Canada's top athletes.

Mr. Speaker, I want to recognize the organizers and sponsors, in particular the title sponsor, Manitoba Lotteries. The Games are a celebration of sport, the spirit of volunteerism and what is great about rural Manitoba. I want to congratulate everyone involved.

Bovine Spongiform Encephalopathy

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, over the past several months we know that Manitoba cattle producers have suffered through a crisis. The closing of the U.S. border to cattle has resulted in more than an industry crisis; it has resulted in a personal crisis for those ranchers affected.

Last week I spoke to a constituent of mine who is 65 years old, who has been feeding 150 bulls since the border closed on May 20. He tells me now that at the age of 65 he stands to lose \$200,000, money that he will never make up in his lifetime. He is disappointed that the Government has not provided a plan. He is disappointed that the Government has not given him assurances of what he is supposed to do.

Mr. Speaker, this is only one example of the lives that have been affected across Manitoba. Yet instead of leadership, which is the true test during a crisis, the Minister of Agriculture (Ms. Wowchuk) has announced programs that provide little benefit to Manitoba ranchers and has eliminated some initiatives in the middle of the night.

Today the Member for Emerson (Mr. Penner) asked for the Minister of Agriculture's resignation and I know that he did it only after a great deal of thought and a great deal of consideration. It is a serious matter to ask for a resignation of a minister, yet the Member for Emerson should be commended because he has travelled across the province and listened to producers and he is reflecting the views of producers when he says that the Minister of Agriculture has not done her job.

She has failed and it is time that the Premier (Mr. Doer) recognizes this failure and replaces her with a member from the Government. I am hoping to find some of you a job, someone who is willing to act for ranchers, willing to act today for Manitoba ranchers.

Child Care Program

Ms. Bonnie Korzeniowski (St. James): Manitoba has been a pioneer in day care. We led the way in Canada back

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Some Honourable Members: Start over.

Ms. Korzeniowski: Start over?

An Honourable Member: From the top.

Ms. Korzeniowski: Manitoba has been a pioneer in day care. We led the way in Canada back in 1974 by providing start-up and operating grants to non-profit centres, and subsidies for eligible low-income families. Last term our Government did much to reinvest in child care and restore Manitoba's position as a national leader. We boosted wages for child care workers, giving them more of the dignity and respect they deserve.

One of the first centres to benefit from our child day care program is located in my constituency, the Discovery Children's Centre, now in its 27th year of operation. This summer the director of the centre, Ron Blatz, received a letter that brings home just how deserving our child care workers are in Manitoba. The letter was from a couple from British Columbia who were holidaying in Winnipeg with their children. While picnicking in Kings Park they happened upon a group of children from the Discovery Centre who were out on an excursion.

The couple wrote, and I quote: "We were most impressed for a number of reasons. First, it was delightful to see a group of children being given the opportunity to explore nature the way these boys were. They all were very caught up in a frog hunt and were obviously very much enjoying this activity. Second, the level of supervision and the positive interactions we observed from the leaders who were present was most excellent. We had a conversation with one young man, and we left feeling very impressed by his warm friendly tone and his level of professionalism. He even went so far as to include our two children in the activity, much to their delight. Please express our thanks to your staff for their kindness and interest. We understand that you have grown into one of the largest and most diverse day cares in Manitoba. If your centre is always represented this way in public by such thoughtful and caring staff, then it is not hard to see why. Keep up the good work."

Thank you.

ORDERS OF THE DAY

GOVERNMENT BUSINESS

Point of Order

Mr. Speaker: Order. The honourable Member for Burrows, on a point of order.

Mr. Doug Martindale (Burrows): Mr. Speaker, I believe it is important that we only put correct information on the record. The Member for Fort Whyte (Mr. Loewen) was concerned about things that I said on the record in the last session, and I would like to correct the record and confirm that what the Member for Fort Whyte said about his efforts to raise money for the North End Wellness centre, he indeed promised to raise \$1 million, not \$2 million as I incorrectly stated. I also found people who said that he had always made it contingent on a contribution from the federal government. I will leave it at that in order to correct the record. Thank you.

Mr. Speaker: On the point of order raised, it is not a point of order, but I would like to thank the honourable member for correcting the record for Hansard.

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, by leave, I would like to table a revised Estimates order.

Mr. Speaker: Is there leave for the honourable Government House Leader to table a revised Estimates order? *[Agreed]*

The honourable Government House Leader has tabled the revised Estimates sequence.

Mr. Mackintosh: Please call Supply.

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

COMMITTEE OF SUPPLY (Concurrent Sections)

HEALTH

* (15:00)

Mr. Chairperson (Harry Schellenberg): Will the Committee of Supply please come to order?

This section of the Committee of Supply will now be considering the Estimates of the Department of Health.

Does the honourable minister have an opening statement?

Hon. Dave Chomiak (Minister of Health): Mr. Chairperson, I do not intend to have a lengthy opening statement other than to suggest that we have an opportunity now, after having tabled both the Estimates and the Supplementary Estimates several months ago as well as having had an opportunity to debate these matters during the course of an election campaign and a summer period when all individuals had an opportunity to review it, I think that the Supplementary Estimates stand on their own with respect to the direction the Government is following with respect to health care.

Mr. Chairperson: We thank the minister for those comments. Does the official opposition critic, the honourable Member for Charleswood, have any opening comments?

Mrs. Myrna Driedger (Charleswood): Mr. Chairperson, yes, I do. I would just like to acknowledge and recognize particularly the efforts of all those involved in health care at the front lines and all people involved in the health care system on a daily basis. Whether it is the RHAs, Manitoba Health, hospitals, personal care homes, community agencies, home care, I think it is particularly important to acknowledge the work that goes on at that level knowing the stresses that are out there, the stresses that they are feeling on an everyday basis, the stresses they feel when patients and families are coming to them on a very regular basis and expressing concerns about the health care system. I think everybody is giving their very, very best in health care, and I do want to recognize that.

I think special recognition also needs to be given to public health officials. They have certainly had a stressful year and a bit. I applaud their efforts. I think they have been facing increasing challenges and they must stay very vigilant. All of their actions are watched carefully to see that the vigilance is there with SARS, BSE, water pollution, West Nile. It certainly does beg the question: I wonder what is next.

I certainly want to say to those people on the front lines of health care, thank you for your time, your talent, your commitment, the many sacrifices that you make to the health care system on behalf of patients and families and your striving for improving the quality of care in our health care system. I certainly acknowledge your efforts. Having been on the front lines of health care for 23 years, I certainly value what everybody faces on a day-to-day basis.

So I look forward to moving into Estimates, Mr. Chairperson. I look forward to getting from the minister openness and a sense of accountability about what is happening in Manitoba Health. I look forward to the next several days as we pursue this issue. Thank you.

Mr. Chairperson: We thank the critic from the Official Opposition for those remarks.

Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall now defer consideration of line item 21.1.(a) and proceed with consideration of the remaining items referenced in Resolution 21.1.

However, at this time we invite the minister's staff to join us at the table. We ask that the minister introduce staff in attendance.

Mr. Chomiak: I am joined by the Deputy Minister of Health, Milton Sussman; the Chief Financial Officer for the Department of Health, Heather Reichert; and Pat Hosang, Executive Director, Regional Support Services.

Mr. Chairperson: Thank you for those introductions. Does the committee wish to proceed through these Estimates in a chronological manner or have a global discussion?

Mrs. Driedger: Mr. Chairperson, as in previous years, I would ask whether or not we can continue with the same format of going global for several days and then line by line to finish off. I appreciate that the minister may not have all of the staff here that he needs at a particular

time. I am certainly flexible enough to move my questions into a different order that would accommodate the staff.

At this time I certainly would like to welcome the staff from Manitoba Health to the table.

Mr. Chomiak: Yes, Mr. Chairperson, that has been the practice that we have followed for some time. I think that makes some sense. I appreciate the flexibility on the part of the member with respect to the issues as relates to global versus line by line and the availability of staff. I think we can proceed on that basis. The pattern that we have generally followed is to have the critic generally try to give us a sense of where she might be going in subsequent days so that we can arrange to have the appropriate staff available. I am sure we can follow that same practice.

Mr. Chairperson: I think it is agreed that we will have a global discussion. Is it agreed?
[Agreed]

The floor is now open for questions.

Mrs. Driedger: Mr. Chairperson, I would like to ask the Minister of Health when the 2002-2003 Annual Report will be released.

Mr. Chomiak: I think the practice we will follow is the usual practice in Manitoba. I believe that the report will be available sometime in September.

Mrs. Driedger: In last year's organizational chart, I noticed that the RHAs were included with a connection to the Minister of Health. I note this year that they have been removed from that particular organizational chart. I wonder if the minister could give some indication as to why that move was made.

Mr. Chomiak: As the member may or may not be aware, one of the roles and functions and one of the very clear recommendations with respect to the Thomas commission was a reorganization and a reallocation of how health care is managed and provided for in the province of Manitoba. It was a very clear recommendation to us that we should reorganize with respect to the Department of Health so that the Department of Health became less a deliverer of programs and

more of an oversight, if I could use those terms, body with respect to how health care is managed in the province.

It was a very distinct and a very clear direction that was given to the Department of Health to function on that basis. With respect to the way that both the Sinclair and Thomas commission made recommendations, we take those recommendations very seriously and have endeavoured and undertook a process of organization along the lines as recommended by Sinclair and more specifically by Thomas as it relates to the organization of Health. In that respect the organization chart as it appears on the page reflects those aspects of reorganization whereby there is a Health Accountability section, a Health Program section workforce responsible and responsible for mental health division regional programs and services and of course the Chief Financial Officer. Under the Health Accountability there are various accountability functions. Also, directly under the Regional Programs and Services are the various supports that relate to regionalization, regionalization support, the ongoing both supports and assistance to regions as it relates to the Department of Health.

As the member might be aware, when we undertook this review, we tried very, very seriously to follow up on those recommendations. Those recommendations dealt with matters of responsibility and matters of accountability. It was clearly a direction that was both recommended and one that we followed up on.

Mrs. Driedger: Certainly Paul Thomas had great concern for discretionary accountability that could be used by a Minister of Health, indicating that it was cloudy accountability and that certainly those lines of accountability needed to be better delineated.

I would like to ask the Minister of Health: Where in this organizational chart does it become clear the role of the minister versus the role of the RHAs and where that accountability fits and where that cloudy accountability disappears?

Mr. Chomiak: Mr. Chairperson, it is very clear that the Sinclair commission that examined the

structure and the foundation of government in the mid nineties during that very, very sad period clearly indicated that the system was not responding and picking up difficulties. As a result, quite directly the tragedy, the longest inquest in the history of the Commonwealth, I believe, occurred, which examined the circumstances surrounding the deaths of the 12 pediatric patients at the Children's Hospital.

It was very clear that there were numerous matters that required follow-up. The Thomas commission went looking at the recommendations of the Sinclair inquiry, made some very specific recommendations with respect to administration and essentially put it into a framework aside from all of the other recommendations made in the Thomas commission, of which there are numerous, and there has been significant follow-up.

It was a very clear direction that one of the functions of the Department of Health would be to oversee the operations with respect to the regions and have those results and those particular operations analyzed and reviewed by the Department of Health.

Mrs. Driedger: The minister gave a cloudy answer, really, to concerns that Paul Thomas had about cloudy accountability, and it is not clear here. I do not mean to nitpick about this, but I think it is important, in view of the concerns raised about discretionary accountability by Mr. Thomas, to understand where that line is between the Minister of Health and the RHAs.

*(15:10)

Mr. Chomiak: Mr. Chairperson, as the member may or may not be aware, because the member had the opportunity, as I understand, to be the assistant to the former Minister of Health during her tenure in the Legislature, there are annual planning and capital plans, documents that go to the Department of Health for review that are reviewed by the Department of Health, planning documents as well as strategic plans that are reviewed by the Department of Health and that are examined on a regular basis and therefore qualified and dealt with by the Department of Health.

Those subsequently form the framework of the Estimates and Expenditure processes that subsequently result in the delivery of programs.

Mrs. Driedger: I thank the minister for that nonanswer, but that is okay because I will come back to this one in a short period of time.

I would like to ask the minister why Mr. Dedi was removed from the bottom line connecting all the other ADMs in the organizational chart.

Mr. Chomiak: Just for the member's clarification, I recommend the member review The Regional Health Authorities Act, which very clearly delineates the responsibilities of both the minister and the region as it relates to both discretionary and non-discretionary functions.

I apologize to the member. I did not realize that perhaps she was not familiar with that act, but if she had a chance to review that act, it is very clear what the roles and responsibilities are by legislation.

Mrs. Driedger: I had had a question of the minister about Mr. Dedi.

Mr. Chomiak: Mr. Chairperson, as it says on the chart, Mr. Dedi is responsible for a series of special projects in the Department of Health.

Mrs. Driedger: I was curious why he was not on the same line as other ADMs. That seems a little bit unusual.

Mr. Chomiak: Mr. Chairperson, I do not know if there is anything suggestive with respect to that matter. The Legislative Unit, the Chief Medical Officer, the Federal-Provincial Policy unit and the Special Projects portion are all on the same line.

It is delineated in terms of function and role, and then, subsequently, when one looks down to the five various program categories, it then delineates specific areas and specific program functions.

Mrs. Driedger: Could the minister indicate when Mr. Dedi received the position of special projects and what exactly is included in that particular role?

Mr. Chomiak: Mr. Chairperson, if memory serves us correctly, it was sometime in the late fall, I believe, of '02. Mr. Dedi is still involved in a number of workforce-related issues for the Department of Health.

Mrs. Driedger: Is the minister indicating that these special projects are all workforce-related then?

Mr. Chomiak: With respect to the projects, Mr. Chairperson, some of them are in a planning capacity and would not necessarily be categorized as all related to workforce.

Mrs. Driedger: In view of what appears to be some of his workload, does it then actually really warrant him being in the position of an ADM?

Mr. Chomiak: Mr. Chairperson, the role and the function remains as it is.

Mrs. Driedger: Well, certainly, the minister has not given a very clear picture of what his ADM does in the area of special projects. I would think that would be a position where there could be some very exciting things, but it also could be a position where there could be duplication between what is happening there then, and, if he is talking about health workforce, where somebody else has a whole portfolio in that area, it either appears to me that it is either a shuffling off of Mr. Dedi, or, I mean, is there any real significance to that role? Is it a big enough job that warrants a position of ADM? I would think that, if it does, the minister should be able to be more clear about what types of special projects are involved in that.

Mr. Chomiak: The role and the function, first off, the capacity of the Department of Health is not such that there is a good deal of duplication with respect to functions and roles. We simply do not have the capacity for those kinds of individuals or bodies around. The member talked earlier on in her comments about the work done by people in Health and the extraordinary workloads that are taken by people in Health, weekends, nighttimes, extended meetings. Numerous occasions extraordinary efforts are made. There is not any significant capacity with respect to individuals duplicating positions.

Mrs. Driedger: Well, it is still not clear to me what exactly Mr. Dedi does in his job as Special Projects. Again I would indicate that if he has got the title of ADM, the minister should be able to more clearly define what those special projects are. I certainly hope that he could do that.

Mr. Chomiak: There are a number of projects that he is involved in that have significant impact with respect to the Department of Health, and he continues to work on them.

Mrs. Driedger: I gather from the minister's evasiveness on answering the question that perhaps he is not fully apprised of what special projects Mr. Dedi is actually involved with. I wonder if he might be able to table a listing of some of those or all of those projects that Mr. Dedi is involved with. As there are with other ADMs, there is a whole list under each one of them as to what exactly they are doing. Here we have got a person that has a job called Special Projects, and yet it is not clear at all what this person is doing to warrant the title of ADM.

Mr. Chomiak: The projects are significant planning and a significant expertise requirement in the Department of Health that he continues to work on them, Mr. Chairperson. A number of the projects are still in the planning stages. I am not in a position at this point to make that particular information public.

Mrs. Driedger: I see I am not going to get any further there. I am disappointed that he would not commit to tabling any information on that.

I will ask though: The Health Workforce and, particularly, Responsible for Mental Health that is the part I am zeroing in on: Responsible for Mental Health when was that aspect of the job added into that title? Then underneath there does not seem to be any special listing related to mental health. I would like to know, is there a good fit here between health workforce and responsible for mental health, or was that just sort of stuck in there, or does it have a significant role?

Mr. Chomiak: I think, Mr. Chairperson, if the member would have looked further into the

Supplementary Estimates books, there are some explanations in that regard.

Mrs. Driedger: Well, could the minister tell me if there is a significant role that is being played in that area of responsible for mental health?

Mr. Chomiak: Can the member repeat the question, please?

Mrs. Driedger: I would like to ask the minister regarding the person who has the role, responsible for mental health: What are the significant aspects of that job?

* (15:20)

Mr. Chomiak: One of the reasons that that particular individual has mental health under that particular job description was that that individual is responsible for strategic initiatives. The member may not be aware of the fact that we have identified mental health as one of the top three priorities for delivery with respect to the province. The fact that that individual happened to be responsible in the strategic initiatives for that program function continued in that particular area.

Mrs. Driedger: I would certainly like to acknowledge the efforts that have been made. In Estimates last year, I know that the minister did lay out a plan for mental health. I had indicated at the time it would be great to see something like that on a broader basis coming from him about his vision for health care, but certainly it was delineated in the area of mental health, and I do give him credit for that.

I am certainly interested in the issue of mental health in terms of we have put forward the recommendation of having a mental health advocate, because I think that is very important. Certainly mental health is seen as the orphan in health care. There are many instances where people are falling through the cracks in mental health. That is why I am just curious as to how that is sort of stuck in there and if that can be something that can even be evolved into a mental health advocate or have a mental health advocate somewhere in here, preferably reporting to the Minister of Health directly, but it is in there, and then there is nothing in that line underneath to flesh it out any more.

Mr. Chomiak: That is the danger with just reading a chart and drawing conclusions from simply looking at the chart and not in detail reviewing the information underneath it. The member may or may not know that we have prioritized mental health as one of the top three priorities for all regions for delivery of health in the province of Manitoba.

It has been very much a high priority of this Government and continues to be a priority of this Government with respect to the delivery of care, and, I daresay, Mr. Chairperson, as we indicated in last year's discussion with respect to our plan that rolled out the very quite graphic plan and a quite graphic, obvious direction that mental health was going in this province, that we had taken some significant steps with respect to mental health, particularly since the void had developed between about 1995 until about 1999, when it seemed to fall off the radar screen. We have reinjected some enthusiasm and we have reinjected some activity into that area. It does and will remain very much a significant priority of this particular Government.

It does become a significant issue and it does become a significant item to discuss with respect to how one organizes. I note that in Alberta, where there was a free-standing mental health agency, the Mazankowski report recommended in fact what Manitoba is doing. That is that mental health services ought to be blended into the deliveries of the regional health authorities and not function as a stand-alone agency in its own right. I think that that was significant, that in fact the Mazankowski report that had reviewed the Alberta situation where it had its own free-standing agency with respect to mental health has now followed and has now been directed to follow the lines that we proceeded on in Manitoba, and that is to make mental health a key component of the strategic direction of all of the regions in terms of program delivery, et cetera.

I note that in the document put out by members opposite with respect to "the directions for health care in the next little while" there was mention, I believe, of an ombudsman, I thought the member could correct mein their blueprint. I

take note of the member's comment of advocacy for an advocate in this area.

Mrs. Driedger: A couple of points to raise regarding the minister's comments. He says that it is dangerous to look at a chart and make assumptions from that. I believe that is why we have Estimates, to be able to ask for that kind of information. I note, though, that in asking this minister questions we do not often have the answers coming in a very direct way. That is the intent of Estimates, to be able to have that dialogue of questions and answers. I certainly look forward to perhaps a better set of Estimates this time around, where the minister is more transparent with his answers, that we can have these kinds of questions answered so that the minister does not go around making these comments, well, it is dangerous to make assumptions about things. That is certainly why we do have the Estimates process.

The minister also indicated that in Alberta Mazankowski had indicated that they did not recommend a stand-alone mental health program. I do not either. I think it is important to incorporate it into the regional health authorities, because you have a more seamless approach to care. I would say though that because it is such an orphan in health care that having a mental health advocate as somebody separate to listen to complaints from the public, somebody that could report directly to the minister, I see that above and beyond what Mazankowski was talking about. I do see the value of having it incorporated into the regional health authorities.

I would like to ask the minister: When did he create the position of intake co-ordinator in his office? I think it probably has been there for some time and exactly what does that person do?

Mr. Chomiak: I also look forward to constructive dialogue during the course of these Estimates, Mr. Chairperson.

I will just confirm the previous question of the member, but I have always been under the impression that intake co-ordinator has been part of the office for a long period of time, both in the past and when I assumed the office. I will double-check, but I do not think that that has changed.

Mrs. Driedger: Is this position one where cases are dealt with by the minister's staff?

Mr. Chomiak: Can the member just reference specifically where she is looking?

Mrs. Driedger: I am not looking in the Estimates. It is just in his staffing in his office. It indicates that he has a special advisor, two special assistants, and an intake co-ordinator. I believe Mr. Chad Samain is that intake co-ordinator, according to the phone book, anyway. I was just asking for clarification as to what that role was.

Mr. Chomiak: The intake co-ordinator deals with health-related matters that occur in the office. As I look around the room, I see at least one individual here who I think used to do that on previous occasions. It has been an ongoing individual, as I understand, in Health who deals with various issues and concerns that come up through the health system.

Mrs. Driedger: Is Mr. Samain's role then any different from his special assistant's?

Mr. Chomiak: Mr. Chairperson, I will provide the member with a listing of roles and functions either today or when we next meet.

Mrs. Driedger: Can the minister tell us how many of his political staff from his office, who may have quit from his office, have been given jobs in the civil service?

* (15:30)

Mr. Chomiak: Mr. Chairperson, the member will have to define what reference the member is making to, quote, political staff. Perhaps the member could define what the member—there are a whole number of individuals who worked both for the previous government and who work for our Government, some of whom I think have positions in the civil service.

So if the member could define what the member means by political staff. I know of several individuals who worked when the member was assistant to the Minister of Health who have positions in the civil service, but I do not know how the member defines, quote, political staff.

Mrs. Driedger: We could start with Scott Harland. I believe he has left the minister's office. Is he now working in the civil service?

Mr. Chomiak: Mr. Chairperson, there are a number of individuals who have worked both in my office and in Health who are in the civil service both before and after we came to government. If the member is going to be querying me about specific individuals, and she mentioned an individual, I will have to get that information.

There are individuals, for example, who worked in the office who are working now for the federal government, Mr. Chairperson. So I do not have a complete listing or a complete record of subsequent employment by some individuals.

Mrs. Driedger: Can the minister indicate if he has a vacancy rate policy in Manitoba Health?

Mr. Chomiak: Mr. Chairperson, there are certain guidelines that have applied from time to time, and we are obviously trying to fill all crucial roles and continue to fill all crucial roles while ensuring that we can keep our expenditures down.

Mrs. Driedger: Can the minister put a percentage on that? Is there a policy of 4% or a 6% vacancy rate to be maintained, as there are in other departments. Family Services, I know, has a vacancy rate policy. I think theirs might have been 6 percent.

Mr. Chomiak: I will get back to the member on that particular issue.

Mrs. Driedger: Mr. Chairperson, back in 1999, the NDP at that particular time made a promise that under Today's NDP, vote for us and you will see less bureaucracy and you will see more frontline care.

Can the minister then tell us how it is that he has increased the size of Manitoba Health from the time he was elected till now? I know it is not huge numbers. I believe it might be in the vicinity of 12 people, but the intent with regionalization was that they would be made to be responsible for operations, and Manitoba Health would become the standard setter, the

policy setter, the evaluators, et cetera, and the intent was with regionalization you would have that bureaucracy and that Manitoba Health would have been downsized because they are outside of operations.

He has indicated today that the organizational chart has been changed to reflect some of that, and yet we are seeing him, despite his big promise in 1999, less bureaucracy, criticizing the Tories for their ever-growing bureaucracy, turning around and actually increasing the size of the bureaucracy.

Can the minister explain how he can do that after making those comments and promises in 1999?

Mr. Chomiak: First off, there are significantly more frontline personnel in Health than there was in 1999, Mr. Chairperson, who are actually out there. That is a given and it is largely as a result of training.

Just let me give the member an example of when the previous government privatized water testing. They privatized water testing, as did the Ontario government which resulted in Walkerton, Mr. Chairperson. We reversed that decision and we brought back a program of not subsidizing water testing, which involved hiring of additional individuals and inspectors in terms of public health, et cetera. In that regard, there have been several positions created in a variety of services being delivered.

By any count, Mr. Chairperson, there are more nurses, more doctors, more lab technicians, more sonographers, more radiation therapists working in Manitoba today.

Mrs. Driedger: The minister has totally avoided the question. He made a commitment in 1999 to less bureaucracy and criticized the Tories at that time and said the Filmon Tories created a whole new level of bureaucracy. Then he has turned around and added to the bureaucracy of Manitoba Health by not a huge number, but that is beside the point, because his promise was to decrease it, and, in fact, he has grown the bureaucracy.

Can he explain why he would make a promise like that and then turn around and be so ineffective in carrying it out?

Mr. Chomiak: Mr. Chairperson, the increase in public health officials and the increase in public health capacity, I know, was neglected under the previous government.

If the member wants to say that hiring public officers of health is increased bureaucracy, then I will take that, but I will note that the member and her party had two health regions in the city of Winnipeg, had 11 vice-presidents in the city of Winnipeg and numerous levels of bureaucracy and continued to have that which we eliminated upon coming into office.

Mrs. Driedger: Certainly, the minister has I understand his sensitivity to this. It is another broken promise. It makes one wonder what the promises were based on, but he also criticized the budgets for Executive Support, Finance and Administration, and Corporate Services, saying they increased. Well, I would like to indicate under the NDP, they have increased too. These are important issues.

He was complaining in 1999 that too much was spent around these particular budgets and, in fact, under his watch, if I have added correctly, he is up in the vicinity of extra spending of \$623,000. So not only has he not downsized the bureaucracy, as he committed to do, he has hired 12 more people, plus we have the bureaucracy of all of the regions, particularly the Winnipeg Regional Health Authority. Then on top of it he has increased the budgets for Executive Support, Finance and Administration, and Corporate Services, which I believe might even have a new name now of Central Services.

I ask him to explain how this could happen when he has made one commitment on one hand and he is doing something totally the opposite. How can he rationalize this?

*(15:40)

Mr. Chomiak: That is one of the problems when the member gets a little bit caught up on global numbers. The member has had difficulty in the past and had to stand down with respect to some of the allegations concerning the administration of the WRHA, concerning some

of the issues. Notwithstanding that, when we go line by line I would be happy to go through those specific positions and deal with all those positions with the member. For the member to make the blanket statement, I think, is not appropriate at this time. I am prepared to go line by line and compare positions, but to make the global statement in that regard, with respect to both expansion of programs in a number of areas, in enhanced salaries that are natural increases that occur every year.

In light of the fact, the member's commitment and some of the comments I heard from the members, particularly during the election campaign, about election commitments I suggest does not reconcile itself with what she is saying here today.

If the member wants to go line by line and deal with specific positions and specific matters I am happy to do that, because with respect to the matters of increases or decreases there have been increases in a number of program delivery areas. Let me give you an example of the enhanced capacity of the Department of Health as a result of the security measures of 9-11, as a result of the water testing, as a result of the various functions. That is one example where there has been some enhanced activity for obvious reasons.

To make the blanket statement that the member is making is not accurate. I am prepared to do it on a line by line basis but I do not think the member's addition has been particularly accurate in the past and I am not willing to accept the member's quick calculations at this point.

Mrs. Driedger: Can the minister confirm that on page 14 of the Supplementary Information he is showing a position summary and that the total number of people in FTEs is 1106.60?

Mr. Chomiak: Yes, that is what it says.

Mrs. Driedger: Can the minister confirm with his staff here that in 2000-2001 there were 1094.69 positions?

Mr. Chomiak: I will get back to the member on that particular number.

Mrs. Driedger: Well, it is easy for the minister then to make accusations to me, but he has his staff here. He could certainly be digging out the information instead of leaving information on the record that I may have my numbers wrong. He has an opportunity here to clarify and defend his comments.

Mr. Chomiak: I believe the member's comment was something along the lines of since 1999 there have been 12 additional positions at the Department of Health as opposed to, of the 1000 or so positions in the Department of Health, the member is making the allegation that because there are 12 additional positions there has been, quote, I think the member said: a broken promise. I indicated to the member that I am prepared to go line by line to look at those particular positions and then we can conclude specifically what and if those positions are.

Mrs. Driedger: Is the minister then confirming that there are 12 more positions in Manitoba Health?

Mr. Chomiak: By no means, Mr. Chairperson, because the member is only giving me that advice. I will have to confirm and go line by line, which again is one of the difficulties, if we are discussing global information, which is what we are doing, and the member wants to go line by line then I think we are going to have to change the procedure and go line by line because the member cannot have it both ways.

Mrs. Driedger: I am certainly speaking about a policy issue from the NDP's own news release during the election, which if the minister would care to have a look it is his own commitment made on September 1, 1999, criticizing the Tories ever-growing bureaucracy saying it is too large, that the budgets were increasing and that he was going to make everybody more accountable, the health boards more accountable to Manitobans by allowing the election of the majority of these seats of the regional health authorities. He is going to cut senior bureaucrats in the Department of Health. I am asking him to address this particular news release and indicate whether or not he has achieved all these promises he made in 1999.

Mr. Chomiak: I guess we are back to the member revisiting the '99 election, which we have done for four years. I welcome that and I am quite prepared to relive the last election and go through that if that is what the member wants to deal with. If the member recalls, our commitment was to take the two authorities that the Tories had set up. Imagine, in the city of Winnipeg, there were two health authorities set up to manage one region, 11 vice-presidents, while nurses had been let go at astounding rates.

To quote the chair, well, I will not quote the MNU president because the member gets upset when I quote the MNU president with respect to the thousand people laid off. But to quote the MNU report, a thousand nurses were laid off, the doctors class was decreased, et cetera. We said more resources had to go to the front line and by all counts whether one looks at '99 or whether one looks at 2003, we have increased that capacity.

In addition, we took two health authorities that had been put in place by the previous government and merged them into one. As well, we also eliminated a number of boards and moulded those particular boards into the functions of the WRHA and into the functions of various other regions outside of Winnipeg. In fact, we also took two rural regions and combined them in order to achieve some efficiencies. That was done with respect to getting more money, more resources to the front lines. That was undertaken and that was done quite significantly.

With respect to the Department of Health budget, the administrative costs have been kept to a minimum. There has been some additional programming. I am prepared to go through that line by line, but I am not prepared to accept an overall blanket statement from the member with respect to particular numbers because there are a number of programs, particularly in public health, that were neglected by the previous administration that additional resources had to be put in.

Mrs. Driedger: I have to wonder what the NDP were all about in 1999 when they put forward a number of promises in an election. You know, elect me and I am going to make all of these

changes. Then they have failed to keep almost every one of them. Here is one in particular. It was so easy back then to criticize. I think the minister is finding out it is a little bit harder sometimes to make the kinds of changes that he so arrogantly believed could be made in 1999 without doing his homework at the time.

Certainly, with the challenges in health care, it poses incredible challenges for a Minister of Health. It is obvious that with this particular promise he could not fulfil the promise to decrease the size of the bureaucracy but it certainly begs some questions about how he is managing his portfolio when we have these two huge bureaucracies, well, two, Manitoba Health plus you add all the RHA bureaucracies on top of it and we do have some serious issues that need to be addressed. I know he gets a little testy about it. In fact, I should tell the minister that when I retire from politics and write about my time in politics, I am going to save a chapter for him in my book and it is going to be called *Dancing with a Porcupine*.

Certainly, doing Estimates with this minister sometimes can be very painful because all we do is seek the truth and we seek transparency and accountability with the answers instead of rhetoric, evasiveness and testiness and sometimes even paranoia about fear of being trapped by the questions. I assure the minister that all I am doing is seeking the truth in what I am asking of him. As a Minister of Health, I have a high expectation of the person in that job, that they would come forward with the answers to this. All he has to say is no, I have failed to meet that commitment. I have failed to decrease the size of the bureaucracy. I have failed to decrease the budgets.

He had no caveats attached to those promises he made at the time. He was going to elect me and I am going to make these changes happen and he did not. All he needs to do now is say yes, the challenges were greater. I could not do it. Is he still committed to doing that?

* (15:50)

Mr. Chomiak: I do not intend to write a book when I retire, but if I do devote a chapter to the member, it would be the truth shall set thee

free. Plus, I thought we got over the member's fixation with the '99 election. We have done that for almost four years. The member has never accepted the fact that the Government was defeated largely, for a major part, because of its lack of caring and commitment in health care. I do not want to express it in those words but it is my firm belief that that was one of the reasons. The past four years we have launched a platform that we took to the people of Manitoba several months ago based on the '99 commitments, based on new commitments that we took to the people of Manitoba and said do you approve or not approve of what we have been doing the last four years?

I had actually thought we were going to come here in the Estimates and deal with some of the current issues, but we continue to go back to the member's fixation with 1999. The fact is there was an election and we won. For four years now we have been the Government. We have done the best we can in health care. As I have said on many occasions, it has not been perfect. We think we have improved the situation. I think the public has responded that the situation has improved and that we are going to continue to do that on a regular basis. If the member wants to go back to '99 and continue to rehash those issues that we have done for the past four years, I am happy to do that. It is only my opinion.

I suggest that we get on and deal with some of the issues that are facing us today, but if the member wants to go back and do this again, I am happy to do this because not only am I willing to stand on the '99 record, I already have stood on the '99 record through the course of an election campaign, Mr. Chairperson, an election campaign where the member took out radio ads to talk about her commitment. I am happy to do that, and if the member wants to do that, that is fine. We will do that again, but I thought we had got over that. I thought we could move on and deal with some of the current issues. Again, I am at the member's pleasure. If the member wants to refight the '99 campaign, then so be it. We will refight the '99 campaign during the course of these Estimates.

Mrs. Driedger: I guess I do not give up easy on some issues when somebody breaks their word, and it is a word that is made to vulnerable people

in Manitoba, like vote for me and I will cure the ills of the system. My point is just to say that the minister failed in that particular area, and he certainly has grandstanded enough on some of these issues. All I am asking him for is a straight answer. Has he increased the size of the Manitoba bureaucracy? The numbers seem to suggest yes. Has the budget increased in those particular areas? The numbers seem to suggest yes. All I am asking for is just a straightforward answer about that because it is in contradiction to what he put forward. Certainly I am prepared to move on past that. I certainly appear to have the answers I need from this minister in that particular area.

I would like to go back to something I spent a considerable amount of time on in Estimates last summer, and that is cardiac surgery. In January of 2001 I suggested the Minister of Health send patients needing urgent heart surgery out of the province for surgery. I had heard from people close to the program that the program was in trouble, in fact that it was crumbling at the Health Sciences Centre. The minister ignored my warning.

Last summer, in Estimates, I spent hours questioning the minister on this issue because of my fears that if he did not do something, I was afraid patients were going to die. I felt that having one surgeon working at the Health Sciences Centre and three at St. Boniface Hospital was not safe. The minister assured me in Estimates last summer that there were enough surgeons. When we left government, almost 1400 surgeries were done that year. It dropped steadily.

An Honourable Member: No.

Mrs. Driedger: Yes, 1394. It dropped steadily under the NDP and last year in Estimates the minister felt that 1173 surgeries were enough to meet Manitoba's needs. I note that in both of these instances the minister was wrong, that Doctor Koshal suggested we need seven surgeons and not five and that Doctor Koshal recommended 1500 surgeries at least for the first year, and the minister was quite happy. He felt that 1173 were adequate. Despite the fact that surgeries were being bumped, sometimes five times, I asked the minister to order an external

review of the program, and we did spend a considerable amount of time on that. Because of my nursing background and the information that I was hearing, I was afraid that patients were going to die. My warnings were brushed aside by this Minister of Health. Then patients started to die and information about others who had died previously came to light. I would like to ask the Minister of Health if he accepts any responsibility for these deaths.

Mr. Chomiak: I note, Mr. Chairperson, that even in the member's question, in her review of Doctor Koshal's report, she is inaccurate. She is wrong. The member cannot even read the Koshal report and get the recommendations right. Let me just quote for the member. Doctor Koshal recommended in several years moving up to 1500 surgeries and moving up to seven surgeons if you move up to 1500 surgeries with respect to a program. Did the member not read the report? For 25 years the program in Manitoba has been back and forth. The member had an opportunity when she worked. She was the assistant to the Minister of Health. She had opportunity to implement the recommendations and did not. When we hired Doctor Koshal and told Doctor Koshal to come in and do a review, we said we were going to do something that had not been done for 20 or 25 years and he produced 42 recommendations in a report that we said we would implement. Now the member cannot even get the recommendation right, never mind some of the data that the members put with respect to her question.

In addition, Mr. Chairperson, I suggest the member very carefully read the report and very carefully read the recommendations and very carefully pay attention to what Doctor Koshal says because Doctor Koshal said a number of factors that I think are very useful and allow us to move forward with respect to our cardiac program, a program that Dr. Koshal himself says has been studied and reviewed, and because of a variety of factors, recommendations in numerous reports were not implemented. We have taken it upon ourselves to take the Koshal report and implement it.

Now, Mr. Chairperson, I have said that every time there is a death or a problem in the system we all have to bear some kind of

responsibility. The system will make mistakes. It is our responsibility when errors are made to try to learn from those errors and try to improve the situation. That is what the very essence of the Sinclair and Thomas report was, when there are problems in the system. The problem in 1994 when the baby deaths occurred was that there was not an ability in the system to follow up on those situations. That is why Thomas and Sinclair called for systems to be put in place.

I suggest to the member that she carefully read the Koshal report because in her two statements, her two statements talking about the Koshal report are quite candidly inaccurate. If we are going to have a discussion about the Koshal report, if we are going to have a discussion about cardiac surgery, then we should do it on an accurate reflection and an accurate reading of the particular recommendations in the report.

The report talked about moving to 1500 surgeries and talked about moving up to seven surgeons. I will cite the page for the member if she wants to review that particular page. It also had 42 recommendations. It was also very clear that Doctor Koshal recommended that we implement a lot of these recommendations, some of which the member had an opportunity to implement and did not implement when she was assistant to the Minister of Health, some very important recommendations, to implement them and proceed. It is our understanding that we are going to move on and implement the recommendations in the Koshal report.

*(16:00)

I note, Mr. Chairperson, that the member and her party and the Liberal Party very graphically used this issue in their ads, day in and day out. It was the lead in their ads and I note that. I know we said we would take action and we would implement the Koshal report and we intend to implement the Koshal report, something that was not done for 20 or 25 years, despite numerous recommendations and numerous discussions with respect to the cardiac program.

I also note, Mr. Chairperson, that when we brought forward changes to our cardiac program the member opposite opposed those particular

changes. I made it very clear, both in the last Estimates and previous Estimates that this was a program undergoing rebuilding. It was undergoing rebuilding from what had happened and not happened during the 1990s and previously. That is where we intend to go. We intend to take the Koshal report, we intend to implement the Koshal report.

I am mindful of the fact that it is not a given and it is not an easy task. One of the reasons it has not been done over the past 25 years is that it is a complex matter, but that is our intention and that is our goal, to implement the recommendations of the Koshal report, to get off of the bickering and the back and forth and the turf wars and to move forward to improve patient care. Patient care is the bottom line. That is the reason we are in this Legislature. That is the reason we do what we do every single day. That is what we can continue to do. That is what the Koshal report talks about. That is what we intend to undertake.

Mrs. Driedger: I would like to repeat my question to the minister as he did not answer it and ask him if he takes any responsibility for these deaths. He certainly had warnings, brushed them off and could have moved on this bringing in a third-party surgeon a year ago. I mean, does he take any responsibility for these deaths?

Mr. Chomiak: Mr. Chairperson, the entire health care system on a day-to-day basis is something that we monitor and we look at and we take action when there are difficulties. When there are difficulties in the heart program, or when we saw there were difficulties in the heart program we took some steps to deal with that. We also put in place a mechanism to move on and to improve the program and to ensure that we have a centre of excellence here in Manitoba. That is our goal and that is what we intend to do.

Mrs. Driedger: I think the minister was playing politics with this issue. I think it was negligent politics. He brushed off my warnings because he did not want the Tory critic to get any credit. Instead, he did it his way and now patients are dead.

I would like to ask this Minister of Health why he never apologized to Sean Gorsuch for the death of his mother.

Mr. Chomiak: When I released the Gorsuch report, the Gorsuch report had 42 recommendations with respect to how to improve cardiac care in the province of Manitoba. The report also indicated, Doctor Koshal's report indicated that in every single system, unfortunately, because people are let me quote Doctor Koshal. Doctor Koshal indicated that people will die on waiting lists. That is unfortunate but we must do everything in our power to ensure that, to the extent possible, we ensure that is a quote from Doctor Koshal. I do not know if the member was at the conference when Doctor Koshal from Edmonton made that particular comment, that we must do everything in our power to learn from developments, to improve the program and to ensure that we put in place the recommendations of Doctor Koshal.

Mrs. Driedger: Well, on behalf of Sean Gorsuch, who has asked the question and the minister has just avoided answering it, I would like the minister to indicate why he never apologized to Sean Gorsuch for the death of his mother.

Mr. Chomiak: I know that when Mr. Gorsuch was here and held a press conference with the members opposite during the campaign I did not have a chance to talk to Mr. Gorsuch. I also know that during the course of the external review it was very important that the family have opportunities to speak with the external review people. I understand that Mr. Gorsuch had an opportunity to talk to Doctor Koshal.

Mrs. Driedger: Certainly, with this particular program, if I, a politician, knew about the problems in the program, others must have known about it too. Surely the minister must have been informed or forewarned about the dangers to patient safety with this program.

In fact, his connections are far better than mine and I would have thought he would have heard about it long before I did. I have to ask him why he would have ignored these warnings. This was a ticking time bomb and yet he did nothing. Even after I started giving warnings he did nothing. Why did he ignore, not only my warnings, but I am sure he must have been

hearing from people in the WRHA through his staff about this?

Mr. Chomiak: I am not sure I am clear what the member is referring to.

Mrs. Driedger: Well, I will ask the minister then: When did he first know about all of the problems with the cardiac surgery program? In 2000?

Mr. Chomiak: I knew about the problems in the cardiac surgery program when I became the Health critic in 1993.

Mrs. Driedger: If the minister had that kind of information, then why did he not heed my warnings much more seriously if he had had these same concerns himself back in 1993?

Mr. Chomiak: Mr. Chairperson, that is why I became very involved with respect to the pediatric cardiac program and was very active in terms of trying to bring this issue to light and the difficulties that occurred with respect to that program and was very happy to not only receive the inquest results when we subsequently became government but to have the opportunity to effect change in a system with the Sinclair and the Thomas report, which we did undertake very strenuously with respect to programming and how we deal with difficulties and how we deal with problems.

Mrs. Driedger: The minister did not answer the question and I will ask him again. I truly am interested in why he brushed off my warnings at that time. He had an opportunity.

He is saying he knew there were problems in the program going back to 1993. Why then would he not have done something about it a lot sooner in his portfolio? Why did he brush off my warnings?

My warnings were fairly serious ones. I had a suggestion for an external review a year ago. Why did he ignore these warnings when he even says he knew about the problems in the system going back a long time?

* (16:10)

Mr. Chomiak: Mr. Chairperson, Doctor Koshal indicated there were problems in the program when the member, who is so very concerned about her warnings, was the assistant to the Minister of Health and did nothing with respect to the various recommendations of cardiac reports. *[interjection]* Oh, now the member did not know.

You know, Mr. Chairperson, if the member wants to go very personal and personalize it, I do not think that is the appropriate way to go. I think we should talk about programs. I think we should talk about issues, and I think we should talk about how they are solved.

But the fact is, Doctor Koshal identified a program that had been reviewed over 25 years, recommendations not acted upon. I might add to the member that when we brought in our cardiac program several years ago, the member criticized our moving forward. She criticized the expansion of the program. She criticized the site of the program. Then there was a flip-flop with respect to the Tory position about where it should be.

Mr. Chairperson, the key issue is when there was a problem, we moved along. We had an external review. We have 42 recommendations. We intend to follow up and get out of this very, very small "p" and large "p" political morass that we have been in with respect to the cardiac program for 25 years. If the member reads Doctor Koshal's report, that is essentially what Doctor Koshal indicated within his report. He indicated, quote: This program has been reviewed extensively over the years with very similar recommendations to those in this report emanating from those reviews, et cetera, et cetera.

What Doctor Koshal talked about was implementation. That is what we are committed to, Mr. Chairperson. I would hope that the member would be committed to the implementation as well as we are.

Mrs. Driedger: The minister said why did I not do something when I was legislative assistant to the Minister of Health. Well, I did not know about this when I was the legislative assistant to the Minister of Health.

The moment I did know about it, in January 2001, I put my first suggestion forward to the minister. I heard about the problems and the serious concerns from some of these frontline people over Christmas, and in January, at my earliest convenience, I did draw attention to this issue, unlike the minister, who is saying he knew about the problems with this issue way back when, and he did not act, and he did not even act when I started to bring forward my really serious concerns.

Is the Minister of Health aware that by doing nothing after being warned about this, it put patient safety at risk and perhaps contributed to the deaths of these cardiac patients?

Mr. Chomiak: No, Mr. Chairperson. In fact, the record shows that there were several actions taken, both by this minister and by the Government with respect to the cardiac program, not only in our cardiac enhancement program which the member tends to overlook and forget about, but, as well, in numerous actions with respect to dealing with wait lists, dealing with bumping and dealing with alternative options offered to physicians for patients in the event that they were on a wait list.

Mrs. Driedger: I still believe, Mr. Chairperson, that all of this rhetoric does not do anything for 11 families that are certainly grieving for their loved ones. I think a lot of empty rhetoric is certainly not going to cure this particular mess.

Is the minister aware that even this summer, in August of this summer, a male patient at St. B. had been bumped five times? It did not make the news and I am wondering if the minister is keeping track of the number of patients out there who are being bumped and how frequently this is happening and how many times they are being bumped.

Mr. Chomiak: We are keeping track. We have managed to significantly. Doctor Koshal's report indicates that some significant progress has been dealt with, with respect to bumping. I am glad the member talked about bumping, because I did have occasion to talk to a nurse who was quite upset about the actions of the member opposite and the Opposition with respect to bumping,

about all of the bumping that occurred in the 1990s and how come the Opposition had the gall to actually raise issues of bumping when it occurred on a regular basis all through the 1990s, and how the members all of a sudden discovered that there was such a thing as bumping and that there was such a thing as a wait list, which was considerably longer, I might add, when the member opposite was the legislative assistant to the Minister of Health. So I find this new-found concern with the program a bit curious.

The nurse that I encountered in the campaign was quite adamant about this particular issue and was quite concerned that people in the system were getting a bad rap from members opposite by claiming that bumping had not occurred before and, in fact, that there were wait lists. Unfortunately, wait lists were not standardized to the extent they were not kept until 1999.

Interesting, because we could not get, when we were opposition, the wait lists for members opposite. They refused to give them to us. They refused and when a centralized wait list was brought in, in the summer of 1999, and we started tracking it did show, Mr. Chairperson, some of the difficulties, some of the problems and some of the challenges. For the member to be unaware that this occurred during the time she was legislative assistant to the Minister of Health is quite surprising to me.

Again, I do not want to turn this into let me just suggest that not only were changes made since the time we announced our cardiac enhancement project but if one looks at the Koshal report, Doctor Koshal indicates that changes were made during the course of the last several years to deal with the issue of bumping. Doctor Koshal recognizes it in his report. I will defer to the advice of Doctor Koshal.

Mrs. Driedger: I note that the minister certainly enjoys being able to throw out how powerful he thinks I should have been as a legislative assistant to the Minister of Health. It is actually kind of ridiculous because he knows that he does not give his legislative assistant any power, and that poor member from Dauphin certainly does not have much clout to make some real things

happen, in fact, probably is not even in the loop of information. Although, I think there might have been some opportunity at some point, according to the minister a few Estimates back where he was saying how powerful this particular position was, but I think the member from Dauphin might discount some of that rhetoric.

Certainly, if we put the member from Dauphin in the seat to answer questions, I might get some better answers, but I know the minister likes to play around with that and it is absolutely meaningless, a red herring to everything, because he knows very well that particular position is not one that has a lot of inside information as the minister does.

I would also like to indicate to the minister that I was a nursing supervisor for several years in the mid-nineties at St. Boniface Hospital and covered our cardiac surgery ward. I have to say I do not recall the amount of bumping going on in the nineties as there is now. I certainly do not recall patients dying. If they had been dying like this they would have been on the front pages of the paper. There are staff in the system right now who have told me it has never been this bad in cardiac surgery. The staff who are talking to me are certainly knowledgeable about the program.

If these kinds of things were happening back in the nineties to the degree the minister said, I think it would have been out there in a much greater way. He, as the opposition critic, should have certainly been bringing that information forward if he had that kind of information at the time, so maybe we could have been working harder to correct this particular situation so that we would not have 11 patients dying now over the past four years.

Not only did this Minister of Health play politics with this issue, I think, and put patients at risk, but so did the Premier (Mr. Doer). During the 1999 election, the Premier promised to keep two cardiac sites open in Winnipeg, one at Health Sciences and one at St. B, this without any consultation with the experts in the system. It was a pure and simple election promise made with no consultation. It was an election promise to win the St. Boniface seat for the NDP member running in that election.

The medical experts in Winnipeg wanted one site and fought hard for that. Our government finally agreed and committed to the site after many meetings with Doctor Postl and listening to the expertise that was being put forward. The experts said that a single, integrated site for cardiac surgery and invasive cardiology was becoming the standard of practice in Canada.

Calgary, Ottawa, Hamilton, Halifax, Victoria, Kingston, London, each of these cities acknowledged that this would allow for adequate volumes of procedures and ensure the best training, the best staffing opportunities, education and potential for research opportunities.

We also made the decision to consolidate the program because the cardiologists and the cardiac surgeons acknowledged that maintaining two sites has led to friction over the years. In fact, in 1997 a meeting was held by all cardiac surgeons and cardiac anaesthetists to discuss this point. It was unanimously concluded that consolidation was essential to maintain excellence in the treatment of cardiac surgery patients. The leadership in medicine, surgery, cardiology and cardiac surgery were in full support of this initiative.

I would like to ask this Minister of Health how he and his Premier could go against the recommendations of these experts.

* (16:20)

Mr. Chomiak: Mr. Chairperson, again, we are back to wanting to refight the 1999 election. Now the member wants to refight the Wade-Bell report which was a report commissioned in 1993 by members opposite in government that recommended one program, two sites. Here we go reliving the past and justification. I do not think it does the public of Manitoba any good for the member to that is in fact part of the difficulty and one of the reasons the program has not moved forward, because of this constant historical revisionism and this political bickering over sites and over locations.

Suffice to say that Doctor Koshal came in, looked at the program, said: One site; it should be at St. Boniface Hospital. I know members opposite wanted to put it at Health Sciences Centre and that may be part of the difficulty with the members, but let us get off this reliving past history, reliving past fights. I had enough e-mails from individuals who are involved in the program that I could talk the next hundred hours with respect to that program and the history.

I have sat down with individuals who were involved in some of those studies. I have sat down with individuals who were involved with the program. I have sat down with surgeons. I have had opportunity to talk to these individuals. If we want to re-debate and re-go through this, that is fine, but our commitment and the commitment of this Government is to take an implementation report that has been put together and to implement it, something that members opposite failed to do and that we are going to do.

The member will have ample opportunity over the next several years to criticize the implementation of this report, et cetera. I am not sure how much good it does us to go back. It is not that we have not talked about this. The member and I have had discussions about Wade-Bell every single Estimates. Every single Estimates, we have had discussions about the '99 election. The fact is we have the implementation, we have a report, we are going to get on and implement this report to improve and to ensure that we have an adequate program.

Doctor Koshal indicated in his report that progress had been made as a result of some of the measures we took with our cardiac enhancement program. He made suggestions for improvements in the program we intend to follow. I want to indicate to the member that I think it is important for us to follow those recommendations. If we can not even get these recommendations, if the member cannot even agree on what these recommendations are now, of what use is it to discuss the '99 or the '93 report and talk about the member's interpretation of the '93 and '99 reports. The member has already misinterpreted Doctor Koshal's report. So let us just take the report, let us look at implementation, and let us see if we can get on for all of the patients and all of the public of

Manitoba with respect to the implementation of cardiac in this province.

Mrs. Driedger: With the minister being so passionate about listening to Doctor Koshal, why did he not listen to the experts who were making the recommendation back in the late nineties for one site? He says it did not move forward for all kinds of reasons. It did not move forward because of political interference by the NDP. We had committed to it. Those discussions started in the late nineties. There was political interference in an election by the NDP, by this minister and by the Premier. They committed to maintaining two sites against the recommendations of the experts. Maybe patients would not have died, 11 patients might not have died over these last years if this minister had not politically interfered, if this Premier had not politically interfered and if they had followed the recommendations of the experts. We are talking all of the experts, all of the leadership in medicine, surgery, cardiology, cardiac surgery. They were in full support of it. How can anybody make an election promise about this and think that was okay?

Mr. Chomiak: I am wondering what experts the member is referring to for her expert report, because there are at least six reports with respect to cardiac surgery. Could the member perhaps be a little more precise as to what she is referring to in terms of her reinterpretation of the historical developments in this regard?

Mrs. Driedger: The minister certainly likes to deflect from what is his responsibility in this. He is sitting in the minister's chair. He has access to all kinds of information from his department, which was involved in a lot of these discussions. So, if he wants full information about this, all he has to do is ask his staff, because there is, I am sure, a lot on record. If I know about it, surely to goodness he would know about it.

I have to ask him again. Why would he go against the recommendation of the head of cardiology, Doctor Postl particularly, the head of cardiac sciences, the leadership in medicine? There was full support for this initiative, and a bunch of politicians in an election went out and made a promise without any knowledge about the effects or what that particular promise was

going to lead to down the road. What has happened is we have had 11 deaths.

Mr. Chomiak: What has happened is that when members opposite were preoccupied and had 12 baby deaths at the Health Sciences Centre a lot of information was not followed up. But if the member is referring to the 1990 report that talked about one-site consolidation, I ask the member, where was the implementation of that? Or is the member referring to the 1993 Wade-Bell, which said one program, two sites. Where was the implementation then?

I find it very curious that the member should talk about expert advice and expert opinion that she had access to when her own Government did not implement the recommendations of those particular reports. That is the dilemma, by the member focussing on blame. That is what we are talking about here. It is about focusing on blame, focusing on turning an issue of patient safety into a political issue for political gain. That is what the member is talking about instead of implementing the recommendations of the report to improve patient care and accusing particular members of causing deaths.

I have never adopted that tack with respect to the 12 baby deaths. I have never done that. But I get the flavour of that from the Member for Charleswood. I do not think it does anyone good to go through and accuse, Mr. Chairperson, when we have a report in front of us that makes specific recommendations as to how a program and how a site ought to be implemented and how a program ought to be improved.

Mrs. Driedger: I want to remind the minister that he had warnings and he had opportunities presented to him that he could have taken advantage of. When you have warnings that something is not right with a program, those warning should never have been brushed off. I asked him last year in Estimates: Is he pursuing this issue with the WRHA? Has he asked for a full accounting from the WRHA? From his answers last year, it did not appear that that was the case.

I think when a minister has warnings, like he did on this particular issue, that he should have paid serious attention to them. I think instead he

chose to brush off my warnings because I was the opposition critic.

I would like to ask the minister: Can he not see that by playing politics with this issue from the beginning, by making a politically opportunistic election promise, and then, again, by brushing off my warnings, a couple of them over the last few years, particularly last summer when I think I had some very valid concerns that were put forward, can he not see that what they did went against what was in the best interest of the patient?

* (16:30)

Mr. Chomiak: Mr. Chairperson, there have been difficulties in fact, I have the Estimates in front of me with respect to the, quote, warnings of the Member for Charleswood (Mrs. Driedger).

Again, the Member for Charleswood talks about having 12 cardiac surgeons when she was the legislative assistant to the minister. That is inaccurate. It is totally absurd, Mr. Chairperson. The member was making all kinds of allegations that were actually inaccurate. I indicated at the time, as I indicated now, that there were problems in the program, that we are continuing to deal with it, and it was a program that was being rebuilt and that we invested significant resources in it, and actions were taken.

Again, if one looks to the Koshal report, very interesting that the Koshal report both indicates progress was made with respect to the cardiac enhancement project, as well as the fact that the report indicates very clearly that some of the measures put in place as a result of the Government's initiatives maybe it would be better if I said we will give full credit to the Member for Charleswood. The Member for Charleswood was the one that resulted in all of the changes that occurred in the Koshal report.

Would the member feel better then if we allowed that, and if I admitted that, Mr. Chairperson?

Mrs. Driedger: I think I would have felt better had the minister implemented that review at the time it was called for, because I think maybe we

could have prevented some deaths in this province if some of this had been put in place.

As for the 12 surgeons, that came out of the minister's own documents. So, while he may want to discredit me for the number, I am just using his own numbers that came out of Manitoba Health reports. So that is where that number came from.

But here we are in the fall of 2003. The minister finally ordered a review after nine patients had died, and then two more died after the review had been called.

As it may take a year for all of Doctor Koshal's recommendations to be acted on, I would like to ask the minister what is being done right now to move beyond the status quo which has been leading to patient deaths.

Mr. Chomiak: Mr. Chairperson, we have been putting in changes in the cardiac program since we came to office since we came to office to improve the program and to improve the functioning of the program. We continue to do that along the lines of the implementation of the Koshal report.

Mrs. Driedger: That gives me absolutely no reassurance that we are not going to hear tomorrow about another patient dying. Surely to goodness we cannot remain in the status quo position for a year waiting for the report to be implemented.

I would think that there must be some things that are happening right now, so that we are not going to hear again and again about patients dying. I really would like some specifics about what the minister has directed to be done right now in his leadership position to move beyond the status quo, which is leading to patient deaths.

Mr. Gerard Jennissen, Acting Chairperson, in the Chair

Mr. Chomiak: The report has an implementation committee of which we are implementing a number of measures that were recommended in the 1980s and 1990s that were not undertaken, Mr. Chairperson, that have been put in place.

I only remind the member of what Doctor Koshal said. I want the member to understand this because Doctor Koshal said that in every single system, people will die on the waiting list. That is what Doctor Koshal said, Mr. Chairperson. Our job is to improve the situation so that this does not happen.

For the member to suggest that this Government has not taken action and that has caused people's deaths, Mr. Chairperson, I think, is beneath the discussion of a member of the Legislature. I find it actually quite disheartening to hear a member make that kind of accusation and that kind of contention.

Having said that, Mr. Chairperson, if I respond to the member, I will only respond with respect. It is interesting, I could look at some of my comments from last year. You know, I indicated last year that we were improving the program, working on the program since our cardiac enhancement, and that there were problems and we were continuing to work on them, and changes had taken place.

On the 18th of August when the report came out, I indicated immediate implementation. We formed an implementation team, Mr. Chairperson, that is tasked I believe with a number of priorities with respect to the implementation. The key issue that was raised by Doctor Koshal with respect to the program was leadership of the program, and that is one of the factors that has been the first issue addressed in terms of dealing with leadership at the particular program or programs.

Mrs. Driedger: The minister's evasiveness is giving me no comfort with this issue, and I will like to spend a little bit of time around trying to find out what is happening right now in order to protect patients and ensure that patient safety is first and foremost, because the status quo, up until very recently, was leading to patient deaths.

I am not making accusations about anybody; I am asking questions. I am asking for the minister to put forward what the plan is right now over the next period of time to ensure that patient safety is first and foremost.

Patients will die if they get bumped and bumped and bumped. Patients will not have a good post-op recovery if they have gone through all kinds of psychological stresses of being bumped. I have spoken to this man's family, this man who was bumped five times in August, and the emotional destruction of that is absolutely horrendous.

What I want the minister to assure Manitobans, never mind assuring me, what I want his assurance is: What is he doing right now to make sure that patients are safe? There must be some interim measures, even small ones, that are happening in regard to this issue so that there can be some comfort in the public that if somebody is waiting for heart surgery, their chances are better than they were before.

* (16:40)

Mr. Chomiak: First off, the member has to realize, I do not know what it was like when the member was legislative assistant to the Minister of Health, but patient safety is a priority with respect to this Government, particularly since the Sinclair-Thomas review indicated that patient safety should and must become an integral part of the health care system. We put in place the recommendations of the Sinclair and the Thomas reviews, the two most significant recommendations being to look at mistakes that are made in the system on a regular basis and to try to learn from those mistakes without a blame culture as well as to do reviews in situations where mistakes are made to improve both the quality of the work that is provided. So patient safety is in fact the forefront.

I just came from a federal-provincial ministers meeting where we are establishing a patient safety institute before the end of the year that is dealing with patient safety that two particular provinces, Alberta and Manitoba, played a key part in, Alberta for a number of reasons and Manitoba for a number of reasons, to ensure that patient safety becomes a key and a significant part of how we address the issues of patient care.

I want to assure the member that with respect to the Koshal report that when we first indicated that we were going to undertake a review, we indicated that not only would we

continue the program with respect to following the Ontario health care network allocation of patients and how patients are cared for, in particular criteria. We follow criteria that were put in place by Ontario. Those criteria were put in place in the summer of 1999 just prior to our coming into office, which we maintain, specific clinical criteria to follow heart patients. We follow those.

With respect to Dr. Koshal's review of those criteria, in most cases we exceeded the Ontario standards or were right on with respect to the clinical guidelines for those particular patients. Not all provinces follow those guidelines, but we follow the particular clinical heart guidelines that are put in place.

Now, I know, I just want to take a tangential point here, and I do not want this to be misinterpreted, but it is the case that when you do follow those clinical guidelines, there are occasions when unfortunately people will die on the wait list. That is Doctor Koshal's words, that is not my words.

Now, when we announced the cardiac external review, we put in place a case-by-case review of the individuals that were on the list. We also funded additional program to expand the number of cardiac surgeries available. As well, as you know, we put in place a program to bring in surgeons to deal with some of the patients that might require surgery, and, in addition, we reiterated and gave to patients the opportunity that if any patient were to be in excess of the guidelines with respect to receiving their cardiac surgery, they had the option at our expense to go out of province.

I might add, the member seems to overlook the fact can the member put on the record, perhaps, what he had to say, the Member for Turtle Mountain (Mr. Tweed)? The member might not be aware of the fact that we reiterated our previous commitment that we had made in 2001 to cardiac surgeries that if a patient were to exceed the guidelines, surgeons had the option to move their patients out of province. So that is what we did when we announced the review.

Since the review with respect to Koshal, it is interesting that Doctor Koshal himself talks

about a number of innovative projects that have taken place in Manitoba. Most specifically he talks about the fact that processes put in place in St. Boniface Hospital to deal with bumping have had success with respect to bumping. He also recommended the immediate expansion of the program which we are funding to include additional cardiac surgeries.

He also indicated, contrary to what the member indicated earlier, that if we were to go to the volume of 1500 surgeries, we could go to seven surgeons, not immediately going to seven surgeons as the member inaccurately stated in her previous comments. We have also, since that period of time, hired a new surgeon with respect to cardiac surgery that is dealing with additional surgeries. In addition, notices have gone out, and I believe that today is the final day with respect to the advertisements for the various positions, as recommended by the Koshal report dealing with leadership in the cardiac-cardiology program and cardiac sciences program at the Health Sciences Centre. In short, not only does the report indicate that improvements have already taken place both prior to Doctor Koshal doing his review and during the period of time that Doctor Koshal did his review, but some of the recommendations indicated by Doctor Koshal with respect to surgery and with respect to improving the program are already taking place and have already been committed to by the Government of Manitoba.

Perhaps I should indicate that the report also talks about some structural changes. I do not know if the member is aware but the report recommends that all surgeries in cardiac should be consolidated at St. Boniface Hospital which will require some significant changes around the system in order to ensure that consolidation at St. Boniface Hospital, as well as enhancing some of the post-operative care and following some of the innovations that have already been put in place with respect to some of the programs that are in place both at St. Boniface and at the Health Sciences Centre.

Mr. Chairperson in the Chair

There are various recommendations that I can go into. While I do not have the individuals here today, I can go into more detail with respect

to some of the recommendations in the report. In short, let me sum up that Doctor Koshal recognized that the key to success in this endeavour was to try to avoid the politics that had dominated this issue for the past 20 or 25 years, and I get, from the tenor of the member's comments, unfortunately that may continue to be a factor. Nonetheless, he has also indicated that some practices put in place have already improved the situation. We have already funded some additional surgeries.

There is an additional surgeon that has been hired, and a number of processes are in place, including, following the recommendation specifically of Doctor Koshal, an implementation team that is charged with the task of putting in place the 42 recommendations that have been made by Doctor Koshal with respect to enhancing and improving the cardiac program here in Manitoba.

I just want to add that Doctor Koshal also identified some very positive developments in this province. He talked about some outstanding people in the system, some outstanding capacity in the system, some outstanding ability in the system. He talked about some rates that made Manitoba a leader in some particular areas, some programs that in fact Manitoba is being utilized as a test site for some innovative technology with respect to cardiac and cardiac programs, contrary to the kind of overall, complete blanket condemnation that one hears from the Member for Charleswood (Mrs. Driedger) on a regular basis with respect to the particular program. He identified some of those issues.

At the end, his basic conclusion is that it would be appropriate for the Government to actually, after all of these false starts, all of these reports, put in place his recommendations that he feels will be a significant factor in ensuring that the program continues to provide the kind of care that we want it to provide to all Manitobans.

Mrs. Driedger: I do acknowledge that Doctor Koshal has recommended 1500 surgeries over five years and that we would need seven surgeons if we reached that point. He is indicating right now that we need to do 1300 surgeries a year, bump that up by 200 within five years because of the aging population. That still

indicates that the minister was off last summer when he indicated that 1173 surgeries on an annual basis, and, in fact Doctor Brock, right at the WRHA was on the radio several times indicating that was absolutely enough. In fact, I did hear that Doctor Postl is questioning these figures that Doctor Koshal has put forward, wondering whether we truly do need to do that many. Obviously, these numbers look like they might still be in a state of flux for a while. I do acknowledge that we are looking at the necessity of 1500 surgeries by the end of five years and we will need seven surgeons.

I would like to ask the minister how many cardiac surgeons we have actually working right now in Winnipeg. I know that there are five cardiac surgeons supposedly on the list, but is one of them still away on leave?

Mr. Chomiak: Mr. Chairman, just a couple of points with respect to the member's comments. I do not know if the member is aware, but there is a long-standing debate between cardiologists and cardiac surgeons with respect to the treatment of particular cardiac ailments. There is an ongoing debate and discussion and disagreement, a quite valid one within the professions as to volumes and numbers of surgeries. We have decided to follow the recommendations of Doctor Koshal, who is a cardiac surgeon from Edmonton. I might add that Doctor Koshal also indicated at his press conference, when he looked at the report I should note, by the way, that the waiting list now is less when the member was the assistant to the Health Minister. Notwithstanding that, the length in Edmonton is longer than it is in Winnipeg. We have made improvements with respect to dealing with the waiting list issue. There are five cardiac surgeons in Winnipeg and one is on a fellowship program as we speak.

Mrs. Driedger: Can the minister then clarify that we have only four cardiac surgeons that are actually actively carrying out surgery?

Mr. Chomiak: Mr. Chairperson, I believe that is the correct number. We are actually recruiting as we speak.

Mrs. Driedger: Can the minister tell me when that surgeon that he mentioned has been

recruited? When will that new surgeon be here and doing surgery?

* (16:50)

Mr. Chomiak: Mr. Chairperson, that surgeon is already here doing surgery as far as I understand.

Mrs. Driedger: Well, then, I am confused now because if we have five surgeons, one is away on leave, that leaves four surgeons which is what I thought we were working with since Christmas. Would this new surgeon not have made it a total of six with five actively working?

Mr. Chomiak: That is correct.

Mrs. Driedger: The minister just said there were four actively working and now he is saying there are five actively working.

Mr. Chomiak: Mr. Chairperson, the member keeps talking about leave. We have five actual surgeons and one is on a fellowship leave.

Mrs. Driedger: Can the minister just fully clarify that then, because now he is getting advice from his staff that the number is six and that one is away and five are actively working. He does not seem to have the right numbers in his mind.

Mr. Chomiak: Mr. Chairperson, there are five active surgeons and one on fellowship leave.

Mrs. Driedger: Can the minister tell us if there are two sites still in place?

Mr. Chomiak: Yes.

Mrs. Driedger: Can the minister tell us how these five surgeons are being split between the two hospitals?

Mr. Chomiak: Yes, I could provide that information to the member.

Mrs. Driedger: Well, can the minister indicate, are there three surgeons working at St. B and two working at the Health Sciences Centre, currently?

Mr. Chomiak: I will provide that information to the member.

Mrs. Driedger: I guess the minister's lack of knowledge about this does concern me a little bit. I mean, this has been such a huge issue where patients have died. I would have thought the minister would have certainly come into Estimates a little bit more knowledgeable about what is happening, and I would have thought that he would have been asking these kinds of questions of his staff to ensure that he is comfortable with what is happening. So I am surprised that he does not have full knowledge of what is happening with this program.

I would like to ask the minister whether or not there is enough emergency backup in the system when you have five surgeons split between two hospitals? Is he comfortable with the backup emergency system?

Mr. Chomiak: I will ignore the member's gratuitous comments but will point out to the member that some doctors actually operate in more than one facility. I wanted to give the member an accurate number because I know how in the past the member has had some difficulty dealing with some of these numbers, Mr. Chairperson.

So, having said that, I am not sure what the member is getting at with respect to emergency backup. I am not sure what question the member is asking.

Mrs. Driedger: It is a little ludicrous for this minister to indicate anybody has trouble with numbers when he just was totally mixed up about the number of surgeons who are working in cardiac surgery. Talk about some gratuitous comments. I certainly think that before he takes shots at other people that he might have his own shop in order and his own mind in order in terms of what the numbers are.

Is the minister confident that with five surgeons split between two hospitals, that, in fact, right now he feels the program can function safely?

Mr. Chomiak: Doctor Koshal in his report indicated that the number of surgeons that we had in the range that we had, doing the number

of surgeries that we had, was appropriate for Manitoba.

Mrs. Driedger: Can the minister tell me then why one of his own documents out of Manitoba Health had indicated we once had 12 cardiac surgeons here?

Mr. Chomiak: First of all, the member will have to cite the document to me. I believe one individual who constantly uses that number is a close associate of the member, one Linda West, who is both a journalist or ran I am not sure what her role is, but I think that was one of the sources of the information. So perhaps the member could cite for me what the document is that she is referring to.

Mrs. Driedger: I am not sure what the minister is intimating by that. I have not had any of these conversations with a Linda West on this topic at all. So I do not know where he is getting that information in order to make that assertion. He pulled it out of the air because, again, he is playing politics with this issue, which is not much of a surprise.

In fact, that number is out there in one of his own documents. It has been brought to his attention before. He has been shown it before and referenced it, so why he does not remember it, I do not know. That certainly was drawn to his attention at one time. At that point, he did not know much about it and it sounds like he still does not know much about it, but it is his own document that said we had 12 surgeons in this area. Now we seem to be down quite a bit; yet, he is saying that these numbers are okay and provide a safe program.

I would like to ask the minister what is being done to address the ICU nursing shortage which has caused some of these problems. I understand that the shortages in ICU nursing ranks has been down quite a bit, which has also led to surgeries being bumped because there have not been enough nurses in the system. What is being done to address that area?

*(17:00)

Mr. Chomiak: First off, I quoted Doctor Koshal with respect to the adequacy of the program.

Again, I hope the member reads the report and then can reference Doctor Koshal's reference with respect to the issue.

Doctor Koshal also talks about the shortage of ICU nurses and talks about a need for increased training capacity for ICU nurses. I am happy to suggest that this Government has increased the capacity for ICU nurses but there still is more need to increase the number of ICU nurses because that is clearly a difficulty, not just in Manitoba but in every single jurisdiction across the country with respect to nurses. It was not helped by the elimination of nursing programs in the 1990s that saw hundreds and hundreds of nurses and nurses' positions eliminated, hence severe shortages across the entire system.

Mrs. Driedger: The minister would like to distract a little bit from the issue but I would like to ask him, because I know we did it when we were in government, we ran two ICU nursing courses annually in order to increase the number of ICU nurses, is that still in place?

Mr. Chomiak: Yes.

Mrs. Driedger: Can the minister indicate if the Maritime surgeons are still coming here to do surgery or if they have finished with that part of it?

Mr. Chomiak: At this point, the utilization of the Maritime physicians is no longer taking place.

Mrs. Driedger: Can the minister indicate when they stopped coming here?

Mr. Chomiak: I believe it was in the latter part of August.

Mrs. Driedger: Can the minister tell us why so many ICU beds are still closed?

Mr. Chomiak: The last time I looked at ICU beds I think we had opened more ICU beds than we had in several years.

Mrs. Driedger: Can the minister tell us why there are still a number of them that are closed?

Mr. Chomiak: As I have indicated to the member on many occasions, the provision of ICU beds was a function of nursing and the significant downsizing of both nursing education programs and employment opportunities for nurses that occurred over the 1990s resulted in significant closure of facilities and beds. The last status that I looked at with respect to ICU beds indicated that we had an increased ICU capacity than we have had in the past several years, but I will confirm that.

Mrs. Driedger: The minister forgets that the nursing shortage has more than doubled under his watch. While he likes to go back and reflect back on the Tories' term in government, I think he needs to remind himself and get away from some of the rhetoric. He wants to talk about taking politics out of all of this and every second word and chance he gets he throws politics into the mix.

This is his watch. He has been the Minister of Health for four years. The nursing shortage has doubled under his watch. He cannot blame the Tories on that. That is his legacy right now, a nursing shortage that has more than doubled. It is something he has to take responsibility for. So if those ICU beds are closed the fact that he might even want to allude to the fact that it has something to do with what the Tories did four years ago is absolutely ridiculous. He wants to play this political merry-go-round and throw out the rhetoric. Well, the rhetoric is not going to fix the mess.

All I am asking this minister for is just some clear answers, which Estimates is supposed to be about all of that. If he wants to go back and say: Well, the ICU beds are closed now, four years later, because of what the Tories did for nursing, that is absolutely lame. There is a huge nursing shortage here now and it has nothing to do with the Tories. It has everything to do with the NDP. It has happened under their watch and that is totally attributable to them. If there are ICU beds closed because of a nursing shortage that is under his watch and he cannot any longer keep going back. It is ridiculous to keep making that reference back, and you lose credibility when one does that.

When the minister is saying then: We have six surgeons, five are working, one is away on leave, is there an effort to find a sixth surgeon that would actually work here?

Mr. Chomiak: I agree. I do not want to go with, the member has already spent a fair chunk of time dealing with the '99 election and reliving that, and go on. I have never suggested that the nursing shortage we encountered and had to try to deal with and brought in additional, training now double or triple the number of nurses in training. I will suggest that has been a factor because it takes a number of years to educate nurses. When we came to office in 1999, we were graduating in the area of 200 nurses a year, now up to 600 nurses a year. For the member to suggest that the elimination of programs and the elimination of 400 nursing places per year is not a factor, well, we will continue to discuss that particular issue.

The provision of ICU beds and the provision of ICU nurses, even though as I recall from my last notes the number of ICU nurses we have trained in the last year has been greater than the last several years. We have actually increased the output. Still Doctor Koshal in his report indicates that we have to train even more nurses in terms of ICU. That is what we intend to do as it relates to nurses.

I think I answered the member's question earlier with respect to recruiting of surgeons.

Mrs. Driedger: Certainly, the minister likes to take credit for all these nurses in the system, which, I think, is doing a major disservice to the University of Manitoba, which was the organization that went out and aggressively recruited the students. The NDP did not.

In fact, a lot of those students filled the seats in the fall of 1999 when we were still in government, and those are the nurses who are now graduating in their fourth year. So, while the minister wants to take credit for all these nurses graduating after the four-year program, he easily forgets that all of those nurses started in 1999 in first year, and it was because of aggressive recruitment by the University of Manitoba that deserves all of the credit for making that happen.

Doctor Koshal called for strong cardiac leadership as a priority on more than one occasion in his review, and I would like to ask the minister how much of this is a priority, and when will that chief be hired?

Mr. Chomiak: I do not want the member to misinterpret the fact that we have graduated 600 nurses, more than at any other time in the past decade, and the same in the previous year and the same in the previous year and the same in the previous year, Mr. Chairperson. I guess it is only coincidence. Since our Government was elected in '99, and the fact that the lowest years of nurse graduation were in the three previous years is mere coincidence. So we will leave it at that.

I do not want the member to misinterpret the question of leadership in terms of Doctor Koshal's report. Doctor Koshal talks about various aspects of leadership and various leadership positions. He talks about leadership positions at the cardiologist level, at the cardiac science level and at the cardiac surgery level and various permutations on that depending upon who particularly fills those positions.

So it is not just one position. In fact, if one wants to look at it, three positions. It is also a question of more than just individuals. It is a question of putting some commitment into a program and putting some effort into an overall program which he notes in his report has already started as a result of our cardiac enhancement program that started several years ago, even before the member noted that there were some problems in the cardiac program.

Mrs. Driedger: I would think it would be of a high priority to have these leaders in place. I would like to ask the minister when he anticipates that will happen.

Mr. Chomiak: As I think I have already indicated, the implementation team indicated it was the first priority, and I think, as I already indicated to the member, the applications for those positions, in fact, I believe today was the closing day.

Mrs. Driedger: Any idea of the cost of these recommendations, in carrying this out, all of this, the whole report?

* (17:10)

Mr. Chomiak: As I indicated at the press conference when we released the Koshal report, I cannot give you a specific ballpark figure. I indicated at the time that it would probably be in the millions of dollars, and I think one of the reasons you have to be careful about this is even though the member does not acknowledge it, we started the cardiac enhancement program several years ago, and even though the member does not acknowledge it, we put in up to \$20 million over a period of time to rebuild the program, and even though I told the member this in the last Estimates and the Estimates before and the Estimates before, we invested money in a cardiac enhancement program that saw additional cath labs, et cetera, that were put in place, other equipment and other programming.

Even though the member does not acknowledge that we already invested money in the cardiac enhancement program and even though Doctor Koshal's report acknowledges that we invested money and that there was progress in the cardiac enhancement program, the fact is we put resources into it that will go to the sum total of dealing with the recommendations in the Koshal report.

In other words, Mr. Chairperson, we already began the process even before the member indicated that she was the only person who came around and told me that there was difficulty in the cardiac program, even though I acknowledged at the time that we were rebuilding the cardiac program, even though I acknowledged several years ago that the cardiac program was a work in progress and that we were building to improve it. Some expenditures started several years ago and have already been expended, so it is a little difficult to get a complete handle on what the overall cost is.

So there is money already invested. There is ongoing programming and there will be additional investments that will be required as a result of some of the specific recommendations in the Koshal report. My guess is that it will be

in the millions-of-dollars range, and some of it will be funds that we have already undertaken to expend and have already expended.

I cite, Mr. Chairperson, an example of the cath lab being down at the Health Sciences Centre and the member being concerned and indicating that that was part of the cardiac enhancement program. The cath lab went down because we upgraded the cath lab at the Health Sciences Centre, and we were required to do that. That was part of the cardiac enhancement program. Also, a new cath lab, as I recall, at St. Boniface Hospital was put in place. All of that was already put in place several years ago and will go towards the recommendations dealing with Doctor Koshal.

We are trying to get a grasp in terms of the overall cost and impact. Part of it is because money has been expended, part of it is because there will be, I believe and I suggested at the press conference at the time, some reallocation of some resources that will naturally occur as a result of a movement of a program to one particular site. There is the ongoing expenditures already made and then there will be some additional expenditures.

So, to answer the question, just in summary, we allocated, if memory serves me correctly, \$18 million to \$20 million several years ago to enhance cardiac. That has been ongoing, has already been built into the system. There will be some additional expenditures. There will also be some different allocations as a result of a reallocation of programs which will occur naturally since the surgeries are all moving to one site.

Mrs. Driedger: I did not realize the minister was so sensitive that I did not acknowledge some of these changes, so I do acknowledge them. Good job.

I would like to ask the minister: How soon will the recommendations from the Koshal report be put into action? Does he have a one-year deadline for all of it to be done? I understand that he made a commitment on August 19 that in one year he would like to see it all implemented. Is that accurate?

Mr. Chomiak: If the member will note in the report, Doctor Koshal calls for a review of the recommendations after one year.

Mrs. Driedger: Is the minister not committing to having everything in place in one year or does he anticipate that it is going to take longer than that?

Mr. Chomiak: Let me quote from Doctor Koshal's report: A decision needs to be made to proceed with implementation of the key recommendations and immediate action must be taken to advance the agenda. (That has already happened.) The commitment made by the Minister of Health to conduct a review of the implementation status of the recommendations in this report within one year of the completion of the review should be of assistance in this regard.

Mrs. Driedger: So can the minister clarify then, he is not committing that all the recommendations will be implemented in one year then? All he is committing to is a review in one year's time to see where the recommendations are at. Is that accurate?

Mr. Chomiak: I defer to the recommendations and advice of the expert we brought in to deal with this report. That was Doctor Koshal. Doctor Koshal indicated to have a successful development and implementation of the program that we should conduct a review of the implementation status of the recommendations in this report within one year of the completion of the review.

Mrs. Driedger: Well, certainly as the editorial boards of the papers have indicated, it does rest with the minister in terms of leadership to make this happen. Is he telling people because as the leader of health care it is certainly his opportunity to put his stamp on this, and does he intend that this happen in one year? If it goes a few months over if he is worrying that I am trying to trap him into something, I am not. I understand that one could make a commitment for maybe about one year and due to all kinds of changes, it might not happen. But I mean ballpark, are we talking about one year for these changes to be implemented?

Mr. Chomiak: I am not worried about being set up by a trap by the Member for Charleswood (Mrs. Driedger) so she could be assured that I am not worried about a trap being set up. I am worried about the 42 recommendations and implementing the 42 recommendations. I am taking my lead and I am hoping to do with this report perhaps which was not done with all of the other reports that we talked about earlier and the failure to implement those reports going back 25 years. I have committed to implementing this report. As part of the implementation process very specific recommendations are made by Doctor Koshal with respect to implementation. That is one of the issues that I have quoted to the member on several occasions, because it is very clear that Doctor Koshal says this can be done with adequate leadership. It has not been done for 25 years.

There are no excuses anymore for us not to do this. The political will is there. We have gone through a situation where the public has endorsed the direction the Government has taken in health care the last four years. We have an expert report from someone who says this can be done. I want to follow the recommendations of Doctor Koshal. Doctor Koshal has indicated, as I have indicated to you specifically from the report, his view of implementation.

Mrs. Driedger: Twice in his report Doctor Koshal noted that input from family members was appreciated as it was useful and revealing while the responses from the general public were generally small. Why did the minister not build into the terms of reference of the review that the families of the patients who died should be interviewed, because it appears even from Doctor Koshal's comments that invaluable information has been lost. Why was that not mandated into the terms of reference?

Mr. Chomiak: There was a general invitation to all family members. There are certain matters of respect and certain matters of privacy that had to be maintained. We also gave Doctor Koshal a very free hand with respect to the patients, how he dealt with it and contacted them. I note, Mr. Chairperson, that every time we advertise anything in Health, the member is critical. The member is critical of our advertising in tobacco, on prostate, on all of our, every time

Point of Order

Mrs. Driedger: The minister is going off on a tangent again. I have no idea where he has even got this information from about being negative about any of the things he has just mentioned. I would ask that if he wants to put forward information like that that he provide some back-up to it. I do not recall saying anything about any of those in a negative way.

Mr. Chairperson: On the same point of order?

Mr. Chomiak: On the same point of order, I will try to find the member's press release when she is critical of our attempts to provide public information with respect to advertising.

Mr. Chairperson: I will rule on the point of order. Thank you for your contribution to this, but there is no point of order. It is a dispute of the facts.

* * *

Mr. Chairperson: Thank you. We will now continue.

* (17:20)

Mr. Chomiak: As we gave Doctor Koshal a free hand, there was a general advertisement. I know the member does not want us to advertise, but we did do a general advertisement with respect to providing input in this regard, Mr. Chairperson. In matters of this kind, it is very sensitive sometimes dealing with patients. Suffice to say that Doctor Koshal, in his wisdom, felt that he had very useful input and advice from families to deal with this matter.

Mrs. Driedger: Well, certainly a lot of the families did not know about this, and they were not sought out. The ones that found out about it, accidentally found out about it. Is the minister aware how hurt and offended some of the families are because they were not sought out and asked for their input?

Mr. Chomiak: We tried to be as sensitive as possible, and we put ads in the Winnipeg Free Press and all the dailies and weeklies across the

province inquiring of individuals to make presentations.

Mrs. Driedger: Does the minister really think that families whose loved one died waiting for surgery, perhaps having been bumped several times, does he really think those families would have been offended by being approached for their input, or might not it have been a good healing process for them to be able to contribute some meaningful comments? Because even Doctor Koshal said that their comments were better and more helpful than the general public's.

Mr. Chomiak: Of course, since statistics were not kept by the previous government in '99, we do not know how many families previous to '99 would have come forward who also had family that died. I know several myself. You know, Mr. Chairperson, we did not have those kinds of statistics. We are as well under the rules of FIA, with respect to contacting patients, and patient's information, often puts us in a difficult situation. We looked at this very carefully with respect to the review when it was established and set up. We set it up as an arm's length review, with a very wide mandate to the experts in this regard. I think that Doctor Koshal in his report indicated, that they felt that they had very meaningful input from individuals involved and from families involved.

One of the difficulties, of course, aside from FIA, is that pre-'99, there were dozens, hundreds. I do not know how we tracked them all down. So it makes it very, very awkward. I think a general ad in the Winnipeg Free Press, all the weeklies across the province of Manitoba, affecting all Manitobans, was probably the most effective way of soliciting comments. I understand that Doctor Koshal and his team were very flexible with respect to talking to individuals and providing them with information, et cetera.

Mrs. Driedger: Two questions. Can the minister tell us if the name of the new program will be the Manitoba Heart Institute? The second question is, I would like to ask this Minister of Health how he could have been so off in his assessment and management of this issue.

Mr. Chomiak: Again, I suppose we are going to go back and the member is going to cite the fact

of discussions we have had in Estimates for the past several years. I want the member to know that I acknowledged both last year in Estimates, and when we announced our cardiac enhancement program that we were rebuilding a program, and that we were intending to improve a program that had been under a lot of difficulty over the past 20 or 25 years, not the least of which, Mr. Chairperson, it is a very difficult environment following the baby deaths of the 1990s, in terms of cardiac programs. A pall was cast over this jurisdiction as a result of that tragedy that occurred in the mid 1990s.

Part of our mandate when we came to government was to improve the situation as a result of the baby deaths. That became a priority of the Department of Health, and it became something very important to deal with problems, to deal with issues when they arise, to put in place critical incident reporting, to put in place the ability to function and deal with issues as they occurred.

I remember the member saying to me last year: Do you have confidence in the program? I indicated if I have confidence and say the program is 100 percent, then if there is any difficulty, the member will attack me. If I say I do not have confidence in the program, the member will say that the program is in jeopardy. I said that there are problems in the program. There are improvements in the program that we are undertaking. Again, the member should read the report carefully.

Doctor Koshal has acknowledged, not only our cardiac enhancement program, but some of the initiatives that have taken place both before Doctor Koshal was here and during the time of Doctor Koshal's review that have improved the situation, and he makes recommendations for improving the program in the future. That has been our guiding principle. Our guiding principle is to acknowledge what Doctor Koshal has said. For 20 or 25 years there have been difficulties back and forth, political difficulties.

I know the member said she was not aware of them when she was the legislative assistant to the Minister of Health in 1999. The member has acknowledged that. I can understand that. I was aware of program difficulties in the cardiac

program for some time because I was aware of the reports. I was aware of the Wade-Bell report that came in 1993 that recommended one program, two sites. I was aware that there were numerous other recommendations with respect to cardiac programs, and that is why one of our first initiatives upon forming government was to improve and enhance the cardiac program.

I remember that very press conference when we announced the cardiac enhancement program and we indicated that we were having trouble attracting cardiologists and cardiac surgeons to this jurisdiction because of the legacy of what had happened, and I indicated at that time there would be more difficulty. I acknowledged that at that time, and we continue to acknowledge that.

I think the significant issue for us is to ensure that we implement the recommendations of the program, and we continue to move along the lines that have been recommended by Doctor Koshal. Doctor Koshal offers us a recipe to get out of this 20- or 25-year dilemma that we have been in, and that is what we intend to do. That is why I intend to follow the recommendations of the report, and even though the member may want me to sway off that, I think it would be more appropriate that we

Mr. Chairperson: A point of order.

Point of Order

Mrs. Driedger: I do not know where the minister is getting off saying the member may want him to sway off. That is certainly an absurd comment to make. I think the Koshal report certainly does something to address this issue. It took the minister long enough to initiate that, and I take offence to his comments, his cheap rhetoric about me perhaps wanting to sway off. I have never given any indication about swaying off of anything. I think this is a critical report, and what I want to see is the minister have a strong will to make this report happen.
[interjection]

Mr. Chairperson: Okay. Just a minute. On the same point of order. Time has run out. Just very quickly.

Mr. Chomiak: Thank you, Mr. Chairperson. I am happy to hear that the member will support our implementation of this report. That is a change of policy. I am happy to hear that, and I look forward to her continued support.

Mr. Chairperson: Thank you. It is dispute of the fact. There is no point of order.

* * *

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

AGRICULTURE AND FOOD

*(15:10)

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 Agriculture and Food. Does the honourable Minister of Agriculture and Food have an opening statement?

Hon. Rosann Wowchuk (Minister of Agriculture and Food): Madam Chairperson, I understand that there has been an agreement that we would keep our opening statements short in order to get on with the Estimates. I will try to keep them quite short.

I would like to begin by just indicating that, as a department, we take very great pride in serving rural Manitobans, rural communities, people on the farm and all of the industry related to agriculture. I view, as does the department, that agriculture is a very important pillar in Manitoba's economy.

I would like to pay tribute to the staff of the department and the work that they do. I want to recognize the work they have done over this last summer with the crisis that we are in. Our staff has been a very proud and dedicated staff. We are very fortunate to have the high quality people that are committed to working with the people in the industry, particularly the farm families, but all of those as well in other industries related to agriculture.

For the industry to continue to grow, we need many partners in the food sector. I want to say that I place a very high emphasis on the consultation with those people who use our agricultural products in the value added and also all people who are in the industries related to agriculture.

As you know, there are two corporations, the Manitoba Crop Insurance Corporation and the Manitoba Agricultural Credit Corporation. I hope that the member will agree, as we have done in Estimates in the past, we deal with those two corporations first as staff from those two corporations are from out of town.

I would like to be able to deal with them, but as I look at the Manitoba Crop Insurance Corporation, I want to tell the members at the table here that the corporation has insured more than \$1.2 billion in coverage in the Crop Insurance program and approximately \$290 million in the hay insurance program with a record of 9.1 million acres being insured this year. Compared to 2001-02, the percentage of acreage insured at 80% coverage levels has increased from 41 to 51 percent. The number of tame hay acres has increased by over 27 percent.

Crop insurance payments in 2002-03 totalled \$76 million and the hay program paid out \$10.6 million while the Wildlife Compensation payments were \$1.6 million, which is an increase of 38 percent.

Due to the large reserve fund, premiums for producers and government were discounted by 26.1 percent. This is compared to 23 percent in 2001-02. The total premiums collected this year were \$89.7 million after discounts. The Crop Insurance Corporation is the corporation that has the responsibility of delivering the slaughter program and the feed assistance program that we implemented this year.

I commend the staff for the work that they have done because whenever there is a crisis situation, there is a lot of pressure and demands on the staff.

Under the Agricultural Credit Corporation, we have enhanced programs there as well, implementing a client comment sheet for qualitative service assistance to enhance existing

programs and aid in full program development. We have enhanced the direct loan program and, of course, a program that I am always very pleased with is the launching of the Bridging Generations Initiative which took place in 2002 to assist young farmers in their purchasing of their farm operation while providing a retiring farmer with income. Included in this initiative is a management training credit which helps young farmers increase their business management skills, and a total of \$4.6 million was lent out in that program. As well, I think I will leave the other programs that we have under the Credit Corporation, but the members know that under this program we have also put in place the \$100 million loan program which is one program that is being very well received.

Our Government is committed to the expansion of ethanol production and use in Manitoba. We have consulted with partners and the general public, and I can tell the members at the table that we have accepted the 32 recommendations and there is a lot of interest at this time with ethanol production.

The Agricultural Policy Framework, as I had indicated earlier in the week, we are prepared to sign on to the agreement and I want to recognize the farm safety net advisory committee that proved to be invaluable in helping our department negotiate with Ottawa on this agreement and the safety net committee is made up of people from a variety of commodity groups who have been working with us on an ongoing basis. Certainly, the biggest challenge that we are facing in agriculture right now is the issue of the BSE, one cow in Alberta, but despite that one situation, the agriculture and food industry, despite having many challenges in the industry, Manitoba producers are showing resilience with dealing with this crisis.

Although there is difficulty in the cattle sector, some areas of the crop sector are showing above average yields and harvest is very close to completion. With the BSE crisis and the closure of the border, this has put a tremendous pressure on our farmers, and all of us say that the most important thing that can happen is to have the border opened again. The U.S. government has opened the border to certain ruminant products. Although partial opening is not the complete

answer, it is a very strong signal that the U.S. is prepared to take our product.

Boneless meat from cattle under 30 months of age is now able to go across the border with permits, boneless veal from calves 36 weeks of age and younger can be slaughtered and shipped over, fresh and frozen bovine beef liver can go over as well as pet products, milk replacement and feed ingredients that contain processed animal protein and tallow of non-ruminant sources when produced in facilities that have dedicated manufacturing lines. One of the areas that was very important to the tourist and outfitting industry was that hunting-harvested wild ruminant products can be taken across the border for personal use as well as meat from farm-raised cervids. Boneless sheep and goat meat from animals under 12 months can also be exported. Mexico has introduced a similar import program to Canadian ruminants, and, effective August 31, the Russian Federation opened its borders to imports of Canadian boneless beef under 30 months and for animals over 30 months that have been tested and are BSE-free. A few other countries have also opened their borders to step forward and we have to continue to work in that vein and convince people that, based on science, our animals should be able to move across the border.

With the BSE crisis there have been some assistance programs that have been put in place: the BSE feed assistance program that we talked about in the House today. Under that program, there have been 929 claims received including 74 568 animals. A total of \$2.6 million has been paid out, and there are continuous payments to be made as well. The program concludes on August 31 with the deadline for applications on September 30. Out of the slaughter deficiency program, that program paid out a little over \$7 million. That program did not work as good as it could have for Manitoba producers. That was why we changed to the feed program.

*(15:20)

We have the BSE recovery loan program, which makes available \$100 million. To date \$2.8 million has been approved, and \$4.5 million in loans are pending. As well we have put in

place the Manitoba beef fund, which will allow for increasing slaughter capacity in the facilities that we have. I think that is a very important step. There are many other issues related to the BSE situation that I am sure we are going to have the opportunity to discuss.

Considering the time that we have I would just like to conclude by saying that the Budget that we have brought forward reflects Government's continued determination to support the long-term viability and prosperity of the province's farm families and the well-being of our agriculture and food sector and our rural communities.

The Budget reflects extensive frontline presence of staff in rural Manitoba. If you look at our Budget, over 70 percent of the department's and its affiliated Crown corporation's staff position are located in rural Manitoba, a department that is committed to rural Manitoba. Of the total budget of \$127 million, \$79.9 million is dedicated to safety net programs.

I want to say that I am very proud of the work that we have done and the commitment and the close contact that we have with producers on an ongoing basis. The staff in this department is always willing to work with producers, whether it be in either of the Crown corporations or at the grassroots in our offices throughout the province. My office has always been open. I will continue to work as we meet these important challenges.

There is no doubt that there is a tremendous amount of pressure on farm families right now as we deal with this BSE. We are seeing some movement of product across the border. I think we have to continue to work in that vein. We have to continue to work to increase our slaughter capacity so that should this situation ever happen again we are in a better position than we are at this time and have the necessary slaughter capacity, but I think that our industry no doubt is going to change. As we work towards getting the border we will see a restructuring of our industry. So I look forward to the comments from the member and the questioning on this department.

Madam Chairperson: We thank the Minister of Agriculture and Food for those comments. Does the official opposition critic, the honourable Member for Emerson (Mr. Penner), have any opening comments?

Mr. Jack Penner (Emerson): It is good to participate in the legislative process again. However, I find it rather interesting that we are going to be going through the Estimates at a time when much of the money has probably already been expended. I know this is not a precedent. This has happened before. I believe when I was first elected we brought a new budget in June or July, I believe it was, and that, of course, was a budget that was brought forward, but the debate on the Estimates was done right after the Government brought forward that budget.

Today we have seen a process that has not only elected a new government but, in fact, delayed the examination of the Budget that was tabled or presented prior to the election. Then, not having changed the Budget, is now wanting confirmation and approval of that Budget. I think that is somewhat precedent setting, although this might have happened at some previous time as well.

But we will try and do our best to take a look at the department's spending, but before I get into that, I want to, first of all, indicate that having been in the business of agriculture all my life, I think I am one of the people around this table amongst my colleagues and two of the colleagues who have been similarly involved are sitting with me today who know full well what the meaning of the word is, the contribution agriculture makes to the economy of Manitoba, and I think that is many times sadly underestimated.

I think even in government, when I look at the amount of money that government takes out of its total budget to direct toward one of the key primary sectors that generates a tremendous amount of renewable resource and wealth-creation ability astounds me somewhat. This is not new to this Government. It has been a trend that I think has been happening for years now in trying to reduce the amount of money that is expended toward the primary sector.

That is worrisome in the long term. It is worrisome because what it has, in fact, I think demonstrably done is it has reduced our farm population, and I think we are seeing a further reduction of that farm population on an ongoing basis. I do not know that that is healthy for the economy of the province nor the economy of the rural communities that depend on a population base and an economic generation ability in those rural areas. I fear that if governments, regardless of what political stripe they are, will not pay significant attention to retaining a viable population in much of the rural parts of our provinces and, specifically, in Manitoba, we will as a society in the long term be the big losers.

I reflect about the unemployment numbers in the province of Manitoba, and there is much said about how we have the lowest unemployment rate in all of Canada, which, I think, is commendable. However, we never talk about the young people leaving this province, and if they were, in fact, not leaving, our unemployment rate might be much, much higher.

But I talk continuously to young people graduating out of university, and I ask them, what is in your future, and very, very few, a very small percentage say that agriculture is in their future. I think for the economy, for the people who depend on those agricultural producers as a food supply, a safe food supply, probably one of the best in the world, that that is worrisome and should be.

To the staff in the Department of Agriculture, I commend the staff for directing much of their attention to serving that primary producer. I think the department has done an admirable job with the resources given them, and that is where my criticism lies. I believe that the resources that are given our staff are immensely underrated and that they are immensely underfunded.

If we would truly want to spend the kind of money to ensure that we had a viable sector, a viable agricultural community, we would pay a lot more attention to them and spend a lot more money in that Agriculture Department because there are, I believe, tremendous advancements to be made if we would only allow ourselves the

latitude of giving them the opportunity to demonstrate that, and I do not think we are doing that.

I am also very, very apprehensive about how we are dealing with the crisis, how this particular NDP government is dealing with the crisis in the province, currently.

We do not only have the BSE crisis to deal with, we have another crisis to deal with that I think is equally as important, and that is our TB situation in the Riding Mountain National Park and how government is failing to take any action to eradicate that disease. We should make all haste and eradicate that disease once and for all, but we are paying no attention to it, and I believe the department is being told that they will not be given adequate resources to do that, to take action. One of these days, it will hit us and it will hit us big time, and I think then we will not hesitate to spend all kinds of money, but when that tuberculosis does break out in such a manner that we as human beings are going to be affected, then maybe we will realize what we should have done before.

*(15:30)

For us not to take action to eradicate that tuberculosis in that wildlife herd, it has now transferred to the white-tailed deer, and we know how transferable that can be, and we have people around this table that are smirking at this, and I think that attitude demonstrates clearly why we are not doing what we should be doing in this area.

The BSE situation again, only in how we deal with trying to maintain an industry when it is virtually in total collapse, is a demonstration of this Government's lack of understanding of what has to happen. If we would have put adequate funds in place when we should have put adequate funds in place to keep the cash flow in that industry moving, we would not see what we are seeing in many of the communities today.

It is the young people packing up and leaving. It is the young people that do not qualify for the MACC loans program. Many of them have called me and e-mailed me and articulated why they do not qualify and why this

Government still persists in saying this program is working well when the minister just finished saying that they had extended less than \$5-million worth of loans and she says it is successful is surprising to me. Out of \$100 million? I think that that speaks very loudly for success or how success is determined by this minister.

I would also like to say that if we are not going to recognize that there must be a cash flow maintained in that cattle industry, much of our other sectors not only in agriculture but in the other areas are going to see the degradation that I think we should contemplate if we do not do this. And that I think it was our ag rep in north Interlake who said publicly to the newspaper that he was leaving, he was packing it in and heading south of the border is one indication of what is happening out there.

I have heard from many of them that say: Look, we are really out of business because nobody is going to spend \$100 to save the life of a cow if it is worth nothing, and that is one indication of where you need cash flow to try and maintain a value of those herds of cattle while this issue is being negotiated and settled. Will it be settled? I am convinced it will be. But the question is how long will it take? And that is where government must make the investment in that one of the major pillars in our agriculture community, the cattle industry, the bison industry, the wildlife in capture facility, the sheep and the goats, and I can go on, because it all affects the grain industry and many of the other sectors.

I talked to a community leader yesterday in my own home town. We have not got that many cattle in our area, just where I live, but to the east of where I live, it is all cattle, and he said: Jack, you know what? My sales are down so dramatically, I am not sure whether I will be able to keep my three stores open. And I said: Surely, you cannot be affected that badly in here. He said: You have no idea how dramatically we have been affected by this BSE. He said: Our equipment sales are virtually nil.

I think the minister should pay attention to that, because those people employ large numbers of people. Those industries employ large numbers of people. If you cannot keep the feed

industry going and you cannot keep the machinery industry going and you cannot keep the veterinary services going, it goes on and on and on.

This minister has no capacity of imagining what it takes to keep that industry rolling as a total wheel, because it is a wheel. If you take one chunk out of it, the vehicle does not move. This Government simply has failed to understand that.

We have other industries that are being affected by this. The hog industry tells me that their hog prices are running at roughly over 50 cents a pound right now. Do you think the low prices of beef in the marketplace might have something to do with that? Does the minister understand that? I do not think so, because if she did she would have already put a cash flow mechanism in place, such as the cash advance.

Every community leader that I have talked to said that is what should be done, including the AMM, including the farm organization, including the general farm organization, including the cattle producers, including the hog producers. They refer to exactly what the minister was referring to in Question Period. When we were in crises, there was money injected into our system and it allowed us to survive that crisis and build upon that.

Now the minister is saying but not for the cattle industry, we do not need this. I think therein lies the biggest problem. We all know when we are born and raised into that agricultural community how interdependent we are on each other and for each other's survival. When we lose one peg, the house crumbles, the foundation is gone. I think we are just beginning to realize what the economic impact will be to this province.

We are just beginning to realize it. I do not think it is too late if the Government and the minister would in fact implement a cash advance system tomorrow and flow that money. You would be amazed at the regeneration of that economy, how quickly that could recur. But if you do not do it, I am afraid we will see the long lasting effects of this, and the long lasting effect of this is going to be the migration of that very

part of that community, of that livestock community, that we need to maintain the industry, and that is our young people. If we do not invest in that young group of people, we will for decades see the effect of having been part of that loss being incurred by the province. All of us that sit around this table, including myself and all the opposition members, will have a responsibility in that destruction.

So, Madam Minister, I am willing to concur with the Estimates as you have indicated. If you want to indicate where you want to start, we will turn to those pages and move on with the Estimates. You indicated you wanted Crop Insurance. You want them first? That is fine with me.

Madam Chairperson: We thank the critic from the Official Opposition for his comments.

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 3.1. At this time, we invite the minister's staff to join us at the table and we ask that the minister introduce her staff present.

Ms. Wowchuk: Madam Chairperson, as the member and I have agreed, we would like to do the Manitoba Crop Insurance Corporation first, which would be contained in Resolution 3.2. I would like to introduce the staff, Don Zasada, who is the Deputy Minister of Agriculture; Neil Hamilton, who is the General Manager of the Crop Insurance Corporation; and Jim Lewis, who is the Director of Finance for the corporation. We are prepared to start.

* (15:40)

Madam Chairperson: We thank the minister. I would just like to confirm that it is the will of the committee to begin on 3.2 (a) Manitoba Crop Insurance Corporation. *[Agreed]*

We will now proceed.

Mr. Penner: Thank you very much, Madam Chairperson. The first question I have to the Crop Insurance Corporation: Can you tell this

committee what your involvement is in extending any kind of support mechanism to the BSE crisis? Have you any involvement there? Has any staff been designated to such things as inspection of herds and that sort of stuff?

Ms. Wowchuk: Madam Chairperson, the corporation is administering the BSE program, the slaughter program, and the feeder assistance program. But the member asked about the inspections, and the inspections that are being done are carried out by the Agriculture staff in the regions.

Mr. Penner: Are any of the crop insurance staff doing such things as counting cattle and/or used in any other way to assure the herds are there?

Ms. Wowchuk: No, Madam Chairperson, that work is being done by the Agriculture staff in the regions.

Mr. Penner: Can the minister then tell us what exactly the involvement is in the delivery of the two programs that she has mentioned?

Ms. Wowchuk: The staff at the corporation accept the claims as they are submitted, and process those claims and ensure that the payments that are required are processed properly.

Mr. Penner: Madam Chairperson, what claims?

Ms. Wowchuk: The corporation is responsible for administering the applications for the slaughter deficiency program, the inventory and price incentive program, and the Manitoba feed assistance program.

Mr. Penner: Madam Chairperson, what are the provisions and what are the criteria for the slaughter program?

Ms. Wowchuk: Under the slaughter deficiency program, animals had to be on feed on May 20. In order to qualify, they have to be slaughtered at a licensed facility. On the Manitoba feed assistance program, that is feed assistance for animals that were on feed as of May 20, and are still on feed. There is an inventory and price incentive program that is a payment to packers to help them get rid of excess product and offal

that they cannot dispose of. The program is called the inventory and pricing incentive program, and that is a program that is available to the packers and processors.

Mr. Penner: Can the minister tell us how much money was expended or she contemplates will be expended by the federal-provincial program? I guess that was the slaughter program, right? That was what it was called? How much money has been expended in Manitoba and how much does she contemplate will be expended?

Ms. Wowchuk: On the slaughter deficiency program, as of September 4 there was \$7,153,709. Under the inventory and pricing incentive program there was about \$136 million and there are still some claims because people have not filed their claims yet. There could still be more payments.

An Honourable Member: How much did you say that last?

Ms. Wowchuk: About \$136,000.

An Honourable Member: \$136,000?

Ms. Wowchuk: Well, if you want to be accurate, it is \$135,935. I was rounding it up to \$136,000.

Mr. Penner: I was going to give the floor to the Member for Dauphin-Roblin (Mr. Struthers). He was saying something.

So the slaughter program spent \$7.9 million. That was both federal and provincial monies.

Ms. Wowchuk: 7.1.

Mr. Penner: 7.1. I am sorry; \$7.1539 and 40 percent of that would have been provincial monies?

Ms. Wowchuk: We anticipate that on this program by the time everybody has put their claim in it will be in the range of \$10 million because there are still claims that have not been processed yet. So we anticipate on that one it will be \$10 million. So \$6 million fed, \$4 provincial.

Mr. Penner: That is roughly what your estimate is? The total amount that will be expended and it is through that program?

Madam Chairperson: For Hansard's sake we have got to have

Ms. Wowchuk: I am sorry, Madam Chair. We tend to have a discussion here without respecting you, and I will try to do a better job of that.

We anticipate between the slaughter deficiency program and the inventory price incentive program that we will spend about \$10 million. Of that about on a 60-40, four will be the provincial share and that is the disappointment we have had with the way the slaughter program has worked. We were given a verbal commitment that there would be equitable access to market and once we agreed to the program that we could not get that equitable access enforced by any of the packers. Certainly the worst ones were in Alberta who tended to get more cattle into Ontario and Saskatchewan, but Alberta has not been taking them, and that is why we changed the program to the feeder program.

Madam Chairperson: Maybe I will just take a moment, if you do not mind, since we do have new people at this table, to explain that it is not necessarily out of respect for my position as the Chair, but it is in order that the Hansard can accurately report what is said. The people must address the Chair and address questions to the minister through the Chair to avoid any mistakes in transcript.

Mr. Penner: I will try to constrain myself and not interject when I should not. I apologize for that.

That brings me to the point that I am driving at. We originally were somewhat critical of the program, indicating that we could not see, under the terms of the federal-provincial agreement, that there could ever be the amount of money expended unless we were given an assurance that there would be a Manitoba percentage based on the national herd negotiated into the agreement. I still maintain that that is what should have been done, that the slaughter, if you are going to do a national program, federal-

provincial program, should have been a percentage of the cattle herd that would have been eligible for slaughter out of Manitoba, should have been allowed into that industry.

I fault the minister, quite frankly, for not having negotiated firmly enough to ensure that our primary producers would not have had access to that slaughter industry, because when governments utilize public funds to support an industry, there must be fairness and equity. Certainly there was not fairness and equity negotiated into this agreement. We should have, according to my calculation, received anywhere between \$45 million and \$47 million out of the total program if we had received the 10 to 12 percent of the slaughter based on our herd out of the national average. I think if that would have happened, we would have had somewhere in the neighbourhood of between \$45 million and \$47 million come to Manitoba. That did not happen.

* (15:50)

We had 6 million federal dollars and 4 million provincial dollars that are going to be accrued to our farmers instead. I would suspect that other provinces' cattle producers will have received an inordinate share of that total half a billion dollars that was supposedly expended under the federal provincial program. I find that absolutely unacceptable. I blame my minister for that and her Government for not having stood firm on the position that we must have a percentage before we will sign into those kinds of programs. We should have had our fair percentage. We should have had 10 percent to 12 percent of the slaughter, should have happened on Manitoba cattle instead of cattle coming from other areas.

Now Ontario, Quebec, Alberta, maybe even Saskatchewan, I do not know, will have got a disproportionate amount of the money, and Manitoba was left holding the bag. I think that is very evident. For the Manitoba economy, that will leave a hole of roughly about \$35 million that should have flowed through our economic system which will not now. It is for lack of ability, I believe incompetence, that did not make this happen. The minister should have stood firm on that position.

The other question I want to ask is the feed assistance program. The Premier made a big to-do about taking \$15 million out of the federal-provincial fund. I think he used the words, our portion of the money. We will move that out of that program and use it as a feed assistance program. I think those are roughly the terms that he used.

Just a day or two ago, I heard him say that he was blaming the federal government for not coming into the program, or I heard the minister say that. I did not hear any rhetoric from the minister or from the Premier (Mr. Doer) that would have led me to believe that there was any request to the federal government for that feed assistance program and that there was any requirement, not from what the announcement said. I think we should ask some of our staff, which we will do, to go and get the initial news releases and the press releases that came out of that announcement. I think then we would set the record straight.

I would ask the minister to set the record straight on that and indicate to this committee what the announcement was by the provincial government, the initial announcement, the wording, and if she could table that announcement, I would ask her to do that. Maybe we could then have the debate based on the exact wording of the announcement of what the Premier said.

Ms. Wowchuk: The member covered off a lot of topics and I would like to respond to as many of those that I can.

With respect to getting our fair share of the \$500 million, we did try to get our fair share. We talked about getting the funds allocated by province. If it was allocated by province, then Manitoba, if we had 10 percent of the industry the final package is about \$500 million we would have got 10 percent of it. The federal government would not agree to that nor would any of the provinces.

What Manitoba asked for was a fair allocation, but we asked for two other things. We asked that a floor price be put in, and we asked for equitable access to market. When we asked for a floor price, the packing industry, the

people from Alberta said: You do not have to worry, you do not need a floor price, the packers will never do that to you; they will never drop the price so low that you have to worry about this. We could not convince anybody to put a floor price in.

As soon as the program was in place, what happened? The bottom fell out of the market because there was no floor price.

We asked for equitable access to market, and we were told that that would be insured by the packers. The federal minister said he would insure us equitable access to market and once the agreement was in place and that was not happening, we were told that you cannot tell the private sector where they are going to buy their cows. There was no way to get the slaughter facilities to take a fair share from Manitoba. Their response was: Well, you have Manitoba cows in the feedlots in Alberta, so those are Manitoba cows in there as well.

It was very disappointing, and that is why we changed to a feeder program. On the advice and suggestion of the Manitoba cattle producers, we changed the slaughter program to a feeder program, and it was always the intention to get the federal government to participate. I have written to the federal minister on that. I met with the federal Manitoba Liberal caucus who agrees with us when they are in Manitoba that this should be a federal-provincial program and the feeder program should qualify. Unfortunately, when they get to Ottawa, they seem to forget that they are representing Manitoba and have not been able to convince their minister that the feed program is what is needed and that we should have it shared at 60-40.

The member talked about our slaughter capacity. I would remind the member that he was in government for 11 years and nothing happened in this province while they were in government to increase slaughter capacity in this province, absolutely nothing. In fact, the slaughter capacity under their administration continued to decline. We have taken the first step with a program that we have put in place to help increase slaughter capacity. It is a small step but I think right now we only have the capacity to slaughter 16 000 animals. If we can

move that up to 20 000 or 30 000, every little bit will help us. Our goal is to increase it by 10 000 animals in the first year. If we can do that, certainly the packers are interested in going to a second shift, increasing their storage capacity, but I can also tell the member there are many producers that are talking about forming a co-op and having some control of the slaughter industry in this province. You cannot build that industry too quickly because the natural trading patterns are to the United States. If the border opens, what assurance do we have that those cattle are going to stay in Manitoba? That is why I think it is very important that producers be involved in ownership of facilities.

With respect to the feed assistance program, the member said he did not expect the federal government to participate in that. We always expected the federal government to participate. The cattle producers expected that the federal government would participate in it. They went to the Manitoba Liberal caucus as well and asked the Manitoba Liberal caucus to support them and support Manitoba in having the slaughter program changed to the feed program so that we would be able to get our fair share.

* (16:00)

The federal government certainly had the ability to change the slaughter assistance program to a feed assistance program if they wanted to treat Manitoba fairly, but that has not been the position of the federal government. Unfortunately, the feed assistance program is strictly a provincial program that was designed with the cattle producers. It was to be designed, if the member will read the press release put out by the Manitoba cattle producers where they said they were not looking for additional money, they were looking for a redesign of the program within the existing dollars that were put in place for the slaughter deficiency program. So they saw and we saw that the program was not working, so it was an attempt to change the program to still get the federal dollars into the province, but get money into producers' hands. I still feel that the federal government should be participating in that program and I will continue to pursue that.

Mr. Penner: Could the minister then table the news releases that were done when the announcement was made? I would like for her to read into the record the reference to the federal government participation in that program.

Ms. Wowchuk: I do not have those releases with me but I would be happy to provide them for the member.

Mr. Penner: If the minister maybe for tomorrow could bring them then we could continue this discussion tomorrow.

The feed assistance program obviously was severely underfunded when the announcement was made, or it was a complete failure by the Province to recognize how many cattle were actually on feed in the province. I think the minister will agree that we had continually said there would be a significantly higher number of cattle on feed in the province of Manitoba than we had previously assumed because of the closure of the border, and secondly also because of the drought situation. Many of the cattle on feed in the province of Manitoba are on feed in large part because there is no pasture and they must be fed.

Mr. Tom Nevakshonoff, Acting Chairperson, in the Chair

Now I hear what the minister is referring to in the program but I think there really needs to be a recognition that somehow when the grass runs out on the pastures and the grasshoppers eat what is left we must somehow provide feed for those cattle. I would suspect that the numbers are higher, as a matter of fact almost double what had been assumed might be out there, according to what the minister had said, and the amount of money that was put in place, but I believe the minister and the Premier (Mr. Doer) made a commitment to the cattle producers that this program would be in place until October 15. If that was not the case, then they should have said it will only be in place until the \$15 million runs out, and from there on, you are on your own. But I do not remember the minister or the Premier saying that. I would ask the minister to comment on that.

Ms. Wowchuk: As I have indicated in the past, we have been working very closely with the industry. There have been regular meetings, regular updates with the Manitoba cattle producers as we work through this. As the Premier said in the house today, from the time we went to the Western Premiers' Conference and I went to the Ag ministers' meetings, the cattle producers were always consulted.

When the slaughter program was not working, the cattle producers came to the Province at one of our meetings and said: This program is not working; we would like to change it into a feed program. We asked them how many animals on feed in this province, and the Manitoba cattle producers said there are 40 000 animals on feed.

Our question was are you sure that that is how many animals are on feed, and they said, yes, we know our numbers. There are 40 000 animals on feed and we would like to change the program to a \$2-a-day feed program for 150 days. If you work out the numbers for 40 000 animals, then we were able to take that program longer. The Manitoba cattle producers said we do not want new money; we want a rejigging of the numbers within the existing \$15 million. That is what we did.

When the numbers started to come in, it turned out that there are around 70 million animals on feed. Now, the member talks about seeing an increased number because of the drought. That is not true. The animals had to be on feed as of May 20 when the border closed, and it was a miscalculation of the numbers that we worked with with the Manitoba cattle producers.

When we found out the numbers were higher, we talked to the cattle producers and said we have to rework these numbers, because you said you do not want additional money; let us work it around within the existing program. That was when we decided that now that the border was opening as of August 31 there is starting to be some movement of animals; more animals are selling; there is an increase of movement of animals into some of the slaughter facilities; the auction marts are starting to sell a few animals, although a small number that we would end the

program as of August 31 and then work forward from there.

Mr. Penner: I just want to correct one statement. I think the minister might want to correct this. She said 70 million head of cattle. I think it is 70 000 head of cattle, and I accept that. That is just a matter of speech, maybe, more than anything else.

Ms. Wowchuk: If I made an error, I would like to correct it. We were told by the Manitoba cattle producers that there was 40 000 animals on feed as of May 20. As we began to work through it, we are now at a total 74 568, and there may be more. So it is in the thousands, but we are almost getting to double of what the industry had identified.

I am pointing that out to the member so that he would know that we are working very closely with the industry, and it was the industry that helped us design this program. It was their numbers that we were using. We were very specific when we asked them, and, indeed, there are a lot more animals on feed than anybody knew in this province, and if we could get the federal government to co-operate with us, that would be a big help as well.

Mr. Penner: The statement I am going to make now reflects on the minister, and I know this is the reason that I asked for the minister's resignation today. We have heard her constantly blaming other people for her inability. Again, she is blaming again the cattle producers for a problem that I think is the minister's problem. The minister should be aware of how many cattle there are on feed in the province, and I would suspect if she had used her staff, they would have given her a very quick estimate as to how many cattle there would, in fact, be on feed. Instead of having to blame the cattle producers for giving incorrect numbers or incorrect estimates, I think it is her ability to ask her own department for the right kind of estimates and numbers, and surely she would not want to blame the cattle producers for her inability to get that kind of information from her department.

Secondly, as I said before, the inability for her to negotiate with the federal government, again, is clearly lacking. That is another reason

why we asked for the minister's resignation. I think it is time that the Premier and the Government put in place somebody at the head of this department that has that capacity to be able to deal with these matters. I know this has not been an easy matter for the minister, but surely, to ask that information from your department, it should not be a difficult thing to do. And secondly, I want to ask the minister whether she can tell me how much money, how many dollars have been expended on the feed assistance program. How much money have you actually how many cheques, or what amount of money have you actually written cheques for?

* (16:10)

Ms. Wowchuk: I want to correct the member if he thinks I am blaming the cattle industry. I am not blaming them at all. What I am trying to explain to the member is the process that we went through, and how we came to the point where we had a slaughter program and not having a slaughter program working. Working with the industry to design a feeder program the cattle producers told us that there were 40 000 animals in feed. Our department went out, and our department is the one that did the counts and came up with the new numbers so we have been working. But at no point am I trying to blame the cattle producers. I am trying to explain to the member that there is a good working relationship and there is a lot of consultation between the industry and the department, as we work forward to try to come to resolution.

I can tell the member that everybody's goal is to get the border open. That is the highest priority, but with respect to the feeder program, to date, \$2.6 million has been paid out. There is 2.1 that is in the process for this week 2.1 and so for a total of 4.7 and there are still applications coming in.

This is only the first payment because the payments are made from June 18 to July 20, and there will be a second payment that will take them from July 20 to August 31. So they are not getting their full amount, because if they sell the cattle half way through these are feeder cattle that are moving so they may sell them by August 15. So then you calculate according to whatever animals have been slaughtered, but we estimate that by the time we do all the calculations up to

August 31, there will be about \$10 million paid out.

Mr. Penner: Well, I am a bit confused. I think the Premier made a big to-do about announcing a \$15- million program.

Madam Chairperson in the Chair

Ms. Wowchuk: What the Premier announced was what we had in the slaughter program. The total amount for the slaughter program was \$14.7, \$15 million. The slaughter program was not working. The cattle industry asked us to change the program. If you look at what we put out, it is \$14.7 and it is within that package. So it is \$14.7. The slaughter program is \$4.6 million, the feeder program is \$10.6 million, for a total of \$14.7 of provincial money.

So it was within that package that the Manitoba cattle producers said, we do not need new money, what we want you to do is make adjustments to the package so that we can start getting some money to those people who have animals in their feedlots. That is what they asked us for. Those are the changes that we made.

Mr. Penner: Herein lies the problem with this Government, with the Premier and the minister. You are masters of deception.

An Honourable Member: I beg your pardon.

Mr. Penner: You are masters of deception.

Some Honourable Members: Oh, oh.

Madam Chairperson: Order. I would just caution the use of words here. I am sure that is just bordering on parliamentary language.

Mr. Bidhu Jha (Radisson): I would like to comment that I am new to the Legislature and to the honourable member sitting opposite here, this particular minister. During the period that I have been elected, the paperwork, the memos, the requests coming to participate in solving this crisis has been unparalleled in my own personal life. I have come from a business sector and I must suggest to the honourable member that it is not the good policy for the Government to give handouts to an industry. One has to look at the

long-term solution and I think the minister is working very hard.

The hardest work I have seen in the Legislature is this minister working. So I think that your comments that this minister and the Premier have not cared is absolutely wrong. Secondly, I think that we look at the problem of agricultural economy. Mr. Member, I am speaking, so I would like your attention, sir. The agricultural economy in the whole world is in crisis. This is not new. This is not unique. I think this Government is doing a remarkable job, and your asking and blaming the minister is absolutely out of order.

Madam Chairperson: Excuse me. Let me take this moment to apologize to the critic. I am a little rusty here myself. I realize that the critic had the floor. He was being very generous, allowing you to speak that long.

Mr. Penner: I want to leave no misconception. When the Premier made the announcement of the program, I believe the announcement says \$15 million of funding to be reallocated. Now she says there was only \$10 million re-allocated, because there was already \$4.7 spent under the program through the previous agreement. So why would the minister and the Premier put out a press release saying there is \$15 million of funding? This makes it appear as if there is \$15 million additional funding. When I use the term "masters of deception," I mean it because that is deceptive.

Ms. Wowchuk: What we did was exactly what the industry asked us to do. The industry said, the program we have in Manitoba is not working. We have a feedlot industry that cannot slaughter their animals, and can you reallocate that money? After much discussion with the industry, it was agreed. What I announced today is a reallocation of the existing \$15 million in approved funding for the BSE compensation program, and \$2 million in additional funds to promote and develop a new, home-grown processing and restructuring of Manitoba's cattle industry. I can tell the member this was done in consultation with the beef industry with the Manitoba cattle producers. They asked us to reallocate the existing program, and that is what we did.

Mr. Penner: All I say is that the action of the Government speaks for itself. The reference to constantly blaming the cattle producers for having directed this, I think, will speak for itself. I think the people of Manitoba are paying very close attention to this one, and how the Government has dealt with it, and how the misleading numbers have been portrayed. I think it is unfortunate, and I hope that eventually the facts will be brought to the people of Manitoba.

We know now that there will not be \$15 million under the slaughter program or under the feed assistance program. There will only be \$10 million, or even just less than \$10 million under that program. I think that it is unfortunate that the minister has left the impression that she is spending \$15 million on it.

The question that I have for the minister: is any accounting being done on how much of crop insurance funds is being spent on the administration of this program, because it is a crop insurance corporation? How much is being expended by the corporation to administer this program, and where will the monies come from to underpin that? Will that come out of the premiums of the Manitoba crop insurance producers to help pay for that aspect of it, or will it be another attempt to draw funds from the corporation, as we did through Autopac, to try and fund some other programs? Is that the attempt here, or what is the real situation?

*(16:20)

Ms. Wowchuk: The member keeps saying that we are blaming the cattle producers. I do not think the member understands how you can work with people. Our Government has worked very closely with the cattle producers. The member talks about the program and reallocation. I can tell the member that the Manitoba cattle producers knew full well that there was still going to continue to be a slaughter program, and that part of the money would go to the slaughter program and part of the money would go to the feed assistance program. I will provide the member with a statement from the cattle producers where they have said: we are looking for reallocation within existing money. I can provide the member with that.

With respect to the administration, the administration of this program is within the BSE

program. The administration of the BSE recovery program is \$260,000 and the administration on the feed assistance program is \$100,000 and it is within the funding for the program. Part of it is shared on the BSE recovery program. This is not taking money from the crop insurance corporation. I can tell you that in the past when we have had ad hoc programs that have been put in place, the crop insurance corporation has been very effective in administering the program. I can only have praise for the administration that they are doing of this program as well.

Mr. Penner: It is not the staff or the corporation I am questioning. It is the minister's ability to direct them to do her bidding. That worries me far more than anything else.

The other thing that I want to point out to the committee is that in a document released on September 3: Beef Fund allocation, the news release there says: Funding brings support for cattle producers to \$117 million. That is also a fallacy. That is not to the beef producers; that is to the beef processors, that \$2 million, that is going. It is not paid to the cattle producers. Then this says paid for cattle producers.

I believe, again, I just want to point this out how deceptive this Government is being in trying to portray the fact that she is spending a lot more on the cattle industry than she in fact is, when \$2 million of that is going to the cattle processing industry, not the cattle producers themselves. I think the minister needs to be somewhat more careful in how they draft and portray what they are doing to the people of Manitoba.

Ms. Wowchuk: Perhaps, Madam Chairperson, had the previous administration not neglected the slaughter industry to the extent they have over their years of administration we might not have had to put in \$2 million and we might have had a flourishing industry in this province. I can go back and point out a few things that the previous government did that did not help the industry. Certainly they did not help the industry by neglecting the processing industry. I do not think that you will find very many beef producers in this province that would say by putting \$2 million into slaughter capacity into

this province we are not helping the beef industry.

So the member might want to make those kind of comments. I think that if he goes out and talks to a few producers, and I do not think he has done very much of that because he seems to be very out of touch, the cattle producers have been asking and expressing concern about the slaughter capacity in this province. I have had many producers talk to me about how they want to change this around and that this \$2 million will help increase the slaughter capacity in this province and keep more jobs at home.

Mr. Penner: The minister really has opened the door to the discussion maybe that we should have about the slaughter capacity in this province. I think if you will go back in history you will find that under the NDP administration you lost two of the major, major processors in the province of Manitoba. That was under the Schreyer administration. I think under the Pawley administration you will find that you lost the other two major processors in the province.

I will remind the minister that in 1987 and 1988 when they lost the election, there was a processing plant in deep trouble, the Burns processing plant in Brandon. An inordinate amount of time and effort was spent with a group called the Northern Plains Producers to try to put together a financial package to try to reinvigorate that plant and make it continue successfully. We could not raise enough money in Saskatchewan, North Dakota, Minnesota and Manitoba to put together a deal that would have seen that plant reopen. Therefore, in about 1993, I think, after all aspects of that operation were explored, it could not be made to happen. Some of the staff here will remember those discussions well.

So I say to the minister that for her to say that the previous administration did nothing to try to revitalize the industry that had been destroyed by the NDP administration, by many years of NDP neglect and administration, is a bit of a stretch. I say the effort, in the five years after the NDP administration, still could not get that Brandon plant reopened. It was unfortunate because we thought there was some possibility in doing the kind of process that Northern Plains

Producers wanted to do, reopening and doing specialized beef, slaughtering specialized beef in that plant.

I want to ask the minister, you have now indicated that you are intending to sign onto the Agricultural Policy Framework that Ottawa has presented as their answer to maintaining the agricultural industry in this country. First of all, can the minister tell me when this document was printed, the departmental Expenditure Estimates? Can you tell me when this was printed?

* (16:30)

Ms. Wowchuk: The actual document was printed very recently, but the budget was set with the introduction of the Budget. The information goes back to when the Budget was introduced.

Mr. Penner: So the reference to the Agricultural Policy Framework and the Canadian Agricultural Income Stabilization Program that is referred to in here was done after the Budget had been approved.

Ms. Wowchuk: I am not sure, maybe the member could explain. It was part of the approved Budget. Once the budget is set, it was part of the approved Budget that was approved earlier. These are the books that were prepared then. The actual printing happened more recently, but this document was prepared when the whole Budget was prepared.

Mr. Penner: Well, that is the question really. If this document was prepared and printed before or at the time of the approval of the Budget, obviously, the minister must have indicated to her department that you were entering into an agreement at that time. You must have indicated that you were entering into agreement under the Ag Policy Framework. So if that was the case, then obviously the minister was holding information back until now before she shared that with the people of Manitoba.

Obviously, she had made the commitment to enter into this Ag Policy Framework much sooner than what she has indicated to the people of Manitoba, because if this document, in fact, was prepared at that time, that would mean that

three months ago the department would have already been instructed to prepare this document in preparation for the assumption that we were into the Ag Policy Framework.

Ms. Wowchuk: I think the member has been part of Budget preparations, and you know you have to make some assumptions. CAIP was ending. NISA was ending. We had to make some assumptions of what kind of money we would put in place for the new program if and when it was adopted. Certainly we were anticipating that we would have a safety net program for our producers. I do not think the member would call us a very responsible government if we did not put funds in place for the business risk management, a portion of it.

So we had to make some assumptions that when the Agricultural Policy Framework agreement moved forward, we would have the funds in place for it. But we were still in negotiations with the federal government until quite recently on a few details. But printing a budget requires that you make some assumptions of what the programs are going to look like.

Mr. Penner: So am I to assume then that the need for funding for the cattle producers under the Ag Policy Framework has nothing to do then with the announcement and the timing of the announcement that was made. Is that correct?

Ms. Wowchuk: Nobody can get access to the funds that are in the Agricultural Policy Framework agreement until you sign on to the program. So no funds are going to flow to cattle producers until provinces sign on to the policy framework agreement and the federal government can start to flow their portion of the money.

Mr. Penner: I guess the minister did not understand the question. The question is, the decision obviously was made much earlier to enter into the APF agreement by the Government than when they announced it. Her indication now, or leaving people with the impression that they signed on to the APF agreement to be able to flow funds to our producers, was dependent on the signing on to the agreement. So that really has nothing to do with signing on, because you had already

previously made the decision to sign on to the agreement. Is that correct?

Ms. Wowchuk: If the member will recall, we signed on to the framework agreement a year ago. When we signed on to the framework agreement, that was our intent, to be part of the Agricultural Policy Framework. Since then we have been working on an implementation agreement. It is the implementation agreement that we have now agreed to sign.

Once we signed on to the framework agreement, we had to provide funding in the Budget for it, and that is what we did. We provided the funding based on the formula that is in place for all agreements, and we provided funding for the disaster assistance component of the APF. That is the area where funds will flow to the cattle producers.

Mr. Penner: Thank you very much for that explanation. Yet, again, I say to the minister, in your announcement the other day you left the impression that you have to sign on to this now in order that you could assist the cattle producers of Manitoba, when you, in fact, already knew that you had signed onto the agreement originally that you only needed to sign what I would call the operational terms of the agreement. The commitment had in fact been made.

Ms. Wowchuk: What we signed a year ago was the intention to participate in the APF. It was the framework agreement. After that there have been a lot of negotiations, a lot of staff time spent working out the details. But, really, it is those details that are the important part, because they explain how the programs are going to work and what the commitments are on the Province and the federal government. But the member is accurate in saying that no money can flow until the implementation agreements are signed. One is the framework; one is the implementation. I gave notice to the federal government last week that I am prepared to sign on behalf of Manitoba on to the implementation agreement on behalf of Manitoba farmers.

Mr. Penner: This probably has nothing to do with the crop insurance budget, but if we go back to page 33 there was an item last year

under the Estimates of \$21,150,000 under the Canadian Farm Income Program, which, I understand, is the provincial commitment to the NISA program. No?

Ms. Wowchuk: There was \$21.1 million last year in the CFIP account and there was \$21.9 million in the NISA account last year.

Mr. Penner: That \$21.15 million, was that expended last year under the CFIP program or was there any lapsing of money in that program?

Ms. Wowchuk: The payments on the CFIP account are just being made. That is not finalized. So we will not know for some time yet as to whether there is any lapsed money or not.

* (16:40)

Mr. Penner: So, Madam Chairperson, what the minister is saying, then, is that she is moving that amount of CFIP accounting the number is \$21 million into the NISA stabilization line or into the net income stabilization account.

Ms. Wowchuk: It has been moved into the NISA account for now, and the new program when it has been redesigned will be called CAIS, the Canada agriculture income stabilization program. So NISA and CFIP will end, and we will go into a new program that is called CAIS.

Mr. Penner: Would the minister not have been more adequately providing clear indication if there had been a separate line here saying in preparation for CAIS?

Ms. Wowchuk: Madam Chairperson, we were caught in a bit of a dilemma as we were moving forward. We had given our intent to go into the program. We knew that CFIP and NISA were ending. The new program was not named yet. So, as we were doing our Estimates, we felt that, as we were trying to follow the estimate and put in place the program, we tried to allocate the money and indicate that it would be going into the new program when that program was completely designed. But it was finding a place for the money that would be needed for the new program, and that is where we put it in the Estimates.

Mr. Penner: So the minister did not purposely try to hide it under a so-called, or make it appear that it might be, a NISA account addition instead of doing a separate line in this book indicating clearly in anticipation of APF program funding under this appropriation? I think that would have been the correct way to account for it, quite frankly, but I am just wondering whether the minister might have given some direction to the department as to the way they wanted it and how they wanted it.

Ms. Wowchuk: Madam Chairperson, I would never try to do that. I can tell the member when we were working on the new program we were not quite sure what the new program was going to be. There was talk about the new program being called NewNISA. It was not finalized yet so we put the money under the NISA account and then have the ability to move it into the new program when it is finalized.

Mr. Penner: Well, Madam Chairperson, I think the point I am trying to make is: the minister has on July 31, 2003, clearly indicated there was 15 million in BSE funding to be provided in a feed security program or in a feed assistance program. That is deceptive to the way that was done, and I think this is equally as deceptive and therefore we start questioning these kinds of movements. I think if the minister would have clearly wanted to indicate that they had signed on to the APF agreement way back, before the Budget, and that they were making provisions under that Budget that they could have moved it into a separate line indicating clearly this 21 will be transferred into the new APF program. That would have clarified it. Whether that was intentional or not I will leave them up to the people to judge.

Ms. Wowchuk: If the member would look at page 33, at the bottom of the page there is a footnote that says "Net Income Stabilization Account and Canadian Farm Income Program have been redefined into the new Canadian Agricultural Income Stabilization Program (CAIS)." So there is a footnote in there that tells you where the money is going. The member is seeming to imply some deception, and I am just saying that the footnote tells you in the Estimates book as to where the money is going. There is no attempt to deceive or hide any money.

With respect to the \$15 million, the member goes back to that, and it says clearly that it is a reallocation of the BSE fund. Nobody was talking about \$15 million in additional money. It is reallocation and I can tell the member that the industry understood when they were working with us that there was going to be a slaughter program that was going to continue and there was going to be a feed assistance program. We worked with the industry. This is what they requested.

I know the member might try to say that I am blaming somebody, but surely to goodness the member knows that we must consult and work closely. Maybe he would do things differently, but I can tell you that if he looks further into the release it says the cattle producers discuss details of short-term action plans for BSE, which include a reallocation of the BSE compensation program, a reallocation, which would provide per head funding for fed cattle unable to access slaughter facilities in addition to the current program which provides compensation to cattle that had been slaughtered and processed.

The cattle producers saw this news release. They were happy with the news release, and they were happy that we were changing the program to meet their needs.

Mr. Penner: Madam Chairperson, we will move on to another area and that is crop insurance premiums. Can the minister tell us how much the crop insurance premiums have increased this year and how much she is contemplating they will increase next year?

Ms. Wowchuk: The premiums increased by \$6.2 million and those increases were related mostly to the increase in forecasted marketing prices and a change in the insured acres and level of coverage. So there is more acreage and the forecast market price was higher. I am very pleased to say we have the highest coverage in history, that producers are recognizing this as a very valuable program and the participation in the program has grown tremendously.

Mr. Penner: Can the minister tell this committee what percentage of increase was not related to the increase in value of the insureds?

Ms. Wowchuk: Two thirds of the increase was related to changes in insured acreage and coverage levels. About two thirds, yes.

Mr. Penner: So what the minister is saying, about a third of the increase would be related to additional costs incurred by the department or other expenditures.

Ms. Wowchuk: The other costs are related to coverage in new programs. The member knows that we did some splitting of bean crops and potato crops, we have added some pedigree seeds and increased the insurance for soybeans. There is a change in crop mix to higher value crops and an increase in probable yields. So those are the other areas where we have seen an increase.

* (16:50)

Mr. Penner: The reason I raise that, I want to commend the minister and the department for having made those changes in the pulse crop industry. I think those had been asked for, for some time by the industry and I want to commend the minister on taking that initiative to do this at this time. I think it will encourage a greater diversity of especially the bean crop being grown in the province, which I think we have the capacity to do. I think the industry in general appreciates that.

Would the minister be able to explain how the crop insurance program will exist over the long term under the APF agreement?

Ms. Wowchuk: The question was, what will the APF do in the long run?

Mr. Penner: I would like to know from the minister how she sees the survival of crop insurance, or the operation of crop insurance under the APF program over the long term. How will they be able to intertie?

Ms. Wowchuk: The member asks a very important question, because it is one that I have been very concerned with. If you remember when we were talking about the APF, the federal

government wanted to get rid of crop insurance. They just wanted one program. We were opposed to that, because I think crop insurance is a very good program for us. So we are back to two programs. But there is a linkage between the programs.

I think that, given what crop insurance gives the producers, they are going to continue to maintain their crop insurance. You get a more effective cash flow. You get damage to your crop, you get a cash flow from it. You do not have to wait for a payment there. It covers negative margins on your crops where the other program the CAIS will not cover your negative margins. There is individual crop coverage. Under the CAIS, it is whole farm. By keeping crop insurance, the farmers keep their margin up, and that will be a benefit under CAIS if you are keeping your margins up. I think that there are tools within the crop insurance that will encourage farmers to continue with their crop insurance at the same time as CAIS, because of what it does and your individual margins in those other areas.

Mr. Penner: I have the same fears the minister has. When I look at what little information I have on the APF program and CAIS and what little information has been extended so far, basically the only information that I can get is what I get off the Internet. I am not sure that is the total package of information. Maybe what I would like to do is ask the minister, if she has a copy of the APF program and/or CAIS, whether she would be prepared to share that with us at this table. Maybe tomorrow or the day after she could provide us copies of the APF program, if you have copies of it, because I think it would be useful if we had copies of that program.

Ms. Wowchuk: I will not be able to do that for the member just yet because the programs are still being designed. There are those final details on programs that are being worked out and it is a federal-provincial agreement. I am not able to share that until the federal government is ready to share it, but I can tell the member that as we move forward there is going to be extensive consultation and meetings and a lot of information that will be available for the producers.

Although we have a program, it is a national program, it is not just a Manitoba program and still some of those details are in draft form. You will remember that this program does not come into effect until the end of the year, so there is still some work being done. As soon as the information is available and everything is finalized with the other provinces then it will be made public and there will be a lot of information provided.

* (17:00)

Mr. Penner: It concerns me even more that a minister and a government would sign on to an agreement which is brand-new which will change the way agriculture functions in this province, without question. It is in my view, from what I have seen, one of the biggest disincentives for diversification that I have ever seen any government-designed program do before. I hope I am totally wrong in my assessment of what I have seen so far, because if it is what I think it is then what we have worked for, for the last three or four decades is all going to go by the wayside. I am not sure that farmers are going to invest in a grain company or a grain corporation or a grain operation, under the terms of a farm, and invest in a hog operation and invest in a beef operation and invest in specialty crops, pulse growing and many other aspects, chickens. Why would they want to invest if the APF gives you a one-basket approach? It is silly.

Crop insurance served well in that respect. The APF does not even recognize what a loss, a net loss, means, because the bottom line, it has never been recognized under CFIP, nor will it be recognized under APF, unless I am totally wrong in my assumption of what is coming. That will put us in an untenable position and it will force farmers to do one thing. We, on our farm, have decided that if APF comes around, as I think it will, we will be forced to set up seven corporations. I have been told we cannot use the tractor from one corporation to another to operate the other corporations because it would not be allowed. Now, if that is true, then I think we are in much deeper trouble in our agriculture community and industry than I hope we are.

I had seriously hoped that the minister would stand by what she had said, that she

would not sign onto this agreement, this framework, until she was satisfied that those kinds of changes or changes to operations, whether it be subtle or otherwise, would in fact not happen. It appears to me now that that has not happened. We are not even willing to share the program.

How can we expect producers to have some level of comfort in making the investments that they are already making on the farm for next year, putting fertilizer in the ground and whatnot all, you know, building and buying supplies when they have no idea what sort of a hedge they can buy into or are going to be required to buy into or the losses that they might incur and then being told at the end of the day, anything under a minus margin is not going to be covered by the program? It makes no common sense to anybody's mental capacity to calculate.

I would like to know from the minister whether this crisis in the beef industry now or in the livestock industry prompted her to sign onto an agreement which will have much, much longer and deeper ramifications to the agriculture community as a whole than many people I believe are contemplating. I hope for the agriculture community's sake that I am dead wrong in my assessment.

Ms. Wowchuk: Some of the points that the member raises are points that we have had a lot of discussion on with the federal government. Under WTO, you cannot have commodity-specific insurance, especially when you have got an income-based program.

We have talked about just what the member talked about, about separating out different commodities. The federal government says that those will be brought together. What the member is saying about his concern here points out the importance of us maintaining crop insurance as a very strong program. We can do insurance for specific commodities and offer insurance there. There is discussion about insurance for livestock under the crop insurance. That is not in place yet, but it is under discussion.

We are looking at what the opportunities are, but, basically, the federal government is very committed to ensuring that we are WTO

compliant with this agreement, and those are the discussions. The member is raising many of the points that we as a government have raised.

Mr. Penner: Madam Chairperson, that is encouraging to hear, that those points have been made through the negotiating process.

I would just wonder whether any analysis has been done as to the costs of the APF program, the cost of crop insurance and the cost of hail insurance and the cost of livestock insurance and all those kinds of things and how farmers are going to be able to afford to buy into the kind of income protection that is available to them now, although even now the protection is minimal.

Under crop insurance at least we have an ability to cover our cost of production if we choose to. I doubt whether that will be the case under the APF. I doubt that very much because we certainly will not be able to cover our negative losses. We would only be able to cover up to our zero line and anything below that is not covered. I do not believe that you can buy enough crop insurance to cover the minuses to make up for the negative part of the program. I just find it astounding that human beings would sit around a table and make those kinds of demands on each other to design a program that is questionable at best.

The second one I want to make is the minister referred to the WTO. There is no provision under the WTO that does not allow you to operate the program that you are currently operating, if you do not do away with them. Once you have done away with them, such as we did with the Crow, then they are gone. You cannot bring them back.

The Americans have used every angle in the book to provide almost as my neighbour just across the line said to me when he received his end-of-the-year statement of \$3.2 million that he had received from the federal government last year through their farm programs. There was the farm commodity program the words escape me now and there was the disaster program and there was the drought program and all those kinds of programs that still exist on the American side,

and we say we cannot use them? Same agreement, same continent, same 49th parallel, one north side, one south side, but they can do all kinds of things. They have sugar beet assistance programs. They have, you name it, unlimited, and we are saying that we cannot use them on this side of the border?

Again, it does not give me much confidence in the competence of the negotiators around the table and the ministerial direction that is given. It just does not give me any confidence.

* (17:10)

Ms. Wowchuk: The member is talking about the WTO agreement, and he knows full well that these are federal agreements, that the Province does not negotiate them. I am not sure who was in office when the WTO was implemented, but I think it was the member's party that was in office in Manitoba. I do not know what position that government took on the WTO, but those are not things that we can negotiate here in the province.

He talks about the subsidy in the U.S., and some of those are domestic supports. They are not nearly the exporters that we are and they have more ability, and, certainly, we have always said that the subsidies in the United States are too high and they distort the market. But the issues that the member raises with respect to the WTO are issues that the federal government is dealing with, and, in fact, representatives from across the country and around the world are in Cancun this week working through another round of the WTO negotiations.

With respect to the other issues the member raised about the negative margins, he is right. Negative margins are not covered. On the affordability, this is one of the issues that we also raised with the federal government. It started out that the producer was going to have all of their money in in one year and that is a large sum of money. It has now been arranged that it will be overput a third of your money up, so that will not be as significant, and there are still discussions with the federal government on how the producers will be able to use the money that is sitting in their accounts.

But, certainly, this is a premium-based program, and producers will have to put money into the program. It is a rate issue that Manitoba has raised many times about the affordability, but it does cover a broader range of commodities than were covered under the previous program.

But crop insurance will still continue to play a very important role, especially because it is an existing program and it is one that we can build on. It is a program that I want to continue to have in Manitoba so that we can provide some of the protection that might not be provided under the disaster assistance component.

Mr. Penner: Can the minister tell this committee what the premiums will be under the APF?

Ms. Wowchuk: What the *[inaudible]* program is changing is that we will be *[inaudible]* 40 percent of the program, so under the comprehensive coverage where we have the majority of it, the federal government will pay 36 percent, the Province will pay 24 percent and the producer will pay 40 percent. If you look in Manitoba, the producer premium right now is 31.5 percent. They have to shift to 40 percent by 2006. So that will see a percentage change of 27 percent. Our premiums are held quite low right now, and they will have to shift up under the crop insurance program.

Mr. Penner: Is it correct then, Madam Chairperson, that under the current crop insurance premiums, will the coverage at roughly the 80% level stay at where it is now? And the 50% premium coverage will increase fairly dramatically. Could you tell us what those percentage increases might be?

Ms. Wowchuk: We know that to get to the 40% producer premium we are not going to be able to maintain the free component over time to get to it by 2006. But we are still looking at options where we make the changes, and what we will be able to continue to offer, and what we will not be able to offer and where we have to make those kinds of adjustments. But there will have to be changes made in order to get the producer to the 40 percent.

Mr. Penner: Madam Chairperson, would the minister tell this committee what the requirement of the individual producer would be to enter the APF program on a financial basis? How much of an APF premium does a person have to pay, for instance, for a \$100,000 coverage, and/or how much is the total amount of insurable what is the total global amount that an individual producer can insure under the APF program? What is the maximum amount?

Ms. Wowchuk: Can the member explain? Are you talking about what kind of coverage you would be able to get under the new CAIS program? Right now, the cap is \$975,000, the maximum government payment that can be paid out of the program. There are still discussions on

An Honourable Member: Per individual producer?

Ms. Wowchuk: Per fund. There have been discussions about raising that cap. The cap, as it is now, that is the level of cap.

The member asked the question about \$100,000 in coverage. For \$100,000 in coverage, the premium would probably be \$22,000, but the producer would have to put up \$7,000 as the share in the first year. *[interjection]* For roughly \$100,000 in coverage, it would be roughly \$22,000 in premium.

Mr. Penner: That means you would be able to buy up all the way to some \$970,000 coverage. No?

Ms. Wowchuk: The farmer could cover him or herself to 100 percent of the positive margin. The limit is the amount that the governments will pay and the cap is at \$975,000.

Mr. Penner: What would the premium be on, let us say, a \$970,000 coverage?

Ms. Wowchuk: On a million-dollar margin it would be \$222,000, so then the first year you would have to put in

Mr. Penner: All I wanted to establish was what the total amount of coverage would be at the first year you only need to do this or you need to do

that, but to get that kind of coverage would cost a farmer \$220,000.

Ms. Wowchuk: Over the three-year period for \$1 million of coverage, it would cost the farmer about \$222,000, and that is refundable at any time.

Mr. Penner: So, for every \$100,000 worth of coverage, you would have to deposit \$22,000 and a few dollars to get \$100,000 coverage, and you can max out at just under a million.

Ms. Wowchuk: That would be roughly the numbers that you would use. \$1.2 million in order to maximize the government payment.

Mr. Penner: Thank you very much. I appreciate that information.

* (17:20)

Ms. Wowchuk: The other point that I should make is that once you have made your max you do not continue to pay into the program. You have reached a max, and that is the amount that is there, so if you do not make a withdrawal, that just sits there.

Mr. Penner: I understand that. So that means then, that any farm with \$1 million worth of revenue expectations could insure up to \$1.2 million in coverage at the cost of \$220,000. That \$220,000 would sit in the account; then, when a claim is triggered, would that money be the first money to come out of the account, or would there be an equal amount of provincial, federal, and producer money come out of the account, or how would this function?

Ms. Wowchuk: I just want to tell the member that that is based on a million dollars in margin, not a million dollars in revenue. It is greater and it is on margin. There are three levels of payout. The first level, it is 50-50, producer-government; a second level is 30 producer, 70 government; and then at the lowest level it is 20 producer, 80 government. But the lowest level comes out first of the payment.

Mr. Penner: So that has not changed, Madam Minister, that is, as it was originally discussed?

Ms. Wowchuk: That is the share that we have been at for about of six months now. In the beginning it was a little different. Ministers made some changes, but this is the split that it has been at for about the last six months. There has been no change made since then.

Mr. Penner: I do have a lot more questions in this section, but I also have a lot of questions in some other areas and I am not sure how much time. I understand that we have been given 10 hours, I believe. *[interjection]* Yes, that is what I was told, that we have 10 hours to discuss the Estimates, and I think at one time we took almost 50 hours, or around 50 hours, 51 hours, I think, to go through. I see the smiles on staff faces; I do not fault them for that. However, maybe what we could do is pass the lines in the crop insurance sector, and if I have any other questions that I want to pursue in that area, I hope the staff does not hesitate to pick up the telephone, as they have in the past, and discuss the issues with me.

I truly want to thank the staff for the way they have dealt with the corporation. I think that they have done a good job, and, hopefully, we continue this for a long time. I certainly would not want to see the demise of the crop insurance under this program.

Madam Chairperson: The Member for River Heights has a question.

Hon. Jon Gerrard (River Heights): Yes, just before we pass from crop insurance, I would like from the minister: Can you tell us what the current balance is in the crop insurance? Is it in surplus or deficit, and how much?

Ms. Wowchuk: As of March 31, our reserve fund was at \$272,951,275.

Mr. Gerrard: Now, those dollars are a mixture of federal, provincial and producers. Can you break that down?

Ms. Wowchuk: Because that reserve has built up over time, it is really hard to break that down, but it is probably about 40% federal, 30% provincial and 30 percent producer, in that range, approximately.

The new procedure is that we pass the whole resolution, that portion on Crop Insurance. Is the member prepared to pass that whole portion, or do you just want to leave it and then we will pass it after? I would be prepared to leave that, but if there are no significant questions, if we do not have staff for Crop Insurance here, if we do not have the answer we can take it as noticeokay. Good. Thank you.

Mr. Penner: I would be prepared to agree to that unless something significant comes up that we might want to recall Crop Insurance staff.

Madam Chairperson: So is it the will of the committee that we will just leave the 3.2.(a)(1)(a) and consider the remaining resolutions in 3.1.(b) at a later date, at the next sitting? *[Agreed]*

The hour being 5:30, committee rise.

EXECUTIVE COUNCIL

* (15:00)

Mr. Chairperson (Conrad Santos): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Executive Council.

Does the honourable First Minister have an opening statement?

Hon. Gary Doer (Premier): Yes, just briefly, the Estimates for the Executive Council are \$3,426,000a \$200,000 decrease from the previous year's Estimates total. The Estimates for Executive Council are actually lower than '99-2000, the year we came into office, and the staffing levels are comparable, both in terms of secondments and other positions.

The expenditures are laid out before you and I trust that the Estimates are fairly straightforward, given the fact that we have decreased our budget.

Mr. Chairperson: We thank the honourable First Minister for those comments.

Does the Leader of the Official Opposition have any opening comments?

Mr. Stuart Murray (Leader of the Official Opposition): Yes, I do, Mr. Chair. It is a pleasure to be here today to begin examining the Estimates for Executive Council. We clearly have very important work ahead of us.

It has been scarcely two months since the provincial election and the machine that is the Doer government is looking more seriously weathered with each passing day.

Let us take a look at the daily headlines as they are a barometer of the mood and the state of the province. Quote: Manitoba's labour market ailing, says one recent headline.

Indeed, under this Government's watch Manitoba has consistently had among the lowest employment and labour force growth rates in the country. Sure, the unemployment rate is low, but the figure is deceptive because many unemployed Manitobans have simply packed up and left for greener pastures elsewhere.

As Jason Clements of the Fraser Institute has pointed out, exporting your young, employed workers to other provinces is, and I quote: Not a productive way to maintain an effective and productive labour market.

Winnipeg Chamber of Commerce President Dave Angus has called for the creation of a long-term economic strategy for Manitoba, but this type of strategy has been sorely lacking under the current NDP administration. Such a strategy is needed to prevent future headlines about mistakes such as the bungling of the Motor Coach Industry's file. Millions of taxpayers' dollars have been invested, but where are the returns?

Another recent headline points out Manitoba's horrific crime stats. According to Statistics Canada, in 2002 Manitoba had the dubious distinction of the highest crime rate of homicide, robbery, motor vehicle theft and mischief charges. We are second in Canada when it comes to offensive weapons, sexual assaults, assaults and violent crimes. We are third in the country when it comes to breaking and entering and property crimes.

This Government likes to talk tough when it comes to crime and punishment but that is all it is, talk. All too often we have seen how the revolving door of justice has rewarded criminals at the expense of their victims. It takes far too long to get criminals into the court system and too many are simply let off with a slap on the wrist and promises to do better. That is no consolation to their victims who live their lives in fear, wondering, wondering if they will be revictimized and failed again by the NDP justice system.

Some headlines highlight the familiar tale from the Education Minister trying to reassure Manitobans that there will not be any more forced school division amalgamations. The headlines spin out the NDP's old refrain that their forced amalgamations have saved taxpayers money. Sorry, nobody is buying that tale either.

But the headlines do not stop there. How about the one announcing the release of the Clean Environment Commission's report into last year's massive spill of untreated sewage into the Red River. The Conservation Minister would assure us that the action will be taken to clean up our waterways and to prevent future similar catastrophes, but how can we believe him? After all, his boss, the Premier, was recently complaining that environmental reviews of projects such as Hydro dams had become too, quote: cumbersome. Since when has protecting the environment for future generations of Manitobans become too cumbersome? Apparently the concept of sustainable development has been lost on this administration.

* (15:10)

Speaking of Hydro, have you seen the recent headlines outlining the problems drought is creating for the Crown corporation? Profits are slumping as water levels fall. Surely, these conditions will cause the Premier to pause and reassess his unseemly desire to plunge forward with questionable new Hydro dam projects for which he has few definitive power sales.

Yet another headline tells of the folly of the Doer government's employing an army of spin doctors to try to convince Manitobans that not

only has the health care system been taken off the critical list but that the crisis in health care is now simply a figment of their imagination. That is beyond ridiculous and it is a slap in the face to all Manitobans. Manitobans continue to wait far too long for certain diagnostic services and treatment. Too many cardiac patients have died after waiting far too long for needed treatment. The indignity of hallway medicine continues.

Shortages of health care professionals have not been properly addressed, particularly in rural areas where shortages have led to the repeated closure of rural hospitals. Indeed, it is in rural Manitoba where some of the most frightening headlines have arisen.

May 20 will go down in infamy for Manitoba's livestock producers, the day BSE reared its head in a single cow in Alberta and brought Canada's livestock industry to its knees. Headline after frightening headline tell the tale of fear and suffering in communities around Manitoba. Livestock producers, including people who raise beef, sheep, goats, elk and bison, watched their markets evaporate as the borders closed. Although the border was reopened to certain exports of boneless meats, the vast majority of Manitoba producers are still stymied because this province has virtually no slaughter capacity and relies on live exports.

Adding insult to injury, there has been a devastating drought in certain regions of Manitoba, and substantial crop and hay losses due to hordes of grasshoppers. Our producers and their families are trying to put on brave faces, but it is becoming extremely difficult.

I would like to put on the record some excerpts from a story outlining the beef crisis through the eyes of young cattle producers. Corlana Thomas [*phonetic*], a member of the Napinka-Grande Clairiere 4-H Club, recently gave a speech about the impact of the BSE crisis on her family and parts of it were printed in her local newspaper.

She stated, and I quote: We are Grade 12 students. I have always planned to choose cattle farming as my career. Now I question it. Why would I choose a career where we have no control of our income? There are fewer young

people choosing farming for a career. I can completely understand why. It is the least desirable of the many choices. I expect my government to make farming as desirable as the medical field, postal service, or politics. Cattle producers are being told we have to reduce our herds by 40 percent, take a 70% market price reduction on sales. That is a 110% reduction of income. Who else would take that ridiculous wage cut? That's right, nobody.

Mr. Chairperson, I ask the Premier (Mr. Doer) to consider the plight of Ms. Thomas and the countless other young Manitobans who through no fault of their own will probably not be allowed to follow in their family's footsteps and become livestock producers. What does he have to say to this lost generation of farmers?

I would also like the Premier to respond to a mother from the Alonsa area who wrote a chilling letter to members of the Assembly outlining the devastating impact of the BSE crisis on families like hers.

She stated, and I quote: We are now living in fear and desperation. What will become of us? The loans are almost due and the mortgage has to be paid. Manitoba Hydro will soon turn off the power. The telephone will become a luxury. Our young children do not yet understand the scope of the crisis before us. They do not know that money is quickly disappearing and they will not be able to participate in their extra-curricular activities, no more curling, 4-H, figure skating, hockey, swimming or skiing. We cannot afford the fuel to drive to and from the events, let alone the fees that must be paid to enjoy them. Winter is quickly approaching and the kids have all outgrown their snowsuits and boots. We cannot afford to buy new ones. How will we keep them warm? We supported many, many businesses in and around the province and country, but we get no support in return. It is time that someone who is governing this country took a stand for this industry.

Indeed, Mr. Premier, it is high time that you and others take a real stand on behalf of Manitoba's multimillion-dollar livestock industry. It is time that you personally made a meaningful commitment to helping Manitoba's

farm families and all who rely on them as they try to weather the BSE storm.

Why did it take 72 days, Mr. Premier, before you finally agreed to meet with members of the Manitoba Cattle Producers Association to discuss the BSE crisis? Were you afraid to be in the same room with them and see the heaviness in their hearts and the despair etched in their faces? Is it because you have no solutions or no long-term plan to offer them?

Days went by before your Government signed on to the BSE compensation package and days more went by before you admitted it was almost a complete failure for Manitoba producers and offered up a feed program instead. More days passed and your Government cooked up a loan program that producers have widely criticized as a tool that will only deepen their collective financial holes. The days continue to go by, Mr. Premier, and more and more producers are denied access even to this program. How will they feed their families and their cattle and pay the bills?

Days go by and the Premier (Mr. Doer) and his Government have repeatedly ignored our calls and the calls of countless others to provide producers with a needed cash advance program to help them deal with this crisis. Still more days go by and a series of half measures are announced to try to increase Manitoba's slaughter capacity, measures announced by a Premier whose own NDP predecessors are culpable for the demise of Manitoba's packing industry.

How much freezer capacity will a quarter of a million dollars buy, Mr. Premier? Not nearly enough. Why do we need to spend \$100,000 to tell Manitobans what they already know, that they should eat made in Manitoba beef?

Days go by and municipalities raise very real fears about their ability to collect and remit school taxes from devastated farmers. The Doer government could remove the education taxes from farm land and residential property, but instead it turns a blind eye to a measure that could provide meaningful relief to Manitoba farm families. More days go by and the Premier claims he has met with farmers and industry

people and that he has ideas to meet the challenges of the BSE crisis, yet ideas are not put into action by the Doer administration and our producers continue to suffer.

The Premier claims he does not have a Brink's truck but he does have a rainy day fund. If the BSE crisis does not meet the criteria for accessing the Fiscal Stabilization Fund then what future crisis in Manitoba will? Today is day 112 of the BSE crisis. By some calculations at least \$112 million has been drained from Manitoba's economy as a result of this disaster, but the toll this crisis has taken on Manitoba farm families and our rural communities is immeasurable. The longer this crisis drags on, the more the complexion of rural Manitoba will be irrevocably damaged.

Is that why, Mr. Premier, you will not visit with farm families and rural businesses at this, the time of their greatest need, because you might see them break down in front of you? Is it because you have no hope to offer them? If you are afraid to look them in the eye, Mr. Premier, imagine the fear that they feel as their livelihoods evaporate around them. They fear for their future, their children's future and for their communities.

In the days and weeks ahead there will be many more headlines highlighting the achievements or lack thereof of the Doer government. When it comes to the agricultural sector and allied businesses and industries affected by the BSE crisis, I can only hope the headlines will read: Doer government made a difference, rather than: Indifference of Doer government contributing to demise of rural Manitoba.

With that, Mr. Chairperson, I conclude my opening remarks and I am prepared to begin examining the Estimates of Executive Council.

*(15:20)

Mr. Chairperson: Under Manitoba practice, debate on the Minister's Salary is traditionally the last item considered for a department in the Committee of Supply. Accordingly, we shall defer consideration of Line item 2.1(a) and proceed with consideration of the remaining items.

At this time, we invite the First Minister's staff to join us at the table and also ask the First Minister to introduce the staff.

Mr. Doer: They are on their way down from the gallery. I am prepared to introduce the question and then I will introduce them when they are here.

Mr. Chairperson: Does the committee wish to proceed through this estimation in a chronological manner or have a global discussion?

Mr. Murray: I am sorry, can you rephrase that, Mr. Chairman?

Mr. Doer: Do you want to discuss everything or do you want to discuss it line by line?

Mr. Murray: I will go line by line.

Mr. Chairperson: Line by line. Is there agreement? *[Agreed]*

The floor is now open for questions.

Mr. Murray: I just wondered, today, being the first day that we have had a real chance to ask questions of both the Premier and the First Minister with respect to both the crises that we see in the current cattle producers situation as well as the drought that we see in the Interlake in Manitoba, my question is: I wonder why it took 72 days for the Premier to meet with Manitoba cattle producers when in our own backyard we see the plight that was clearly within the industry itself but also the families that are affected.

We understand the history that we get from time to time from the Premier about one cow in Alberta, that they met in Kelowna, and that there was all sorts of discussion. I would like to remind the First Minister that this issue, albeit, and we acknowledge on this side of the House that we all want to have the borders open, that is where we all want to be. We believe it is the right thing to do. This issue is affecting Manitoba families. So those Manitoba families are looking to leadership from the First Minister. I would ask for his response as to why it took 72 days for him to meet with cattle producers that clearly are in a dire situation here in Manitoba.

Mr. Doer: The one cow in Alberta, the incident took place on May 20. Obviously, the first goal of all, at that point we were in the middle of the provincial election campaign. There was nobody that we were in the middle of the election campaign. I have noted the comments made by members opposite during that campaign. The campaign was subsequently completed and the verification of the election took place. Technically, in the interim, the constitutional requirements took a couple of weeks before the House was constituted.

We went to Kelowna, to the Western Premiers' Conference in June, the weekend after the provincial election. We said publicly that the major issue for us was the BSE compensation.

I want it to be very clear that the proposal made by the cattle producers nationally and the provincial cattle producers were involved. We had the chief vet from the Province of Manitoba with us at the meeting because of the importance of this item. I asked that the Deputy Premier (Ms. Wowchuk) discuss the actual proposal from Canadian producers with the Manitoba producers before we sign on. That was in mid-June.

Then there was a subsequent meeting with the federal Minister of Agriculture at the end of that same week, with Lyle Vanclief in Vancouver, following a discussion with the Prime Minister from the chair of the meeting, and that was Premier Campbell. At both the occasion of the design of the program from the Canadian cattle producers and the implementation of that program, not a 90-10 but 60-40, we had proposed 90-10 to the federal government and still maintain our position on a number of these issues that it should be 90-10. We discussed it again with the cattle producers.

I then met with many cattle producers, hundreds of cattle producers, June 23. You were here at the Legislature. I was talking with the president of the cattle producers at that time here publicly when we spoke at the meeting that was held here, the public meeting and the barbeque.

So to say I had not talked to her for X number of days is just not true.

When we got a request to amend the program through our Minister of Agriculture (Ms. Wowchuk) I did want to take some time to ensure we also had a slaughterhouse capacity and that we got a better sense of what was going to happen at the border. I did get the sense and I reported back to the cattle producers that I had a sense that there should be some light at the end of the tunnel in the next short period of time on an announcement, from our sources, U.S. sources, on the muscle cuts. We, of course, then amended the program. We did not just amend the program consistent with the letter of the Leader of the Opposition (Mr. Murray), but we also amended it to add slaughterhouse capacity, because we are aware of some plants operating one day that could be operating more. The bottom line is: that is the process we followed.

I had advice from our Deputy Premier (Ms. Wowchuk), from our chief vet, from the cattle producers before we signed on to the program. We do not just snap our fingers and re-spend \$15 million. We take some time after we get a request to amend the program. We did our own due diligence on it in two weeks. Then we met with the cattle producers and amended the programs. Virtually we had one program up and running by the end of June 2003 and another program announced at the end of July. That is, quite frankly, very unusual.

The other issue that is important for us is the first program was a 60-40 program with Ottawa. We wanted it to be a 90-10. The second program we announced, the feed program, the \$2 per cow, we did so on our own, that being the Manitoba's taxpayers' monies proposal, the low-interest loan program we did on our own, and the slaughter program we did on our own, without any support from Ottawa, even though we know the federal Liberal caucus meets with various producers and municipal groups and talks about how sensitive they are. It is just that they have not been sensitive with any of their money.

I would point out that we did put our 40 percent of the cash crisis money in the national framework agreement in the Agriculture budget. I am going by memory now, the Agriculture

budget now is \$126 million. If you go back to the budget we took over in the late nineties, it is quite a bit higher than that budget, to accommodate the cash flow insurance programs.

Finally, I would point out that we have taken \$45 million out of the rainy day fund for grain and oil seed producers in the year 2000. We took another \$45 million out of the fund in the year 2001. This is close to another \$15 million out of the rainy day fund.

I know there is pressure out there, but we are continuing to work on getting the borders open. Ambassador Celucci will be here this week. The western governors, we have got resolutions that are positive, but again even when we were being criticized, even when the Leader of the Opposition was sending out letters saying he did not think the border would be open, we knew that there would be some optimism on the muscle cuts. We are still working on the other part of the program which, ultimately, we believe, is the essential part of optimism in Manitoba on the cattle industry.

There is no denying the fact that the one cow was handled properly. It was detected, inspected and rejected, the one cow from Alberta. There is also no question, it is not a, quote, Berlin Wall around Manitoba. It is around all cattle producers. We still think that the ultimate goal, and your letter does indicate it, is to get the border open. We get some information about what is going to happen next, but, of course, until it is announced, we are not going to take any comfort until it is formally announced.

*(15:30)

Mr. Chairperson: At this point, we request the First Minister to please introduce the staff members from Executive Council in attendance.

Mr. Doer: Yes, I think that the member opposite is aware of the staff that were present during the last sets of Estimates: Maria Garcea, the chief financial officer in our office, Diane Gray, the ADM of Federal-Provincial Relations, and Jim Eldridge, the Clerk of Executive Council.

Mr. Murray: Well, I certainly would like to welcome those esteemed memberswell, they are

not members, but staff members, if I could say that, to this Chamber, who, I believe, do exemplary work and am delighted that they are able to join in this session.

I would like to go back, though, to some comments that the First Minister has touched on. Yes, I absolutely was here when we had the one special day that we sat in the Chamber and had a debate on BSE. Of course, there were, I think, thousands of producers here on the grounds, and, by and large, they were coming to hear what form of direction or commitment the current Government was going to be showing them.

But I think it is important too, just when the Premier says that it was not 72 days before they met, that is just not true. Yes, he had various conversations with producers in a passing manner. I think the fact of life is that it was formalized when the Manitoba Cattle Producers Association had a meeting with the Premier. I believe the Minister of Agriculture (Ms. Wowchuk) was presentshe may not have beenbut the point being is that, to have some kind of a formal meeting, to sit down without interruption, to have a sense of meeting, that did not happen until day 72.

You can talk about the fact that in passing you talked to this person or you were at a barbecue, and, again, I applaud all members of this Legislature that took time to go out, whether it was in communities throughout Manitoba, Brandon, Winnipegthere were numerous barbecues that took placeand for those that organized those on behalf of the restaurant association and so forth. The First Minister, myself, members of his caucus and my caucus were there, the Leader of the Liberal Party, but, you know, you do not get a chance to really have a discussion at those meetings. I mean, sure, you can have a conversation, but as far as sitting down and dealing with people, I think it is fair to say that the First Minister of the Province of Manitoba did not meet with the Manitoba Cattle Producers until day 72.

So what was magical about day 72? Was there something that could have taken place on day 70 or day 63 or day 60 or 55 or what have you? I think it has pretty much widely been reported, and I think it has been widely

understood, that the Minister of Agriculture was handling this file. That makes sense; it comes under her purview. There is no question about that. One would argue that because the First Minister raised it at a meeting in Kelowna that perhaps he might have jumped on this file quicker. The fact is he did raise it at the meeting in Kelowna.

So we have the Minister of Agriculture (Ms. Wowchuk) who is meeting back and forth from time to time with the cattle producers but clearly without any sense of resolve or moving ahead. The First Minister says, well, we came up with some programs, and we listened to not only the cattle producers of Manitoba but the Canadian cattle producers association. That is fair enough, but is it not the issue that, as he mentioned, after the first program came into place, that there were some amendments that had to be done.

I mean, the fact of life is he might sit there and say, well, absolutely the border is going to open. Well, if he has that sense of certaintyand we hope he is right. It is not oftentimes that we hope he is right, and we hope he is right on this one. But if he is right that the border is going to open sooner than later, as his Minister of Agriculture has stated on a number of occasions, then it seems to me the obvious thing to do would be to flow a cash advance against sale of inventory, because if it is going to happen sooner than later, as he believes it is, then that sale against inventory would go to those producers and simply come back into the rainy day fund once the inventory has moved.

So I do not understand when we get into this discussionagain, we all know that the federal government should be doing more. We get all that. I go back to what I call sort of the history lesson here. We all understand the history. We all think that it is grossly unfair that one cow in Alberta would have this kind of an impact. It is unbelievable, but the fact is here we are today, and, again, it is about what is this Premier (Mr. Doer) doing for Manitobans. Absolutely, again, meeting with western governors is important to do. Meeting with other premiers, important to do. Sending letters to the Prime Minister, important to do, but when you have Manitoba families that are desperate, that are absolutely desperate and desolate and looking to the

Premier of this province for a solution, and it took 72 days to meet with cattle producers, why is it that we do not see from this Premier something that makes sense, flowing money from the rainy day fund, flowing money to those families that are in crisis today, that have been in crisis probably for the past 30 days.

Why do we need to continue to wait to ensure that those families that are out there suffering continually hear programs being announced from this Government that clearly are not solving the producers' problems? Why do they continue to have to suffer?

Mr. Doer: Well, Mr. Speaker, the border was closed on May 20, 2003, and this, of course, in an industry in Canada and in Manitoba even more dramatically relying on export markets.

The member opposite makes very light of statements, and I have at least been honest enough and I would suggest the member opposite be the same way to talk about the failure of all political parties over the last 15 years on the slaughter capacity.

My recollection is Swift went under, under Lyon, Canada Packers went under, under Pawley, and the Burns plant, a huge plant in Brandon, without a finger being picked up because I remember asking questions of the Leader of the Opposition at that point; I was not elected before the other two plants were in the Burns plant in Brandon being closed down in '93-94. I can check the dates. I am going by memory. When the Filmon government was elected in 1988, there were 292 000 cattle slaughtered in Manitoba a year, and when we came into office 11 years later, it was below 20 000.

So your letter did not address that. Your letter did not address slaughter capacity. So this is a new-found interest you might have. You did not deal with that. Your letter to constituents said, a loan, get cash into the hands of producers. It said a low interest loan program or, or, or a cash advance.

I was invited to meet with the cattle producers at a barbecue on June 23. The program that we announced mid-June, a week earlier, was proposed by the Canadian cattle

producers and supported by the Manitoba cattle producers. It was not a program that we invented.

It was a program that I was, quite frankly, worried about. I actually stopped the meeting to have our Deputy Premier phone the Canadian cattle producers, or stop that item on the agenda. We went on to West Nile, but we came back to it because I wanted to make sure. That is called due diligence in terms of what it meant for Manitoba. We took that program to Lyle Vanclief on the Friday after we discussed it with the Prime Minister. They rejected the 90-10 program. We came back and a week later we dealt with it. The file was not only in the hands of the Deputy Premier.

* (15:40)

Let me explain this. When an item requires supplementary funding outside of the budget, over on top of the budget, outside of the revenues we have, it requires all-Cabinet approval, and it did. Then when we got a request to amend it after the June 23 session, one of the questions I asked to the minister, not just this minister but to other ministers, is, yes, we have to look at some of the proposed changes, and I had all their material about what we needed to change it to. But before I meet with them we have to deal with the fact that there is no slaughter capacity in Manitoba. We are down below 20 000.

We said to people, how do we get a plant operating one day a week going to three days a week or five days a week or seven days a week? How much money is it going to take to bridge some of that? What do we have to do? We are still working on it. Every day we get another idea. How do we get federal inspectors in? How do we not get federal inspectors in? How do we get it targeted to the cattle we are most worried about?

We have not got any positive announcements yet under 30 months, but we also know that even if we get that, and we have not got it, we have to get something on the issue of the older cattle obviously and their marketability and their containment. That is what we did and that is the sequence. It took us a couple of weeks to work on a slaughter capacity. When I go to meetings, I like to have, usually it

means we have to spend money, and we did spend money when we went to the meeting, but I did some preparation before I got there. I do not apologize for that. It is not my money. It is not your money. It is taxpayers' money. I take very seriously.

Mr. Chairperson: Before I acknowledge the Leader of the Official Opposition, people are speaking to each other through the Chair. You do not directly confront one another.

Mr. Murray: I agree. It is much more fun.

The First Minister makes reference to whenever we talk about what is happening to the Manitoba families that are suffering because of his lack of leadership on this issue with respect to the BSE crisis in Manitoba, we continually hear from the First Minister a history lesson. That is great nighttime reading, I think, but what people are looking for is: What are you doing for the families in crisis? Great, we had these meetings and we did this and we did all our due diligence and we listened to this and we did that and all that. I guess if that makes you feel better, then so be it. But what about the families? What about the families that are out there suffering? I find it absolutely incredible. Again, these things are always important to talk about well, we met with the federal government, we wanted 90-10, that is where it should be 60-40.

Absolutely I understand that you are trying to negotiate a deal on behalf of the taxpayers of Manitoba. I get all that. Trust me. When we get into some of the other discussions about how you have raided Crown corporations, I get all where the money is supposed to come from, so I do not need a lecture on that. What I am trying to understand is, why is it that when we have families, clearly, clearly in crisis, not getting theirs some of them are past it; some of them have gone so far down the road of being in a crisis that they do not know where to turn to. I am not here at all to try to escalate this debate but trying to look for answers for those people that are in a crisis. We can go through this whole history and we can look at all sorts of dates. I think that is important.

I think we should have that part of the discussion, but my concern is the here and now,

the families of Manitoba, those families that we have been receiving. I am sure the First Minister (Mr. Doer), the Minister of Agriculture (Ms. Wowchuk), and other members, are receiving the same correspondence we do. They do not know where to turn next. They do not know what to do with respect to food on the table, or clothing for their children, or school books, or mortgage payments, or hydro payments. Those are real people in Manitoba. Yes, they would love to be able to look up to the Premier, or the Prime Minister of Canada, and hope that there are answers to be had. It is not going to happen.

What we need, and these are Manitoba families, they need leadership from the Premier of Manitoba. That is what they are looking for. That, to date, has been absent. Yes, there have been some programs that have come forward, and the Premier in his own words: They have had to be amended. So again, I do not understand why this First Minister, who is very quick to talk about how he has had to rush out, and I believe, and I think I am correct when I say that they have gone into the rainy day fund to deal with forest fires, a very important issue in Manitoba. We do not disagree with that. Why, then, are Manitoba families that are in crisis any less important than putting out fires in Manitoba? Flowing money from the rainy day fund would help those families in crisis. Why does he refuse to do that?

Mr. Doer: Well, the member should listen to the answers to the questions in Question Period. I have already stated that money for the BSE crisis will come from the rainy day fund. So his question is quite inaccurate.

Mr. Murray: If I understand correctly, the First Minister is stating that families in Manitoba in crisis because of the BSE issue, that is inaccurate.

Mr. Doer: No. I did not say that.

Mr. Murray: Well, I am glad at least that the minister acknowledges that there are families in crisis in Manitoba due to his lack of leadership on the BSE issue. The question that I was asking is, what is he going to do specifically for those families? I do not think anybody in this Chamber, I do not think any Manitoba family,

wants to hear about a series of meetings with governors, western premiers, the Prime Minister, the ambassador to Canada.

I think what Manitoba families are simply saying is: What are you doing to help me, my family specifically, because we are suffering, and have been suffering since May 20 because of the BSE crisis? What are you doing specifically to ensure we have food on the table and school supplies for our children?

Mr. Doer: Well, the member opposite is aware that the program was initiated by the cattle producers of Canada. With the consent of the Manitoba cattle producers, we signed on to it in mid-June. We amended it in July. We added a loan program that was recommended by the Leader of the Opposition. We went further than the Leader of the Opposition with a provision for slaughter capacity.

We are also working on the border issue with other provinces, because that also is important. So it is a multiple stage strategy, or action. The only strategy that works in an export dependent industry is to get the export markets open again. That is the best solution. In the short term, we are trying to change the industry with the slaughter capacity and bridge the industry's crisis with cash through the low-interest loan program. Obviously, we need a stronger federal partner. The municipalities just this weekend said we need a national strategy dealing with many of these items.

The municipal leadership across this country recognizes the need for a national response to many of these programs. Having said that, we have put money from the "rainy day fund," the supplementary spending, that is where it comes from, into the programs, into the people, into the families. Still, the optimum solution is the border reopening.

I think the under-30-month situation, the bottom line is essential to get moved and then the other cattle is essential to get moved. No announcement from the Americans is no announcement except the muscle cuts. The member was a little more negative in July on that issue. In his letter to people he said that governments must be planning on the worst-case scenario, where the border remains closed for an

indefinite period of time. We have got some change since then. I agree that it is not the solution. We will keep working with our national colleagues and international colleagues on the issue.

* (15:50)

Mr. Murray: Mr. Chair, I just wanted to understand, did the First Minister say that he had worked with the Canadian cattle producers association?

Mr. Doer: I will double-check, but I thought the proposal in Kelowna came from the Canadian cattle producers and then to the western premiers. We obviously knew there was a different degree of capacity on slaughtering in Manitoba versus Alberta. The Ag ministers were there at the meeting as well, all of whom were deputy premiers. Then we did a reality check with the Manitoba Cattle Producers prior to going to the meeting to sign onto this program. It obviously was not doing the job, so the 15 million that we announced, we amended. That amendment is now part of the program.

Mr. Murray: I would be interested to sort of go through the transcript tomorrow, but I thought the First Minister was quite emphatic that this whole program that was designed was done with the Canadian cattle producers association, that you worked with them closely, that you listened to them and that they were the ones that gave you the advice and that you had done your due diligence and that you had taken their advice on the basis that they know best. You were taking their advice. Are you saying now that you do not know that you worked with them? I am just a bit confused, if you could clarify.

My question was simply, did you work with and take advice from the Canadian cattle producers association? In other words, do you value their advice in putting these programs together?

Mr. Doer: You just condemned their advice because you have dumped all over the program that we first announced. The member opposite should be a little careful, having condemned the program that we initially agreed to and acted as if it was just produced whimsically by the

government of the day. It was not. It was a proposal that we also had checked out with the Manitoba Cattle Producers before we signed onto it, the \$15 million.

When the Manitoba Cattle Producers informed us that that program was not working effectively, we looked at three dimensions of their concern. One was the fact that it was not working as well for Manitoba as it was for places that are closer to the slaughter capacity. Two, we looked at how we can improve our own slaughter capacity, looking past September 1 and what that would mean. Three, we looked at a suggestion that is in the Leader of the Opposition's letter, paragraph No. 4 on page 2 of his letter giving consideration to ensure financing is available to help producers cope with the cost associated with retaining their cattle for long periods of time such as low interest loans or interest free loans. So we acted on those amendments and the feeder program as well, but we have been asking all summer for support from the federal government on the feeder program. They indicate to us that the framework agreement will deal with some of these income shortfalls. I mean, we would have preferred to have federal provincial programs without the framework agreement.

Mr. Murray: Just again I will try to make the question a bit simpler so that the Premier can perhaps just give a yes or no. I am led to believe that you worked with the Canadian cattle producers association, designed a program, and that was not working. So you took their advice and moved through that process?

Mr. Doer: No, that is not what I said. I suggest you re-read Hansard. I said something else.

Mr. Murray: I am trying to find out if the First Minister believes that advice given by the Canadian cattle producers association with respect to the designing of programs is the advice that he has taken.

Mr. Doer: I think I believe I heard the Leader of the Opposition being quite negative about the program that was suggested in June, and I will go back in Hansard. He was quite dismissive of the initial program that was (a) proposed by the cattle producers; (b) reviewed by our Ag

ministers and our Ag officials; and (c) endorsed by the Manitoba cattle producers prior to us expending \$15 million or approving \$15 million to spend.

Mr. Murray: Again, I think the First Minister is missing the point. I am trying to find out if the Canadian cattle producers association is a body of people that has given advice with respect to the development of programs that help cattle producers, albeit on a broader scale, but with respect to where they would help cattle producers here in Manitoba. I am just trying to get a sense if the First Minister has taken the programs that have been suggested by the Canadian cattle producers association because he believes they are the experts on this and has adapted those programs to help meet the needs of cattle producers in Manitoba.

Mr. Doer: Well, I just finished saying we amended the proposals that the Canadian cattle producers had suggested in June in July, which is quite speedy for a government to make a major announcement and a major change based on the advice we received from both the Canadian cattle producers and the Manitoba cattle producers.

Mr. Murray: I appreciate the First Minister stating that the program was designed, that the Canadian cattle producers association gave advice, and as he says quite expediently they followed their advice and within, I think it was a matter of a month or so, the program was changed on the basis of advice given by the Canadian cattle producers association.

Mr. Doer: No, I did not say that. I would suggest strongly that you reread Hansard and I think reread from Question Period the sequence, but I did not say that.

Mr. Murray: Well, it just seems to me that on one hand the First Minister is stating that you know the fact that he is being criticized because the programs that his Government has come up with are not working and so he says: But we listened to the Canadian cattle producers association. We took their advice and we designed our program on the basis of what their advice was. Then he goes a long way to somehow talk about being negative on those

programs. What I am trying to get a sense on is if he respects and listens to and develops programs based on what the Canadian cattle producers association has told him as Premier and other premiers.

Mr. Doer: Well, I suggest the member opposite re-read the Hansard record because there is a sequence of events that took place. I stand by the information on the sequencing that took place.

* (16:00)

Mr. Murray: Well, I guess it is not clear, certainly in my mind, that the First Minister is stating that he has dealt with the Canadian cattle producers, the Manitoba cattle producers, who obviously are those who stand as representatives of the industry and therefore those families that are certainly in a crisis situation because of this issue. The reason we met with, very early on, the Manitoba Cattle Producers Association and continue to do so, we believe that their advice is very sound. We have listened to the advice by the cattle producers association because we believe they stand as representatives for that industry.

The fact that the First Minister has been able to work with that organization and then have amended certain agreements that were initially talked about on the basis that, under the initial guise that they came forward, were not reaching the producers. I do not know that anybody wants to stand and criticize. I think people are just looking for solutions as to how we can flow cash to the producers so their families are not in a crisis.

I think in the discussion we are having here today, the First Minister, all I am simply asking of him is to say if the advice given by the Canadian cattle producers association is advice that he follows.

Mr. Doer: Mr. Speaker, just look at another example. We have different people giving us different advice on different programs all the time. In fact, members opposite gave us one set of advice on the framework agreement a couple of months ago. Then when we were ready to sign it they gave us another bit of advice.

Some agricultural organizations are quite concerned about it, gave us advice not to sign it. Other organizations said you have no choice to sign it. Other organizations said: If you do not sign it our cattle, we will be in trouble. Advice is not absolute because there is advice coming. You go to any event and you get advice from different perspectives all the time. It is all valuable, but at the end of the day the bottom line is governments must get advice; we also have to act in the public interest generally and in the industry issues specifically.

If we were to add up all the proposals from your Ag rep, there would be no Ag critic, rather. Ag reps work for the people in the agriculture business.

An Honourable Member: They are still ours.

Mr. Doer: Yes, well, some are and some are not. They are non-partisan under The Civil Service Act, so they are not anybody's; they are the people's.

It is not an absolute term. Members opposite that have been in Cabinet before would know that full well. They had advice on all kinds of issues.

An Honourable Member: That is what leadership is all about. You make the decision.

Mr. Doer: Also, you make decisions, but you also have to make sure that you do it as much as possible in an affordable way.

Mr. Murray: I believe that one of the luxuries that was afforded to the premier of any province is, you know, and, yes, I mean you get lots of advice from lots of people. Clearly, the Canadian Cattlemen's Association is a body of people that I think have a tremendous sort of understanding of where the industry goes because I think the Premier and we have all talked about this, that sort of the history is that this border is not just for Manitoba, it is a Canadian issue, and so when the Canadian Cattleman's Association is a body that is able to give advice which, again, I believe that the First Minister (Mr. Doer) I think quite wisely follows, because I think they have a strong vested interest in this industry.

I believe that we all in this Chamber are looking for a long-term solution, but I think we are looking for an immediate solution because in any crisis it seems to me you can always talk about what is the long term, and I think that is important, but what about those who are affected and have been affected because this border has closed, and with issues that come forward, the Canadian Cattlemen's Association have I believe the best ability to give advice, and so when they do give advice, then, clearly, I think this First Minister (Mr. Doer) is wise to follow their advice, because, yes, you have to be sober about ensuring that monies that flow understandably are taxpayers' dollars, but I also think and I say this and I say this with, I think, a fair bit of background from people that I have spoken to, that there is frustration with the Doer government because of the lack of whether you want to call it understanding, action, it does not matter, because when families are being affected in a crisis situation, pointing fingers is irrelevant frankly.

What people are looking for is, they are looking for leadership and decisions, and I think the fact that the Canadian cattle association, the Cattleman's Association has been working with all levels of government for solutions, I think it is imperative that we in this Chamber understand that when they are led to give advice, that it is sage advice because they understand the industry.

I would like to ask the First Minister when has he last met with the Canadian Cattlemen's Association?

Mr. Doer: Well, Mr. Speaker, again, I would ask the member to go back and look in Hansard in terms of the proposal coming from the Canadian cattle producers association.

Secondly, the member should know that we have lots of concern out there. They also are concerned that we all together work on their behalf, not play politics, and the member opposite might want to consider that as well.

Thirdly, Mr. Chairperson, advice is not absolute. For example, there is a protocol now in Canada that many of us thought a couple of years ago was unwise, and that was to have a seven-year banning of exported beef on the basis

of one BSE case. So today's good advice might be tomorrow's disastrous advice with all the best intentions.

So I just say to the member opposite, advice is not absolute. There is a difference between the advice is not absolute. That is all I am going to say. I am just repeating myself.

Mr. Murray: Mr. Chair, I would ask the Premier who is in a position to make decisions on behalf of the people of Manitoba and, by the way, clearly those decisions from time to time are tough decisions. That is part of being the Premier of Manitoba. I think you have to make tough, tough decisions.

I would like to ask the First Minister what he says or what his response is to the Canadian cattle producers when they ask for an interest free loan, an interest free cash advance to cattle producers? What does he say to them?

* (16:10)

Mr. Doer: The member opposite has a letter, and this is what people do not want, is people playing politics. The member opposite sent a letter to many producers including producers that gave us the letter that talked about cash, financial requirements, and included in that low interest loans or a cash advance. So I assume the member opposite reads the letters he signs and understands the meaning of the word "or."

Mr. Murray: I think it is a bit thick that we have to sit here and listen to the First Minister talk about playing politics. If he is suggesting that playing politics is doing the right thing, which is flowing cash to producers immediately who are in desperate need, then I say shame on you.

I mean, this is unbelievable that we have to sit in this Chamber or that we have to listen to various press conferences and photo opportunities where the Premier of this province stands before the media and says, well, we have lots of ideas. There are lots of ideas that people are flowing forward. Meanwhile, and I do not understand, if he says that by playing politics, me bringing specific examples of families in crisis, then maybe that is his definition of politics. It is not mine. It is my definition of

leadership and trying to stand for those families in Manitoba, to do something for them.

I mean, we sit in this Chamber, and we are very happy in this building, and it is wonderful to be here. We are elected representatives, but what about those families that are suffering? So we ask questions and we will continue to ask questions of this First Minister on the basis of what he as the leader of this province, as the Premier of this province, is doing specifically to help those families.

If he wants to talk about the fact that somehow that is playing politics, then I have to tell you something. Standing up for Manitoba families, if that is what politics is about, then I am in all agreement for that, but I cannot believe that we have children, men and women in this province suffering in a crisis and his comment is we should not be playing politics.

Well, Mr. Chairperson, we are going to continue to ask questions about what he is doing to help those families, and, yes, sure, a letter was written and he gets great glee in talking about, well, you know, it says in the letter that you wrote I think I wrote that letter sometime in early July, and we now are at day 112 of this crisis. So he wants to go back to something that we as a party had gone forward and talked about some solutions, because we heard nothing from the Government. We went out and decided that we would offer up some solutions, and we did. So in the letter, if it says low interest loans or a cash advance, surely to goodness we are not going to quarrel on a line in a letter that I wrote when families were suffering.

I mean, perhaps the Premier can do the right thing and just stroke out that line that says "low interest loan or" and go straight to cash advance. That was the intent. Surely it is the intent today to help those Manitoba families. So I just think when we are faced with this kind of a crisis and, you know, today we are fortunate that we do not have desolate families appearing on the doorstep of the legislature. I hope it never happens. But it is serious out there. It is serious out there, and we believe that getting cash into the hands of producers immediately is the right thing to do. So I will continue to ask this First Minister to do the right thing, and flow money to

the producers through the rainy day fund. I will ask him through this process, will he do it today? Or will he go out and meet with producers in Manitoba and families in their communities, so he can see the plight that they are facing? Will he do that today?

Mr. Doer: I believe I am meeting with a number of producers again tonight. Met with some last week, and I do not want to go through the chronology. Secondly, I stand by the programs we have announced, and the programs are out of supplementary funding. Supplementary funding is emergency funding outside of the budget, and that will come from the rainy day fund. Additional money is in the agricultural budget for framework agreements that also will, according to the federal government, flow cash to particularly cattle producers and their families, and the bottom line is, I think, we all know since May 20, you know the economic hardships of Manitoba producersthe uncertainty of the situation. I stand by the programs we have announced. I am not going to take a pen and strike out something.

You know, we obviously have tried to have a program initially that would work, and then amend it with the same amount of money as proposed by the Manitoba Cattle Producers. It is the part that we amended that is not covered by the federal government, so we amended it on the basis of a request to the cattle producers that they help us out, and we also added an additional slaughter program that we announced in late July with all the programs. So we had one program announced in June, another program announced in July. With that uptake, you know, it is significant and we did not announce it, we did not sign an Order-in-Council to authorize \$80 million in borrowing authority for the back members opposite will have the Order-in-Council. We do not do that without knowing this is a serious situation which has had a serious response.

Mr. Murray: I gather the premier is meeting tonight with the Manitoba Cattle Producers. He has already acknowledged that by listening to them, they have amended one program, which, again, you are not going to get anything but applause from our side for listening to those people who are out there. If the cattle producers

were to ask for an amendment to the current program, what would the First Minister's response be?

Mr. Doer: Again, I mentioned before that advice is not absolute. I mentioned that generically and I will mention it specifically, and we are meeting with the AMM today. As I say, I have got two different agricultural groups wanting or different organizations feeling different ways about the same federal provincial support program on framework agreements, so I am meeting also with other groups today as well before them. You would not expect me to say anything otherwise.

Mr. Murray: It is not entirely accurate. I think that you yourself have admitted that you amended a program that was not working. Again, I will give your Government credit. But you are also dealing with a situation, that this is starting to get exacerbated in the number of days that it continues to drag on. We hear in this Chamber your Government saying all the time that well, we hope the border will open. You are not alone. We all hope it will open. But I do not understand where hope has given these people and Manitoba families in crisis a sense that your Government is looking after them.

We all hope that this thing will go away, that it will be solved and that we can move on and we can get back to what we might sort of call our business here as usual, if we can get there. We all hope that. But unless the First Minister has some understanding, and may not be in a position to share it with the House, and that is quite possible, I guess, but what I am led to believe from the comments that are being made in this Chamber today by both the First Minister and the Minister of Agriculture (Ms. Wowchuk) during Question Period and leading up to over the past couple of months, is that there seems to be a strong desire for this Government to ask people to put all of their faith in hope that the borders will be opened. Call me pessimistic, call me whatever you want, I just think, and I said it in my letter, that I think you have to plan for the worst and hope for the best.

*(16:20)

But where is our plan to ensure that the families are going to be dealt with in a fair and I

cannot even say fair and equitable because that is irrelevant. These people are far past that. They are desperate. I think that it is your job as Premier to meet with these groups, as you should. There is a growing discomfort out there. I believe that people are saying where are the results. There are all sorts of programs that are proposed, and some are changed because they do not meet the criteria, so that becomes something that is talked about in the media.

I know there is a lot of focus on the four-legged animals. The cattle industry is an important part of our industry. But have we lost sight of the fact that there is a human element that is suffering? Have we lost sight of the fact that these are Manitoba families? Have we lost sight of the fact that these are the people that we as elected officials have to take care of? I do not get a sense that, other than talking about meetings and programs, there is any action in the sense of actual relief in the form of cash to the families of Manitoba. I think that it is important for all of us. I think the Government has asked the agriculture industry in Manitoba to diversify, the previous government very much so. And the agriculture community did just that. They made a commitment that they were going to diversify.

So I guess I would ask the First Minister, in terms of specifics to families in crisis in Manitoba, what is his commitment to them?

Mr. Doer: Again, the member opposite will know that we put \$100 million in low-interest loan program 3.25 percent, 2.25 percent for young producers, loans up to \$50,000 a producer. The second measure was to amend the slaughter program to go to a feeder program. The third element strongly recommended was the signing on of the framework agreement, in which we put a considerable amount of money in the last year's Budget to deal with the 60-40 split of income to the cattle producers who were in crisis. I regret that we were told: either we sign on, or there would not be money. It is too bad we are not coming together on that issue.

So the \$2 million for the slaughter improvement, we get 10 000 more cattle through, here in Manitoba. It is certainly on a percentage term. It will be an increase. Hopefully, we can target the cattle. We have to. We have three or four proposals for slaughter

capacity coming out of this situation, some of them from cattle producers, some of them from other sources, some of them targeting existing operations to channel the cattle that we are worried about, especially in Manitoba, over time.

So, if the \$100-million loan program, and the low-interest loan program, and \$15-million program out of supplementary spending, and the additional millions of dollars in the framework agreement, and the slaughter capacity program, is not enough from the Leader of the Opposition's perspective, that is his right to say so. But it is not enough. It is a lot of money, a lot, indicating our concern.

Mr. Glen Cummings (Ste. Rose): I would just like to interject one question at this point that I think the Premier, I am sure, would catch the intent of very quickly. Having signed on to the agriculture policy framework, I know how difficult that could be from arguments both ways, but there was money that was needed disparately to go into the cattle industry right now and that becomes a very strong driving force.

The agriculture policy framework, in and of itself, would not normally pay until pretty near this time next year. By the time the year-end books are closed and calculations are done, the way that policy is normally implemented, it follows the line of the old CFIP program, you are looking at trailing by a fair amount of time. There was a very brief news clip that said there might be some advance payments the federal government would be willing to consider which would help flow that money sooner.

Of two parts to the question, one is, now that the ministry is prepared to sign on, are they prepared to fully fund the provincial share? No. 2, if so, or, even if they are not, it seems to me that because the APF will not flow money quickly, even though there would be some advances, I mean let us be practical about this, it will be very unlikely that this would be a Christmas gift for some of these producers out there.

The Province is a little bit more nimble in being able to deal with these issues at any level, and this administration is no different than any

other, closer to the people, the same as we argue about municipal administrations. Having signed on to the APF is almost the perfect reason for this Premier to look at his Treasury Board and indicate to them that maybe this is a time that the Province could move in a manner that would provide some quick cash flow to some of those who are not likely going to be eligible for the loans program.

There are people who are phoning me who are ineligible for the loan program, but feel they are already so deeply in debt that by the time they go to the loan program, they really have got nothing more to offer, and they have to sign a guarantee, if you will. The commitments in the loan program, I mean, this is no half-hearted loan program that MACC is administering out there. The criteria are as tough as, or tougher than, it would take to get the money from a bank. So, for those who are not able to get money at the bank, they probably are not going to be eligible for the loan program, no matter what the interest rate is. It helps them perhaps consolidate, but it is still a debt that they are going to have to deal with and with their bankers. The banks are not going to give up security just so that they can get a loan from the province. The bank will want to have its position covered as best it can, and the banks I have found historically are not a lot worse than credit unions or even in some cases government loan programs in terms of making sure they have enough security. There has to be some flexibility in terms of payback.

* (16:30)

My question, therefore, to the Premier, and this is a fair question: If the APF is not likely to flow money quickly, does this not almost give him the perfect reason to reconsider the conditions that he has put out there? I know he just said a moment ago that he is not prepared to back away from the plans that he has put in place. I am not saying this in the sense that he needs to embarrass himself by saying: Well, gee, I guess that is not going to work; we will have to try something different.

I am talking about something that has now changed because the whole world has changed out there in some respect that we now signed on

to the APF. A cash flow program that was tied to eligibility under the APF would, within the next six weeks, put some money in the hands of some families. There are some families out there who will survive and do well. There are others who will not.

Even the farm papers are starting to ask the question, and I think it is fair to put this on the record: Maybe the governments want producers to become beggars, humble, broke, and broken. Maybe the governments want livestock producers to be demoralized and then maybe those governments will come out and try to strike a deal. I do not want to attribute motives to this Government or any other government or to this editorial writer, but those are pretty harsh words coming from a pretty significant farm paper in this province.

I believe in my own simplistic way that this would allow the Government an opportunity to say, well, perhaps there are cases where cash advance against the potential APF funding would work. The Premier can respond however he chooses, but I hope he does not respond by just dismissing that suggestion, because if we simply continue down the road that we are on, I think we will have embarked on a trail that says that the fittest will survive and the weak will not, and the weak are the ones who are probably under 35.

The farmers who may have had some good fortune over the years or good management that have some equity and a good position with the bank, they might not even need the loan from the Province because they will be eligible to get a loan on their own. But there are the very producers out there that this Government and all governments look to for the future of production in the province and that is the younger ones, and the average age in this beef industry is pushing 60. I mean, for goodness sake, we do need to look at the younger farmers.

I will be the first to stand up and applaud if the Premier would consider this type of an approach as a way of perhaps showing good faith in all of the programs that are out there. I could cynically say, and the Premier might say playing politics, there has been a lot of good press this summer that the Premier has had. I mean, I was holding the pan when he was

flipping hamburgers for the photo for the *Free Press*. It was not my mug that was in there, but he is the one who makes the decisions. I was afraid I was going to get my hand burnt there, but actually he is not a bad shot.

The fact is that he is the one with the responsibility to make the decisions. This is an alternative way of getting some cash into the hands of those less well-financed farmers who are likely the younger ones. I would encourage him not to dismiss the concept of some way of putting some money in their hands without collateral in the form of cash advance which may take the form that I just described.

Mr. Doer: I would like to thank the member for his comments and advice. We have tried to be nimble on the younger farmers, as the member stated. The lower interest, the 2.25 percent for people under 40 is in recognition of the situation that he describes, without federal help on that program. The feed program we have not got any support from the federal government yet on that program. His advice of being nimble, I appreciate it. He would understand, as a former member of Cabinet, you try to be nimble at the same time you try to get an agreement with Ottawa. I take his advice in the sincere way it was presented.

Mr. Cummings: I would only make one comment further and cite his response on the slaughter capacity. It is fine to talk about slaughter capacity and the need to develop more capacity in this province. One term that a lot of cattlemen are saying to me is where is the based on best business case, who is talking about that? The one thing that has changed out there, that will probably not change in the near future, is that the aged animals do not have a market. Slaughter capacity might not be hard to develop in this province, but to market that additional capacity is going to be extremely difficult because every animal over 30 months in this country may have trouble finding a home.

With the greatest of respect, a million bucks into additional slaughter capacity and half of that going into training I hate to be cynical but perhaps I have been too close to this business for a while. The fact is that that is walking-around change. That will not create a lot of change overall in the capacity of this province. A quarter

of a million dollars for equipment the training is good and it is always money well invested in training people, but a quarter of a million dollars worth of additional equipment will only add some incremental value to the existing capacity. We need to be very careful about attributing the loss of the kill capacity across this country because there are lots of skeletons in lost of closets about why the killing capacity ended up in Alberta, and why the killing capacity ended up in the states.

When they need three semis lined up at all times, unloading, just to stay ahead of the kill line in these plants, you are dealing with tremendous efficiency and capacity. I know we need some additional capacity, but to say, in the middle of this issue, that we have an opportunity to increase our capacity it will not save the young farmer I am talking about, it will not even save a number of aged animals out there into a safe market. The Canadian food chain probably cannot absorb all of the hamburger and baloney that we would be able to produce if we start processing that amount of beef tomorrow in this province.

We have, at the very same time, prime animals in this province that cannot find a capacity in Alberta. If there is anything that this Government can do to put additional pressure on the federal and on the packinghouse industry to allow some opportunity as I said in Question Period, there is about \$300 a head difference in the same value of stock depending on whether it is a Manitoba steer or whether it is an Alberta steer. Between the lines on that, Mr. Premier, is that Alberta had put in a program to try and give its feedlot industry a bit of a parachute. I cannot understand how it is that at the very same time that we aborted our per-day feeding program here in the province there are some people who probably were making plans based on two dollars a day feeding those cattle for another six weeks. To wake up one morning and find out that it was not a bad dream, that in fact that program has now disappeared, I think there is a lot of fodder there for questions of what management plan was behind that change.

Have we used up the \$15 million that was committed, which was the money that was going to be rejigged? If that is the case, I think a lot of

people would be interested to know that. From stories that I hear, from people receiving money, the cash flow is very slow, and I have no idea whether we have come close to using up the \$15 million or not. I think that will be a telling story when it is told.

Mr. Doer: Again, some very useful analysis of the situation and some very useful advice.

Mr. Larry Maguire (Arthur-Virden): I would like to just check with the Premier in regard to some of the distraught situations that I have received calls from in regard to many citizens that live in the western part of the province. I have also received some in regard to the Interlake, in regard to my critic responsibilities in rural development, and knowledge in agriculture.

Some of them have phoned me in regard to the particular issues of drought. I understand that the Minister of Agriculture, the Deputy Premier (Ms. Wowchuk) has indicated to some of these producers, when they call her, that there will be nothing in that area for them, and that they have to get their money out of the loan program, the interest-bearing loan program that this Government has set up, as well as those who are, if I can say it, on lush green grass.

* (16:40)

Mr. Premier, I know you have not been out in my area, but, certainly, the Minister of Agriculture was there on July 23. We had, I felt, a discussion and an understanding, and from that, I think, she recognized the \$2 a head a day being fed. There was quite a discussion around what that number should be. We indicated to her, at the time, that \$2 per head per day was a recognized feeding supplement that could be used as an industry benchmark. She agreed with that, I believe. I mean, she did not to us, but, obviously, that is the number that has been announced in your program.

There was some recognition that the initial program had to be changed, that it came to the feeder program, but it exacerbated the distance between feedlots and cow-calf operators, and reiterated the obvious, I guess, to say that all that does is that one sector has dollars to buy feed at a time, when the cow-calf people, who are the

ones that are basically the grazing part of the industry, and the ones in our area, and other areas of Manitoba who have been distraught, do not have money to buy the feed that they need to bring into those areas.

I am wondering if there is any reconsideration in your discussions that you have had, in regard to extending, I mean now that you have it is a bit like trying to close the barn door after the horse is out. You have already cancelled the \$2-a-day feed program for the end of August here, right away, so after having announced it originally to October 15, and my colleague from Ste. Rose, I think, has a very legitimate concern that he just raised with you, in regard to, how in the blazes are we able to help producers make decisions if you put a program in place, and some 40 days later, cancel it, in the middle of the program.

They are making decisions out there today, desperately trying to decide how they can feed their families, and pay the hydro bills. I have had farmers actually phone me to say: How am I going to pay my hydro bill? How do I keep the lights on here? How do I keep the water pumping for these animals to drink, never mind the lights in my house, if these kinds of programs are going to be changed and cancelled in the middle? I just would like a response to that.

Mr. Doer: I am sure the member has been asking these questions in the Department of Agriculture, but the program, as I recall it, was made retroactive to June 15 as well, and the real question is the question asked by the member from Ste. Rose in terms of the juxtaposition on terms of cash situation with the federal framework agreement.

Mr. Maguire: Well, certainly, in regard to the broader scale, I guess, that is the rhetoric that we have continued to hear, but with regard to drought, and with regard to our own citizens in the province of Manitoba who are faced with an extreme compounding of the problem of BSE because of the drought situation on their farms. It comes right down, I could say constituencies, but it does not cover a whole constituency. It covers many parts of many constituencies. The relevant part of it is, how does it affect that particular family on their particular land base

and their farm? They are the ones that are not being able to meet those bills. It is because of drought.

The minister has even gone so far as to say that you are faced by drought, but you will have to get your money the same as the other people, as I indicated earlier in areas where there is no drought. She has pretty much inferred that it is not a drought issue; it is a BSE issue. You have to get your money there regardless.

These people have actually questioned her as to whether or not she thinks that the BSE caused the drought. I think any sane thinking person would know the answer that drought is caused by dry weather. It has nothing to do with BSE. Now BSE has certainly compounded it because they cannot sell the cattle, the culled cows that they normally would have. They cannot even sell the calves that they normally would have.

These people have gone through droughts before; they have gone through grasshoppers before. But they have never had the compounding issue of not being able to actually sell them to alleviate the pressure on that grassland. I can assure you that there is probably more feed value in the carpet on this floor than there is in some of the fields out there in the drought-stricken areas. That is their big cash flow problem. If they do not have any money to purchase feed to bring into those areas, and there is no program to help transport it in there, and there is no program to help provide sustenance of those kinds of feed quantities through the winter, as we go into a winter, even if the border was to open tomorrow, how are those people supposed to pay their bills?

Mr. Doer: Some of these issues were raised by the Member for Ste. Rose (Mr. Cummings) in terms of the various options available to the provincial government. He made some suggestions to us.

Mr. Maguire: Mr. Chairman, I would like to ask the First Minister if, in fact, he will follow some of that advice then. There have been some strong recommendations put on the table. I have been in touch with the Canadian Cattlemen's Association myself. They are recommending

interest-free cash advance programs. They are looking at opportunities that will help alleviate some of the hurt, if you will, of having to transport some of these feeds back and forth to the drought areas. There certainly are precedents that have been set over the last two years that the Premier, I am sure, is well aware of. With the drought in Saskatchewan and Alberta the last two years, there have been feed programs and trucking programs put in place to help the farmers in those areas. They thought they were in a tough position in those provinces, in the last few years. They were, but they could at least sell some animals to alleviate the situation.

People in Manitoba cannot do that this year. They are amongst the hardest hit in regards to drought of any of the Prairies this year, in the pockets that are hit in Manitoba. It is not just one or two. We are well over 30 R.M.s in Manitoba that have announced themselves to be disaster zones, disaster areas. They probably realize that I know the ones in my location at least particularly are very, very aware of the Emergency Measures disaster programs and the hoops they have to go through to qualify in regard to the federal program because we went through all of this with federal Minister Eggleton in 1999 and 2000 when we were trying to impress upon this Government the need to get some assistance in that area at that time.

We did not get anything out of the federal government then. We did not get anything out of the provincial government then in those regions. Those farmers are very, very sceptical that they are going to see anything now. They feel like they are being hung out to dry; maybe that is the wrong phrase to use, but they have been literally forgotten. In their estimation, this Government does not care whether their farms survive or not. So I put to you: Will you put a transportation program in place that will alleviate some of the transport costs of some of the movement of this feed in the whole province of Manitoba? There are areas that could have been done a lot cheaper earlier on if a feed program had been announced back in the early part of July or mid-July even when it was first suggested that would have saved a lot of money that will now need to be spent to move feed into those areas.

* (16:50)

Mr. Doer: I just do not accept the analysis that the member opposite makes about the situation wanting people to not survive. I think that is very, very inaccurate, and we did not amend the inadequate crop insurance program that did not deal with the high degree of moisture levels that we inherited in '99 without being concerned about the long-term viability under crop insurance of high moisture levels. I know member opposite will know other feed programs in the hog industry are in Souris, Manitoba, and other operations are in that area, so I just reject the analysis completely.

Mr. Maguire: I am just repeating for the First Minister, in reply to his response, what I have heard in the country in regard to what I indicated to him. Certainly, we are looking at a beef problem at this particular point.

There were many circumstances around other sectors of the industry, and some of them have been dealt with, whether it was through AIDA in the fall of '98-99 as those programs were developed federally. They did end up helping some of the grain farmers in those areas at that time, but very, very clearly in those days and I am glad that the Premier has brought that up there was a response from the government in power at that time to put money in the hands of farmers early and get it out there so that they could actually pay the bills. If we had waited for the federal program in those days, more farmers would have gone broke and had to leave the land than otherwise did even as a result of the program that came in. Programs will not save everyone all the time and I think even the farmers recognize that, but it alleviates the concern and the problem to the greatest extent that it possibly can, particularly at a time when there will be funds coming out from we knew at that time there would be funds coming from the federal government through a program that they had designed.

This Government, I know that they have signed on to the Agricultural Policy Framework now. I do not know if they are still working with the cattlemen and other groups to seek some changes in those programs that may need to be put in place yet, but the bottom line is, I asked the First Minister in my earlier question if he would be prepared to put feed transportation

assistance program in place in Manitoba. I would redirect that question to him again.

Mr. Doer: We are dealing with a number of these issues with the federal government and our own Government.

Mr. Maguire: I find it interesting that we have just outlined, and the Premier acknowledged, that the previous government helped out with a cash program to help alleviate some of those concerns of the farmers and he knows how meaningful that would be I am sure to rural citizens. It also affects the businesses in those communities as well because I have had many calls from them. I have had calls from them all summer long and not just in my constituency.

To the premier, if he acknowledges that those dollars would be of some assistance to those people. Then why is he making them fill out the forms, and actually bring the receipts in for product, in order to get a payment on those? The logistics of this program that has been put in place completely takes the competitive nature of dealing with the purchase of the product away from the farmers who are the most hard hit by it.

Basically, it leaves the seller of that product in a situation where he knows, if he makes out a bill, that the Government is going to pay for it. Now, every farmer will try to do the best that he can, to stretch the program as far as he can, with the cap that is in place, but, by and large, it does not put them in a very sound financial footing to be able to make the decisions to deal, as they would normally deal, in business transactions with their suppliers and their creditors. So I guess we could address the complexity of, or the shortfall, that that creates in the industry, and I am wondering if the Premier is aware of that, or if he is doing anything to deal with it.

Mr. Doer: I think the member should know that this is not my money, or his money, or the Leader of the Opposition's money. It is the public's money, and there are certain standards put in place by the Department of Agriculture. I am sure the members have raised these issues, probably in the other committee. We want programs to have financial accountability, and because we knew it was serious, that is why we announced the \$2 per head I guess the meeting

was in Hartney, Manitoba the suggestion \$2 per head per day retroactive to June, without federal support.

We still have not got federal support for some of these programs. At the same time, I do not tell the Agricultural Credit Corporation exactly how to do their job, but they are, and we are, responsible for the \$100-million loan program. I am sure, if there are any specifics, they would be raised in the Department of Agriculture's Estimates. The various forms that flow from the Ag Credit Corporation are covered under the Estimates of the Department of Agriculture.

Mr. Maguire: I would assure the Premier that I have not been over the Ag Estimates yet, but I will be at some point, and, certainly, I will raise these with the minister, as Manitobans have, and are. The frustration, I want to make sure that the First Minister knows that when these groups are coming to deal with the issue beforehand, that there are two issues. There is the BSE issue that is broad across the whole province, and across Canada, but there is a drought issue that needs to be addressed in some regions of Manitoba.

Thirty-two municipalities did not declare disaster zones just because they wanted to make a headline. I would say that they feel that they have exacerbated just about every other route that they can to bring the plight of their locale to the attention of Manitobans, and to the Government. They may know that some of the announcements that they are making cannot be done, technically, but they are trying to make the Government aware that they are in a plight that was not caused by BSE. So that is why I am calling upon the First Minister and his Government to do, one, get a cash advance program in place that will cover the whole BSE issue, and, you may say that the loans program you have will do that, but certainly we need as well a transportation package that will allow feed to be moved into those regions that are presently not in a shortfall, there is just no feed there. Secondly, to put some kind of a surety in place that there will be feed supplies available for those regions, so that they can actually transport something to transport into those areas. That would go a long way toward

alleviating the situation in the province of Manitoba at this time.

* (17:00)

Those programs are not going to be of the nature that are going to be out of the realm of being doable in the province of Manitoba. I am sure that the minister knows that the pasture situation that we have in Manitobathat the crop insurance does not cover that particular, or has not coveredthere has not been a great uptake on the pasture scene in Manitoba. Maybe we need toas he pointed out earliermake changes to crop insurance so that that can be there in the future. But today it is not there for those farmers, and they are feeling that they need to have something that will deal with the drought and the grasshopper infestation that has really heavily impacted their ability to feed their families. Never mind the cows.

So when the First Minister is going to meet later tonight, as I understand, with a coalition of groups from around the province of Manitoba, will he consider that? That if those requests come forward from those groups, that he will look seriously at providing some kind of support package in a monetary manner that will help those people be able to not only feed their calves, cows and the rest of their cattle beef industry, but also feed their families.

Mr. Doer: We are meeting with a number of different groups tonight. The member is right. We are trying to protect the integrity of crop insurance, which we think is very important. Those producers who have it, and what part of the drought covers their situation, and including transportation allowances. That is also important to us. But certainly the member is right. We have a meeting tonight.

Mr. Maguire: Thank you, Mr. Chairman. I appreciate the fact that meetings are going on. But we have a coalition of citizens. It is not just one commodity group coming this time. It is not just one general farm organization. It is not one equipment dealer. It is my understanding that this is a coalition of people from around the province of Manitoba that feel exacerbated by the fact that we have been one hundred and some days into this BSE issue and they still believe that the cow calf industry, which is the backbone

of the beef industry in Manitoba, has been completely neglected in the dealings that we have seen so far.

To ask farmers to put more debt on their existing situations isit is acceptable if there is some equity there to do it, and farmers are ready to do it. But through no fault of their own and regardless of how bad the situation is with drought and grasshoppers. Just from the BSE itself, many of these farmers' backs are up against the wall. They may have a general security agreement that they cannot borrow any more funds with. Even if there are funds available in their general securities agreement, the particular lending institution they are dealing with may not want to extend it. Because when the general security agreement was made, cattle were worth x number of dollars, and today they are worth x minus 112 days of BSE. So that is the scenario they are faced with.

Those cattle producers do not know what the value of those cattle is today. There are a few auction marts opening up with a few packing plants purchasing some product, but they are still in the driver's seat, those packing plants, in regard to what they will pay. There are shortfalls in the federal program that needed to be addressed; there is no doubt about that. It could have been designed in a much more clear manner that would have helped the provincial governments as well as the farmers, but it did not seem that there were any suggestions of floor prices for beef and the slaughtering industry at the time of some of the negotiations that were going on federally. So we ended with a situation where solid, No. 1 finished steers in Canada were selling for 30 cents a pound because clearly the packing industry knew that the farmer was going to get 45 cents from the government.

So you are up to 75 cents out of an animal that was a dollar, \$1.05 at the most at one time, between 95 and \$1.05 for a finished steer, and yet the farmers were still left in the lurch because they were falling over each other trying to find a place that would actually slaughter the animal to get their 75 cents.

So I guess, Mr. Chairman, the scenario we are faced with means the government of the day, who knows, I believe, full well that they will be

faced with having to pay some funds under the new program that they have just signed on to.

I guess, on behalf of those farmers today, I beseech the Premier to consider that cash advance program to deal with all levels of the industry, maybe even to reinstate the \$2 a head per day and expand it into the cow-calf industry if that is what is needed to make it viable and competitive with the other provinces until we get the border back open. That might be a pretty tall order, but I sense, and the sense that I get from listening to cattle producers and industry people around the province of Manitoba, not just feed suppliers and equipment dealers, but others as well, some of them in dress shops and shoe stores, is that we cannot afford to let this industry go down, regardless of where we are at in relation to the federal program at this particular time.

If the border opens up, I want to lay out for the Premier that the next sector that could be very well opened is certainly the younger stock, heifers, steers under 30 months, and we would all applaud that, I think, as well as we did when the boxed beef decision was made to extend the border opening.

But we are in a situation where, if that border is opened up to our young stock, the American farmer, let us not forget, has had 15-20% higher prices than he has ever seen before. He has the cash flow and the wherewithal to suck those animals out of Manitoba and into the U.S. feedlots. Our industry here in Manitoba would have a heck of a time purchasing those animals, given what they have just come through. They do not have the wherewithal and the buying power, I am told, to purchase enough of those animals to keep enough of the feedlot industry even fully viable here in Manitoba. And so will our financial institutions be there when our farmers need them in that regard? That is a pretty difficult question.

So I want to lay out the scenario of why the cash advance is so important. If the cash advance is put in the hands of those farmers today and they have the dollars to be able to go out and extend some of the feed, then at least when the American farmer if "the border opens up," they at least have the wherewithal to be able to say: We

may have an option here. We do not just have to sell to you, and they will not just jump at the first offer they get to export those animals out of Manitoba, and that they will stay here in Manitoba to be fed, as many as we can, or background it and go on to the other provinces.

If we can get the cash in their hands as soon as we possibly can, then they will have something to compete with and they will also be able to pay their bills. I think that is the scenario that we are very much faced with here in Manitoba.

So my question is: If the question comes forward again for an interest-free cash advance program, will the First Minister consider that as an option here in Manitoba?

Mr. Doer: We have already announced a low-interest cash advance program, and a lower-interest cash advance program for younger farmers, because of the whole issue of equity. So we are cognizant and aware of the resolution passed by the municipal leadership across the country this weekend in Windsor, calling on the national government to meet the provinces in terms of this cash advance situation in a comparable way to what the member has suggested.

*(17:10)

Our minister has been asking for a meeting with all ag ministers and the federal government to look at all of these issues because, as you say, it is the American farmer that has had, under the marketplace realities that we are under they have had an advantage of price, they have had an advantage of the season. I would argue strongly that relying on closing the borders is not in their best interests over the long term either, but in the short term, because we know that this industry is like an omelette: it is very integrated across the borders. The closure of the borders has had the market reality that you accurately indicate. In fact, even speculation of the border opening for the younger animals has precipitated some American producers coming up into some of the auctions and purchasing cattle on speculation.

Having said that, we do have a low-interest loan program a \$100 million program. We do

have a lower-interest program that we were able to borrow the money at for the younger farmer, and we do think that the advice made by the municipalities in Windsor for a national program is useful. We would argue that we are halfway there with the federal government with the program we have already announced. It would be useful for them to be involved in this. I know Stu Brice [*phonetic*] was going to recommend that this weekend in Windsor, and I do not know all the resolutions that were dealt with. I know that he also has concerns in Manitoba as well, but I have not been debriefed by him of what happened exactly at the meeting.

The requirement for us to put money forward notwithstanding the federal government I understand. The requirement for us to mend the program if the national program is not working without getting the federal government on side I understand, but at some point, now that the framework agreement is signed, and our money is in that framework agreement, we have to start moving that money to those who need it the most. And if that framework agreement is going to have any credibility at the farm gate, or across particularly western Canada, it has to do the job of providing revenues and income to people that are under the stress that you indicate.

It is interesting that two years ago, I think, we were dealing with Fusarium in your area, with the high moisture levels and now we are dealing with an opposite problem. But I know in this job and in your job and many friends that are producers go through this all the time. At one point your yield is so high you cannot get enough storage space, and on the other hand the prices are different than they were a year ago when the drought took place in other provinces. But we know we would prefer to have a comprehensive proposal with our money and the federal money to deal with the national crisis. I do not disagree with some of the assessment of market values of cattle and the market advantage the American producers had in the short run of what it will mean to a market in the medium term.

I do not want to say anything because you do not want to create any false hope, but it is certainly justified to open the total border based on science, and it is justified to get an immediate

move on all of the industry, because I think the Canadian industry has demonstrated the irony, of course, is that the system has worked here in Canada. The cow was detected, inspected, rejected and traced. This is the way it is supposed to work, not a seven-year closure of the border. That protocol is an absolute well, I think all of us were talking as legislators about that two years ago when we had the proposal for the then former Governor Janklow of South Dakota who had a more regional approach to a potential BSE, recognizing what happened in England and Europe just a couple of years before then. It is regrettable the advice that was being made out here by legislators was not followed through. We certainly passed on to the federal cabinet, and some of them were not even aware of it when I discussed it with them, the advice that we got from South Dakota.

I think you were there with the group, and I thank you for the good work you did with the resolution that was passed. That resolution became the genesis of the resolution that was passed in the mid-America meeting, which is an issue we probably should talk about in an all-party way, because we actually got some good work out of that group. Manitoba is an observer, not a member, but we can talk about that at another point. I certainly showed Governor Pawlenty the resolution, or tried to get movement on the border, but I do not disagree with all the challenges. I also do not disagree that you have to I mean that there are plans; there is work going on in every department of government on Plan A, Plan B, Plan C, Plan D, even work going on a couple of months ago on the outfitters' industry which is across Manitoba, including southern Manitoba, the whole lodge and outfitters about the hunting season and its devastating impact on us if we could not get that part of the border open, which happened just recently, with the meat that was obtained through hunting here in Manitoba. That would have had a huge impact. We know there is impact everywhere, and I am not sitting here and denying it. I have neighbours, and I have families right in Deloraine; I know what is going on; I hear it all the time.

Mr. Maguire: Notwithstanding, I would just like to say a couple of things. The National Cattlemen's Association of the United States is

one of our best allies in this whole process. Science has certainly borne out the fact that the border should have never closed in the first place. I do not think that there is any argument there. There are several questions, I guess, that arise out of this. You did have \$15 million in a slaughter program that was originally put out there, changed the focus on the program to get it to \$2 a day per head on feeder animals. Well be it. We commended that. It was just not extended to the cow-calf industry; therefore, it created a disproportionate advantage for the feedlot industry over the cow-calf industry, because one had money to buy the same feed that they both needed and the other one did not. You can never make everybody happy, but I am sure that, in reality of the situation, it would have been considerate, at least, to have extended it to that sector of the industry.

Before I ask a question in relation to change there, you have also signed on to the Agricultural Policy Framework. There are two questions that I have here. One, does the Premier have any idea how much that is going to cost the Treasury of Manitoba now that they have signed on? What were their estimates that they did before they signed it? The second one was, because you have made the changes in the one program to take in the feeder program, you now have a loans program out there that you say is covering everyone in the industry. Then, will you change the loans program to be an interest-free program as opposed to an interest-bearing program?

Mr. Doer: I would state that it is a low-interest loan program, which is not, we do not want to "make money" here at the Province. We want to make sure that the power of the Government to borrow money, and the short term interest rates we can obtain is passed on to the producer who is having the most difficulty. Secondly, the under-40 program is subsidized by the people of Manitoba with that program, because it is obviously below the market. Thirdly, we have budgeted for the framework agreement. We are up at \$126 million in the Ag budget or \$126.6, which is an increase from last year's budget, and obviously the framework agreement has other programs in it, but we did not budget for the \$15 million. We did not budget for that, and we did not budget for the \$2 million for the slaughter

enhancement program. So there are three elements we did not budget for. One is the interest program, low interest. You would argue interest-bearing, but low-interest program. Two, the slaughter enhancement to try to get some progress, because your analysis, I believe, is correct, and our solution cannot be dealt with overnight; and three, part of the emergency \$2 per head, not withstanding your comments on it, is \$15 million that we did not budget. Part of it is cost-shared with the feds. Part of it is not cost-shared with the feds, regrettably because of the view of the federal government to not be involved in any of these programs, even though their federal members of Parliament go to these meetings and you have heard Rolfe *[phonetic]* and Chris *[phonetic]* come back: "Oh, the federal government is onside." You know, that and two bits will get you a cup of coffee, but not any programs. So you have heard that probably as much as I have from this situation.

So, yes, we are on the hook, the people of Manitoba are on the hook for spending above and beyond the Department of Agriculture's \$126.6. I suggest we are in the \$140 to \$150 range now with the Department of Agriculture, and obviously that is some recognition of the hurt out there. I am not just denying all that it is a tale of two cities. Some producers tell me they have never had a better year, and cattle producers have never had a worse year. I know that.

* (17:20)

Mr. Maguire: I guess the question that this brings to my mind is: If it is such a good working program at this particular point, can the First Minister give me any indication of how successful the program has been to date, since it has been implemented, and how many people have actually applied for the program, and how many have actually received funds?

Mr. Doer: There are two separate questions. One is how many have applied, and the second question is how many received funds. I will take the question as notice so I can give an accurate answer. I know the applications are 250-300 a week, but I want to get the accurate number. It will change as we proceed.

Mr. Maguire: Can the Premier give me any indication as to the total uptake of dollars, then, that the program has put out so far, given the fact that he has put a cap of \$100 million on it? Where is it at in relation to uptake?

Mr. Doer: At Cabinet we authorized a low-interest loan program of \$80 million as the first Order-in-Council, with the authority to go to \$100 million. That is the credit authority.

Mr. Maguire: Could I just get the First Minister to repeat the number?

Mr. Doer: The program was announced to have \$100 million. We have already signed a loan program. We have already signed \$80-million loan authority. We have the ability, under Cabinet minutes, to go to the full \$100 million. I will get the answers to the other two questions beforehand. We hear it is making a positive difference out there, but we know there is a lot of uncertainty. When we announced it, we did not say that everything was going to be solved, but that we just think it was one element of dealing with the crunch. We were criticized even for having a lower interest rate for people under 40.

The member from Ste. Rose just pointed out earlier it is the people of 35 to 40 that are really under the crunch. The members opposite did not criticize us. I want to make the point; I will not say who it was. I will not point out at all who it was.

Mr. Chairperson: Point of order being raised by the Government House Leader?

Hon. Gord Mackintosh (Government House Leader): I was just wondering, Mr. Chair, would there be some agreement to have committee rise just for a brief matter of House business?

Mr. Chairperson: Is that agreed? *[Agreed]*

Committee rise. Call in the Speaker.

IN SESSION

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I am just asking if there would be leave of the House to introduce a motion regarding the application of Sessional Orders and the timetabling of the Legislative Assembly.

Mr. Speaker: Is there leave of the House? *[Agreed]*

Mr. Mackintosh: Mr. Speaker, by leave, I move

THAT the following Sessional Orders apply despite any other rule or practice of this House:

September 2003 sittings

1. The House shall sit for a period from September 8 to September 30, 2003.

2. By the usual adjournment hour on September 30, 2003, the business of supply for the 2003-04 fiscal year must be concluded as follows:

(a) by the usual adjournment hour on September 24, all interim, main, capital and supplementary supply resolutions must be put;

(b) by the usual adjournment hour on September 29, both the concurrence motion in the Committee of Supply and the concurrence motion in the House must be put; and

(c) by the usual adjournment hour on September 30, all stages for the passage (including all related motions, three readings and royal assent) of the following bills must be completed:

The Appropriation Act, 2003

The Loan Act, 2003

The Budget Implementation and Tax Statutes Amendment Act, 2003

If the Committee of Supply, the Committee of the Whole, or the House has not concluded any item or stage described above by the required hour and day, the Committee Chairperson or the Speaker, as the case may be, must interrupt the proceedings at the adjournment hour on the stated day and put all questions necessary to dispose of the required items without further debate or recorded vote.

3. No government or private members' resolution or bill, other than those included in the business of supply, may be considered during the September 2003 sittings of the House.

4. Thursday morning sittings of the House during the September 2003 sittings may be used only for the business of supply.

5. On or after September 22, 2003, or after completing consideration of the Estimates, the Government House Leader may announce additional hours of sitting of the House to consider the business of supply.

Subsequent sittings 2003-04

6. The next session of the Assembly must begin on November 20, 2003.

7. The House must sit for eight sitting days in March 2004 (plus any Friday on which the House must sit during a budget debate). On the conclusion of this period, the Speaker must adjourn the House at the usual adjournment hour.

8. The House must resume sitting during the week of April 12 to 15, 2004, and must adjourn no later than June 10, 2004.

Mr. Speaker: It has been moved

An Honourable Member: Dispense.

Mr. Speaker: Dispense.

Mr. Mackintosh: Mr. Speaker, the motion is the result of ongoing discussions amongst the parties represented in the Legislature. I think it represents an attempt at modernizing the sessional calendar of Manitoba. It certainly allows the public to participate in committee hearings to a greater extent, and it allows the parties and MLAs to plan both their political strategies and their workloads around dates. I am very pleased to have worked with the representatives of the opposition parties in arriving at this arrangement.

Mr. Speaker: The hour being past 5:30, the question for the House, is there agreement? *[Agreed]* So the motion is accordingly past.

The hour being past 5:30, this House is now adjourned. It stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, September 8, 2003

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